

Ofgem E-Serve response to comments on our “Feed-in Tariffs: Draft guidance on sustainability criteria and feedstock restrictions”

On 20 February 2017 Ofgem E-Serve published the '[Feed-in Tariffs: Draft guidance on sustainability criteria and feedstock restrictions](#)' for comment. The document was created to provide clear guidance on the introduction of sustainability criteria and feedstock restrictions to anaerobic digestion (AD) installations on FIT from 1 May 2017.

We published the draft guidance for comment to seek views from stakeholders on the clarity and detail of the draft guidance.

The comment period closed on 17 March 2017. We have reviewed all responses and, where appropriate, updated the guidance document. The final version of the document was published on 5 May 2017.

The comment period

We would like to thank all stakeholders who provided comments on the draft guidance. We have used your responses to make changes to the final guidance. Table 1 lists the changes we made and explains why we made them. We received queries which we felt did not require changes to the guidance, but which we have included answers to in Table 2.

Comments on the policy

A number of comments were raised regarding the policy intent, rather than Ofgem E-Serve's administration of the scheme. Ofgem administers the scheme in line with the legislation. Please see the [Government response](#) published by the Department for Business, Energy and Industrial Strategy (BEIS) following the consultation on its [review of support for anaerobic digestion \(AD\) and micro-combined heat and power \(CHP\) installations under the FIT scheme](#) for further information on the policy proposals and intent.

Table 1 - Changes to the guidance

| Section of the final guidance document | What has changed? |
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| Throughout document | Updated text to reflect that the guidance is final, not draft. |
| Throughout document | Minor typing errors corrected. This does not affect the content or meaning of the document. |
| Throughout document | Updated hyperlinks to associated documents that are now available. |

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| p. 4; paragraph 5 | Clarified that generators are responsible for ensuring they're aware of the legislative requirements of the scheme when applying for FIT accreditation. |
| p. 4; paragraph 6 | Clarified that if a situation is not addressed in the guidance document, the legislative framework (including the Feed-in Tariffs Order 2012 (as amended) and Conditions 33 and 34 of the Standard Conditions of Electricity Supply Licences (as modified) will take precedence over the guidance. |
| p. 5; paragraph 1.5 | Clarified that wastes or feedstock wholly derived from waste are deemed to have met the sustainability criteria, and these consignments must be declared as wastes in the quarterly sustainability declarations. |
| p. 6; paragraph 1.7 | Added "(such as a residue or a product)" to provide examples of non-waste fuel classifications. |
| p. 6; paragraph 1.15 | Clarified that it is AD generators submitting a new application for ROO-FIT accreditation on or after 1 May 2017, who will have to comply with sustainability criteria and feedstock restrictions, who will need to complete and submit a Fuel Measurement and Sampling (FMS) questionnaire. |
| p. 7; paragraph 1.17 | Clarified that Ofgem may request records of all feedstocks used for the production of biogas throughout the duration of an installation's accreditation on FIT. |
| p. 7; paragraph 1.20 | Added paragraph on Ofgem's approach to fraud on the FIT scheme. This is consistent with our other guidance documents. |
| p. 9; paragraph 2.6 | Clarified that the Fuel Classification Flow Diagram has been updated and is now available for use on both FIT and RO. |
| p. 11; paragraph 2.20 | Provided example of how the process of collection can be applied in practice. |
| p. 12; paragraph 2.22 | Clarified that any reassessment of the common fuel classification tables would be undertaken with the Renewable Transport Fuels Obligation (RTFO) administrator, Non-Domestic Renewable Heat Incentive (RHI) and the Renewables Obligation (RO) schemes. |
| p. 12; paragraph 2.24 | Clarified that any positions Ofgem take regarding the classification of fuel is only relevant to the sustainability criteria and feedstock restrictions of the schemes Ofgem administers, and is not for external purposes. |
| p. 12; paragraph 2.27 | Clarified that any discussions in respect of fuel classification would happen as part of the accreditation decision or during any subsequent FMS update. |

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| p. 15; paragraph 3.8 | We have removed 'Biomass form (solid biomass only)' from the list of sustainability characteristics of fuels, as it is not applicable to biogas. |
| p. 21; paragraph 4.3 | General rephrasing for clarity. |
| p. 23; paragraph 4.15 | Replaced 'burnt' with 'used to generate electricity'. |
| p. 23; paragraph 4.16 | Clarified that FIT has adopted the same approach as RO and RHI for accepting feedstock weight measurements taken within +/- 3 days of the end of the quarterly period. |
| p. 24; paragraph 4.23 and p. 55; paragraph 10.6 | Clarified that Ofgem's Biogas Apportioning Tool can now be used by FIT and RHI generators. |
| p. 28; Figure 5 | Amended figure |
| p. 29; paragraph 6.8 and p.30; paragraph 6.15 | Provided updated hyperlink to most recent version of BEIS' Woodfuel Advice Note. |
| p. 41; paragraph 7.35 | Clarified that the Department of Energy and Climate Change, who made the decision regarding the range of input data for the actual value method, is now referred to as BEIS. |
| p. 47; paragraph 7.48 | Clarified that the UK Biomass and Biogas Carbon Calculator can also be used by FIT generators. |
| p. 49; paragraphs 8.3 to 8.9 | Clarified the quarterly meter reading requirements. As best practice, we recommend generators take their generation meter readings within a window of +/- 3 days from the start and end dates of each quarterly period. Where a generator submits generation meter readings that were not taken on the start and end of each quarterly period, the amount of electricity generated in that quarterly period shall be determined by pro-rating the amount of electricity generated by reference to the available meter readings. This will be calculated by the FIT licensee. |
| p. 51; paragraph 8.27 | Added to requirements of audit report to match legislation. |
| p. 57; paragraph 11.4 | Clarified that the time frame for Ofgem to contact the generator to inform them of the reasons we believe they're not entitled to FIT generation payments and to provide the opportunity for the generator to make a representation or objection will be assessed on a case-by-case basis, as the legislation does not specify particular timescales. |

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| p. 58; paragraph 11.15 | Added "Payments will be released once the audit report is submitted, provided that it is deemed to meet the audit report requirements explained in Chapter 8". |
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Table 2 - Our response to queries from the consultation

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| 1. What happens if a generator has already received their FIT payments for a quarter where they are later found to be non-compliant? |
| Ofgem will instruct the FIT licensee to adjust the FIT payments accordingly – this may be through recouping the amount the generator is not entitled to, or by reducing the next amount of FIT payments the generator is due to receive. |
| 2. What happens if a generator switches FIT licensee during or after a reporting year which they have been non-compliant in? |
| As outlined in the "Feed-in Tariffs: Guidance for Licensed Electricity Suppliers", the previous FIT Licensee shall be obliged to pay all FIT payments due to the FIT generator up to the date the switch takes place. |
| The new FIT Licensee shall be obliged to pay or adjust all FIT payments from the switch date, including payments that may have to be adjusted due to non-compliance relating to the period before the switch date. |