

## Feed-in Tariff: Guidance for Licensed Electricity Suppliers

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**Target audience:** All GB licensed electricity suppliers and other interested stakeholders.

### Overview:

This is a draft of the guidance document that Ofgem is required to issue to all GB licenced electricity Licensees on their duties under the Feed-in Tariff Scheme (FITs). This document is published for consultation. Once finalised, the guidance will not be a definitive legal guide to the FIT Scheme, although its publication is made in accordance with the FITs Order and Licensees are expected to comply with its provisions. It provides details of the proposed processes, procedures and interactions being established to deliver FITs, as well as providing guidance on what licensed electricity Licensees are required to do in order to comply with the new supply licence conditions (SLCs) relating to FITs (Conditions 33 and 34, contained in the new section C of the SLCs) and the FITs Order. The relevant supply licence modification and legislation were laid before Parliament on 8 February 2010 and 9 March 2010 respectively. FITs is expected to come into force on 1 April 2010.

**Contact name and details:** Jonah Anthony, FIT Policy Development Manager

**Tel:** 020 7901 0524

**Email:** [jonah.anthony@ofgem.gov.uk](mailto:jonah.anthony@ofgem.gov.uk)

**Team:** New Scheme Development Team

## Context

The Feed-In Tariff scheme (FITs) is a new environmental programme introduced by the UK Government aimed at promoting widespread uptake of a range of small-scale low carbon electricity generation technologies. FITs will require licensed electricity Licensees to pay fixed tariffs to small renewable and CHP generators for electricity generated and electricity exported to the national grid.

This document is published for consultation. The guidance is not a definitive legal guide to the FIT Scheme, although its publication is made in accordance with the FITs Order and Licensees are expected to comply with its provisions.

### Consultation Questions

We invite comments on all aspects of the proposed administration of the FIT Scheme, particularly the following aspects:

1. Are there any parts of this guidance document which you do not agree with?
2. Are there any parts of this guidance document you would like greater detail and/or further clarity?
3. Are there any areas you believe are missing from this guidance document?
4. Does this guidance document strike the right balance between fraud prevention and reducing administrative burden on Licensees, in particular with regards to:
  - a) paragraph 3.40 on collecting and verifying information when registering an Eligible Installation; and
  - b) paragraph 7.13 and 7.14 on verifying meter readings?
5. Does the timetable for submitting data and making payments in the levelisation process set out in Chapter 9 effectively balance the need for obtaining and checking the accuracy of data, and efficient redistribution of the levelisation fund.

## Associated Documents

- Renewables Obligation: Guidance for microgenerators (small generators 50kW or less)

<http://www.ofgem.gov.uk/Sustainability/Environment/RenewablObl/Pages/RenewablObl.aspx>

- Renewables Obligation: Guidance for generators over 50kW

<http://www.ofgem.gov.uk/Sustainability/Environment/RenewablObl/Pages/RenewablObl.aspx>

- Renewables Obligation: Guidance for generators

<http://www.ofgem.gov.uk/Sustainability/Environment/RenewablObl/Pages/RenewablObl.aspx>

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## Executive Summary

The Secretary of State for Energy and Climate Change has used enabling powers contained in the Energy Act 2008 to introduce a Feed-in Tariff Scheme to Great Britain. Subject to the Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010 ("the FITs Order") and the proposed modifications to Electricity Supply Licence Conditions ("SLC's") completing their passage through Parliament, FITs will become effective from 1 April 2010.

The FITs scheme is designed to be available through licensed electricity Licensees (Licensees) and is intended to encourage the uptake of small-scale low carbon technologies up to 5MW. The FIT Scheme requires certain Licensees to make tariff payments on both the generation and export of renewable and low carbon electricity from eligible installations using photovoltaic, wind, hydro, anaerobic digestion and combined heat and power.

FITs's policy and tariff rates are set by the Government, but FITs itself will be administered by Licensees and Ofgem. This is a draft of the guidance document that Ofgem is required to issue to all GB licenced electricity Licensees, providing guidance on Licensees' duties under the FITs.

This document is published for consultation. The guidance is not a definitive legal guide to the FIT Scheme, although its publication is made in accordance with the FITs Order and Licensees are expected to comply with its provisions.

It provides details of the proposed processes, procedures and interactions being established to deliver FITs, as well as providing guidance on what licensed electricity Licensees are required to do in order to comply with the new SLC conditions relating to FITs (Conditions 33 and 34, contained in the new section C of the SLCs) and the FITs Order. The relevant supply licence modification and legislation were laid before Parliament on 8 February 2010 and 9 March 2010 respectively. FITs is expected to come into force on 1 April 2010.

### **Role of Licensed Licensees in the FIT Scheme**

Licensees will be the main contacts and administrators of FITs. Their role will be to take generators through the registration process, in addition to providing tariff payments for both generation and export outputs. Licensees will be divided into three groups. Licensees with more than 50,000 domestic customers on 31 December will become Mandatory FIT Licensees the following FIT Year (which runs from 1 April to 31 March). All other Licensees will be non FIT Licensees unless they elect to become Voluntary Licensees. They are able to elect to do this throughout the FIT Year, but once elected they will remain a Voluntary FIT Licensee for the remainder of that FIT Year.

Mandatory and Voluntary FIT Licensees are collectively know as FIT Licensees and are responsible for;

- i) verifying that an installation of a FIT Generator or FIT Applicant is eligible under FITs and the information provided by the applicant is accurate (see Chapter 3);
- ii) registering eligible installations (both MCS FIT Accredited and ROO-FIT Accredited) onto the Central FIT Register if that installation has not already been registered (see Chapter 3);
- iii) ensuring the accuracy of the data placed on the Central FIT Register for installations registered to receive payments from them, and if necessary updating and amending the Central FIT Register with new information regarding individual installations and generators (see Chapter 3 and Chapter 7);
- iv) acquiring meter readings (generation, and if applicable, export) and verifying that these meter readings are reasonable and within expected tolerances for that particular installation (see Chapter 4 and Chapter 7);
- v) calculating FIT Payments using the information held on the Central FIT Register and by the Licensee themselves (see Chapter 4);
- vi) making FIT Payments to FIT Generators and nominated recipients in accordance with the information held on the Central FIT Register (See Chapter 4);
- vii) ensuring that generators and Nominated Recipients only receive payments to which they are entitled to;
- viii) taking all reasonable steps to verify generation meter readings, and if applicable, export meter readings at least once every two years (see Chapter 7);
- ix) assisting generators applying for FITs and providing a reasonable level of customer service; and
- x) ensuring that FIT Generators registered to it are not discriminated unreasonably in terms of changing import Licensee or the price paid for import supply.

The cost of the FIT Scheme will be shared by all licenced Licensees, who will be required to contribute to FITs through participation in the levelisation process.

## **Role of Ofgem in the FIT Scheme**

Ofgem's key role will be in administering the behind the scenes functions of the FIT Scheme. Those functions include:

- establishing and maintaining the Central FIT Register

- calculating periodically and annually the FITs contribution of each Licensee and receiving and making levelisation payments
- monitoring Licensees' compliance with the requirements of Section C to Electricity Supply Licences and The Feed-in Tariff (Functions of the Authority and specified maximum capacity) Order 2010

In addition Ofgem will be responsible for:

- directly accrediting installations which are greater than 50kW in declared net capacity or use anaerobic digestion technology in generating electricity
- publicly reporting on Licensee compliance and on the total number of generators registered, MWh generated and tariff payments made.

## 1. Introduction

At all times, the onus is on the licensed electricity Licensee to ensure that it is aware of the requirements of the Order and Licence Conditions. This document is not intended to provide comprehensive legal advice on how the FIT Order and licence modifications should be interpreted.

### Consultation Questions

We invite comments on all aspects of the proposed administration of the FIT Scheme, particularly the following aspects:

1. Are there any parts of this guidance document which you do not agree with?
2. Are there any parts of this guidance document you would like greater detail and/or further clarity?
3. Are there any areas you believe are missing from this guidance document?
4. Does this guidance document strike the right balance between fraud prevention and reducing administrative burden on Licensees, in particular with regards to:
  - a) paragraph 3.40 on collecting and verifying information when registering an Eligible Installation; and
  - b) paragraph 7.13 and 7.14 on verifying meter readings?
5. Does the timetable for submitting data and making payments in the levelisation process set out in Chapter 9 effectively balance the need for obtaining and checking the accuracy of data, and efficient redistribution of the levelisation fund.

### How to respond

All responses to this consultation document should be sent by email, if possible, to [jonah.anthony@ofgem.gov.uk](mailto:jonah.anthony@ofgem.gov.uk) by 21 April 2010. Written submissions should be sent to the address on the front of this document.

Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website [www.ofgem.gov.uk](http://www.ofgem.gov.uk). Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to



any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

Respondents who wish to have their responses remain confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. Respondents are asked to put any confidential material in the appendices to their responses.

Having considered the responses to this consultation, Ofgem intends to publish a Feed-in Tariff: Guidance for Licensed Electricity Licensees document and separately a summary of consultation responses.

## **2. The role of Licensed Electricity Licensees in FITs**

This section explains the basic role of all Licensed Electricity Licensees in Great Britain in operating the FIT Scheme including obligations to offer FIT services and participate in the levelisation process.

## **3. Eligibility, Accreditation and FIT Generator Registration**

This section sets out the basic rules on eligibility and the process of registering eligible installations, including details of which types of installations should go through the MCS FIT Accreditation process and which should go through the ROO-FIT Accreditation process.

## **4. FIT Payments**

This section sets out how FIT Payments should be calculated, including the differences between generation payments, FIT export payments which are metered, FIT export payments which are deemed and export payments which remain outside the FIT Scheme.

## **5. Extension and Relevant Payment Calculations**

This section sets out how to deal with installations that have been extended, including how extensions should be treated in relation to the original installation and how to determine when different tariff levels apply.

## **6. Eligibility Date and Eligibility Period**

This section sets out how eligibility dates and periods are determined. These are important because FIT Payments are only due within this period.

## **7. Audit, Assurance and Enforcement**

This section sets out general principles, detailing what Ofgem expects FIT Licensees to do in order to verify information used in the FIT Scheme.

## **8. Notification and Licensee Registration**

This section sets out the framework for standard notification and Licensees registration for the FIT Scheme.

## **9. Levelisation Process**

This sections sets out how Ofgem intend to administer the periodic and annual levelisation process, including what we expect Licensee to do in order to comply with these processes.

## **10. Legal Framework**

This section sets the general policy and legal context of the FIT Scheme.

## **11. Dispute Resolution**

This section set out how complaints and disputes can be raised and resolved when involving Ofgem. Further work is being undertaken by the Department of Energy and Climate Change and industry to set out a framework to deal with all other types of disputes.

## **The appendices**

The appendices to this document provide additional information about:

- Information needed by the FIT Licensee regarding a generator, installation and nominated recipient in order to be able to register the installation onto the Central FIT Register.
- Further details on the Statement of FIT Terms
- A summary of the Authority's powers and duties
- Glossary
- Feedback Questionnaire

## 2. The role of Licensed Electricity Licensees in FITs

### Chapter Summary

This chapter sets out the basic roles of licensed electricity Licensees within FITs

### General Principles

- 2.1. As provided for in the Energy Act 2008 and Licence Conditions, only Licensed Electricity Licensees are able to become FIT Licensees.
- 2.2. Licensed electricity Licensees who have a minimum of 50,000 domestic customers (as defined in the standard conditions of electricity supply licences, or "SLCs") will be obliged through their electricity supply licence to offer and pay FITs. These Licensees are classed as Mandatory FIT Licensees.
- 2.3. Licensed electricity Licensees with fewer than 50,000 domestic customers can elect to offer FIT Payments and participate in the FIT Scheme. These Licensees are classed as Voluntary FIT Licensees and are required to remain in the FIT Scheme for at least the remainder of the FIT Year (1 April - 31 March) in which they enter.
- 2.4. Mandatory and Voluntary FIT Licensees (collectively known as FIT Licensees) will be responsible for delivering a range of aspects of the FIT Scheme, including assessing whether an installation is eligible, registering eligible installations onto the Central FIT Register (See Chapter 3), making FIT Payments (See Chapter 4) and verifying meter readings (See Chapter 7).
- 2.5. Licensed Electricity Licensees will have a central role in the delivery of FITs. In most cases, it is expected that FIT Generators will receive FIT payments from the licensee who supplies their electricity. However, generators will be able to apply to Licensees other than the one who supplies their electricity for FITs, should they prefer to do so if their Licensee is not able to offer FITs.
- 2.6. All licenced Licensees will be required to contribute to the cost of FITs through participation in the levelisation process (See Chapter 9).

