

Renewable Electricity

[www.ofgem.gov.uk/ro](http://www.ofgem.gov.uk/ro)  
[www.ofgem.gov.uk/fits](http://www.ofgem.gov.uk/fits)

# **Guidance for generators: Co-location of electricity storage facilities with renewable generation supported under the Renewables Obligation or Feed-in Tariff schemes (Version 1)**

## Overview

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This document provides guidance for participants of the Renewables Obligation (RO) and Feed-in Tariffs (FIT) schemes who are considering co-locating electricity storage facilities with their accredited RO generating station or FIT installation. A co-located storage is one which is located with a renewable generating station or installation. This guidance has been developed to provide clarity to participants about the treatment of storage facilities within the framework of the schemes in anticipation of increased uptake of co-located storage.

The guidance highlights the requirements of the RO and FIT schemes that are most relevant for co-located storage. It explains the key principles that will apply in assessing accreditation applications and amendments to applications with co-located storage. It also provides some example scenarios to illustrate how the requirements of the schemes and these key principles may be met. However, this guidance is non-exhaustive and the examples provided are not intended to cover every possible approach to co-locating storage. It is important to note that each application will be assessed case by case against the requirements of each scheme as set out in the respective legislative frameworks.

This guidance is limited to the requirements and our administration of the RO and FIT schemes, it does not cover issues relating to co-located storage beyond this. **This document is guidance only and is not intended to be a definitive legal guide. Generators should seek their own legal and technical advice before making any changes to their generating station or installation, or investment decisions.**

## Context

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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 is changing the way that energy is generated, distributed and consumed. As part of this, the sector is increasingly considering the role of energy storage in homes and businesses, on the distribution network, and importantly for our administration of the environmental schemes, co-located with generating stations or installations.

The Renewables Obligation (RO) is designed to support large scale renewable electricity projects in Great Britain (GB), and both large and small-scale renewable electricity projects in Northern Ireland. The scheme came into effect in England, Wales and Scotland in 2002 and in Northern Ireland in 2005. From 1 April 2017, the RO closed to new capacity (subject to certain grace periods). The Feed-in Tariffs (FIT) scheme was introduced on 1 April 2010 and is designed to support small scale renewable and low carbon technologies up to a total installed capacity of 5 MW in GB.

The Department for Business, Energy and Industrial Strategy (BEIS), the Scottish Government and the Department for the Economy in Northern Ireland (DfE) are responsible for developing the policy underpinning the RO scheme. BEIS is responsible for developing the policy underpinning the FIT scheme. This includes setting support levels, establishing the legislative framework and making amendments to the legislation.

The RO and FIT schemes are administered by the Gas and Electricity Markets Authority ('the Authority') with its day-to-day functions performed by its office ('Ofgem'). We administer the Northern Ireland Renewables Obligation (NIRO) in accordance with the NIRO Order on behalf of the Northern Ireland Authority for Utility Regulation (NIAUR) under an Agency Services Agreement.

## Associated documents

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Readers should be aware of the following documents which are relevant to this publication:

### Legislation

All legislation can be found at [www.legislation.gov.uk](http://www.legislation.gov.uk)

- For the RO scheme
  - The Renewables Obligation Order 2015 (as amended)
  - The Renewables Obligation (Scotland) Order 2009 (as amended)
  - The Renewables Obligation Order (Northern Ireland) 2009 (as amended)
  - The RO Closure Orders
- For the FIT scheme
  - The Feed-in Tariffs Order 2012 (as amended)
  - Conditions 33 and 34 of the Standard Conditions of Electricity Supply Licences: <https://epr.ofgem.gov.uk/Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf>

### Guidance

All guidance on the RO is available at [www.ofgem.gov.uk/ro](http://www.ofgem.gov.uk/ro).

- Renewables Obligation: Guidance for Generators
- Renewables and CHP Register - System User Guide (April 2015)
- Renewables Obligation: Closure of the scheme in England, Scotland and Wales
- Northern Ireland Renewables Obligation: Closure of the scheme
- Renewables Obligation: Closure of the scheme to large-scale solar PV
- Renewables Obligation: Closure of the scheme to small-scale solar PV
- Renewables Obligation: Closure of the scheme to onshore wind in England, Scotland and Wales
- Northern Ireland Renewables Obligation: Closure of the scheme to large-scale onshore wind
- Northern Ireland Renewables Obligation: Closure of the scheme to small-scale onshore wind

All guidance on the FIT is available at [www.ofgem.gov.uk/fit](http://www.ofgem.gov.uk/fit).

- Feed-in Tariffs: Guidance for Renewable Installations
- Feed-in Tariffs: Guidance for Licensed Electricity Suppliers
- Essential Guide to applying for preliminary accreditation under FIT
- Essential Guide to applying for ROO-FIT Accreditation

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## Executive summary

As the energy system transitions to become more decentralised and flexible, smart technologies like storage will play a greater role. As part of this, there is increasing interest from operators of renewable generating stations and installations who are seeking to co-locate storage facilities with renewable generation accredited under the RO and FIT schemes.

The legislation underpinning the RO and FIT schemes does not refer to or define storage or storage facilities. This means that the co-location of storage with accredited renewable generation is neither expressly prohibited nor expressly provided for under the schemes.

**However, we consider that where the requirements of the schemes continue to be met, storage can be deployed and the accreditation of RO generating stations or FIT installations can remain valid under the existing legislative framework.**

It is possible that co-locating storage may impact the eligibility of an accredited RO generating station or FIT installation to receive continued support under the schemes, or may alter the amount of support received. **Generators should consider carefully the requirements of the scheme to ensure their proposed configuration does not adversely affect their ability to receive support under the schemes.**

There are four overarching principles that operators of RO generating stations or owners of FIT installations should consider when thinking about co-locating storage with generation accredited under the schemes. These are:

1. Co-located storage does not change generators' obligations to comply with the RO and FIT scheme requirements.
2. Generators can only receive support for eligible renewable electricity generated by an accredited RO generating station or FIT installation.
3. Installing storage will not alter the Total Installed Capacity of the RO generating station or FIT installation.
4. The schemes' eligibility requirements are not changed by the type of storage technology.

Chapter 3 sets out guidelines specific to the RO and chapter 4 sets out guidelines specific to the FIT scheme. They include details of how generators should give notice of co-located storage installed with their generation; this is required as with any change to an accredited RO generating station or FIT installation or the way in which support under the scheme is to be claimed.

**This guidance considers storage only in so far as it is relevant to the RO and FIT schemes. It does not consider any matters outside of the treatment of storage under the schemes and is not intended to be a definitive technical or legal guide to the RO or FIT schemes. Generators should seek their own independent legal and technical advice before making any changes to their generating station or installation, or investment decisions. This document is not exhaustive and does not anticipate every scenario which may arise. If a scenario arises that is not addressed in this guidance,**

**we will act in a way that is consistent with the relevant scheme's legislative requirements.**

# 1. Introduction

1.1. In July, we published our joint plan with the Government, 'Upgrading our Energy System: Smart Systems and Flexibility Plan'.<sup>1</sup> The Plan set out the actions Government and Ofgem are taking to remove barriers to smart technologies, including storage, enabling smart homes and businesses and making markets work flexibly. As one of the new technologies emerging, and with costs now falling rapidly, storage has potential to play an increasing role in our energy system. As part of this, there is increasing interest from renewable generators who are seeking to co-locate storage with renewables.

1.2. Storage is not defined within the legislation underpinning the RO or the FIT schemes. This means that the co-location of electricity storage facilities with accredited generating stations or installations, or those applying for accreditation, is neither expressly prohibited nor expressly provided for under the schemes. **Therefore, where the requirements of the scheme continue to be met, storage can be deployed and the accreditation of RO generating stations or FIT installations can remain valid under the existing legislative framework.**

1.3. This document has been published to provide guidance to operators of generating stations and owners of installations accredited under the RO or FIT schemes (or those applying for accreditation for the FIT or for the RO under relevant grace periods), who wish to co-locate storage. In this document where we refer to a generating station or installation, we mean a generating station or installation that is, or is to be, an accredited RO generating station or an accredited FIT installation respectively. This guidance identifies some key principles which participants should follow when considering the co-location of storage with their renewable generation.

1.4. We have provided some example scenarios, which we consider either do or do not satisfy the requirements of the schemes. These scenarios have been informed by our engagement with participants to date and those scenarios we consider likely to be pursued. We may review this guidance from time to time and update it to add further scenarios. We will publish any additional guidance on our website. The scenarios included within this guidance consider fixed storage devices only. If a mobile storage device were to be co-located with a generating station or installation the same principles would apply, but we would need to assess this case by case once the change has been made and notified to us.

1.5. Accredited RO generating stations or FIT installations are required to give notice of co-located storage in the same way they are required to notify any changes to the generating station or installation, or the way in which support under the scheme is to be claimed (details of the process for notifying these changes are provided in chapters 3 and 4). This allows us, and where relevant the FIT licensee, to review the change and ensure that the station or installation continues to be eligible under the relevant scheme. When reviewing changes, our focus will be to establish whether the station or installation continues to meet all relevant eligibility requirements and whether the information provided is accurate and up to date. We will also check whether the electricity generated is still used or supplied in such a way that it remains eligible for support under the scheme and ensure that support is not issued for ineligible generation.

