

# Feed-in Tariff Update

This newsletter is the first in a series of quarterly updates on the Feed-in Tariff (FIT) scheme, giving the latest figures for the total number of units that are now participating. It also gives statistics on the first three months of the scheme's operation (1 April – 30 June 2010).



## Key Facts

- ▶ Figures up to 9 September 2010 show that 9,350 units are now registered to participate – this includes both units that have been newly installed since the FIT scheme went live on 1 April and installations that were previously claiming payments under the Renewables Obligation
- ▶ 2,771 new renewable installations registered between 1 April 2010 and 30 June 2010 representing 15.2 MW of total installed capacity
- ▶ £182,059 total payments made to generators between 1 April - 30 June 2010

## What is the Feed-in Tariff scheme?

The FIT scheme is an environmental programme introduced by the Government on 1 April 2010 to promote widespread uptake of a range of small-scale renewable and low-carbon electricity generation technologies. The scheme was designed to open up low-carbon electricity generation beyond the traditional energy companies by making it more cost effective for communities and householders to buy and install renewable generation units.

The scheme requires participating licensed electricity suppliers (FIT Licensees) to pay a generation tariff to small-scale low-carbon generators for electricity generated and

an export tariff where such electricity is also exported to the national grid. It is applicable to a number of technologies including solar photovoltaic, wind, hydro, and anaerobic digestion, up to a maximum capacity of 5MW, and micro-CHP up to 2kW.

FIT Licensees perform the main customer-facing role for this scheme: registering eligible installations, processing generation data and making payments. Ofgem E-Serve is responsible for running the behind the scenes administration of the FIT scheme.

The FIT scheme is one of a number of environmental programmes which Ofgem E-Serve administers on behalf of the Government. Typically, Ofgem E-Serve administers these schemes for less than 1 per cent of the total programme cost.

## Feed-in Tariff Activity 1 April – 30 June 2010

In April, 425 installations registered with FIT Licensees to receive FITs. As illustrated in **Table 1**, of the 425 installations registered in April, more than 95 per cent were of photovoltaic technology. Other technologies registered were hydro and wind.

In May, the number of installations more than doubled to 908. The majority were of photovoltaic technology. In June the rate of registered installations increased further, bringing the monthly total to 1,438. As in previous months, the largest increase was in photovoltaic installations. Also, the number of wind installations more than doubled since April.

The total installed capacity of all registered installation was 15.2 MW at the end of the first quarter of the scheme.

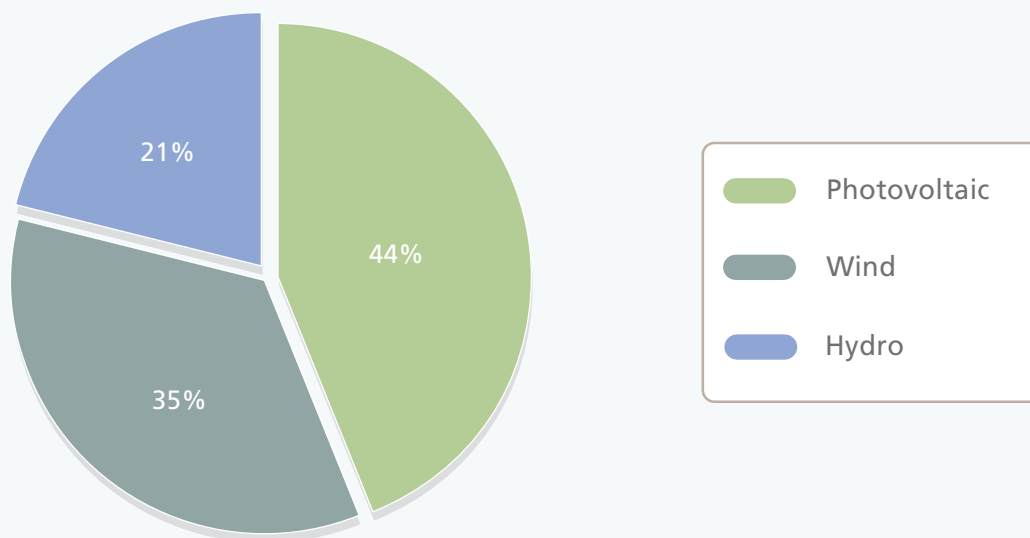
Even though photovoltaic installations represent over 97 per cent of the total number of registered installations, the total installed capacity of photovoltaic technology was less than half of the total installed capacity across all installations (as shown in **Chart 1**). All of the photovoltaic installations registered in the first quarter of the FIT scheme had the installed capacity of less than 50 kW, with most having an installed capacity of less than 4 kW.

The four hydro installations registered in the first quarter of the FIT scheme were medium scale (up to 1.5 MW), which represents just over a fifth of the total installed capacity. The registered wind installations were predominantly small scale (less than 50 kW).