### Obligations to offer FITs services

The section below outline the basic roles of each FIT Licensee towards generators, summarised in Table 2 below.

## **Mandatory FIT Licensee**

2.7. A Mandatory FIT Licensee is obliged, when approached, to register and make FIT payments to:

- i) its own supply customers;
- ii) supply customers of an electricity Licensee who is not a Mandatory FIT Licensee; or
- iii) A FIT Generator with an eligible installation on a site which does not receive an electricity supply from the national grid (i.e. "off grid" installations).

2.8. Notwithstanding its obligation as stated in the proceeding paragraph, a Mandatory FIT Licensee is free to register and make FIT Payments to any FIT Generator.

## **Voluntary FIT Licensee**

2.9. Once it has opted to become a FIT Licensee, a Voluntary FIT Licensee is obliged to register and make FIT payments, when approached, by a generator with an declared net capacity of 50kW or below and who is a supply customer of the Voluntary FIT Licensee.

2.10. Notwithstanding its obligation as stated in the preceding paragraph, a Voluntary FIT Licensee is free to register and make FIT Payments to any FIT Generator.

## **Licensed Electricity Licensee not offering FITs**

2.11. Licensees can not offer FITs unless they notify Ofgem that they are a Mandatory FIT Licensee or provide notification that they are electing to become a Voluntary FIT Licensee.

2.12. If approached by a FIT Generator (or FIT Applicant if in the process of seeking accreditation and registration) for FIT services, those not offering FIT Payments should inform the FIT Generator that they are not offering such services and direct them towards the full database of FIT Licensees maintained by Ofgem.

Table 2: This tables outlines the basic obligation to generators on all Licensees

	Mandatory FITs	Voluntary FITs	Other (Non-FITs)
<u>Obligation</u> to take on (if requested)	<ul style="list-style-type: none"> <li>•own customers</li> <li>•customers of non-Mandatory suppliers</li> <li>•off-grid customers</li> </ul>	•own customers <=50kw	None – but must give information on how to find FITs supplier
<u>Optional</u> to take on	Any other FITs generator	Any other FITs generator	None
Levelisation	All licensees participate in levelisation and must make annual FITs declaration		

## Responsibilities on all FIT Licensees

2.13. Mandatory FIT Licensees and Voluntary FIT Licensees are responsible for;

i) verifying that an installation of a FIT Generator or FIT Applicant is eligible under FITs and the information provided by the applicant is accurate (see Chapter 3 and Chapter 7);

ii) registering eligible installations (both MCS FIT Accredited and ROO-FIT Accredited) onto the Central FIT Register if that installation has not already been registered (see Chapter 3);

iii) ensuring the accuracy of the data placed on the Central FIT Register for installations registered to receive payments from them, and if necessary updating and amending the Central FIT Register with new information regarding individual installations and generators (see Chapter 3, Chapter 5 and Chapter 7);

iv) acquiring meter readings (generation, and if applicable, export) and verifying that these meter readings are reasonable and within expected tolerances for that particular installation (see Chapter 7);

v) calculating FIT Payments using the information held on the Central FIT Register and by the Licensee themselves (see Chapter 4);

vi) making FIT Payments to FIT Generators and nominated recipients in accordance with the information held on the Central FIT Register (See Chapter 4);

vii) ensuring that generators and Nominated Recipients only receive payments in which they are eligible for;

viii) taking all reasonable steps to verify generation meter readings, and if applicable, export meter readings at least once every two years (see Chapter 7);

ix) assisting generators applying for FITs and providing a reasonable level of customer service; and

x) ensuring that FIT Generators registered to it are not discriminated unreasonably in terms of changing import Licensee or the price paid for import supply.

## 3. Eligibility, Accreditation and Registration

### Chapter Summary

This chapter sets out the basic principles and responsibilities of FIT Licensees for determining eligibility and accreditation for FITs. This chapter also sets out the basic steps required when registering FIT Generators onto the Central FIT Register. More details on the practicalities of how to do this will be contained in Ofgem's Central FIT Register User Guidance.

### Basic Eligibility Criteria

3.1. Only eligible installations within Great Britain will be accredited for FITs.

3.2. The FIT Order defines "eligible low-carbon energy sources" for the purposes of the FIT Scheme as the following sources of energy or technology:

- i) anaerobic digestion, as defined in the ROO;
- ii) hydro generating station, as defined in the ROO;
- iii) combined heat and power with an electrical capacity of declared net capacity of 2kW or less;
- iv) solar photovoltaic;
- v) wind;

3.3. To be eligible for FITs an installation must not exceed a declared net capacity of 5 megawatts (2kW in the case of combined heat and power) and be MCS FIT Certified or ROO-FIT Accredited. Basic summary diagrams can be found below in Table 1 and Figure A.

3.4. Micro Combined Heat and Power (Micro CHP) systems that have a declared net capacity of 2kW and under will be eligible for FITs on a pilot scheme basis. This means that only the first 30,000 registered on the Central FIT Register will be eligible for FITs. You may wish to note that Ofgem will announce publicly when FIT registered installations reach 10,000.

3.5. Installations with a declared net capacity of above 50kW and up to 5MW will have a one off choice to either join FITs or the Renewables Obligation. This decision will need to be made during the accreditation process with Ofgem.

3.6. Installations on sites which have or have had electricity sold pursuant to a Non-Fossil Fuel Obligation (NFFO) arrangement will be ineligible for FITs.

3.7. In order to be eligible for payments under the FITs scheme, installations must either be certified under the Microgeneration Certification Scheme, or accredited by Ofgem (called ROO-FIT Accreditation).

3.8. The FIT Order defines a “MCS-FIT technology” as the following eligible low-carbon energy sources for which MCS-certification is required:

- i) solar photovoltaic with a declared net capacity of 50 kilowatts or less;
- ii) wind with a declared net capacity of 50 kilowatts or less;
- iii) hydro with a declared net capacity of 50 kilowatts or less;
- iv) combined heat and power with an electrical capacity of declared net capacity of 2 kilowatts or less.

3.9. This means that these installations must be installed by an MCS certified installer using a MCS certified product. They will receive an MCS certificate and number to verify certification and details of the installation will be listed on the MCS database.

3.10. Installations which are over 50kW in declared net capacity and up to 5MW declared net capacity, or which are anaerobic digestion will be required to go through the ROO-FIT process. They will receive an accreditation letter from Ofgem to verify accreditation and be listed in the Renewables and CHP Register as such.

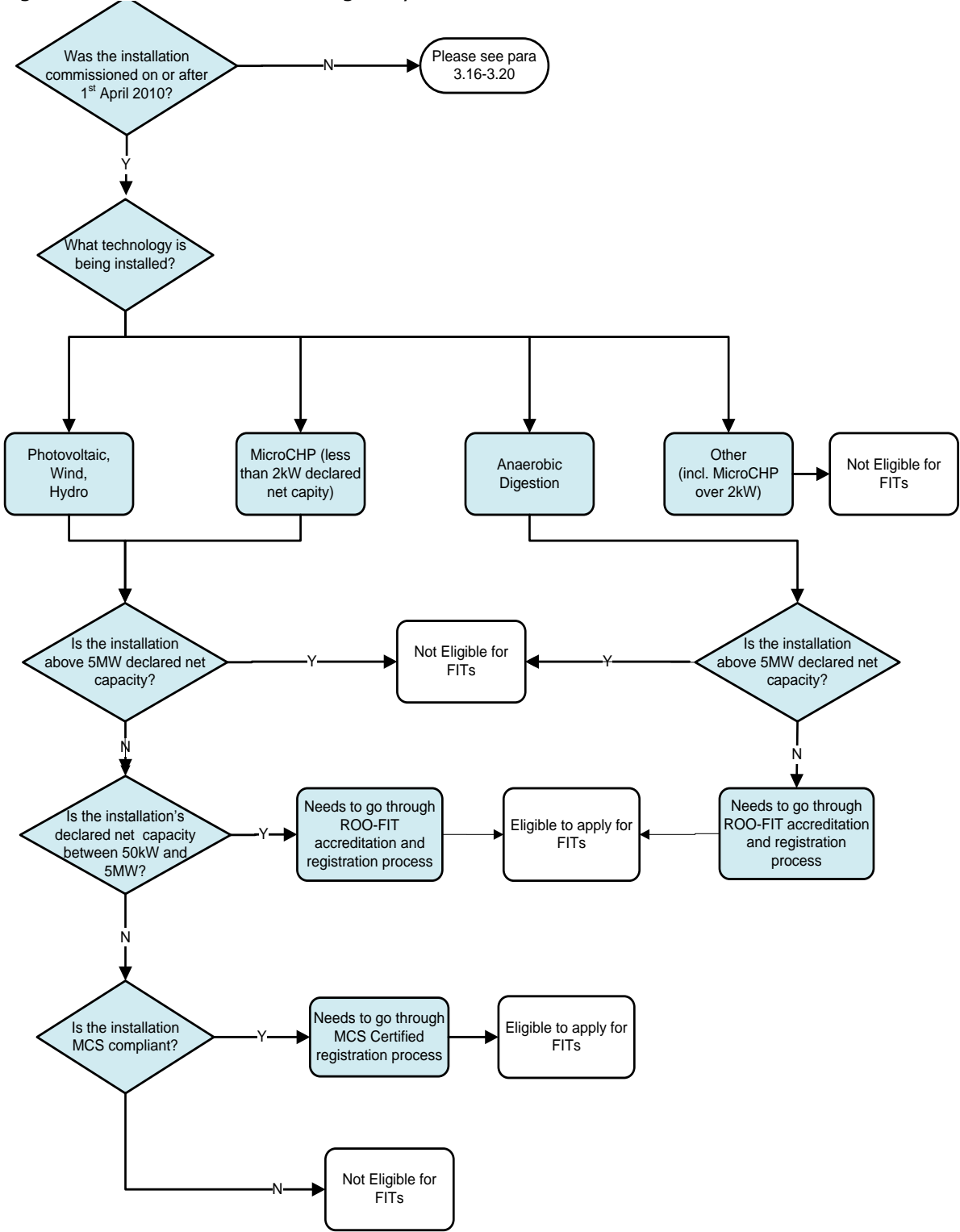
Table 1: EligibilityRoute for New Installations (from 1 April 2010)

Technology	Microgen (<=50kW)	Small (50kW-5MW)
PV	MCS	ROO-FIT
Wind	MCS	ROO-FIT
Hydro	MCS	ROO-FIT
Anaerobic Digestion	ROO-FIT – all scales	
Micro-CHP (<2kW)	MCS (<2kW) <u>only</u>	NOT ELIGIBLE

MCS= MCS Certified, ROO-FIT=ROO-FIT Accreditation



Figure A: Flow chart of basic eligibility for FITs



## **MCS Certified Registration**

3.11. FIT Licensees are responsible for determining eligibility and for registering Eligible Installations which are MCS certified. A valid MCS certificate is proof that an installation is MCS certified. The MCS certificate and MCS certificate number can be verified using the MCS database.

3.12. The criteria for eligibility are summarised above. Once a FIT Licensee has taken the decision that an installation is eligible and that it will accept the installation (see paragraphs 2.7 - 2.10), it registers the installation on the FIT Central Register.

3.13. FIT Licensees are required to obtain initial generation and, if applicable, an export meter readings for the registration process. If an export meter is installed at a later date, then the FIT Licensee should instruct FIT Generators to take a start meter reading for the export meter on the day the export meter is commissioned, and the FIT Licensee is required to update the Central FIT Register accordingly.

## **ROO-FIT Accreditation**

3.14. For those technologies which are required to be ROO-FIT accredited, Ofgem will determine eligibility and award accreditation. Successful applicants will be awarded a ROO-FIT accreditation number which FIT Licensees can use to register the installation in the Central FIT Register. FIT Licensees will be able to verify a ROO-FIT accreditation number on the Central FIT Register.

3.15. Installations commissioned on or after the 1 April 2010 will be required to be ROO-FIT accredited if they are over 50kW. Anaerobic digestion installations 50kW and below will also need to be ROO-FIT accredited.

3.16. Installations will also need to be ROO accredited if they are commissioned on and after 15 July 2009, have not applied for RO accreditation before 1 April 2010, and which are over 50kW or are anaerobic digestion. They should be accepted as an eligible installation if the ROO-FIT accreditation number is verified as above.