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<sup>1</sup> <https://www.ofgem.gov.uk/publications-and-updates/upgrading-our-energy-system-smart-systems-and-flexibility-plan>

1.6. The RO and FIT legislation does not provide for a process for generators to obtain prior assurance from us that intended changes to co-locate storage will not impact a station's accreditation. We will assess such changes case by case once the change has been made and notified to us.<sup>2</sup>

1.7. We may withdraw the accreditation for an RO generating station<sup>3</sup> or FIT installation<sup>4</sup> in a number of circumstances. These include:

- For the RO scheme:
  - a) where there has been a material change in circumstances since the accreditation was granted
  - b) where any condition of accreditation has not been complied with
  - c) where we have reason to believe that the information that the decision to grant the accreditation was based on was incorrect in a way that makes the station ineligible
  - d) where there has been a change in the applicable legislation since the preliminary accreditation was granted such that, had the application for preliminary accreditation been made after the change, it would not have been granted, and
  - e) where there has been a change in applicable legislation since the accreditation was granted such that, in our opinion, the station to which the accreditation relates is no longer likely to generate electricity that Renewable Obligation Certificates (ROCs) may be issued on.
- For the FIT scheme:
  - a) where the decision to grant accreditation or preliminary accreditation was based on incorrect information
  - b) where any condition attached to an accreditation has not been complied with
  - c) where the installation has been extended or modified in a way that stops it from being entitled to accreditation, and
  - d) where we are notified by a relevant authority that the construction or operation of a **FIT installation** is in breach of legislation, a licence or a consent (for example a planning authority notifies us that an installation has not been granted planning permission).

1.8. Choosing to co-locate storage with an accredited RO generating station or FIT installation may have impact the amount of support that the generator receives under the scheme. For example, if the amount of eligible renewable generation decreases or if the metering configuration used impacts eligibility to claim support under the scheme the amount of support received may decrease. If storage is installed in such a way that the accreditation of

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<sup>2</sup> More detail on our processes for assessing amended applications and material changes to a generating station are provided on pages 32-34 of the [Renewable Obligation: Guidance for Generators](#) and Chapter 4 of the [Feed-in Tariff: Guidance for installations](#).

<sup>3</sup> Information on withdrawing a station's accreditation is set out on page 39 of the RO: Guidance for Generators [https://www.ofgem.gov.uk/system/files/docs/2017/03/ro\\_guidance\\_for\\_generators-130317.pdf](https://www.ofgem.gov.uk/system/files/docs/2017/03/ro_guidance_for_generators-130317.pdf)

<sup>4</sup> Information on withdrawing an installation's accreditation is set out in Chapter 5 of the FIT: Guidance for Renewable Installations <https://www.ofgem.gov.uk/publications-and-updates/feed-tariffs-guidance-renewable-installations-version-12>



the generating station or installation is not affected, but the generating station or installation is not entitled to continue receiving support, there may be scope for the changes to be reversed and eligibility for support can resume. Any decision of this nature will be made case by case. Generators should consider this impact on the amount of support they can claim before taking investment decisions.

**1.9. This document is not exhaustive and does not anticipate every scenario which may arise. If a scenario arises that is not addressed in this guidance, we will act in a way that is consistent with the legislation.**

## 2. Principles for co-locating storage with renewable generation

2.1. Despite the different requirements of the RO and FIT schemes (discussed in more detail in sections 3 and 4), we consider there are a number of overarching principles which apply when storage is co-located with an accredited RO generating station or FIT installation. These overarching principles are listed below and discussed in more detail in the following paragraphs.

1. Co-located storage does not change generators' obligations to comply with the RO and FIT scheme requirements.
2. Generators will only receive support for eligible renewable electricity generated by an accredited RO generating station or FIT installation.
3. Installing storage will not alter the Total Installed Capacity of the RO generating station or FIT installation.
4. The schemes' eligibility requirements are not changed by the type of storage technology.

### Co-located storage does not change generators' obligations to comply with the RO and FIT scheme requirements

2.2. For the duration of the support term, accredited generating stations or installations need to maintain compliance with all scheme eligibility requirements. The scheme requirements are not altered by the co-location of storage with an accredited generating station or installation. However, as generators apply to amend their accreditation they will need to provide additional evidence or answer further questions to enable us to be satisfied that ROCs may be issued, or FIT payments made, in respect of the electricity generated, used and/or exported. The evidence provided by the operator of a generating station or owner of an installation must satisfy us that the scheme requirements have been met, consequently we may ask for more details if necessary.

2.3. Each application will be assessed, once the change has been made and notified to us, against the legislative requirements of the scheme.<sup>5</sup>

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<sup>5</sup> More detail on our processes for assessing amended applications and material changes to a generating station are provided on pages 32-34 of the Renewable Obligation: Guidance for Generators and Chapter 4 of the Feed-in Tariff: Guidance for Renewable Installations.

[https://www.ofgem.gov.uk/system/files/docs/2017/03/ro\\_guidance\\_for\\_generators-130317.pdf](https://www.ofgem.gov.uk/system/files/docs/2017/03/ro_guidance_for_generators-130317.pdf)

<https://www.ofgem.gov.uk/publications-and-updates/feed-tariffs-guidance-renewable-installations-version-12>

## Only eligible renewable electricity generated will receive support

2.4. When storage is co-located there must be no risk that support is claimed for, and issued upon, electricity that was not generated by the accredited generating station or installation. Such electricity includes:

- electricity produced by a standby generator or auxiliary power supply
- electricity imported from the grid, or
- electricity produced by other non-accredited renewable generation.

2.5. Chapters 3 and 4 set out in more detail the specific requirements for each scheme.

## Impact on the Total Installed Capacity

2.6. For the purposes of the RO and FIT schemes, we consider that in most cases a co-located storage facility would not be considered part of the RO generating station or the FIT installation. This is because storage is not directly referenced as an eligible generating technology under either of the RO or FIT schemes, and in most cases, the storage facility will not be essential to the operation of the generating station or installation. Therefore, in most cases, the co-located storage will not affect the Total Installed Capacity (TIC) or Declared Net Capacity (DNC) of the generating station or installation.

2.7. There may be some generating stations or installations where a small-scale storage facility provides a key function to the operation of that station (for example, an off-grid generating station where a battery which is charged when the station is running to provide electricity for auxiliary loads and start up).<sup>6</sup> For these stations, the DNC may be affected. However, we do not consider this will be the case for the majority of co-located storage.

2.8. The distinction we make between an accredited RO generating station or accredited FIT installation and a co-located storage facility in this guidance is specifically for the purposes of the RO and FIT schemes. This distinction may not be applicable or appropriate for other purposes or contexts, such as in planning.

## Scheme's eligibility requirements are not changed by the type of storage technology

2.9. We do not consider that the type of storage technology to be co-located with the renewable generating station or installation will affect our assessment on the availability of support for any eligible electricity generated. In effect, our assessment is "technology neutral" in relation to storage.

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<sup>6</sup> Chapter 2 of the RO Guidance for Generators, discusses eligibility and what constitutes a generating station in more detail. [https://www.ofgem.gov.uk/system/files/docs/2017/03/ro\\_guidance\\_for\\_generators-130317.pdf](https://www.ofgem.gov.uk/system/files/docs/2017/03/ro_guidance_for_generators-130317.pdf)

2.10. This guidance focuses on storage technologies which convert the stored energy back to an electrical energy output. This is because with these technologies it is important to be satisfied that the metering arrangements ensure that electricity from ineligible sources does not augment the meter readings for the generating station or installation.

2.11. Storage technologies which convert electrical energy into a form of energy which can be stored and used to produce a non-electrical output can be considered as on-site loads for the purposes for the RO and FIT schemes (unless the output is used for a purpose linked to the station).

2.12. Similarly, we do not consider there to be any limitation to the particular renewable or low-carbon generation technologies which storage could be co-located with as long as the generation technology is eligible for support under the schemes.

### Other considerations for co-locating storage

2.13. Although the scheme requirements remain the same there may be some additional considerations, which generators planning to install co-located storage with their generation station or installation may need to consider. These may include, but may not be limited to, the following areas.

#### Renewable Energy Guarantees of Origin

2.14. Generators accredited under the Renewable Energy Guarantees of Origin (REGOs) scheme receive one REGO certificate for every MWh of eligible renewable electricity generated. As REGOs are claimed on gross renewable electricity generation, we do not consider a generating station's REGO accreditation will be affected by the installation of co-located storage but the ability to claim REGOs may be affected. We consider the four key principles for co-located storage will also apply to REGOs.

#### Dual scheme facility

2.15. A dual scheme facility is a RO generating station that receives support under more than one scheme. For example, a station where some capacity is accredited and supported by the RO and some is supported under a Contract for Difference (CfD).<sup>7</sup>

2.16. Generators should consider the requirements of both schemes when considering co-locating storage with their generating station and how the electricity generated by the station will be measured and used to supply the storage facility.<sup>8</sup>

#### Capacity Market

2.17. Operators may not receive support for the same generating capacity under both the RO scheme and the Capacity Market (CM) and a clear choice between schemes must be made.

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<sup>7</sup> <https://www.gov.uk/government/publications/contracts-for-difference/contract-for-difference>

<sup>8</sup> Further information about dual scheme facilities accredited under the RO is set out on pages 22-24 and appendix 4 of the Renewable Obligation: Guidance for Generators  
[https://www.ofgem.gov.uk/system/files/docs/2017/03/ro\\_guidance\\_for\\_generators-130317.pdf](https://www.ofgem.gov.uk/system/files/docs/2017/03/ro_guidance_for_generators-130317.pdf)

2.18. It may be possible for a storage co-located with, or supplied by, a renewable generating station or installation accredited under the RO or FIT schemes to participate in the CM<sup>9</sup> without affecting scheme accreditation. However, this may depend upon the particular arrangements generators decide to pursue.

2.19. The CM is administered by National Grid in their role as Electricity Market Reform Delivery Body.<sup>10</sup> Generators should seek independent technical and legal advice on any arrangements they are considering.

