ofgem e-serve Making a positive difference for energy consumers

Guidance on how to produce an Independent Technical Assurance Report (ITAR) for offgrid and zero export stations

September 2017

ofgem e-serve Making a positive difference for energy consumers

Agenda

- What is an ITAR and why have we asked you to produce one?
- How to produce a good quality ITAR
- Data validation
- Grace Periods and Banked ROCs
- The accreditation process
- Next steps

ofgem e-serve Making a positive difference for energy consumers

What is an ITAR?

- An ITAR contains a review of the key evidence and information regarding your application to the Renewables Obligation, by an independent consultant with appropriate credentials.

- The Consultant's review should take into account evidence to support the following information within your application, including:
    - the capacity of the station,
    - the commissioning date,
    - metering arrangements in place to measure electrical output
    - how the station's electricity is used,
    - site description and nature of the loads using the electricity

ofgem e-serve Making a positive difference for energy consumers

Why have we asked you to produce an ITAR?

- The RO Order requires us to issue ROCs on accurate and reliable information.
- Offgrid and zero export stations have limited third party information and evidence available to support their application commissioning date and subsequent ROC claims.
- In the absence of this other independent information, the ITAR helps to verify the statements made by the operator in their application, and gives us comfort that their station meet the scheme's eligibility requirements.
- The requirement applies to all stations which either do not have an agreement to export to the grid, or have no grid connection at all

ofgem e-serve Making a positive difference for energy consumers

Hints and Tips: how to produce a good quality ITAR

The Basics:

- Ensure the ITAR clearly names the generating station as stated on the Register and also the organisation operating the station.
- Make sure the consultant and author of the assurance report has no relationship with the operator or the installer, to ensure their independence.
- Ensure the information captured in the ITAR is entirely consistent with the information provided on the Renewables & CHP Register e.g. TIC & DNC, commissioning date, meter serial numbers, postcodes and addresses etc.
- The author should refer to evidence and documents reviewed and provide these in appendices (either separately attached, or included and appropriately referenced to in the ITAR itself).
- Please include photos of the site, generating equipment, meters and onsite loads.

ofgem e-serve Making a positive difference for energy consumers

Hints and Tips: how to produce a good quality ITAR

Capacity and onsite loads – make sure to include the following:

- Details of the generating station that has been commissioned, including capacity, make and model and where necessary fuel type.
- A letter on headed paper from the generator manufacturer or installer outlining the TIC and DNC of the generating station. This letter should make reference to the definitions of TIC and DNC set out on p13 of our Guidance for Generators.
- Comments on whether there are any restrictions to the generating capacity such that it would not be capable of running at its rated capacity. Where there are restrictions in place, the report should include an explanation of what these are e.g. contractual (such as via a warranty), or physical, and whether these are permanent or reversible.
- Provide a schedule of onsite loads, an indication of their capacities and a description of the activities giving rise to electrical demand. Please highlight if any of the loads were not in place during commissioning.

ofgem e-serve Making a positive difference for energy consumers

Hints and Tips: how to produce a good quality ITAR

Commissioning – make sure to include the following

- A clear statement on when the consultant considers the station to have commissioned and why, with reference to the definition of 'commissioned' on p13 of our Guidance for Generators .
- A timeline of commissioning activities supported with signed and dated commissioning certificates (including any test sheets) referenced in appendices. See our Guidance on commissioning for further information.
- Photographs showing meter readings on or around the commissioning date
- Half hourly data (or data available at other intervals) showing the generation profile of the station in the period around the commissioning date.
- For stations using fuels information on the fuels used to commission the station. For example, AD biogas, syngas, bioliquids etc. Comment on whether these fuels created on site, or were they brought in specifically to commission the station.

ofgem e-serve Making a positive difference for energy consumers

Hints and Tips: how to produce a good quality ITAR

Type electrical supply – make sure to include the following:

- A clear statement of how the electricity generated by the station is used e.g. onsite by the operator, by a third party, or a combination of both.
- A comment on which organisation(s) use the facilities where the electricity is supplied, including whether any of the facilities are leased out from the operator to other organisations, and if these contain an arrangement for the customer to remunerate the operator for the supply of electricity.
    - If you are struggling to determine whether the electricity is used onsite by the operator or by a third party, we advise you to refer to who is bearing the cost of the electricity.
- If the operator will supply electricity to a third party i.e. an organisation which is not the operator of the station, then within the ITAR, please answer the questions relating to supplying electricity to third party in a permitted way set out in Annex A in slide 15.