3.17. Initial generation meter readings for ROO-FIT installations will be captured as part of the accreditation process. However initial export meter readings will only be captured if export meters have been installed. If export meters are subsequently installed after the installation has been accredited, then the FIT Licensee will be required to capture this information from the FIT Generator and update the Central FIT Register accordingly. FIT Licensees should instruct FIT Generators to take a start meter reading for the export meter on the day the export meter is commissioned.

## **Registering Existing Installations accredited under the Renewables Obligation**

3.18. All installations which are eligible to migrate from the RO to FITs will need to fulfil the basic eligibility criteria detailed above (paragraphs 3.1 -3.6).

3.19. Eligible microgenerators (50kW and under) who have successfully been accredited under the RO, will be given the opportunity to join FITs. They will be awarded a ROO-FIT Accreditation number and should be treated in accordance with the standard ROO-FIT Accreditation processes detailed above.

3.20. Eligible microgeneration installations which were commissioned before the 15 July 2009 will receive the standard lower tariff rate of 9p/kWh.

3.21. Eligible small generators (above 50kW and below 5MW) will be awarded a ROO-FIT Accreditation number by Ofgem and should be treated in accordance with standard ROO-FIT registration processes. They were able to delay joining FITs until April 2011 if they notified Ofgem of this wish, or after 1 April 2010. Small generation installations that switch to FITs will receive the full tariff available but have a reduced eligibility period (shortened by 6 months for those joining in April 2010 and by 18 months for those joining in April 2011).

## **Existing Installations not accredited under the Renewables Obligation**

Only microgeneration installations which were commissioned on and after the 15 July 2009 will be eligible to join FITs directly. Those that were commissioned before this date will only be able to join the FIT Scheme if they have been accredited under the RO. Installations commissioned on and after the 15 July 2009 will receive the full tariff rates once in the FIT Scheme. Small generation installations not accredited to the RO before 15 July 2009 are eligible to apply for FITs.

## **Determining a "Site"**

3.22. Ofgem will interpret a "site" with reference to the relevant metering points, street address and/or OS grid reference. This is relevant for considering whether there are already other installations of the same technology type on the same site which would effect eligibility and/or tariff codes.

3.23. A domestic or non domestic postal address should normally be viewed as a single site for the purpose of the FIT Scheme. In areas where no postal address exist, the OS grid reference will be taken from the position of the import and export meters, and the area served by the meters will normally be viewed as a single site for the purposes of the FIT Scheme.

3.24. Where an Eligible Installation is installed on a site where the FIT Generator is not receiving a supply of electricity, then we will treat the site as we would an off grid site for the purposes of determining obligations on Licensees.

3.25. Ofgem may issue further guidance on determining a "site" in light of experience operating FITs.

## Off grid sites

3.26. Installations located off grid will be eligible for FITs if they meet the requirements of either MCS or ROO-FIT accreditation. Once an Eligible Installation has been registered onto the Central FIT Register it should be treated as any other Eligible Installation. If the installation has the ability to export electricity generated onto the national grid it will be entitled to claim export payments.

3.27. Generators with off grid sites are required to sign the following declaration stating "I hereby declare that it is my intention to use any and all electricity generated by my FIT installation and that I fully understand that any electricity generated but not so used will not be eligible for FIT payments." This should form part of the agreed Statement of FIT Terms.

## How to treat different electricity generating installations on one site

3.28. Multiple installations of the same technology type on a site will be viewed as one combined installation regardless of whether any particular part of the installation is an Eligible Installation within FITs or is outside FITs, or if they have different owners. The maximum declared net capacity on any particular site, for any particular technology is 5MW declared net capacity. The combined installation capacity will need to be considered when determining tariff codes.

## Grants

3.29. As a general rule any installation which has received a grant from, or on behalf of, a public authority will not be eligible for the FIT Scheme until such grants have been paid back.

3.30. There are exceptions to this rule. Grants which were awarded before 1 April 2010 in respect to eligible installations commissioned before 15 July 2009 are permitted, as are grants made to domestic installations before 1 April 2010 in respect to eligible installations commissioned between 15 July 2009 and 31 March 2010. Ofgem is also able to provide exemptions if we are satisfied that the making FIT Payments to that installation would be in accordance with the law relating to State Aid.

3.31. FIT Licensees will be required to obtain a declaration from the FIT Applicant that they have not received a grant which would make them ineligible for the FIT Scheme, or if they have received such a grant, that it has been repaid in full to the appropriate body. This should form part of the agreed Statement of FIT Terms.

## **Registration of Eligible Installations**

3.32. Once the FIT Licensee is satisfied that the Generator meets the basic requirements for eligibility, the FIT Licensees will be required to collect and verify the data outlined in Appendix 1 of this document. Once this data has been collected, the FIT Licensee is required to create a new entry for the Applicant on the Central FIT Register.

3.33. FIT Licensees are required to register all Eligible Installations by entering the required details of an Eligible Installation onto the Central FIT Register administered by Ofgem. An Eligible Installation will not be classed as registered and therefore not be eligible for tariff payments until the Licensee has received confirmation from Ofgem that the generator is entered onto the Central FIT Register. The date this occurs is known as the Confirmation Date. This will come in the form of an email providing details of the approved registration listing and key information about the Eligible Installation such as the unique FIT ID, tariff code applicable, eligibility date and confirmation date. There will also be an on screen confirmation that the installation has been registered.

3.34. In the case of Generators making applications for new Eligible Installations, FIT Licensees are required to first ensure that the Applicant meets the basic requirements for eligibility (see paragraphs 3.1 -3.6 above). Where an application is made with regards an extension to an Eligible Installation already registered please see Chapter 5.

3.35. All generators have to make an initial choice as to whether to receive the guaranteed FIT export tariff or sell exported electricity onto the open market. The FIT Licensee is required to explain this choice to generators, record their decision and enter the decision made onto the Central FIT Register as part of the registration process.

3.36. Once an installation is registered to a FIT Licensee on the Central FIT Register, the last element needed before FIT Payments can begin is for a Statement of FIT Terms to be agreed by the FIT Licensee and the FIT Generator.

## **Central FIT Register and Data Protection**

3.37. The Authority is required to establish and maintain a Central FIT Register. The data to be placed on the register will include data on FIT Generators and Eligible Installations. The register will be used primarily by FITs licensees and

Ofgem for the proper administration of FITs. In addition, Ofgem has a statutory obligation to publish certain statistical information from the Central FIT Register.

3.38. The Central FIT Register will be maintained by Ofgem in accordance with the Data Protection Principles under the Data Protection Act 1998. We will issue FIT licensees and any other parties who will have access to the register with terms and conditions of use of the register. These will enshrine the principles of confidentiality which are to be upheld by all parties at all times, prescribe limits on the purposes for what data provided by any party to Ofgem can be used for and detail the obligations of participating parties as to accuracy of data submitted, updating entries, correcting errors and combating fraud.

### **FIT Licensee Responsibilities when registering new Eligible Installations**

3.39. When registering an Eligible Installation, a FIT Licensee is required to take responsibility for ensuring:

i) that the identity of the FIT Generator, and if applicable the Nominated Recipient, of an eligible installation is verified. FIT Licensees are required to undertake a basic identification check to ensure that the person or company stated as the owner of the eligible installation is genuine and is permitted to receive payments under the FIT Scheme. FIT Licensee should require domestic installation owners to provide proof of address and personal identification, commercial owners to provide details of their company registration and not for profit organisations having to provide proof of identity and address of the organisation.

ii) that an Applicant is the owner of the eligible installation and that the ownership of the eligible installation is verified and documented. FIT Licensee are required to obtain documented evidence that shows the relationship between the owner and the eligible installation. This could be simply the ROO-FIT accreditation letter from Ofgem or the MCS Certificate as both should link the owner with the eligible installation. Where the owner of an eligible installation is not stated in either the ROO-FIT accreditation letter or MCS Certificate (for example if ownership has changed hands) then the FIT Licensee should obtain documentation clearly stating the transfer of ownership from the previously stated owner and the new owner. One such example may be a copy of the sale and purchase agreement transferring ownership from one party to another, as part of a property sale.

iii) that any assignment rights of a nominated recipient are documented fully before placing such details onto the Central FIT Register. Only a FIT Generator can assign rights to FIT Payments, and any assignment must take the form of a declaration which should be held by the FIT Licensee as documented proof that rights have been assigned.

iv) that the installation in question is eligible for the FIT Scheme with respect to the installation technology, size, accreditation and commissioning date. FIT Licensees are required to put in place a registration process which takes due account of the eligibility criteria as set out in the Licence Conditions, FIT Order and this Guidance Document and is required to verify the information submitted by an applicant using the facilities provided by MCS and Ofgem to verify MCS certificates or ROO-FIT Accreditation letters. Declarations stating that the information submitted on behalf of the applicant is true and correct should also be included in the Statement of FIT Terms.

v) Before registering an applicant, the FIT Licensee should cross reference the details given by the applicant with the MCS database and the ROO-FIT Accreditation system. While both systems should provide a reliable set of data for each installation eligible for FITs, Licensees are required to verify that the certification or accreditation details given by an applicant (normally an MCS certificate number or Ofgem ROO-FIT number) is valid and relates to that installation.

3.40. It is a requirement that any documentation or record referred to in paragraph 3.39 be kept by the FIT Licensee for a period of 5 years and be made accessible in that time for auditing by Ofgem and any organisation appointed by Ofgem.

## **Suspension and removal from the Central FIT Register**

3.41. FIT Generators and Eligible Installations may be suspended from the Central FIT Register if a change is made to an installation which makes it ineligible, if fraud or abuse of FITs is suspected, or if Ofgem have good reason to believe that a FIT Payment should not have been made. An Eligible Installation will encompass all accredited FIT Installations of that technology type on that site.

3.42. FIT Licensees shall not make any FIT Payments to a FIT Generator or Nominated Recipient, regarding a relevant Eligible Installation, if Ofgem informs the FIT Licensee that a FIT Generator or Eligible Installation has been suspended or removed from the Central FIT Register. If only an Eligible Installation is suspended, this should not affect FIT Payments due to a FIT Generator or Nominated Recipient for other Eligible Installations. If Ofgem suspends or removes a FIT Generator or Eligible Installations from the Central FIT Register then it will write to the Licensee and FIT Generator and explain what actions are being taken and why.

3.43. FIT Licensees are required to promptly inform Ofgem's Central FIT Register and Fraud Prevention Manager when it has reason to believe an error has occurred in relation to an Eligible Installation's eligibility, or that there is the possibility of fraud or abuse of FITs. Where possible this should be done before the next FIT Payment is due. FIT Licensees should seek to remedy any error before the next FIT Payment is due. If appropriate Ofgem may suspend the

relevant entry on the Central FIT Register until the error has been amended or any investigation into suspected fraud or abuse has been concluded.

3.44. When fraud or scheme abuse is suspected then FIT Licensees should discuss with Ofgem's Central FIT Register and Fraud Prevention Manager any actions the FIT Licensee intends to take.

## Statement of FIT Terms

3.45. In accordance with the provisions of the licence modifications, FIT Licensees are required to take all reasonable steps to agree a Statement of FIT Terms to a FIT Generator of a registered FIT Installation within ten working days of the Confirmation Date. In fulfilling this obligation, Ofgem would expect the FIT Licensee to have agreed a provisional Statement of FIT Terms with the FIT Generator before registration has been completed, having explained key elements, including obligations on the generator with regards to agreeing declarations, providing information and deciding payment terms. Following the Confirmation Date the FIT Licensee should not delay in informing the FIT Generator of the Confirmation and agreeing the Statement of FIT Terms either verbally (e.g. for applications made over the phone) or in writing (e.g. in an on-line application). If a FIT Generator and FIT Licensee can not agree a Statement of FIT Terms then the FIT Licensee should not begin FIT Payments.

3.46. The Statement of FIT Terms is required to be;

- i) in writing
- ii) include the Principal FIT Terms (as detailed in Schedule A to standard condition 33 of the electricity supply licence - Section B, Heading 6 "Statement of FIT Terms" and reproduced in Appendix 2)
- iii) take due account of this guidance document, and any guidance produced by industry.

3.47. In addition the Statement of FIT Terms must include the following terms;

- i) A term which states that the information provided by the FIT Generator or Nominated Recipient can be used for the purpose of administering, reporting and auditing the FIT Scheme by the FIT Licensee and Ofgem.
- ii) A term specifically for FIT Generators with Eligible Installations installed off-grid, which requires them to make the following declaration: "I hereby declare that it is my intention to use any and all electricity generated by my FIT Installation and that I fully understand that any electricity generated but not so used will not be eligible for FIT payments."