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<sup>9</sup> <https://www.gov.uk/government/collections/electricity-market-reform-capacity-market>

<sup>10</sup> <https://www.emrdeliverybody.com/cm/home.aspx>

## 3. Co-locating storage with RO accredited generating stations

### Requirements for co-located storage under the RO scheme

3.1. Renewables Obligation Certificates (ROCs) can be issued for the net renewable generation from an accredited RO generating station which is supplied to customers in Great Britain or Northern Ireland (GB or NI) or has been used in a permitted way as prescribed in the scheme legislation. RO generating stations with co-located storage will need to demonstrate that they continue to meet these requirements once the storage has been installed in order for ROCs to be issued.

#### Permitted ways

3.2. If the electricity generated by an accredited RO generating station is not supplied to customers in GB or NI, then the operator must demonstrate that it is used in a 'permitted way'.<sup>11</sup> This requires that the electricity generated by an accredited station is either:<sup>12</sup>

- a) consumed by the operator of the generating station(s) that generated it
- b) supplied to customers in GB or NI through a private wire network
- c) exported to a distribution system or transmission system in circumstances in which its supply to customers cannot not be demonstrated
- d) used in any combination of any of the above uses, or
- e) used partly in any combination of any of the above uses with the remainder being supplied to customers in GB or NI.

3.3. For accredited generating stations with co-located storage facilities, where the electricity has ceased to be wholly supplied to customers in GB or NI as a result of the storage facility being installed, the operators of these stations will need to demonstrate which of the permitted ways requirements are met in order for ROCs to be issued.

#### Eligible on-site use

3.4. Where a co-located storage is used to meet any on-site demand that is not associated with the generating station, the electricity generated by the accredited RO generating station and supplied to the storage may be eligible for ROCs. This may be the case, for example, where the storage enables on-site demand to be met by electricity generated by the station when the peak demand occurs later than the generation.

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<sup>11</sup> Permitted ways are set out in Section 32B(10) of the Electricity Act 1989, article 54(8) of the Energy Order for Northern Ireland, and in article 17 of the Renewable Obligations Order 2015 for England and Wales and article 16 of the Renewables Obligation Scotland Order 2009 and the Renewables Obligation Northern Ireland Order 2009.

<sup>12</sup> The RO Guidance for Generators sets out in detail the requirements RO accredited generating stations must satisfy to demonstrate the electricity is used in a way, which is eligible to receive ROCs and how they must do this.

3.5. To claim ROCs in respect of on-site use, the operator of the generating station will need to describe what the electricity is for and ensure they can show that they have appropriate metering in place as part of the application. They will also need to sign a 'permitted ways' declaration and submit this to us each year. This is done through the Register.

3.6. On-site use in the context of a co-located storage facility is seen in example Scenarios 3.1, 3.2, 3.3, 3.5 and 3.6.

### **Private wire supply**

3.7. The operator of the generating station may claim ROCs for renewable electricity supplied to a storage facility by a licence exempt distribution network or a 'private wire' arrangement. To do so, the operator of the generating station will need to describe what the electricity is used for and ensure they have appropriate metering in place as part of the application, they will also need to sign a 'permitted ways' declaration and submit this to us each year.

3.8. To claim ROCs for electricity generated and supplied to a storage facility via a private wire, the operator must also be able to demonstrate that this supply satisfies the criteria for private wire supply set out in scheme legislation.<sup>13</sup> To assess whether these criteria have been met so ROCs can be issued, applicants will need to demonstrate:

- a) that a private wire is in place
- b) a power purchase agreement (PPA) is in place
- c) the electricity is supplied to premises, and
- d) the generator is exempt from holding an electricity supply licence, and one of the licence exemptions can be identified.<sup>14</sup>

3.9. Private wire supply in the context of a co-located storage facility is seen in example Scenario 3.4 on page 19.

### **Net renewable generation**

3.10. Under the RO, only the net renewable electricity generated by an accredited generating station and used in a way that is prescribed by the RO legislation is eligible to receive ROCs. Electricity used to operate the station, known as input electricity, (either imported, generated by the generating station or standby generation) must always be reported, and if greater than

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<sup>13</sup> Section 32B(11) of the EA 1989; article 17 of the Renewable Obligations Order 2015 for England and Wales (ROO); article 16 of the Renewables Obligation Scotland Order 2009 (ROS); Article 54(8) of the Energy Order for Northern Ireland (NIRO); article 16 of the Renewables Obligation Scotland Order 2009 and the Renewables Obligation Northern Ireland Order 2009.

<sup>14</sup> In GB <http://www.legislation.gov.uk/uksi/2001/3270/schedule/4/made>,  
in Northern Ireland <http://www.legislation.gov.uk/nisr/2013/93/schedule/3/made>

0.5% of the station's total output will be deducted from the total generation before ROCs are issued.

3.11. The net renewable generation is defined in the RO Orders as:<sup>15</sup>

***Net renewable generation = (Gross output – input electricity) x Renewable qualifying percentage***

3.12. The metering set up must allow the operator of a generating station to accurately measure the output of the generating station as well as any input electricity.

3.13. As co-located storage will generally not be considered to form a part of the RO accredited generating station, the metering arrangements will need to ensure that electricity from ineligible sources does not augment the meter readings for the station. This will ensure the net generation from the RO generating station can continue to be accurately measured. This is particularly important if the storage facility can also be charged by other sources of electricity which are not eligible for support under the RO (such as electricity imported from the grid or generated by excluded/unsupported capacity<sup>16</sup>).

3.14. Operators of generating stations should keep appropriate records of meter readings for audit purposes, to provide assurance of the number of ROCs claimed.<sup>17</sup>

## Example scenarios of storage co-located with accredited RO generating stations

3.15. As the key requirements discussed in the previous section make clear, accredited RO generating stations with co-located storage may continue to claim ROCs if:

- the net generation from an accredited RO generating station can be accurately measured, **and**
- the electricity generated by the station is supplied to customers in GB or NI or has been used in a permitted way as prescribed in the scheme legislation.

3.16. In this section, we provide some example scenarios of accredited RO generating stations with co-located storage which illustrate how the requirements of the RO scheme may be met. We have used wind and solar photovoltaic (PV) generating stations as examples, but any eligible renewable technology under the scheme could be used. These examples are not exhaustive and scheme participants may wish to put forward variations on these approaches. We recognise that there are additional considerations for operators when developing system configuration, such as transformer losses etc, but these examples are designed to illustrate some of the main considerations for co-located storage. Applications will be assessed case by

<sup>15</sup> Article 29 of the ROO, article 25 of the ROS, and article 23 of the NIRO.

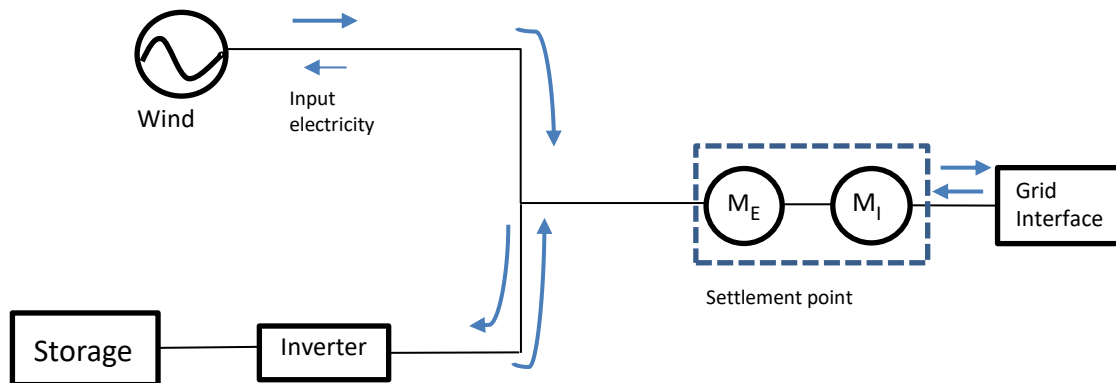
<sup>16</sup> In England, Scotland and Wales new capacity added to a RO generating station after the closure of the scheme is 'excluded capacity'. Unlike the ROO and the ROS, NI legislation does not define 'NIRO capacity' or 'excluded capacity'. For clarity, we refer to all capacity that is not eligible for NIROCs as unsupported capacity.

<sup>17</sup> The RO Guidance for Generators sets out our approach to auditing, it states that operators of generating stations should keep appropriate records for at least six years so that they can provide a full audit trail at the time of audit.



case against the requirements of the scheme legislation once a change has been made and notified to us.

### Scenario 3.1: RO generating station with co-located storage, which maintains the existing metering points



3.17. In this scenario, storage has been co-located with the existing RO generating station. There have been no changes to the metering point previously used, before the storage facility was installed. The storage facility can be charged by electricity produced by the generating station, as well as by electricity imported from the grid that passes through the import meter.

- The electricity generated by the accredited RO generated station is used on-site, to supply the storage facility, and exported to the grid to be supplied to customers in GB or NI.
- The export meter,  $M_E$ , measures the total export of both the generating station and the storage facility.
- The import meter,  $M_I$ , measures the electricity imported from the grid, this will include any imported electricity supplied to the generating station, as input electricity, and any imported electricity used to charge the storage facility.