**Table 1: Number of FIT installations by month within the first quarter of the FIT scheme (including installations migrated from the Renewables Obligation during that period)**

	April	May	June	Total
Hydro	4	0	0	4
Photovoltaic	407	891	1406	2704
Wind	14	17	32	63

**Chart 1: Total installed capacity by technology type**



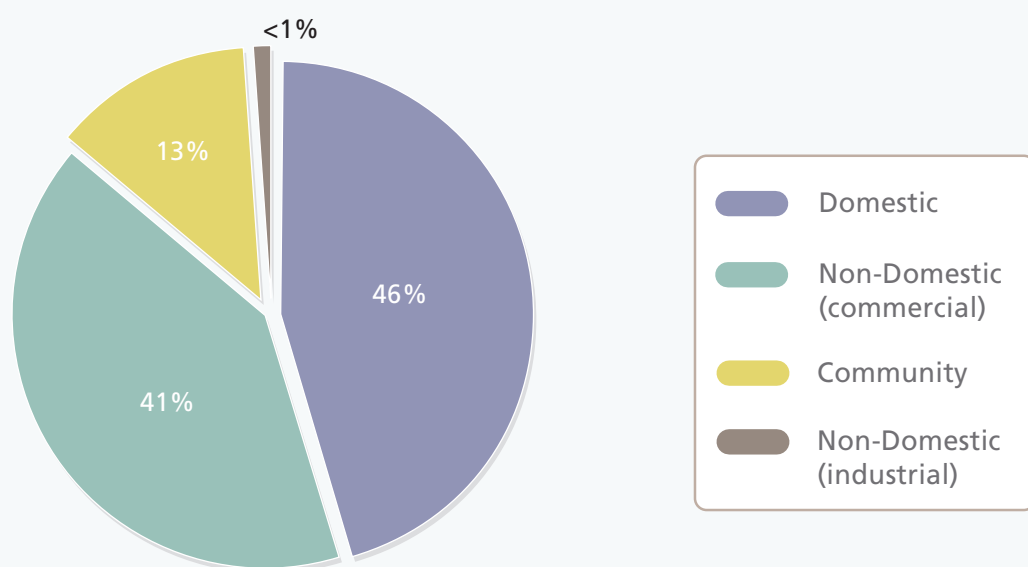
As illustrated in **Chart 2**, just under half of the total installed capacity of installations registered under the FIT scheme is in the domestic sector and most of the installations in the domestic sector were of photovoltaic technology.

The total installed capacity of commercial installations was 6.2 MW, 41 per cent of the total, by the end of the first

quarter of the FIT scheme. The technology types comprised small-scale wind and photovoltaic and medium-scale wind and hydro.

Several installations of photovoltaic and medium-scale wind technology were set up in a community-based and non-domestic (industrial) environment.

Chart 2: Total installed capacity by installation type



## How to see up-to-date information on FITs activity

Ofgem E-Serve updates FIT scheme statistics on its website every day via the Renewables and CHP Register:  
<https://renewablesandchp.ofgem.gov.uk/>

You can look at the most up-to-date information by clicking on the FIT Summary Report or FIT Installations Statistical Report, found in the Public Reports section.

## Migration of accredited RO installations to FITs

The Renewables Obligation (RO), a major ongoing Government scheme that supports renewable generation, came into effect in Great Britain in 2002. Installations with a declared net capacity of 50kW or less which successfully gained accreditation under the RO are eligible to be migrated to the FIT scheme. Those with a declared net capacity of above 50kW and below 5MW which gained RO accreditation between 15 July 2009 and 31 March 2010 have been given a choice to remain in the RO or migrate to the FIT scheme.

A total of 6,000 installations accredited under the RO are able to be migrated to the FIT scheme. To date, 2,500 have done so. A large majority of the remaining installations are still to provide the required information to allow them to be migrated. We will issue a final figure on the number of installations that have been migrated from the RO when the process is complete.

## FIT Levelisation process

All licensed electricity suppliers (regardless of FIT participation status) are required to make payments into Ofgem E-Serve's levelisation fund, based on their market share of the Great Britain electricity supply market and any FIT payments. (Suppliers provided a figure of 71,436.095 GWh for the total amount of electricity supplied in Great Britain between 1 April 1 and 30 June.)

The fund is then redistributed to FIT licensees that have made more payments to the generators than they would be required to by their market share contribution.

FIT licensees reported that a total £182,059 of FIT payments were made to generators for 1 April – 30 June 2010.

Ofgem E-Serve calculated that £121,007 was

to be paid into the levelisation fund collectively by the licensed electricity suppliers. There was a slight shortfall in the levelisation fund because not all licensed electricity suppliers paid in on time. Ofgem E-Serve has alerted the suppliers concerned. Ofgem E-Serve has redistributed £120,788.19 to FIT Licensees which were owed money from the fund.



## Feed-in Tariff scheme contact details



For information on home electricity generation and how to join the FIT scheme, please contact the Energy Saving Trust on 0800 512 012

Businesses looking to participate in the FIT scheme should contact the Carbon Trust on 0800 085 2005

For information on accreditation of installations below 50 kW and general information about products and installers, please contact Gemserve on 020 7090 1082

### Ofgem FIT Team Contacts

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For general queries regarding FIT accreditation of installations between 50kW and 5MW, please contact renewable@ofgem.gov.uk or 020 7901 7310

A list of the current FIT Licensees is available from the Ofgem website:  
<http://www.ofgem.gov.uk/Sustainability/Environment/fits/rfits>

For more information on FITs please visit the Ofgem website:  
<http://www.ofgem.gov.uk/fits>

If you have any comments or suggestions on the information provided within the FIT update or would like to be added to the distribution list, please email [fitcompliance@ofgem.gov.uk](mailto:fitcompliance@ofgem.gov.uk).