- iii) A term which requires FIT Generators to notify the FIT Licensee of any installations, including any extensions, which may affect the eligibility and capacity calculation of an Eligible Installation.
  
- iv) A term requiring the FIT Generator or Nominated Recipient to make a declaration that the information they provide is complete and accurate.
  
- v) A term requiring meters to be located in an accessible location, and for access to be made available to the FIT Licensee or its contractor for meter readings.

## **Failure to agree a Statement of FIT Terms**

3.48. In order to minimise the potential of Statement of FIT Terms being rejected by the FIT Generator after FIT registration has taken place, Licensees are strongly encouraged to keep to the industry agreed standard template when produced, take note of the guidance provided above and look to provisionally agree basic terms before the registration process takes place. Licensees should also look to accommodate the particular circumstances of a generator if it believes it to be reasonable to do so.

3.49. If a generator and the Licensee can not agree the Statement of FIT Terms with ten working days then the Licensee may decide to discontinue the registration process. If the application is discontinued the FIT Licensee is required to notify Ofgem. On discontinuing the registration process the Licensee is required to write to the applicant, explain the reason why the application is being discontinued and explain how the applicant can make a complaint against the decision to discontinue the registration. The first stage of any such complaint appeal should be dealt internally by the Licensee. The applicant should be advised that if they believe the FIT Licensee to be in breach of their obligations under the Licence Conditions then they should make a formal complaint in writing to Ofgem's FIT Compliance Manager.

3.50. The discontinuation of the application will not affect the Eligible Installation FIT accreditation and the relevant entry of the Central FIT Register should be updated only to reflect that the FIT Licensee is no longer acting in that role for the Eligible Installation. The FIT Licensee is required to update the Central FIT Register as soon as is practical. Once the Central FIT Register has been updated, the FIT Generator will be able to switch to an alternative FIT Licensee. The Eligibility Date for this installation will remain the same and payments may be accrued from it.

## **Registering Existing FIT Generators and Eligible Installations who wish to switch their FIT Licensee**

3.51. All FIT Licensees have a duty to facilitate the switching of a FIT Licensee and ensure FITs is appropriately managed during this process.

3.52. The Department of Energy and Climate Change and industry stakeholders are currently working on the framework for such a process.

3.53. Both FIT Licensees would need to give notice to Ofgem of the switch taking place. The incoming FIT Licensee shall obtain a start meter reading(s) and enter the reading(s) onto the Central FIT Register. This should then be used by the outgoing FIT Licensee as an end meter reading(s)

3.54. The new FIT Licensee shall be obliged to pay all FIT Payments from the switching date, and be entitled to claim administration cost in the levelisation process from that switching date. It shall have the responsibility for amending the FIT Installation's entry in the FIT Central Register.

3.55. The incoming FIT Licensee shall agree a Statement of FIT Terms with the FIT Generator at the time of switching and before any FIT Payments are made.

3.56. The outgoing FIT Licensee shall be obliged to pay all FIT Payments due up to that switching date, and be entitled to claim administration costs in the levelisation process up to that switching date.

## 4. FIT Payments

### Chapter Summary

This chapter provides guidance on making and calculating FIT Payments

### General Principles

4.1. FIT Payments can be broken down into two main components

4.2. Generation Payment - A fixed payment by the FIT Licensee to the FIT Generator or Nominated Recipient for every kilowatt hour (kWh) generated by the eligible installation.

4.3. Export Payment - A payment by the FIT Licensee to the FIT Generator or Nominated Recipient for every kWh exported to the open market. If a FIT Generator wishes to receive or assign a reward for their exported electricity, they must choose either to sell exported electricity to the Licensee at a guaranteed FIT export tariff rate (currently set by the Secretary of State at 3p/kWh), or negotiate a price for exported electricity on the open market. Those generators and Nominated Recipients receiving deemed FIT Export Payments will be paid at the fixed 3p/kWh rate, referred to above, if they have the capability to export electricity to the grid.

4.4. FIT Payments are normally due for the entirety of the Eligibility Period unless:

- i) the payments are suspended or withheld on instructions by Ofgem
- ii) the FIT Generator is suspended from the Central FIT Register
- iii) the Eligible Installation is suspended or removed from the Central FIT Register (See paragraphs 3.42 - 3.44 above).

### Nominated Recipients

4.5. FIT Generators are able to assign FIT Payments to a Nominated Recipient who will be eligible to receive FIT Payments in respect of an Accredited FIT Installation owned by that FIT Generator.

4.6. Such an assignment must be documented and notified to the relevant FIT Licensee by the FIT Generator. The FIT Generator must also provide all relevant details (such as name, address, bank details) required for payments. The FIT Licensee will in turn record the assignment on the Central FIT Register. Only the

FIT Generator will be able to instruct the FIT Licensee as to whether the assignment has changed and whether the relevant entry on the Central FIT Register needs updating.

4.7. The Nominated Recipient is also permitted to provide the meter reading of the relevant Eligible Installation.

## **Generation Payment**

4.8. In order to receive Generation Payments, an Eligible Installation must have a Generation Meter. FIT Licensees are then obliged to pay FIT Generators, or Nominated Recipients, for every kWh of electricity generated by the Eligible Installation, at the appropriate tariff rate.

### **Calculation of generation payment (single installation)**

4.9. The FIT Licensee should use generation meter readings, given by the generator or Nominated Recipient, to determine the quantity of electricity that has been generated in a given period.

4.10. The FIT Licensee will calculate how much Generation Payment is due to the FIT Generator or Nominated Recipient by reference to the details contained in the Central FIT Register including relevant tariff code(s), and from meter readings obtained from the FIT Generator or Nominated Recipient.

4.11. The tariff code can be used to look up the tariff assigned to an installation (which includes any inflation adjustment) and is determined by the date of commissioning, date of confirmation, type of technology and capacity of installation.

4.12. The FIT Licensee should then make FIT Generation Payments to the party identified on the Central FIT Register as being the payee. This could either be the same person as the FIT Generator or the Nominated Recipient.

4.13. For guidance on how to deal with sites with multiple installations please see Chapter 5 on Extensions and Relevant Payment Calculations.

## **FIT Export Payment**

4.14. In order to receive FIT Export Payments, all Eligible Installations over 30kW must have an export meter and the relevant FIT Generator must have decided to receive Export Payments for FIT Export.

4.15. For Eligible Installations which have a total installed capacity of 30kW or below, they must utilise an export meter if one is available. For those where an

export meter is not available then deeming may be used in relation to FIT Export Payments (see paragraphs 4.21 below).

4.16. FIT Generators must make a choice of whether to receive FIT Export Payments or opt out during the registration process. They will be unable to change that selection until at least the first anniversary of the confirmation date. After that first anniversary FIT Generators shall be permitted to change their selection but no more than once every 12 months.

4.17. FIT Export Payments should not be made to FIT Generators (or their Nominated Recipient) when they have decided to opt out of receiving Export Payments in favour of negotiating a price for Export on the open market.

4.18. FIT Licensee are required, as part of the registration process, to confirm whether the FIT Generator wishes to opt in or out of receiving FIT Export Payments for the Eligible Installation and amend as necessary the relevant entry on the Central FIT Register. The Central FIT Register will keep a record of this choice and when it was entered.

## **Calculating Export Payment**

4.19. With reference to the set FIT Export Tariff rate the FIT Licensee will be responsible for calculating how much FIT Export Payment is due to the FIT Generator or Nominated Recipient.

4.20. Export meters which serve more than one installation or technology are permitted, as long as only installations which are eligible to receive export payments are connected to the meter.

## **Deemed Export Payment**

4.21. For those installations where export is permitted to be deemed for the purposes of the FIT Scheme:

- i) 50% of the generation meter reading should be used as the amount of deemed export for installations using pv, wind and hydro; and
- ii) 75% of the generation meter reading should be used as the amount figure of deemed export for installations using anaerobic digestion.

## **Commencing Payments**

4.22. FIT Licensees are not obliged to make FIT Payments to a FIT Generator or Nominated Recipient until:

i) they are first satisfied that the information given by the FIT Generator or third party is accurate and the installation meets the necessary FIT criteria; and

ii) the installation has the necessary meters in place (See Chapter 7);

iii) the FIT Generator and the installation in question has the necessary entry on the Central FIT Register in accordance with the process and criteria set out in Chapter 3 and a written confirmation has been received from Ofgem; and

iv) a Statement of FIT Terms has been agreed between the FIT Licensee and the FIT Generator.

4.23. Payments are accrued by a FIT Generator or Nominated Recipient from the Eligibility Date. See Chapter 6 for further details on how this eligibility date is calculated.

## **Accrued Payments**

4.24. Those generators with installations which have been transferred to the FIT Scheme from the RO may accrue payments from their Eligibility Date. The eligibility date for such installation is 1 April 2010.

## **Reducing, recouping and withholding FIT Payments**

4.25. FIT Payments may be reduced, recouped or withheld by the FIT Licensee if an error has been made, if fraud or abuse of FITs is suspected, or if Ofgem notify the relevant FIT Licensee that it has good reason to believe that a FIT Payment should not have been made.

4.26. All FIT Licensees have an obligation to take all reasonable steps to ensure any FIT Payment it has made reflects only that which the FIT Generator or Nominated Recipient is entitled to.

4.27. If a FIT Licensee believes that in making a payment to a FIT Generator or Nominated Recipient, that it would contravene their obligation to ensure that any FIT Payment which it makes reflects only that which the FIT Generator or Nominated Recipient is entitled to, then it is required to notify Ofgem's Central FIT Register and Fraud Prevention Manager immediately. If Ofgem determine that a payment could result in the improper administration of FITs then it may suspend the relevant Eligible Installation(s) from the Central FIT Register (see paragraph 3.39 above).

4.28. If instructed to withhold payments, the FIT Licensee shall continue to do so until such a time as notified by Ofgem that the suspension has been rescinded, or if instructed by Ofgem to recover or make a reduced FIT Payment.

4.29. Ofgem will only instruct FIT Licensees to recover payments if they were the relevant FIT Licensee when the overpayment was made.

## 5. Extensions and Relevant Payment Calculations

### Chapter Summary

This chapter provides guidance on how to assess generation sites with multiple installations.

### Extension

5.1. An "extension" is an adaption to an accredited FIT Installation or generating station which increases its capacity using the same technology type.

### Calculation of generation payment when an extension occurs

5.2. If the combined overall declared net capacity for a given technology on a site exceeds the upper limit placed on Eligible FIT installations (5MW declared net capacity for all technologies except for combined heat and power, where the maximum limit is 2kW) then the total installation (original installation plus extension) shall become ineligible for FIT Payments. The installation may then be eligible for other schemes, such as the Renewables Obligation. Where this occurs the FIT Licensee is required to notify Ofgem, who will remove the installation from the Central FIT Register.

5.3. FIT Licensees will be able to check overall capacity details for sites with Accredited FIT Installations on the Central FIT Register.

5.4. Multiple installations of the same technology commissioned at the same time on the same site will be regarded as one installation. The installation, with a combined total installed capacity, will have one tariff rate and the generator may use the same generation meter to record the quantity of electricity produced.

5.5. A subsequent extension will be classed as being part of the original installation if commissioned within 12 months of the original installation's completion date (or commissioning date for those installations installed prior to 1 April 2010). The combined installation will then be treated as having a new total installed capacity, and if applicable, new tariff code. If the subsequent extension is commissioned more than 12 months after the original installation's completion date (or commissioning date for those installations installed prior to 1 April 2010), the extension will be treated as a separate installation component within the Eligible Installation, except when determining capacity, whereby the entire capacity of all commissioned installations of the same technology on that site is taken into account. Extensions which are treated as a separate installation will have its own tariff code, eligibility date and eligibility period but share the same unique FIT ID on the Central FIT Register.



5.6. This means that different Eligibility Periods may apply to different installation components of an Eligible Installation if the components were commissioned on different dates.

5.7. For separate installations using the same generation and export meters, a pro rata calculation will be used to determine how much electricity generation and export is assigned to each part of the Eligible Installation.

### **Additional capacity added to non FIT installations**

5.8. Where a generator wishes to add additional capacity on a site, where the existing installation is outside of the FIT Scheme, FIT Licensees should treat the extension as a new application to the FIT Scheme in accordance with the guidance in Chapter 3, except when determining the installation capacity, whereby the entire capacity of all commissioned installations of the same technology on that site is taken into account. Again the maximum declared net capacity of the combined installation is 5MW.