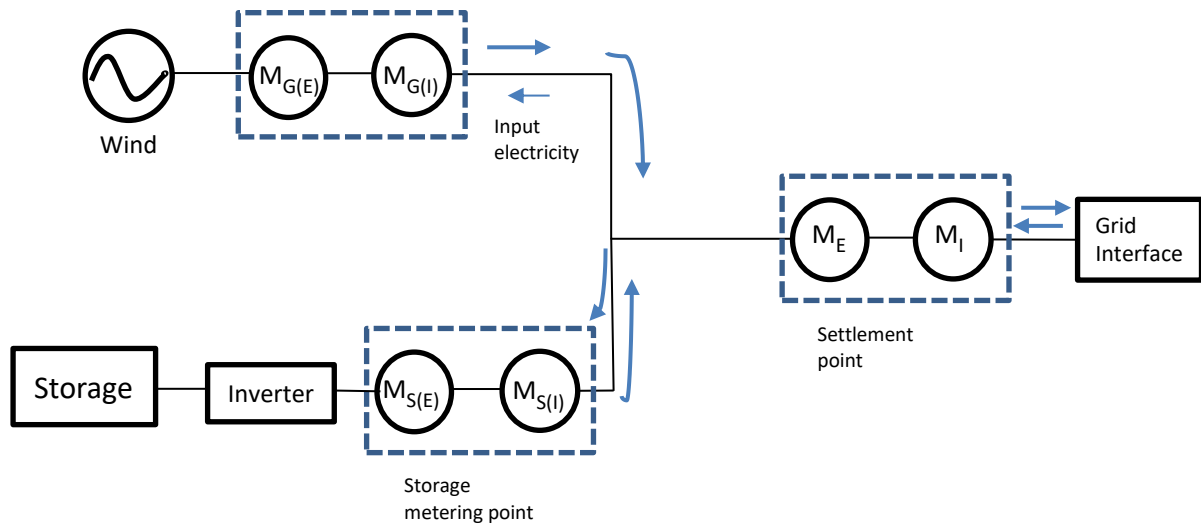
3.18. The net generation for the station can be calculated by the following formula:

$$\text{Net generation} = \text{Total output generation} - \text{Total imported electricity}$$

$$\text{Net generation} = M_E - M_I$$

3.19. **In summary:** Both of the key requirements of the RO scheme (summarised in paragraph 3.15) are satisfied in this storage co-location scenario. On this basis **ROCs can be claimed** for the net generation, as calculated above, provided other scheme requirements are met.

### Scenario 3.2: RO generating station with co-located storage, with dedicated metering for storage and generation



3.20. In this scenario, storage has been co-located with the existing RO generation station. Dedicated meters have been introduced for the generating station and storage, in addition to the metering already in place at the settlement point. The storage facility can be charged by electricity generated by the RO generating station, as well as electricity imported from the grid that passes through the import meter.

- The electricity generated by the accredited RO generated station is used on-site, to supply the storage facility, and also exported to the licensed network to be supplied to customers in GB or NI.
- The generation meter,  $M_{G(E)}$ , measures the total output of the RO generating station.
- The generation import meter,  $M_{G(I)}$ , measures the input electricity to the RO generating station. This may be imported from the grid or provided by the storage facility.
- The storage export meter,  $M_{S(E)}$ , measures the total output of the storage facility. The storage import meter,  $M_{S(I)}$ , measures the total imported electricity to the storage facility; this may be imported from the grid or supplied by the RO generating station. This meter is used to provide a check. The operator should retain records of these meter readings for audit purposes, and to provide assurance of the number of ROCs claimed.
- The export meter,  $M_E$ , measures the total export from both the RO generation station and the storage facility. This meter reading may also be used to provide a check to validate the ROCs claimed.
- The import meter,  $M_I$ , measures the electricity imported from the grid. This may be used to charge the storage facility or to provide input electricity to the RO generating station.

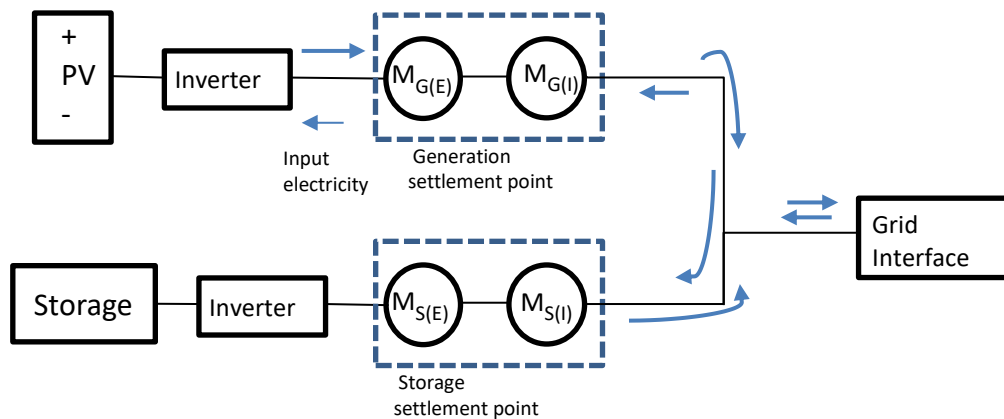
3.21. The net generation of the RO generating station can be calculated using the formula below:

Net generation = Total generation - Total input electricity to the generating station

$$\text{Net generation} = M_{G(E)} - M_{G(I)}$$

3.22. **In summary:** Both of the key requirements of the RO scheme (summarised in paragraph 3.15) are satisfied in this storage co-location scenario. On this basis **ROCs can be claimed** for the net generation, as calculated above, provided other scheme requirements are met.

### Scenario 3.3: RO generating station with co-located storage with separate settlement metering units



3.23. In this scenario, co-located storage has been installed with the RO generating station, the settlement metering point for the generating station has been relocated, so there are dedicated settlement meters for both the storage facility and the generating station. This may be accomplished by ensuring both the generation and the storage facility have separate meter point administration numbers (MPANs) or separate balancing mechanism units (BMUs).<sup>18</sup> The storage facility can be charged by electricity generated by the RO generating station, as well as electricity imported from the grid that passes through the storage import meter.

- The electricity exported by the generating station is either used on-site, to supply the storage facility or supplied to customers in GB or NI and purchased through a power purchase agreement (PPA).
- The generation meter,  $M_{G(E)}$ , measures the total output of the RO generating station.

<sup>18</sup> National Grid Electricity System Operator has published online an informal guidance note on the current treatment of co-located transmission connections, for industry consultation.

<https://www.nationalgrid.com/sites/default/files/documents/DRAFT%20Co-location%20Informal%20Guidance%20Note%20-%20Consultation.pdf>

The Energy Network Association are working to develop similar guidance on the current treatment of co-located distribution connections through the ENA Open Networks Project.

<http://www.energynetworks.org/electricity/futures/energy-storage/energy-storage-overview.html>

- The import meter,  $M_{G(I)}$ , measures the input electricity to the RO generating station, this may be supplied by the storage facility or electricity imported from the grid.
- The storage meter,  $M_{S(E)}$ , measures the total output of the storage facility. The storage import meter,  $M_{S(I)}$ , measures the electricity imported to charge the storage facility from the RO generating station and the grid. These meters will be used by the storage facility for settlement purposes.

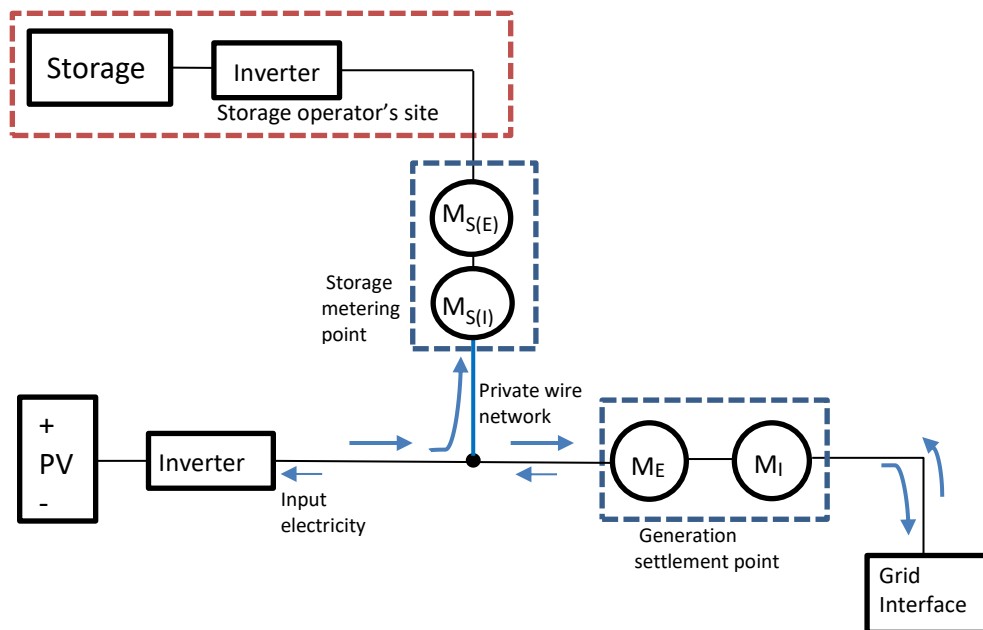
3.24. The net generation of the RO generating station can be calculated using the formula below:

$$\text{Net generation} = \text{Total output generation} - \text{Total imported electricity}$$

$$\text{Net generation} = M_{G(E)} - M_{G(I)}$$

3.25. **In summary:** Both of the key requirements of the RO scheme are satisfied in this storage co-location scenario. On this basis **ROCs can be claimed** for the net generation, as calculated above, provided other scheme requirements are met.

### Scenario 3.4: RO generating station with co-located storage supplied by private wire



3.26. In this scenario, co-located storage has been installed and is supplied by the generating station via a private wire network.

- The RO generating station supplies a portion of its generation to its customer's storage facility via the private wire, under the terms of a PPA. The remainder of the generating station's output is exported to the grid to supply customers in GB or NI.
- The export meter,  $M_E$ , measures the total output of the RO generating station exported to the grid.

