



Making a positive difference
for energy consumers

Email: REDevelopment@ofgem.gov.uk

Date: 14 December 2017

Dear Stakeholder

Publication of Ofgem's Draft Guidance – Guidance for generators: Co-location of electricity storage facilities with renewable generation supported under the Renewables Obligation or Feed-in Tariff schemes

We are writing to inform you that we published today our draft guidance 'Guidance for generators: Co-location of electricity storage facilities with renewable generation supported under the Renewables Obligation or Feed-in Tariff schemes' for an 8 week comment period. This guidance is provided in annex 1 to this letter.

This guidance does not introduce new policy, but provides further clarification to our existing guidance documents for the schemes. It highlights the requirements of the Renewables Obligation (RO) and Feed-in Tariff (FIT) schemes generators will need to satisfy if co-locating storage with their generation.

We invite stakeholders to provide feedback on the draft guidance. The closing date for providing comment is 8 February 2018.

Why have we published this guidance?

The UK energy system is transitioning from a model of large centralised generation and transmission, to a smarter, more flexible and more decentralised system. This will mean flexible, smart technologies like storage will have a greater role. We have seen increasing interest from operators of RO generating stations and owners of FIT installations who are seeking to co-locate storage with renewable generation accredited under the schemes.

The legislative framework underpinning the RO and FIT schemes does not refer to storage, which means it is neither prohibited nor expressly provided for under the schemes. This guidance has been developed to provide clarity to participants about the treatment of storage within the framework of the schemes in anticipation of increased uptake of co-located storage.

Input requested

The purpose of the comment period is to gain your feedback on the clarity of the guidance. When providing comment please consider the following questions:

- Question 1: Are there any aspects of updated sections of this guidance that could be made clearer or improved? If so, please provide specific comments including section references.
- Question 2: Are there any omissions in this guidance? If so, please provide comments.

Request for information regarding 'bi-directional' meters

Through our engagement with stakeholders over the last few months, several participants have identified that 'bi-directional' meters, may have a role for FIT installations with co-located storage. These are meters, which are capable of measuring input and output, and calculating and displaying a net value.

We would like to know more information about these types of meters available and would like to take this opportunity to invite stakeholders to provide information about these meters. In particular, we would like to know the following:

- Question 1: All meters used to measure generation of export for FIT payment purposes must comply with specific metering legislation set out in Schedule A to Standard Condition 33 of the Electricity Supply Licence. Are bi-directional meters able to meet this requirement?
- Question 2: What is your understanding of the capability of 'bi-directional' meters? Is there a common understanding throughout the industry or are you aware of some variation in how this term is used?
- Question 3: What information do these meters measure and record and how is the net calculation performed?

Request for information regarding the uptake of co-located storage

We are also interested in deepening our understanding of the scale of the potential interest in installing co-located storage with renewable generation accredited under the RO or FIT schemes. If you are planning to co-locate storage with your generation, we would be grateful if you could tell us:

- Question 1: What stage are you currently at in the process to install storage?
- Question 2: What is the capacity of the storage you are considering or planning to co-locate with your generation?
- Question 3: What is your estimated timeline for installing and commissioning the storage facility?

We will treat any information you provide to us about your potential installation confidentially.

How to respond

Responses should be sent to either:

REDevelopment@ofgem.gov.uk , or

RE Development Team
Ofgem
9 Millbank,
London SW1P 3GE

We are holding workshops in Glasgow (Thursday 11 January) and London (Tuesday 16 January), as well as a webinar on Wednesday 17 January. You are welcome to come and discuss the guidance at these workshops, although you are still encouraged to submit your comments in writing. If you would like to attend one of these events, please sign up by email to REDevelopment@ofgem.gov.uk by Friday 5 January. Due to limited space, we will need to limit attendance to 1 person per organisation. However, we will establish a waiting list of

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additional attendees and contact them if more space is available. We will confirm times and locations by email; if you have any further queries, please email us.

If you want your response to be kept confidential, please clearly, mark the document/s to that effect and include your reasons for requesting confidentiality. (However, this may be subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004).

Next steps

Once we have considered the responses to this comment period we will publish the final guidance document.

Yours sincerely,

Renewable Electricity Development Team

Annex 1: Draft Guidance for generators: Co-location of electricity storage facilities with renewable generation supported under the Renewables Obligation or Feed-in Tariff schemes.