## 6. Eligibility Date and Eligibility Period

### Chapter Summary

This chapter provides information on how to determine eligibility dates and eligibility periods. The Eligibility Period will be determined by the Central FIT Register based on the details provided by FIT Generators, FIT Licensees and Ofgem.

### Eligibility Date

6.1. The Eligibility Date is the date on which an installation becomes eligible for the FIT Payments. It is the latter of:

i) receipt by Ofgem of a ROO-FIT accreditation application or receipt by a FIT Licensee of an application for MCS Certified Accreditation and Registration.

ii) commissioning date

iii) the launch of the FIT Scheme (1 April 2010)

6.2. Receipt by a FIT Licensee of a FIT Generator's written request means the receipt by the FIT Licensee of a submission by an applicant which includes details of the applicant's MCS certification, RO accreditation or ROO-FIT accreditation, initial meter readings (generation and export if applicable), as well as the basic information about the applicant (name, address, contact details).

6.3. In all cases a generation reading will be a prerequisite for eligibility for FIT Payments and for registration onto the Central FIT Register. Any installation which does not have a generation meter that meets the required metering legislation may have their application declined until such a time as the necessary metering requirements have been met. The installation of an approved export meter is not a prerequisite for FIT accreditation and registration, but FIT export payments can only be paid out once an approved export meter has been installed and its details (including initial reading) have been captured by the Central FIT Register. The exception to this rule is in those cases where deeming is permitted. For Eligible Installations which have a total installed capacity of 30kW or below, they must utilise an export meter if one is available. However for installations where an export meter is not available then deeming may be used in relation to FIT Export Payments

6.4. With regards to the eligibility date for FIT applicants with RO or ROO-FIT accreditation, this will be determined by Ofgem and be stated both on the Central FIT Register and in the RO migration or ROO-FIT accreditation letter.

## Eligibility Period

6.5. The Eligibility Period means the period during which a FIT Generator or Nominated Recipient can receive FIT Payments for a particular installation. The Eligibility Period begins on the Eligibility Date and differs in length depending on when an installation was commissioned and the technology installed. It will be determined by Ofgem based on the information provided and stored on the Central FIT Register.

6.6. For all new installations commissioned from 1 April 2010, and for microgenerators (declared net capacity of 50kw or below) commissioned between 15 July 2009 and 1 April 2010, the Eligibility Period should commence on the Eligibility Date and expire after:

- i) 25 years, for solar PV;
- ii) 20 years, for wind, hydro and anaerobic digestion; or
- iii) 10 years, for domestic fossil fuel Micro-CHP.

6.7. The Eligibility Period for microgenerators commissioned before 15 July 2009 and transferring from the RO will expire on 31 March 2027.

6.8. For small generators commissioned between the 15 July 2009 and 1 April 2010 the Eligibility Period shall expire on 1 October 2034 for solar PV and 1 October 2029 for wind, hydro and anaerobic digestion.

6.9. The end of the eligibility period will be calculated by the Central FIT Register and will be able to be viewed by FIT Licensees for installations registered to them.

## 7. Audit, Assurance and Enforcement

### Chapter Summary

In order that the FIT Scheme delivers value for money and does not provide opportunities for fraud or other abuse, there needs to be a system of audit, assurance and enforcement in place. This chapter sets out what measures we expect Licensees to put in place to minimise the opportunity and instances of fraud and other abuse in the FIT Scheme.

### General Principles

7.1. Ofgem takes a risk-based approach to audit and assurance in the FIT Scheme, where the procedures used are proportionate to the potential material impact of fraud and misinformation. This will avoid creating undue burdens on both generators receiving FITs and licenced electricity Licensees who pay them.

7.2. The responsibility for audit and assurance within the FIT Scheme will be shared between Ofgem, Licensees and the MCS in accordance with the roles each party plays in administering FITs.

7.3. Under the FIT Licence Modification and Schedule, Licensees are required to take all reasonable steps to ensure any FIT Payments made to a FIT Generator or Nominated Recipient reflect only that to which that FIT Generator or Nominated Recipient is entitled. In addition, the Licensees may reduce, recoup or withhold FIT Payments from a FIT Generator or Nominated Recipient in certain circumstances.

7.4. FIT Licensees should pay particular attention to guidance provided in Chapter 4 in the Suspension from the Central FIT Register and of Payments (paragraphs 3.42 -3.45 and paragraphs 4.25 - 4.29).

### The role of FIT Licensees for existing FIT Installations

7.5. Once an Eligible Installation has been entered onto the Central FIT Register, FIT Licensees have a responsibility to update the entry to reflect any changes to that Eligible Installation as soon as possible after they become aware of a change.

7.6. FIT Licensees have a responsibility to ensure the information they use to update the Central FIT Register is accurate. This is especially true of changes to ownership or the nominated recipient. The FIT Licensee is required to obtain documentation clearly stating the transfer of ownership or assignment rights as

they would expect to do if they were registering the installation (please see paragraphs 3.33 - 3.37 above). FIT Licensee are required to hold copies of such documentation for 5 years and make them available for auditing by Ofgem or any organisation appointed by Ofgem.

7.7. FIT Licensees are required to notify Ofgem, as soon as possible, if they suspect the information on the Central FIT Register to be inaccurate, whether due to error, fraud or abuse.

## Extending installations

7.8. Once informed that a FIT Generator has extended a FIT Installation, FIT Licensees are required to update the Central FIT Register, check if new tariff codes have been issued and calculate the appropriate FIT Payment before the next FIT Payment is due. This will help ensure that the FIT Payee only receives FIT Payments that they are entitled to.

7.9. A meter reading should be taken at the time of extension. If no meter reading is taken then the last meter reading will be used by the FIT Licensee to calculate payments and any pro rata calculation will be made on the entire period between meter readings, and not from when the extension was made. The lack of correct meter readings may mean FIT Generators (or their Nominated Recipient) do not receive the full FIT Payment due to the original installation(s) if a new tariff code is applicable.

7.10. If a FIT Licensee suspects that an error has been made and an installation has been extended but not reported, then the FIT Licensee should suspend FIT Payments to that eligible installation, inform Ofgem of the suspected error and undertake further investigation into the possible error. If no error has been made, or the error has been corrected (i.e. the extension has been notified and the Central FIT Register has been updated) then the FIT Licensee should notify Ofgem and resume payments in accordance with the installation's entry on the Central FIT Register.

## Meter Requirements

7.11. All meters used in the FIT Scheme must comply with the relevant meter legislation. These include:

- Schedule 7 to the Electricity Act 1989;
- The Meters (Approval of Pattern or Construction and Manner of Installation) Regulations 1998, SI/1565;
- The Meters (Certification) Regulations 1998, SI/1566;

- The Electricity (Approval of Pattern or Construction and Installation and Certification) (Amendment) Regulations 2002, SI/3129;
- The Measuring Instruments (EC Requirements) (Electrical Energy Meters) Regulations 1995, SI/2607;
- The Measuring Instruments (EC Requirements) (Electrical Energy Meters) (Amendment) Regulations 2002, SI/3082;
- The Measuring Instruments (Active Electrical Energy Meters) Regulations 2006, SI/1679;

7.12. Whilst FIT Licensees may not be responsible for the installation of generation or export meters, they are responsible for ensuring that the necessary meters are in place before making FIT Generation and FIT Export Payments. They are responsible for obtaining initial meter readings at the time of registration and verifying the accuracy of that initial meter reading. In the case of ROO-FIT, FIT Licensees can rely on the initial meter reading obtained during the ROO-FIT accreditation process, when registering an installation for the first time. If initial generation meter readings are not obtained then the FIT Licensee should not continue with the FIT registration process and the application should be terminated.

7.13. Further to their responsibilities with regard to error, abuse and fraud prevention, FIT Licensees are required to put in place a system to detect abnormal meter readings. This should consider the expected generation and export for an installation given its technology type and incorporating reasonable tolerances. FIT Licensees may also want to take into account the size, location and site use relevant to an Eligible Installation. Meter readings given by and on behalf of FIT Generators should then be compared to these expectations. If meter readings are noticeably different from the expected generation and export levels for a particular type of installation, FIT Licensees are expected to query the meter reading and undertake increased auditing of the relevant installation and consider if there is an error in the information held by the Central FIT Register or given by the FIT Generator, or possible fraud and abuse of FITs. Such auditing can range from desk based investigation to on site visits depending on the nature and size of the abnormal meter reading and the risk of mistaken payment involved. If error is suspected, the FIT Licensee should suspend FIT Payments to that eligible installation, inform Ofgem of the suspected error and undertake further investigation into the possible error. If no error has been made, or the error has been corrected then the FIT Licensee should notify Ofgem and resume payments in accordance with the installation's entry on the Central FIT Register.

7.14. FIT Licensees required to take all reasonable steps to verify Generation Meter Readings, and if applicable, Export Meter Readings, at least once every two years. We would expect that this means Licensees or their agents would read meters, documenting which meters have been read, the reading taken and when. These records should be available for auditing by Ofgem or any organisation working on behalf of Ofgem. If FIT Licensees are able to establish a

framework whereby they believe they are able to verify meter readings without reading meters every two years themselves, then Ofgem will be happy to discuss such alternatives and advise Licensees if the alternative is robust enough to meet the fraud prevention obligations set out in the Licence Conditions. We do not expect Licensees to read meters if they are prevented from accessing the meter by unreasonable actions taken by the site owner or tenant, or if accessing the meter contravenes recognised health and safety standards.

7.15. However the agreed Statement of Terms should state clearly that the owner is required to locate meters in an accessible place where possible and to take reasonable steps to allow access to them, and that the possible consequence of not complying with this could be a suspension of FIT Payments.

7.16. Where it has not been possible to read a meter because access has been denied, the FIT Licensee should issue a warning to the FIT Generator, reminding them of the agreed Statement of FIT Terms and the possibility of FIT Payments being suspended if meter readings can not be verified.

7.17. It will be the FIT Licensee's responsibility to collect accurate meter readings. With this in mind, FIT Licensees may wish to consider that each accredited FIT installations is connected to its own generation meter. However if meters are connected to several installations within the FIT Scheme, then FIT Licensee will be required to calculate what proportion of the electricity generated or exported qualifies for FIT payments. The framework put in place to ensure the right payments are made in cases of this nature will need to be accessible for auditing by Ofgem or any organisation working on behalf of Ofgem.

## **Verifying information given by a FIT Generator, Nominated Recipient or Applicant**

7.18. FIT Licensees are required to take all reasonable steps to verify the information given to them by a FIT Generator or Applicant. Greater checks are required where the FIT Generator or Applicant is not a supply customer of the FIT Licensee to ensure the information given is correct. This should include collecting documentation of proof of address, relationship with the site (owner or tenant) and any contractual arrangements put in place which affects the Eligible Installation.

7.19. FIT Licensees should also require FIT Generators (and if applicable Nominated Recipients) to provide an annual declaration confirming the details of each Eligible Installation as being current and correct. Annual declarations is a reasonable way for FIT Licensees to ensure that FIT Payments being made are correct and that the information on the Central FIT Register is up to date. These declarations could be made on the anniversary of a FIT Generator being registered with a FIT Licensee, or on a particular date each year.

7.20. During the FIT Year Ofgem, or a contractor working on its behalf, may audit a sample of generators to assess levels of compliance.

## **Monitoring Licensed Electricity Licensee Compliance with FITs**

7.21. Ofgem will put in place an auditing system to ensure FIT Licensees are making the necessary checks on both the MCS and ROO-FIT systems in order to verify claims of certification and/or accreditation for Eligible Installations. It will also audit the arrangements needed when the FIT Generator and Nominated Recipient are not the same.

7.22. After 1 July following the end of the relevant FIT Year Ofgem may seek to verify the information provided by Licensees using independent organisations. Data provided by Licensees in the annual levelisation process should be fully audited by an independent organisation and the audit report provided to Ofgem by 1 July following the end of the FIT year (see Chapter 9 for more details).

7.23. Ofgem will notify any Licensee where there is a discrepancy between the data they have provided to Ofgem and the information held other organisations. Ofgem will specify a reasonable response time in any request for further information or clarity and Licensees shall be required to respond within the specified time period.

7.24. Ofgem also intends to sample audit the processes in place, and the information held by FIT Licensees, for the purpose of monitoring and assessing their compliance with the FIT Licence Conditions (33 and 34).



## 8. Notification and Licensee Registration

### Chapter Summary

This chapter sets out the annual process of providing a FIT notification to Ofgem with regards to the status of a Licensee, be it Mandatory, Voluntary or Non FIT Licensee. How such notification should be made will be explained in the Central FIT Register User Guide.