- The generating station import meter,  $M_I$ , measures the electricity imported from the grid to provide input electricity to the RO generating station, or supplied to the storage facility.
- The storage import meter,  $M_{S(I)}$ , measures the electricity supplied to the storage facility from the RO generating station or from the grid.
- The storage export meter,  $M_{S(E)}$ , measures the output of the storage facility (if any) supplied to the RO generating station.

3.27. The net generation of the RO generating station can be calculated using the formula below:

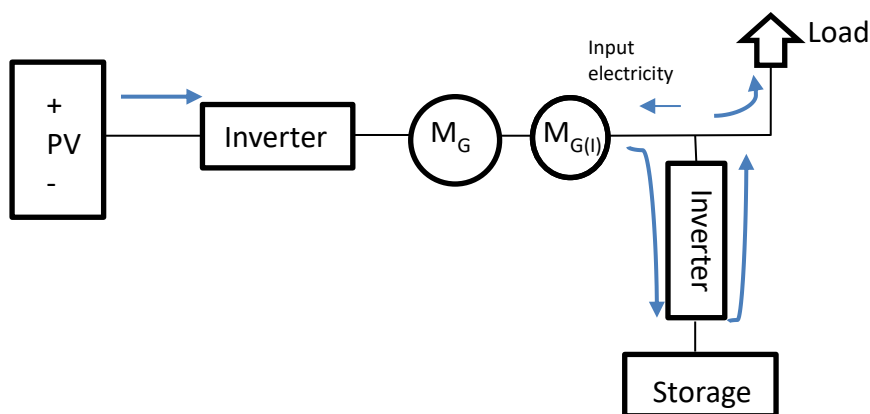
Net generation = Total output generation – Total imported electricity

$$\text{Net generation} = (M_E + M_{S(I)}) - (M_I + M_{S(E)})$$

3.28. This scenario uses the electricity generated by the generating station in a combination of ways, as described in paragraph 3.2.e). The electricity exported to the grid from the RO generating station satisfies the requirement of supplying to customers within GB or NI. The proportion of electricity supplied to the storage facility via a private wire can be considered to be used in a permitted way, if the legislative requirements are satisfied, as demonstrated in the diagram above.

3.29. **In summary:** Both of the key requirements of the RO scheme are satisfied in this storage co-location scenario. On this basis **ROCs can be claimed** for the net generation (as calculated above at 3.27) provided other scheme requirements are met.

### Scenario 3.5: Off-grid RO generating station with co-located storage



3.30. In this scenario, co-located storage has been installed on the site of the RO generating station to help meet the on-site demand load. The storage facility can only be charged by the electricity produced by the generating station. There is no grid interface.

- As the electricity generated by the RO generating station is used to meet on-site demands, it is clear that the electricity is being used in a permitted way. In other words, this electricity is consumed by the operator of the generating station.
- The generation meter,  $M_G$ , measures the total output of the RO generating station.
- The import meter,  $M_{G(I)}$ , measures the input electricity to the RO generating station, this may be supplied by the storage facility.

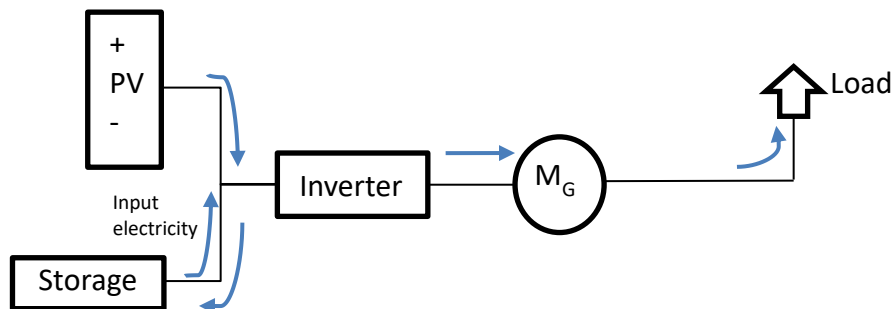
3.31. The net generation of the RO generating station can be calculated using the formula below:

$$\text{Net generation} = \text{Total generation export} - \text{Total input electricity}$$

$$\text{Net generation} = M_G - M_{G(I)}$$

3.32. **In summary:** Both of the key requirements of the RO scheme are satisfied in this storage co-location scenario. On this basis **ROCs can be claimed** for the net generation, (as calculated above at 3.31) provided other scheme requirements are met.

### Scenario 3.6: Off-grid RO generating station, where storage is part of the generating station



3.33. In this scenario a small-scale battery storage facility has been installed as part of the RO generating station, this provides input electricity to power the inverter in the early morning, before the station starts to generate. The storage may also be used to help meet the on-site demand load. The storage facility can only be charged by the electricity produced by the generating station. There is no grid interface.

- As the electricity generated by the RO generating station is used to meet on-site demands, it is clear that the electricity is being used in a permitted way. In other words, this electricity is consumed by the operator of the generating station.
- The battery storage facility is used to supply the input electricity to the generating station; this will have been previously supplied by the generating station.
- The generation meter,  $M_G$ , measures the total output of the RO generating station, less the electricity used by the generating station. This is the net generation.

3.34. As the battery storage facility is installed before the generation meter and forms part of the generating station, the generation meter reading  $M_G$  provides the net generation of the RO generating station:

Net generation = Total generation export

**Net generation =  $M_G$**

3.35. **In summary:** Both of the key requirements of the RO scheme are satisfied in this scenario. On this basis **ROCs can be claimed** for the net generation, (as calculated above in paragraph 3.34) provided other scheme requirements are met.

## Notifying us of changes to an accredited RO generating station

3.36. Once a generating station has been accredited under the RO, the operator is required to notify us of any changes made to the generating station, the way in which ROCs are to be claimed or the fuel used. Installing co-located storage is such a change. Any such changes must be notified to us within two weeks of the alteration occurring, in line with the conditions of accreditation and the information declaration signed annually. This can be done on the Register and the process for doing this is outlined in the 'RO Guidance for Generators'.

3.37. When notifying us of any changes made to the generating station as a result of installing co-located storage, the key information we will need to see to assess the impact of that change on the generating station's eligibility to receive ROCs under the scheme include:

- an updated single line diagram (SLD) showing the storage facility and the metering arrangements
- updated information about the meters used for the calculation of net generation from the generating station
- evidence of the date the storage facility was installed and became operational, and
- an updated technical description of the generating station, the co-located storage and the way the electricity generated by the station will be used. This will include an updated and signed a 'permitted ways' declaration, if relevant, and any necessary evidence in respect of private wire arrangements.

## 4. Co-locating storage with accredited FIT installations

### Requirements for co-located storage under the FIT scheme

- 4.1. All accreditation decisions are made case by case against the requirements of the legislative framework. For Microgeneration Certification Scheme (MCS), small-scale installations with a DNC of 50kW or less, a FIT licensee would need to be satisfied that this was the case. For ROO-FIT installations, large-scale installations with a DNC over 50kW or any hydro or anaerobic digestion installations, we are responsible for making this decision.
- 4.2. Owners of FIT installations must satisfy ongoing metering requirements to be able to receive support payments. The FIT scheme does not permit using multiple meters to measure any electricity imported, to calculate net generation or export. In this chapter, we set out the requirements which are most relevant for co-located storage.
- 4.3. There are two elements to the support payments the owner of an accredited FIT installation can receive: **generation payments** and **export payments**, if relevant for the installation.
- 4.4. FIT generation payments are made based on the total generation produced by an installation. A generation meter is normally located close to the point of generation and measures the electricity generated solely by the accredited FIT installation.
- 4.5. FIT export payments in respect of electricity exported from a FIT installation can be based on either:
- a) **Deemed Export** – For accredited FIT installations with a TIC of 30kW or less, the amount of electricity exported may be deemed as a percentage of the amount of electricity generated by the installation. For micro CHP, AD, solar PV and wind, the percentage is 50%, for hydro it is 75%,<sup>19</sup> or
  - b) **Metered Export** – Accredited FIT installations that are not entitled to claim deemed export may only receive metered export payments for electricity generated by their installation and exported to the grid based on an export meter reading. The export meter must be able to measure the amount of electricity exported solely by the accredited FIT installation.
- 4.6. Alternatively, FIT installation owners can decide to opt out of receiving FIT export payments and may seek to sell their exported electricity through a power purchase agreement (PPA) or similar commercial arrangements.

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<sup>19</sup> Deemed export is calculated based on the generation meter reading with reference to the methodology set out in a determination by the Secretary of State published at the beginning of each FIT year.

<https://www.gov.uk/government/publications/feed-in-tariffs-fits-determinations>



4.7. Any meter used to record generation or export for FIT payment purposes must be an approved meter and comply with specific metering legislation.<sup>20</sup> The National Measurements Office (NMO) approves meters on Ofgem's behalf, where the maximum demand exceeds 100kW. It also approves any modifications to existing meters that were originally approved before the Measuring Instruments (Active Electrical Energy Meters) Regulations 2006 (the MI (AEEM) Regulations)<sup>21</sup> were implemented.

## Generation metering requirements

4.8. FIT licensees should only make FIT generation payments for the electricity generated by an Accredited FIT Installation, calculated by reference to the applicable generation tariff and generation meter readings – ie measurements taken by a generation meter of the gross amount of electricity generated by an accredited FIT installation.