ofgem e-serve Making a positive difference for energy consumers

Hints and Tips: how to produce a good quality ITAR

Metering – make sure to include the following:

- A single line diagram showing i) the location of the generating station in relation to the onsite loads, ii) the locations of meters and their details, iii) the station's parasitic loads, iiii) and v) any standby generators
- A comment on whether the metering arrangements are appropriate for determining the station's RO eligible output
- Where there is a standby generator onsite, information on i) its rating, ii) whether it is interlocked, and iii) how any of its output used to supply the generating station is metered.
- Whether the station imports electricity from the grid, and how this is metered.
- If a battery is used onsite, comment on whether it can augment the station's output, re-supply brown power through meters, cause any double-counting of output, or reduce the amount of electricity supplied to onsite loads without this adequately being accounted for. Please also include information and evidence confirming the rated capacity of the battery.

Data Validation

- As part of the station's accreditation application we request that the operator makes arrangements to install a data logger to record electrical output from the meters used to determine the station's RO eligible output.

Data logger Metering– make sure to include the following

- At the time of writing the ITAR, the author should comment on the state-of-play with the operator's arrangements for installing a data logger.
- This should also include what raw electrical output data the metering arrangements at the station are able to produce at the time of writing.

ofgem e-serve Making a positive difference for energy consumers

Other points for consideration

- **Grace periods -** If the station needs to meet grace period criteria to be eligible for the scheme, then the operator should submit this evidence separately to the ITAR. Meeting the grace period criteria is a separate legislative requirement to the ITAR, which applies to all technologies submitting applications after the closure of the scheme to their particular technology.

- **Banked ROCs -** ROCs issued in respect of generation that took place between 1 April 2016 and 31 March 2017 (16/17 ROCs) must be produced to us by suppliers in respect of their Renewables Obligation on or before 1 September 2018. Beyond this date, the ROCs will lose their value, as suppliers cannot use them for compliance purposes. Accordingly, please ensure you have given us enough information early enough to receive accreditation and for ROCs to be issued in advance of this date.

ofgem e-serve Making a positive difference for energy consumers

Other points for consideration

- **Application review -** We will only review offgrid applications once we've received the ITAR.

- **Application review for fuelled stations -** we will only review the station's Fuel Measurement and Sampling (FMS) questionnaire once we have received the ITAR. We recommend that you prepare and submit an FMS questionnaire so that we can start reviewing it as soon as we have your ITAR. Please refer to the fuelled stations and FMS section of our website for further information.

ofgem e-serve Making a positive difference for energy consumers

The accreditation process

Consult relevant guidance materials as linked in this presentation

↓

Compile necessary information required as part of accreditation application.

↓

Submit accreditation application, grace period evidence, ITAR and FMS questionnaire (the latter for fueled stations).

↓

Respond to Ofgem queries on application, ITAR and FMS questionnaire as part of eligibility checks during the technical and final review stages

↓

Once the station is commissioned start to submit monthly output data on the Renewables and CHP Register according to the following timetable

↓

Accreditation received once all eligibility related queries are resolved

↓

ROCs issued according to the following timetable

ofgem e-serve Making a positive difference for energy consumers

Next steps

- Establish a dialogue with a consultant or continue to liaise your consultant, using the presentation as a guide.

- If you've submitted an ITAR but not yet heard back from us then, please contact us at renewable@ofgem.gov.uk, referencing the name of your generating station in the email title.

ofgem e-serve Making a positive difference for energy consumers

Annex A – permitted ways test

List and answer these questions “Yes” or “No” in the ITAR if the operator supplies electricity to a third party.

1. Is the electricity conveyed to premises by a system used for conveying electricity, where ‘premises’ is defined as any land, building or structure?
2. Is the electricity supplied by an operator who does not hold an electricity supply licence and is exempt from the requirement to hold one?
3. Is the electricity supplied either directly by an operator to a customer?
4. Is the electricity supplied from a generating station under 10 MW declared net capacity and not via a local distribution network or the National Grid?

More information on permitted ways can be found on p18 of our Guidance for Generators.