### Annual FIT Notification

8.1. All licensees shall send Ofgem a notification on or before 14 February of each FIT Year providing the following information:

i) the number of domestic customers it had on the 31 December the previous year.

ii) confirming whether or not they will be a Mandatory FIT Licensee, a Voluntary FIT Licensee or a Non FIT Licensee for the FIT Year starting on 1 April following the notification.

8.2. In FIT Year 1 this notification is required by 30 June 2010.

### Exiting the FIT Scheme

8.3. Mandatory FIT Licensees are not able to withdraw from participating in the FIT Scheme.

8.4. Mandatory FIT Licensees, whose circumstances alter such that they no longer satisfy the definition of a Mandatory FIT Licensee, shall remain in the FIT Scheme as a Mandatory FIT Licensee until the following 1 April.

8.5. Mandatory FIT Licensees who meet the criteria in paragraph 8.4 above and do not elect to become a Voluntary FIT Licensee are required to notify the FIT Generators to which it makes FIT Payments that it will not be continuing to operate as a FIT Licensee the following FIT Year, allowing a notice period of at least 6 weeks between that notification and the start of the new FIT Year on 1 April.

8.6. Mandatory FIT Licensees who meet the criteria in paragraph 8.4 above and do elect to become a Voluntary FIT Licensee are required to notify all the FIT Generators registered to them of this change in status. They are also required to make clear to those FIT Generators to whom it will no longer be obligated to be a FIT Licensee to, whether they will continue to act as a FIT Licensee to these

FIT Generators. Again they are required to allow a notice period of at least 6 weeks between that notification and the start of the new FIT Year on 1 April.

8.7. Voluntary FIT Licensees who decide to withdraw from participation in FITs shall:

- i) Notify Ofgem of this decision.
- ii) Continue its existing obligations as a Voluntary FIT Licensee under FITs for the remainder of the FIT Year in which the notification has been made. If the notification is made after the 14 February of a given FIT Year, then the Voluntary FIT Licensee shall continue its obligation for the whole of the following FIT Year.
- iii) Notify the FIT Generators to which it makes FIT Payments of their change in status for the following FIT Year, allowing a notice period of at least 6 weeks between that notification and the start of the new FIT Year on 1 April.

## 9. Levelisation Process

### Chapter Summary

This chapter sets out the details for the levelisation process in the FIT Scheme

### General Principles

9.1. The FIT Licence Conditions and FIT Order state that all Licensees are required to make levelisation payments in proportion to their share of the Great Britain electricity supply market and taking into consideration any FIT contribution made. 'Share of the Great Britain electricity supply market' means the amount of electricity supplied by all licensees to customers in Great Britain less the amount of any electricity sourced from renewable sources which is generated outside the UK.

9.2. Any electricity sourced from renewable energy generated outside of the UK, which a Licensee wishes to be taken into account when calculating their own contribution, should be backed by renewable energy Guarantees of Origin. Ofgem is the official body that recognises overseas Guarantees of Origins for use in Great Britain. These Guarantees of Origins should therefore be submitted to Ofgem by 12pm on 1 July of each year if the Licensee wishes them to be taken into account in setting the Licensee's market share for the preceding FIT Year. They must also relate to electricity supplied in that FIT Year.

9.3. Annual levelisation will take place between 1 July following the end of a FIT Year and be completed by the following 1 October. It is a requirement that Data submitted in the annual levelisation process is fully audited by independent contractors.

9.4. Ofgem will also be undertaking periodic levelisation processes. Initially in FIT Year 1 (1 April 2010 - 31 March 2011) these periodic processes are planned to take place quarterly, with periodic levelisation periods beginning and ending as follows:

- i) 1 April 2010 - 30 June 2010
- ii) 1 July 2010 - 30 September 2010
- iii) 1 October 2010 - 31 December 2010
- iv) 1 January 2011 - 31 March 2011

9.5. Ofgem however has the powers to vary these periodic levelisation periods as long as any such variation is published a month before it takes effect. It is possible that Ofgem will move to a monthly periodic levelisation process at some point in FIT Year 1, but not before 30 June 2010.

9.6. Information submitted as part of a periodic levelisation does not have to be audited, but is required to be based on actual accrued FIT Payments (which in turn is required to be based on actual meter readings).

## Levelisation Reports

9.7. All FIT Licensees shall provide the following details to Ofgem following the end of each levelisation period (both annually and periodically):

- i) Total amount of (£) FIT generation payments accrued for that period.
- ii) Total amount of (£) net deemed FIT export payments accrued for that period.
- iii) Total amount of (£) net metered FIT export payments accrued for that period.
- iv) Total amount of qualifying FIT costs (according to Secretary of State determination).
- v) Total electricity generated (MWh) by FIT installations for that period by each tariff band.
- vi) Total electricity exported (MWh) by FIT installations for that period.

9.8. In addition, all Licensees shall provide Ofgem with details of the total electricity supplied in Great Britain by a Licensee for that levelisation period, adjusted to reflect any electricity sourced from renewable sources generated outside of the UK.

9.9. Ofgem will consider payments to be accrued if the relevant meter reading has been received by the FIT Licensee and payment is due to the FIT Generator or Nominated Recipient in line with their Statement of FIT Terms.

## Levelisation Calculation

9.10. Ofgem will calculate the periodic FIT levelisation payments due from and to Licensees, taking into account:

- i) Market share (as referred to in paragraph 9.1)
- ii) Total FIT Licensees' qualifying FIT costs incurred for that period.
- iii) Total eligible FIT payments incurred for that levelisation period
- iv) Total levelisation payments already made by and to FIT Licensees.

9.11. Following the end of a levelisation period and with regards to the data applicable to that period, a FIT Licensee's levelisation payment (X) shall be equal to the Licensee's market share (A) multiplied by the sum of total FIT Payments made by all FIT Licensee (B) and total FIT costs claimed by all FIT Licensees (C), minus total FIT contribution made by that FIT Licensee(D).

$$X = [Ax(B+C)] - D$$

9.12. If the levelisation payment is positive it means the FIT Licensee owes money to the levelisation fund. If the levelisation payment is negative, it means the FIT Licensee is owed money from the levelisation fund.

9.13. For periodic levelisation payments, part of the levelisation calculations will be based on estimated data (see paragraph 9.17 below).

9.14. An annual levelisation payment will take into account any periodic levelisation payments made to or received from the FIT Licensee during that FIT Year.

## **Periodic Levelisation**

9.15. Licensees are required to send a levelisation report on a periodic levelisation period within 5 working days of that period ending.

9.16. Ofgem will make the necessary calculation and notify each Licensee within 5 working days whether a levelisation payment is owed by them, or due to them.

9.17. Ofgem will calculate the appropriate market share for each FIT Licensee using estimated data supplied to it by FIT Licensees or a third party of the total electricity supplied in Great Britain by a Licensee. If the data is to be provided by the FIT Licensee then Ofgem would expect such information to be compatible with data submitted to the Department of Energy and Climate Change. Initially we would not expect this information to take into account electricity which is exempted, as only estimated data is needed for the periodic levelisation. However if the difference between the information given through periodic levelisation processes are significantly different to the information required from the annual levelisation process then Ofgem may reconsider this.

9.18. Licensees are required to make any FIT levelisation payment due to Ofgem in order for Ofgem to receive this within 10 working days of a periodic levelisation payment notification being issued.

9.19. Ofgem will make levelisation payments due to FIT Licensees, subject to any shortfall in the levelisation fund, within 5 working days of the deadline for levelisation payments to be received by Ofgem into the FIT levelisation fund.

## **Annual Levelisation**

9.20. Licensees will be required to send to Ofgem a levelisation report (containing the information identified in paragraph 9.10 above) covering a FIT Year by 1 July following the end of that FIT Year. FIT Licensees will also be required to provide an audit report of the FIT Payments they have made.

9.21. Ofgem will make the necessary calculation and notify each Licensee by 1 August following the end of that FIT Year whether a levelisation payment is owed by them, or due to them.

9.22. Licensees are required to make any FIT levelisation payment due and for this to be received by Ofgem within 10 working days of an annual levelisation payment notification being issued.

9.23. Ofgem will make levelisation payments due to FIT Licensees, subject to any short fall in the levelisation fund, by 1 October following the end of that FIT Year.

## **Shortfall in the levelisation fund**

9.24. If there is a shortfall in the levelisation fund then Ofgem will reduce each levelisation payment it is due to make to FIT Licensees in proportion to the reduction in fund value. Once any late or subsequent payments have been received then the remainder of a levelisation payment will be made to FIT Licensee.

## 10. Legal Framework

### Chapter Summary

This chapter sets out the legislative framework which underpins the Feed-In Tariff in Great Britain.

### Context

10.1. The Renewable Energy Strategy, published in July 2009, set out the Government's intention to put appropriate incentives in place for different aspects of the low carbon energy sector. The FITs is intended to encourage deployment of additional small scale low carbon electricity generation, particularly by individuals, householders, organisations, businesses and communities, who have not traditionally engaged in the electricity market.

### Energy Act 2008

10.2. The FITs is made under ss41 to 43 of the Energy Act 2008 ("the Act").

10.3. The Act contains powers for the introduction of FITs in Great Britain to incentivise renewable electricity installations.

10.4. DECC issued its Consultation on Renewable Electricity Financial Incentives 2009 in July 2009.

10.5. Under s41(1) of the Act, the Secretary of State is given the power to modify standard distribution and supply licence conditions as well as industry codes for the purpose of establishing or making arrangements for the administration of FITs.

10.6. Under s43(3) of the Act, the Secretary of State may confer functions on Ofgem in connection with the administration of FITs.

[http://www.opsi.gov.uk/acts/acts2008/ukpga\\_20080032\\_en\\_1](http://www.opsi.gov.uk/acts/acts2008/ukpga_20080032_en_1)

### Licence Modification

10.7. A number of obligations are being placed upon Licensed Electricity Licensees to facilitate the delivery of the FIT Scheme. These are being put in place by the Government via modifications to standard conditions of electricity supply licences. Proposed licence modifications were consulted upon by the Government between 18 December 2009 and 15 January 2010. The finalised

proposals were laid before Parliament on 8 February 2010. If not withdrawn, the changes to the Licence Conditions will take effect from the 1 April 2010.

10.8. The new Section C to Electricity Supply Licences requires all electricity licence Licensees to comply with standard condition 33 and 34, and fulfil subsequent provisions detailed in the Schedule to Section C. Under the new modifications, Licensee will be responsible for paying FITs and in order to receive FITs, a generator with a prospective eligible FIT Installation will need to approach a Licensee that provides FITs. Licensed electricity Licensees will therefore have a central role in the delivery of FITs. In addition, all Licensees will be required to pay a levy to cover the cost of FITs in proportion to their market share.

[http://www.decc.gov.uk/en/content/cms/consultations/elec\\_financial/elec\\_financial.aspx](http://www.decc.gov.uk/en/content/cms/consultations/elec_financial/elec_financial.aspx)

## **FIT Order**

10.9. The Feed-in Tariff (Functions of the Authority and specified maximum capacity) Order 2010 sets out certain definitions, parameters and powers in relation to the administration of the FITs scheme. In particular it contains details on eligibility, registration and the role of the Authority (Ofgem). It was laid in Parliament on 9 March 2010. If not withdrawn the Order will come into effect on the 1 April

[http://www.opsi.gov.uk/si/si2010/pdf/uksi\\_20100678\\_en.pdf](http://www.opsi.gov.uk/si/si2010/pdf/uksi_20100678_en.pdf)

## **Renewable Obligation Order (ROO)**

10.10. The introduction of FITs has meant a number of changes have been made to the Renewable Obligation (RO) scheme. Articles 17B – 17E of the Renewables Obligation Order 2010 provide transitional arrangements for existing and new stations. Article 17B removes all microgenerators eligible for FITs from the ROO, whilst 17C-17D gives certain small generators a choice between the FIT and the RO. Article 14 makes a consequential amendment made necessary by the above new Articles. The Renewables Obligation Order 2010 was laid on 28 January 2010 and if passed will come into force on 1 April 2010.

[http://www.opsi.gov.uk/si/si2010/draft/ukdsi\\_9780111491812\\_en\\_1](http://www.opsi.gov.uk/si/si2010/draft/ukdsi_9780111491812_en_1)

## **This Document**

10.11. Under the FIT Order the Secretary of State has appointed Ofgem to carry out the behind the scenes administration of the FIT Scheme. This document is published in anticipation of and in accordance with those powers and give



guidance on how Licensees are required to discharge their obligations under the new licence conditions 33 and 34.