4.9. Where storage is co-located with an accredited FIT installation, generation payments can be made if the FIT licensee can be satisfied that the generation meter only measures electricity generated by the FIT installation and not from other sources. This is particularly important for installations where the storage can also be charged by electricity imported from the grid and is installed before the generation meter. The generation meter reading cannot be calculated using separate input and output meters to calculate a net output value. Scenarios 4.1, 4.2, 4.3, 4.5, 4.6, 4.7, 4.8, 4.9 and 4.10 in this chapter provide examples of generation meter arrangements that would satisfy this requirement.

4.10. We consider that it is possible for FIT operators with co-located storage to satisfy the requirement for generation payments to be made in two different ways;

- **The configuration of the installation:**
  - If the storage facility can only be charged by the FIT installation or the storage facility is installed after the generation meter, then it would be clear that the generation meter only measures generation from the accredited FIT installation.
  - Examples of this are illustrated in scenarios 4.1, 4.3, 4.6, 4.7, 4.8, 4.9 and 4.10, although we recognise there could be other approaches that meet this requirement.
- **The choice of generation meter:**
  - The generation meter must be capable of measuring the electricity generated by the accredited FIT installation only. Payments cannot be made for electricity generated by an ineligible source.
  - However, this measurement must be undertaken by a single meter that can perform a net calculation. Using multiple meters to calculate a net output value is not permitted.
  - This approach is shown in scenarios 4.2 and 4.5.

4.11. If it is not possible to be satisfied that the generation meter produces a reading of the electricity generated only by the FIT installation, then the generator will not be entitled to receive generation payments. Scenario 4.4 provides an example of installing co-located

<sup>20</sup> The definition of "metering legislation" can be found in Schedule A to Standard Condition 33 of the Electricity Supply Licence.

<sup>21</sup> These regulations implement part of the Measuring Instruments Directive (MID) into UK legislation.

storage with a FIT installation where this requirement is not met and payments may not be made.

### Deemed export requirements

4.12. Accredited FIT installations with a TIC of 30kW or less, where it is not possible or practical for export to be measured via an export meter, may receive deemed export payments. Deemed export payments are calculated by multiplying the generation meter reading for the FIT installation, by a percentage, specific to the type of generating technology (for micro CHP, AD, solar PV and wind this factor is 50%, for hydro this is 75%).

4.13. As deemed export payments are calculated using the generation meter reading, where it is possible to be satisfied the generation meter measures only the generation from the accredited FIT installation, deemed export payments can be made. This remains the case for FIT installations with co-located storage. Scenario 4.1 and 4.2 provide examples of where deemed export can be claimed for a FIT installation with co-located storage.

### Metered export requirements

4.14. FIT licensees should only make metered export payments against an export meter reading which measures electricity that is generated by an accredited FIT installation and flows onto the grid. Such payments must be calculated with reference to the export meter reading only and cannot be calculated using separate input and output meters to calculate a net output value.

4.15. Where storage is co-located with an accredited FIT installation, metered export payments can be made if the FIT licensee can be satisfied that the export meter only measures electricity exported by the FIT installation and not from other sources. This is particularly important for installations where the storage can also be charged by electricity imported from the grid. Scenarios 4.6, 4.8 and 4.9 in this chapter provide examples of installations that would satisfy this requirement.

4.16. We consider that it is possible for FIT operators with co-located storage to satisfy the requirement for metered export payments to be made in two ways;

- **The configuration of the installation:**
  - If the storage can only be charged by the FIT installation then it would be clear that the export meter only measures generation from the accredited installation.
  - This approach is shown in scenario 4.6 although we recognise there could be other approaches which can meet this requirement.
- **The choice of export meter:**
  - The export meter must be capable of measuring the electricity exported by the accredited FIT installation only.
  - However, this measurement must be undertaken by a single meter that can perform a net calculation. Using multiple meters to calculate the net export is not permitted.
  - This approach is shown in scenario 4.8.

## Bi-directional meters

4.17. “Bi-directional meters” are meters which are capable of measuring input and output, and calculating a net value. In this chapter we have set out some scenarios which demonstrate in principle how bi-directional meters could be installed to meet the metering requirements. All meters used for FIT payment purposes will be considered independently and must satisfy the following criteria:

- The meter must be an approved meter<sup>22</sup> and comply with specific metering legislation, as described in paragraph 4.7, and
- The meter must be capable of measuring input and output electricity, and calculating and displaying a net value, which is equivalent to the generation or export meter reading of the FIT installation only.

4.18. FIT installation owners considering installing a “bi-directional meter(s)” should note that FIT meter readings taken using such meters will be calculated by the meter on the difference between each month’s import and export readings. This differs from the meter readings taken by standard meters, which measure and record the generation and/or export of the FIT installation on a cumulative basis. If the difference between import and export in one month is negative, zero FITs payments could be claimed.

4.19. Where storage is co-located and it is not possible to identify whether the export meter measures export from the accredited FIT installation or another ineligible source, such as stored electricity imported from the grid or another generation source, the generator will not be entitled to export payments. However, generators of such installations may secure other revenue streams, such as a power purchase agreement (PPA) or similar commercial arrangements to continue receiving revenue from the electricity they are able to export.

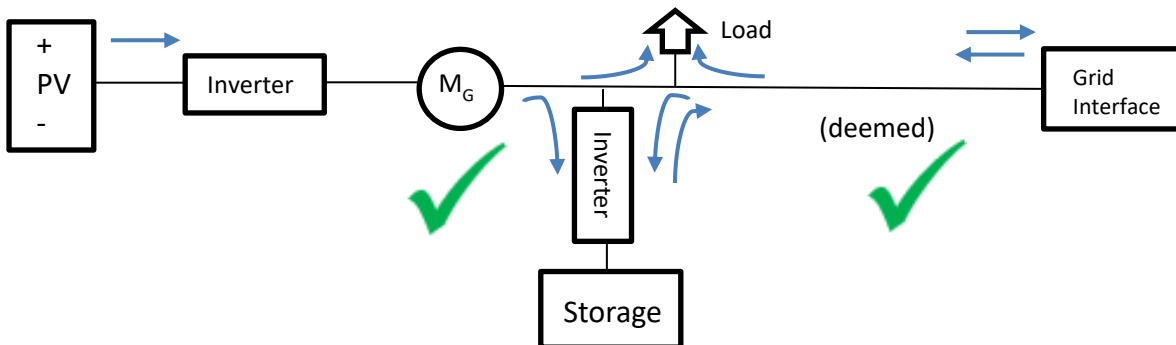
## Example scenarios of storage co-located with accredited FIT generating stations

4.20. In this section, we provide some example scenarios of accredited FIT installations with co-located storage that we consider satisfy the requirements of the scheme. These examples are non-exhaustive and we consider that participants could implement variations on these approaches.

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<sup>22</sup> <https://www.gov.uk/guidance/electricity-meters-feed-in-tariff-fit-scheme#approved-meters>

### Scenario 4.1: Deemed export FIT installation with co-located storage installed after the generation meter



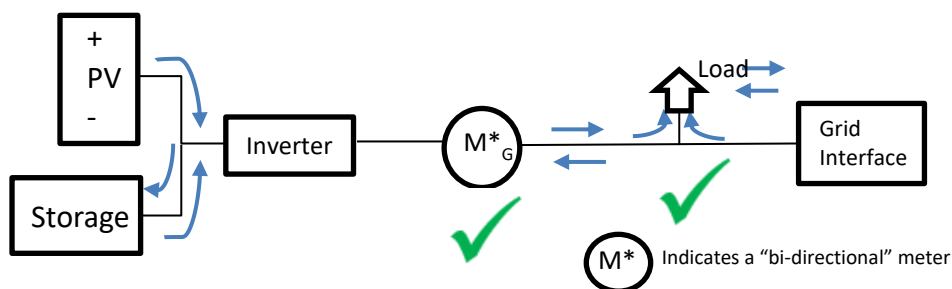
4.21. In this scenario the co-located storage is installed after the generation meter, this configuration is sometimes referred to as being “AC coupled”. It is assumed that the requirements to qualify for deemed export are met.<sup>23</sup> The storage can be charged by both electricity generated by the FIT installation and electricity imported from the grid. The storage facility is able to supply any on-site demand and can export to the grid.

4.22. The requirements for generation metering can be met where the generation meter only measures the generation output of the FIT installation. On this basis, generation payments can be made.

4.23. The generation metering requirements are met, so on this basis deemed export payments could be made.

4.24. **In summary both generation payments and deemed export payments could be made.**

### Scenario 4.2: Deemed export FIT installation with co-located storage installed before the generation meter, with bi-directional meter



<sup>23</sup> These requirements to receive deemed export are discussed in more detail in Chapter 7 of the [Feed-in Tariff: Guidance for Licensed Electricity Suppliers](#).

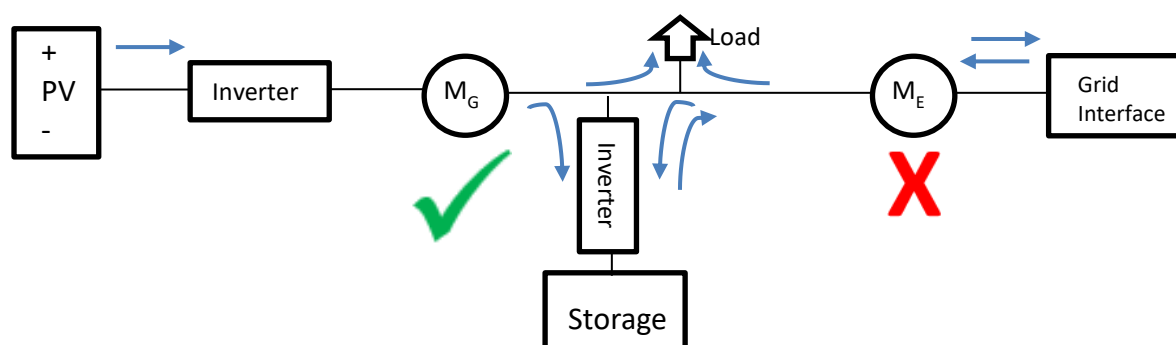
4.25. In this scenario, the co-located storage is installed before the generation meter and shares an inverter with the solar PV FIT installation, this configuration is sometimes referred to as “DC coupled”. It is assumed that the requirements to qualify for deemed export are met.<sup>24</sup> The generation meter is a “bi-directional meter” – which is capable of measuring input and output, and calculating and displaying a net value. The storage can be charged by both electricity generated by the FIT installation and electricity imported from grid. The storage facility is able to supply the on-site demand load and can also export to the grid.

4.26. The requirements for generation payments would be met where the generation meter is an approved meter and can isolate the amount of renewable electricity generated by the FIT installation only. Here, the generation meter would measure generation output from both the FIT installation and the storage facility and any imported electricity used to charge the storage. In this scenario, the meter can measure the net generation output which corresponds to the amount of electricity generated by the FIT installation. This means even though the storage can be charged by a mix of eligible and ineligible electricity, the meter here can isolate the portion eligible to receive support. On this basis, generation payments could be made.

4.27. Deemed export payments can be made as generation meter requirements are met.

4.28. **In summary both generation payments and deemed export payments could be made.**

### Scenario 4.3: Metered export FIT installation with co-located storage installed after the generation meter



4.29. In this scenario the co-located storage is installed after the generation meter, this configuration is sometimes referred to as being “AC coupled”. The generation meter and export meter are meters which are not capable of measuring a net value. The storage can be charged by both electricity generated by the FIT installation and electricity imported from the grid. The storage facility is able to supply any on-site demand and can export to the grid.

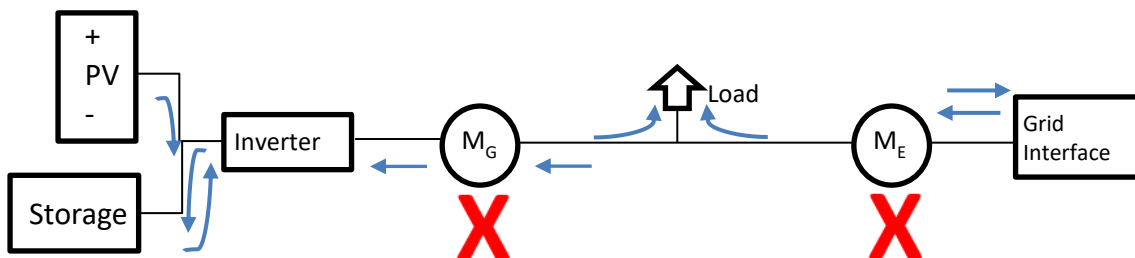
4.30. The requirements for generation metering can be met where the generation meter only measures the generation output of the FIT installation. On this basis, generation payments can be made.

<sup>24</sup> These requirements to receive deemed export are discussed in more detail on page 66 of the [Feed-in Tariff: Guidance for Licensed Electricity Suppliers](#).

4.31. However, the requirements for export metering would not be met where the export meter cannot isolate the amount of electricity that is exported by the FIT installation. Here, the export meter will measure the total export, comprising export from the FIT installation and export from the storage facility, but as the storage can be charged from grid supplied electricity, not all of the total export will be eligible to receive support. On this basis, no metered export payments can be made.

4.32. **In summary generation payments could be made, but no metered export payments could be made.**

#### Scenario 4.4: Metered export FIT installation with with co-located storage installed before the generation meter



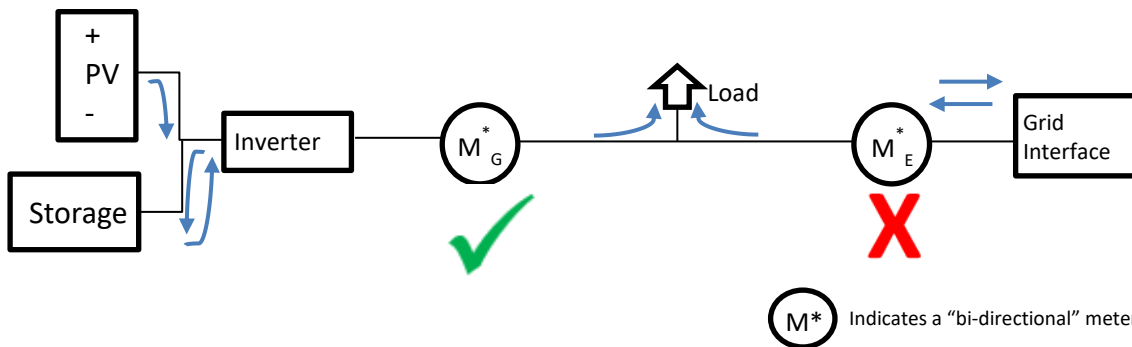
4.33. In this scenario the co-located storage is installed before the generation meter and shares an inverter with the solar PV FIT installation, this configuration is sometimes referred to as "DC coupled". Both the generation meter and export meter are meters which are not capable of measuring a net value. The storage can be charged by both electricity generated by the FIT installation and electricity imported from grid. The storage facility is able to supply the on-site demand and can also export to the grid.

4.34. The requirements for generation metering would not be met where the generation meter cannot isolate the amount of electricity generated by the FIT installation. Here, the generation meter would measure generation output from both the FIT installation and the storage facility. As the storage can be charged from grid supplied electricity, not all of this total generation output will be eligible to receive support. On this basis, no generation payments can be made.

4.35. Similarly, the requirements for export metering would not be met where the export meter cannot isolate the amount of electricity exported only from the FIT installation. Here, the export meter would measure the total export, comprising export from the FIT installation and export from the storage facility, but as the storage can be charged from grid supplied electricity, not all of this total export will be eligible to receive support. Therefore, no metered export payments can be made.

4.36. **In summary neither generation payments nor metered export payments could be made.**

### Scenario 4.5: Metered export FIT installation with co-located storage installed before the generation meter and with “bi-directional” meters



4.37. In this scenario, the co-located storage is installed before the generation meter and shares an inverter with the PV FIT installation, sometimes referred to as “DC coupled”. Both the generation meter and export meter are “bi-directional meters”, which are capable of measuring input and output, and calculating and displaying a net value. The storage can be charged by both electricity generated by the FIT installation and electricity imported from the grid. The storage facility is able to supply the on-site demand load and can also export to the grid.

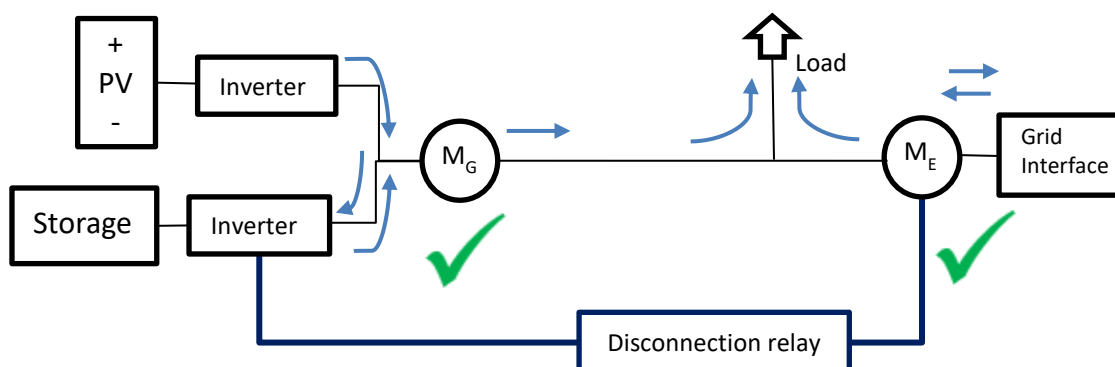
4.38. The requirements for generation metering can be met where the generation meter can isolate the amount of electricity generated by the FIT installation. Here, the generation meter would measure generation output from both the FIT installation and the storage facility, and the imported electricity used to charge the storage. In this scenario, the meter can measure the net generation output which corresponds to the amount of electricity generated by the FIT installation. This means even though the storage can be charged by a mix of eligible and ineligible electricity, the meter here can isolate the portion eligible to receive support. On this basis, generation payments could be made.

4.39. The requirements for export metering would not be met where the export meter cannot isolate the amount of electricity exported by the FIT installation. Here, the export meter can measure the net export, comprising the combined export from the FIT installation and from the storage facility, and the total imported electricity from the grid.

4.40. However, in this scenario, the presence of the on-site load (which would draw electricity from the grid, the FIT installation and the storage facility) means that the export meter alone cannot distinguish the amount of imported electricity that is used to meet the on-site demand and the amount used to charge the storage. This means that although the export meter is capable of calculating a net export value, this net value would not correspond to the export solely from the FIT installation, but to a mix of electricity exported from eligible and ineligible sources. A single export meter could not isolate the export from the FIT installation. On this basis metered export payments cannot be made.