## **Enforcement**

10.12. The provisions of Section C and Schedule A to Standard Condition 33 of this licence are "relevant conditions" for the purpose of s25(8) of the Electricity Act 1989 and a non-complying licensee shall be subject to the enforcement powers of Ofgem under the Electricity Act 1989.

## 11. Dispute Resolution

### Chapter Summary

This Chapter details the process in place to make complaints and resolve disputes involving Ofgem in the administration of the FIT Scheme. The Department of Energy and Climate Change and industry stakeholders are currently working on a framework to cover all other types of disputes.

### **Enquiries, disputes and complaints involving the Central FIT Register**

11.1. If a FIT Licensee would like further clarity on the information contained in the Central FIT Register then they should contact Ofgem's Central FIT Register Manager, requesting the information in writing by email, fax or letter. Such a request should clearly identify the installation concerned. The Manager will then send the relevant information by letter to the registered Generator for that installation.

11.2. If a FIT Generator disputes the information contained on the Central FIT Register then it should approach in the first instance its FIT Licensee and explain the reasons why they believe the information on the Central FIT Register is inaccurate and provide supporting evidence. If the FIT Licensee decides that the information contained on the Central FIT Register is inaccurate it should, as soon as is reasonably possible, update the Central FIT Register.

11.3. If a FIT Licensee disputes the information contained in the Central FIT Register and this cannot be amended by the Licensee updating the entry of the Register it should put in writing to the Central FIT Register Manager the issue, clearly identifying the installation concerned, the incorrect data, what it believes the correct data to be, the reasons it believes the information on the Central FIT Register is inaccurate and provide supporting evidence. Ofgem can then take a decision as to what information, if any, held on the Central FIT Register needs to be amended.

11.4. If a FIT Generator or FIT Licensee wish to clarify or dispute any decision taken by Ofgem with regards to the Central FIT Register then it should put in writing to the Central FIT Register Manager the issue, clearly identifying the installation concerned, the matter needing resolving and provide any relevant evidence. If the FIT Generator or FIT Licensee remains unhappy at how a decision is taken, then it is able to make a complaint. Guidance on how to do this is contained below.

## **Enquiries, disputes and complaints involving the levelisation, mutualisation and annual reconciliation process**

11.5. If a Licensee would like further clarity on the methods used and the calculations made of levelisation, mutualisation and annual reconciliation it should contact the FIT Compliance Manager.

11.6. If the Licensee believes an error has been made it should notify the FIT Compliance Manager as soon as possible and provide as much detail and supporting evidence as is necessary to outline the error. Ofgem can then take a decision as to whether an error has been made and if necessary take corrective action.

## **Complaints about Ofgem**

11.7. If a Licensee or Generator is unhappy with the way they have been dealt with or unhappy with the way in which Ofgem has reached a decision or how Ofgem operates, then they should write to:

Ofgem Complaints  
Operations Division  
Ofgem  
9 Milbank  
London  
SW1P 3GE

11.8. A complaint will be acknowledged within two working days. Ofgem will write to the complainant within 10 working days to inform them of the outcome. If it is not possible to get back to the complainant in that time, Ofgem will write to update the complainant on the progress within 10 working days.

11.9. If, after this process, a Licensee is still unhappy, they should write to the Senior Information Risk Officer (SIRO) at the address above, who will investigate the complaint further. The Licensee will receive a response within 10 working days.

11.10. If a Licensee is still not satisfied, it should take the complaint to the Parliamentary Ombudsman who carries out independent investigations into complaints about public bodies. If the complaint is found to be justified, the Ombudsman can recommend that Ofgem provides a remedy.

11.11. Details of how to make a complaint to the Parliamentary Ombudsman can be found on their website at [www.ombudsman.org.uk](http://www.ombudsman.org.uk) .

## Appendices

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## Appendix 1 - Generator and Installation details required for Central FIT Register

Below is a list of information required from Licensees to populate the Central FIT Register when registering a new eligible installation, and where that information may be retrieved from.

Data Item	Details	MCS	ROO-FIT
FIT Generator Details	1.1. Name, Address, Postcode, Company Name/Number, Email address	X	X
Nominated Recipient Details	Name, Address, Postcode, Company Name/Number		
Site location	Address & Postcode or Ordnance Survey Grid Reference	X	X
Technology installed	PV*, Wind, Hydro, micro CHP, Anaerobic Digestion (selected from a list)	X	X
Total Installed Capacity	Numeric entry		X
Declared Net Capacity	Numeric entry	X	X
Application Date	Date MCS Registration requested / ROO-FIT accreditation application received		X
Commissioning Date	Date Installation (and any subsequent extensions) commissioned	X	X
Installation Type	A descriptor for reporting/analysis e.g. residential (selected from a list)		X
Export status	A descriptor indicating the export type e.g. No Export, Off Grid, Deemed Export, Standard Tariff, Negotiated Tariff (selected from a list)		
Grid Connection Status	Whether or not the installation is connected to the distribution network		X
Supply MPAN(s)	Alphanumeric entry (mandatory for grid connected installations)	X	X
Export MPAN(s)	Alphanumeric entry		X
Generation meter serial number(s)	Alphanumeric entry	X	X
Generation meter reading(s)	Starting meter reading(s) – Numeric entry	X	X
Start meter reading date	Generation meter reading date	X	X
Date of Statement of FIT Terms	Date FIT terms agreed with the generator		
Existing installation details	Declaration from the generator regarding the (DNC/TIC) of any other installations of the same renewable technology on the same site to determine correct tariff & eligibility		

## Appendix 2 – Statement of FIT Terms

Replicated from the proposed Schedule A to Standard Condition 33 of the Electricity Supply Licence.

### 6. Statement of FIT Terms

6.2 The Mandatory FIT Licensee shall take all reasonable steps to agree in writing a Statement of FIT Terms with a FIT Generator as regards an Accredited FIT Installation within ten working days of the Confirmation Date, such agreement not to be unreasonably withheld.

6.3 The Mandatory FIT Licensee shall ensure that the Statement of FIT Terms incorporates as a minimum the Principal Generator Terms detailed in Part 1, clause 6.3 and the Principal FIT Licensee Terms detailed in Part 1, clause 6.4, in accordance with any guidance issued by the Authority.

6.4 The Principal Generator Terms shall include:

6.4.1 obligations relevant to FIT Payments, including:

- (a) Tariff Code
- (b) Confirmation Date;
- (c) Eligibility Date and Eligibility Period;
- (d) Generation Tariff;
- (e) Export Tariff (where applicable) and how to elect to receive Export Payments;
- (f) frequency of FIT Payment;
- (g) data on which calculation of FIT Payments shall be based and the process by which such data is to be provided;
- (h) the consequences of ceasing to be eligible for FIT Payments;
- (i) and any other term that may reasonably be considered to significantly affect the evaluation by the FIT Generator of the arrangement under which FIT Payments shall be made by the Mandatory FIT Licensee;  
and

6.3.2 obligations relevant to the protection of the FIT Generator to which the Mandatory FIT Licensee shall be obliged to adhere, including:

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- (a) a description of the Complaints Procedure and a stated duty to participate in the Complaints Procedure on disputes in relation to compliance with obligations under the Scheme;
- (b) a duty not to discriminate without objective justification in terms of changing Relevant Electricity Licensee or the prices for supply and other charges as between FIT Generators and other parties to whom electricity is supplied by the Mandatory FIT Licensee;
- (c) a description of the process of Switching and a stated duty to participate as required to facilitate the Switching of a FIT Generator;
- (d) a duty not to impose any obligations on a FIT Generator which are additional to, or more onerous than those that are necessary to enable the Mandatory FIT Licensee to meet its obligations under the Scheme;
- (e) a duty to fulfil obligations under this Scheme efficiently and expeditiously;
- (f) a term setting out the termination rights which permit the FIT Generator to withdraw from the Scheme or Switch;
- (g) a term identifying the risks to a FIT Generator of failure to adhere to the Statement of FIT Terms, for example following failure to provide the required data in a timely fashion and as regards suspension and recoupment of FIT Payments.

## 6.4 The Principal FIT Licensee Terms shall include:

6.4.1 a term explaining that FIT Payments shall be made by reference to data in the Central FIT Register;

6.4.2 a term identifying the FIT Generator's obligations as regards providing information, declarations and evidence to the Mandatory FIT Licensee and the Authority (as well as any consents required for the purposes of data protection) as required for the administration of the Scheme;

6.4.3 a term requiring the FIT Generator to inform the Mandatory FIT Licensee as soon as reasonably possible in the event there is a change in ownership of an Accredited FIT Installation;

6.4.4 a term requiring the FIT Generator to inform the Mandatory FIT Licensee as soon as reasonably possible of Extensions or Reductions to an Accredited FIT Installation;

6.4.5 a term setting out the circumstances and procedures for changing the Nominated Recipient on the Central FIT Register;

6.4.6 a term explaining meter ownership and responsibilities, including as regards access to the property of the FIT Generator if required for inspection, testing and (in the case of the Export Meter) maintenance and if appropriate replacement.

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6.5 In the event the Central FIT Register is amended by the Authority to reflect any change in circumstances relevant to the content of the Statement of FIT Terms, for example, the Extension of an Accredited FIT Installation, the Mandatory FIT Licensee shall revise the Statement of FIT Terms as required and an amended version shall be supplied to the FIT Generator.

6.6 The Mandatory FIT Licensee shall be required to take due account of guidance issued by the Authority as regards the content and the form of the Statement of FIT Terms but can agree terms more favourable to the FIT Generator if so desired;

6.7 In addition to what is stipulated in the Statement of FIT Terms, the Mandatory FIT Licensee shall have the following specific duties as regards FIT Generators in the context of the Scheme:

6.7.1 when providing information to a FIT Generator (whether in writing, by electronic display or orally) in relation to this Scheme, the Mandatory FIT Licensee shall take all reasonable steps to ensure it:

- (a) is complete and accurate;
- (b) is capable of being easily understood by the FIT Generator;
- (c) does not mislead the FIT Generator; and
- (d) is otherwise fair, transparent, appropriate and delivered in a professional manner both in terms of content and in terms of how it is presented (with more important information being given appropriate prominence);

6.7.2 when making FIT Payments to a FIT Generator or Nominated Recipient, the Mandatory FIT Licensee shall ensure that the Statement of FIT Terms by reference to which it does so does not materially discriminate without objective justification between one group of FIT Generators and any other such group;

6.7.3 the Mandatory FIT Licensee shall notify FIT Generators and Nominated Recipients to which it makes FIT Payments as soon as reasonably possible at the occurrence of an Insolvency Event.

6.8 To the extent a FIT Generator falls into the definition of Customer, Domestic Customer or Micro-business Consumer under the Electricity Supply Licence, participation in this Scheme and involvement in Small-scale Low-carbon Generation shall have no effect on the rights and obligations resulting from that status under Sections A and B of the Electricity Supply Licence.



## Appendix 3 – The Authority’s Powers and Duties

1.1. Ofgem is the Office of Gas and Electricity Markets which supports the Gas and Electricity Markets Authority (“the Authority”), the regulator of the gas and electricity industries in Great Britain. This Appendix summarises the primary powers and duties of the Authority. It is not comprehensive and is not a substitute to reference to the relevant legal instruments (including, but not limited to, those referred to below).

1.2. The Authority’s powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002 and the Energy Act 2004, as well as arising from directly effective European Community legislation. References to the Gas Act and the Electricity Act in this Appendix are to Part 1 of each of those Acts.<sup>1</sup>

1.3. Duties and functions relating to gas are set out in the Gas Act and those relating to electricity are set out in the Electricity Act. This Appendix must be read accordingly<sup>2</sup>.

1.4. The Authority’s principal objective when carrying out certain functions under each of the Gas Act and the Electricity Act is to protect the interests of existing and future consumers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas conveyed through pipes, and the generation, transmission, distribution or supply of electricity, or the provision or use of electricity interconnectors.

1.5. The Authority must, when carrying out those functions, have regard to:

- the need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met;
- the need to secure that all reasonable demands for electricity are met;
- the need to secure that licence holders are able to finance the activities which are the subject of obligations on them<sup>3</sup>;
- the need to contribute to the achievement of sustainable development; and
- the interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.<sup>4</sup>

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<sup>1</sup> entitled “Gas Supply” and “Electricity Supply” respectively.