**4.41. In summary generation payments could be made, but no metered export payments can be made.**

### Scenario 4.6: Metered export FIT installation with co-located storage, charged only by the FIT installation.



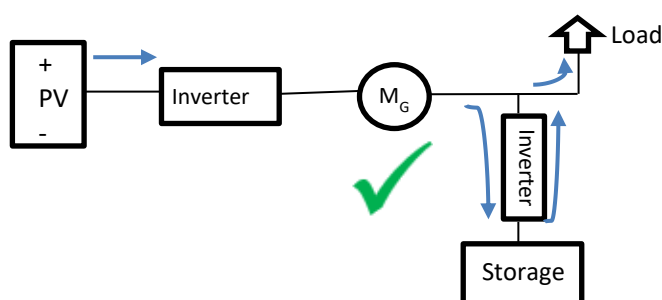
4.42. In this scenario, the co-located storage is installed before the generation meter. The configuration of the site means that the storage can only be charged by electricity generated by the FIT installation. There may be other ways a generator could configure an installation to achieve the same effect. In this example, a disconnection relay is used. The disconnection relay prevents the storage from charging whenever there is import from the grid; this allows the storage facility to supply the on-site demand load and also export to the grid (but not import and store electricity from the grid). The generation meter and export meter are meters which are not capable of calculating a net value.

4.43. The requirements for generation metering can be met where the generation meter can isolate the amount of electricity generated by the FIT installation. Here, the generation meter would measure generation output from both the FIT installation and the storage facility, but as the storage facility can only be charged by the installation, all generation measured is electricity that is generated by the installation. On this basis, generation payments can be made.

4.44. The requirements for export metering can be met where the export meter can isolate the amount of electricity exported by the FIT installation. Here, the export meter would measure the total export, all of which is export from the FIT installation. On this basis, metered export payments can be made.

**4.45. In summary both generation payments and metered export payments can be made.**

### Scenario 4.7: Off-grid FIT installation with co-located storage.



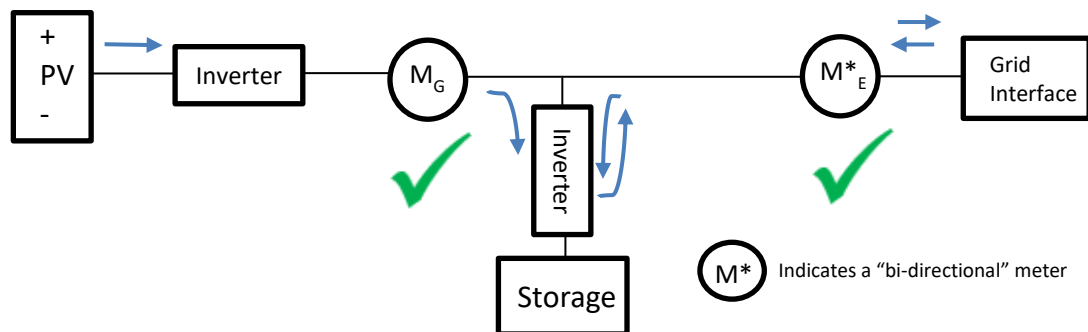


4.46. In this off-grid scenario the co-located storage is installed after the generation meter, the generation meter is a meter which is not capable of measuring a net value. The storage can be charged only by electricity generated by the FIT installation. The storage facility is able to help supply the on-site demand.

4.47. The requirements for generation metering can be met where the generation meter would measure only the generation output of the FIT installation. Here, the generation meter clearly does that. On this basis, generation payments can be made.

4.48. **In summary generation payments can be made.**

### Scenario 4.8: Metered export, stand alone FIT installation with co-located storage.



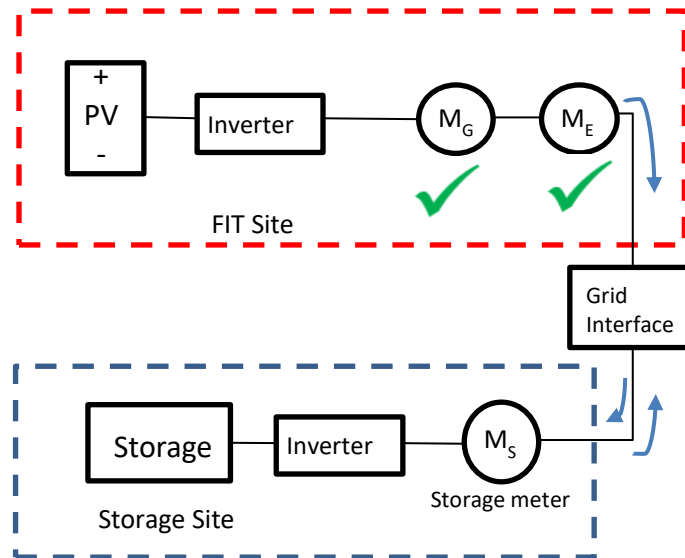
4.49. In this scenario the co-located storage is installed after the generation meter, the site is a stand alone installation and does not have an on-site load (beyond the auxiliary load of the installation). The export meter is a "bi-directional meter", which is capable of measuring a net value. The storage can be charged by both electricity generated by the FIT installation and electricity imported from grid, and can export to the grid.

4.50. The requirements for generation metering can be met where the generation meter would measure only the generation output of the FIT installation. Here, the meter clearly does that. On this basis, generation payments can be made.

4.51. The requirements for export metering can be met where the export meter can isolate the amount of electricity exported by the FIT installation. Here, the export meter would measure the total export, comprising the combined export from the FIT installation and from the storage facility as well as measuring the total imported electricity from the grid. As there is no on-site load in this scenario, the export meter calculates a net output which corresponds to the amount of electricity exported by the FIT installation. On this basis, metered export payments can be made.

4.52. **In summary both generation payments and metered export payments can be made.**

### Scenario 4.9: Metered export, stand alone FIT installation with co-located storage with separate settlement metering units



4.53. In this scenario the co-located storage has been installed in close proximity to the FIT installation (for example at the same address and Ordnance Survey (OS) grid reference). The FIT installation and the storage have independent grid connection points and independent import/export metering (with associated MPANs). There are no electrical or mechanical interactions between the FIT installation and the storage. For the purposes of the FIT scheme the installation and the storage would be considered to be on separate Sites.<sup>25</sup> All the electricity generated by the FIT installation is exported. The storage facility can be charged by electricity imported from the grid.

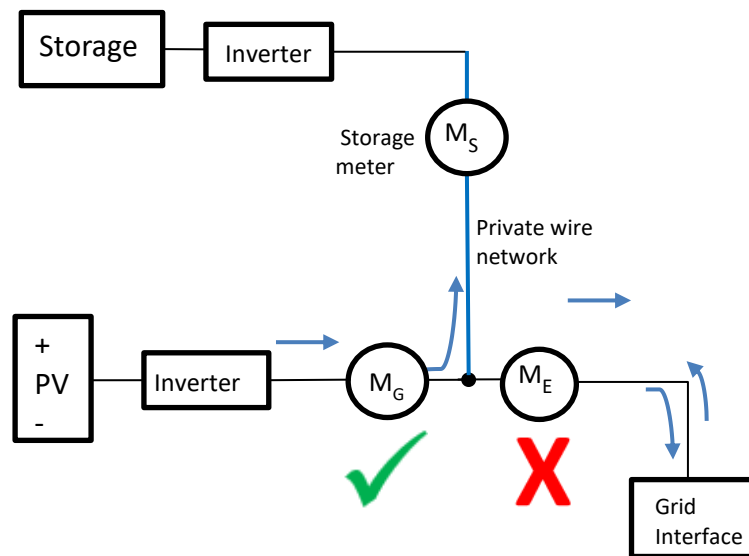
4.54. The requirements for generation metering can be met where the generation meter would measure only the generation output of the FIT installation. Here, the generation meter clearly does that. On this basis, generation payments can be made.

4.55. The requirements for export metering can be met where the export meter can isolate the amount of electricity exported by the FIT installation. Here, the export meter clearly does that. On this basis, metered export payments can be made.

**4.56. In summary both generation payments and metered export payments can be made.**

<sup>25</sup> More information on the definition of a FIT Site is provided in chapter 3 of our 'Feed-in Tariffs: Guidance for Renewable Installations'. <https://www.ofgem.gov.uk/publications-and-updates/feed-tariffs-guidance-renewable-installations-version-12>

### Scenario 4.10: Metered export, stand alone FIT installation with co-located storage supplied by private wire.



4.57. In this scenario, co-located storage has been installed and is supplied by the generating station via a private wire network. The FIT installation and the storage share an export meter. The electricity generated by the FIT installation is either supplied to the storage facility or exported to the grid. The storage facility is also able to import electricity from the grid.

4.58. The requirements for generation metering can be met where the generation meter would measure only the generation output of the FIT installation. Here, the generation meter clearly does that. On this basis, generation payments can be made.

4.59. However, the requirements for export metering would not be met where the export meter cannot isolate the amount of electricity that is exported by the FIT installation. Here, the export meter will measure the total export, comprising export from the FIT installation and export from the storage facility, but as the storage can be charged from grid supplied electricity, not all of the total export will be eligible to receive support. On this basis, no metered export payments can be made.

4.60. **In summary generation payments could be made, but no metered export payments could be made.**

## Notifying changes to an accredited FIT installation

4.61. As with other changes to a FIT installation, co-locating storage with the FIT installation should be reported to the FIT Licensee, in accordance with the requirement within the Statement of FIT Terms. ROO-FIT installations should also ensure this is reflected as an amendment to the ROO-FIT accreditation application.

4.62. This is important to ensure the information held about each FIT installation is accurate and up to date for assurance and audit purposes. This will include reviewing the installation's accreditation conditions, assessing the eligibility of an installation to receive FIT payments and the level of payments claimed.

4.63. When notifying the change, to co-locate storage we consider generators will need to provide the FIT Licensee, and where relevant Ofgem, with the following information:

- an updated single line or schematic diagram to identify how the electricity from the installation is provided to the storage facility and the metering arrangements in place
- details of the meter readings used to claim the FIT payments, and
- details of the storage facility installed, including the date the storage facility was installed and became operational, and supporting evidence.