<sup>2</sup> However, in exercising a function under the Electricity Act the Authority may have regard to the interests of consumers in relation to gas conveyed through pipes and vice versa in the case of it exercising a function under the Gas Act.

<sup>3</sup> under the Gas Act and the Utilities Act, in the case of Gas Act functions, or the Electricity Act, the Utilities Act and certain parts of the Energy Act in the case of Electricity Act functions.

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1.6. Subject to the above, the Authority is required to carry out the functions referred to in the manner which it considers is best calculated to:

- promote efficiency and economy on the part of those licensed<sup>5</sup> under the relevant Act and the efficient use of gas conveyed through pipes and electricity conveyed by distribution systems or transmission systems;
- protect the public from dangers arising from the conveyance of gas through pipes or the use of gas conveyed through pipes and from the generation, transmission, distribution or supply of electricity; and
- secure a diverse and viable long-term energy supply.

1.7. In carrying out the functions referred to, the Authority must also have regard, to:

- the effect on the environment of activities connected with the conveyance of gas through pipes or with the generation, transmission, distribution or supply of electricity;
- the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed and any other principles that appear to it to represent the best regulatory practice; and
- certain statutory guidance on social and environmental matters issued by the Secretary of State.

1.8. The Authority has powers under the Competition Act to investigate suspected anti-competitive activity and take action for breaches of the prohibitions in the legislation in respect of the gas and electricity sectors in Great Britain and is a designated National Competition Authority under the EC Modernisation Regulation<sup>6</sup> and therefore part of the European Competition Network. The Authority also has concurrent powers with the Office of Fair Trading in respect of market investigation references to the Competition Commission.

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<sup>4</sup> The Authority may have regard to other descriptions of consumers.

<sup>5</sup> or persons authorised by exemptions to carry on any activity.

<sup>6</sup> Council Regulation (EC) 1/2003

## Appendix 4 - Glossary

“Accredited FIT Installation”	means an Eligible Installation which the Authority has both determined is suitable for participation in the Scheme and entered onto the Central FIT Register in accordance with the FIT Order;
“Affiliate”	means in relation to an Electricity Licensee any holding company or subsidiary or subsidiary undertaking of a holding company of the licensee in each case within the meaning of the Companies Act 2006;
“Cancellation of Export Payment Opt Out Notification”	means a notice in writing from a FIT Generator to a FIT Licensee in terms of which the FIT Generator elects to resume receipt of Export Payments from a date specified therein;
“Central FIT Register”	means the register kept and maintained by the Authority for the purpose of recording details of FIT Generators, Accredited FIT Installations and other such matters relating to the Scheme;
“Commissioned”	means, in relation to an Eligible Installation, the completion of such procedures and tests as constitute, at the time they are undertaken, the usual industry standards and practices for commissioning that type of Eligible Installation in order to demonstrate it is capable of operation;
“Complaints Procedure”	means the procedure available to a FIT Generator in the event it has a complaint about any action taken by a FIT Licensee in relation to this Scheme;
“Confirmation Date”	means the date on which the FIT Generator is entered onto the Central FIT Register by the Authority, such that its Eligible Installation becomes an Accredited FIT Installation;
“Declared Net Capacity”	means the maximum capacity at which the installation can be operated for a sustained period without causing damage to it (assuming the source of power used by it to generate electricity was available to it without interruption) less the amount of electricity that is consumed by the plant;

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"Deemed Export"	means Export from an Accredited FIT Installation which may be deemed to be a percentage of the equivalent Generation Meter Reading from the same Accredited FIT Installation and period, in the event it is not possible or practical to measure it by way of Export Meter Readings, to be determined in accordance with the methodology determined by the Secretary of State as set out in the FIT Order;
"Deemed Export Reading"	means the data by reference to which the FIT Licensee may calculate the Export Payment as regards the Deemed Export of an Accredited FIT Installation;
"EA08"	means the Energy Act 2008;
"Eligibility Date"	means the date as regards a particular Eligible Installation from which eligibility for FIT Payments commences which shall be the later of the date: <ul style="list-style-type: none"> <li>(a) as applicable, of <ul style="list-style-type: none"> <li>(i) receipt by the Authority of a FIT Generator's written request for ROO-FIT Accreditation in a form acceptable to the Authority; or</li> <li>(ii) receipt by a FIT Licensee of a FIT Generator's written request for MCS-certified Registration;</li> </ul> </li> <li>(b) on which the Eligible Installation is Commissioned; or</li> <li>(c) of Implementation;</li> </ul>
"Eligibility Period"	means the maximum period during which a FIT Generator can receive FIT Payments for a particular Eligible Installation, as set out in the table at Annex 1;
"Eligible Installation"	means, on a Site, any Plant Owned by a FIT Generator capable of producing Small-scale Low-carbon Generation from the same type of Eligible Low-carbon Energy Source, the Total Installed Capacity of which does not exceed the Specified Maximum Capacity;

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“Eligible Low-carbon Energy Source”	means the following sources of energy or technology: anaerobic digestion, as defined in the ROO; hydro generating station, as defined in the ROO; combined heat and power with an electrical capacity of 2kW or less; solar photovoltaic; wind, which may be amended from time to time by the Secretary of State insofar as the scope remains consistent with the sources of energy and technologies identified in s.41(5) EA08;
“Export”	means the flow of electricity at any instant in time from an Eligible Installation onto a distribution system or transmission system and, if the FIT Licensee so elects, accounted for in settlement in accordance with the BSC, and Export used as a verb shall be construed accordingly;
“Export Meter”	means a meter which measures the quantity of Export which, if registered pursuant to the BSC, such registration is to be the responsibility of the FIT Licensee;
“Export Meter Reading”	means the measure by an Export Meter of the amount of Export;
“Export Payment”	means the sum paid to the FIT Generator or Nominated Recipient, as applicable, by a FIT Licensee, for FIT Export in any period, calculated by reference to the Export Tariff and Export Meter Reading or Deemed Export Reading;
“Export Payment Opt Out Notification”	means a notice in writing from a FIT Generator to a FIT Licensee in terms of which the FIT Generator opts out of receiving Export Payments from a date specified therein;
“Export Tariff”	means the payment rate per kilowatt hour for FIT Export from an Accredited FIT Installation as set out in the FIT Payment Rate Table at Annex 2;
“Extension”	means a modification to an Accredited FIT Installation to increase its Total Installed Capacity from the same Eligible Low-carbon Energy Source, and Extend as a verb shall be construed accordingly;
“FIT Export”	means Export or Deemed Export from an Accredited FIT Installation in relation to which a FIT Generator has requested to receive Export Payments in accordance with Part 1, clause 7.1;

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"FIT Generator"	means the Owner, identified as such in the Central FIT Register, of an Eligible Installation used or intended to be used for Small-scale Low-carbon Generation, whether or not that person is also operating or intending to operate the Eligible Installation;
"FIT Licensee"	means the collective term for Mandatory FIT Licensees and Voluntary FIT Licensees;
"FIT Notification"	means the notification to be submitted to the Authority by the licensee on or before 14 February in each year to confirm whether the licensee is: a Mandatory FIT Licensee; or a Voluntary FIT Licensee; or neither a Mandatory FIT Licensee nor a Voluntary FIT, by reference to its status as at 31 December of the previous calendar year. In FIT Year 1, the FIT Notification must be submitted on or before 30 June 2010 by reference to a licensee's status as at Implementation;
"FIT Order"	means an order made in accordance with sections 43(3) and 41(1) EA08;
"FIT Payments"	means, as applicable, the Generation Payments and/or Export Payments;
"FIT Scheme"	means the scheme for feed-in tariffs introduced in accordance with sections 41 to 43 EA08, as set out in Standard Condition 33 of the Electricity Supply Licence, this Schedule A, Parts 1 to 3 and Annexes 1 and 2;
"FIT Year"	means the year commencing on 1st April and ending on 31st March numbered sequentially from FIT Year 1 (being 1st April 2010 to 31st March 2011) to FIT Year 11;
"Generation Meter"	means a meter which measures the quantity of electricity generated by an Accredited FIT Installation, for which the FIT Generator is responsible;
"Generation Payment"	means the sum paid to the FIT Generator or Nominated Recipient, as applicable, by a FIT Licensee, for the electricity generated by Accredited FIT Installations in any period, calculated by reference to the Generation Tariff and Generation Meter Readings;
"Generation Meter Reading"	means the measure by a Generation Meter of the gross amount of electricity generated by an Accredited FIT Installation;

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“Generation Tariff”	means the payment rate per kilowatt hour of electricity generated by an Accredited FIT Installation as set out in the FIT Payment Rate Table at Annex 2;
“Implementation”	means the date on which the FIT Scheme becomes operational;
“Insolvency Event”	to be interpreted in accordance with paragraphs 1(f)-(g), 2 and 3 of Schedule 2 on Revocation of the Electricity Supply Licence;
“Levelisation Payment”	means the payment required to be made by a FIT Licensee to the Authority or by the Authority to the FIT Licensee, in accordance with the Levelisation Process as determined in the FIT Order;
“Levelisation Process”	means the process by which the total cost of the FIT Scheme is allocated between Electricity Licensees in proportion to the size of their share in the electricity supply market of Great Britain, as determined in accordance with the FIT Order;
“Mandatory FIT Licensee”	means an Electricity Licensee which either: supplies electricity to at least 50,000 domestic customers; or together with its Affiliates jointly supplies electricity to at least 50,000 domestic customers, as at 31 December before the start of each FIT Year; and effective on and from the 1 April of the current FIT Year;
“MCS-certified Installation”	means an Eligible Installation using an MCS-FIT Technology which has been recognised by MCS or equivalent as satisfying relevant equipment and installation standards;
“MCS-certified Registration”	means the process whereby an Eligible Installation confirmed as an MCS-certified Installation is entered onto the Central FIT Register by the Authority;
“MCS or equivalent”	means the Microgeneration Certification Scheme or equivalent schemes accredited under EN 45011, which certify microgeneration products and installers in accordance with consistent standards;

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"MCS-FIT Technology	means the following Eligible Low-carbon Energy Sources for which MCS-certified Registration is required: solar photovoltaic with a capacity of 50kW or less; wind with a capacity of 50kW or less; hydro generating station with a capacity of 50kW or less; combined heat and power with an electrical capacity of 2kW or less; which may be amended from time to time by the Secretary of State insofar as the scope remains consistent with s.41(5) EA08;
"Metering Legislation"	means: Schedule 7 to the Electricity Act 1989; The Meters (Approval of Pattern or Construction and Manner of Installation) Regulations 1998, SI/1565; The Meters (Certification) Regulations 1998, SI/1566; The Electricity (Approval of Pattern or Construction and Installation and Certification) (Amendment) Regulations 2002, SI/3129 ; The Measuring Instruments (EC Requirements) (Electrical Energy Meters) Regulations 1995, SI/2607; The Measuring Instruments (EC Requirements) (Electrical Energy Meters) (Amendment) Regulations 2002, SI/3082; The Measuring Instruments (Active Electrical Energy Meters) Regulations 2006, SI/1679;
"Migrated ROO Generator"	means a generator whose generation installation was accredited under the ROO as at Implementation and who notifies the Authority , or, as the case may be, a FIT Licensee, of their intention to participate in the FIT Scheme and whose Eligible Installation is subsequently accredited by the Authority in accordance with the FIT Order;
"Nominated Recipient"	means a person appointed by a FIT Generator to receive FIT Payments in respect of an Accredited FIT Installation owned by that FIT Generator and recorded as such on the FIT Central Register;



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“Owner”	means, in relation to any Plant which is the subject of a hire purchase agreement, a conditional sale agreement or any agreement of a similar nature, the person in possession of the Plant under that agreement, and in all other contexts it shall bear its ordinary meaning, Owned as a verb shall be construed accordingly;
“Part 1”	means Part 1 of Schedule A to Standard Condition 33 of the Electricity Supply Licence;
“Part 2”	means Part 2 of Schedule A to Standard Condition 33 of the Electricity Supply Licence;
“Part 3”	means Part 3 of Schedule A to Standard Condition 33 of the Electricity Supply Licence;
“Plant”	means any equipment, apparatus or appliance;
“Principal FIT Licensee Terms”	means the principal terms, to be included in the Statement of FIT Terms, which relate to the obligations which a FIT Generator must satisfy in order to receive FIT Payments from a FIT Licensee;
“Principal Generator Terms”	means the principal terms, to be included in the Statement of FIT Terms, which relate both to FIT Payments and the protection of FIT Generators;
“Reduction”	means a modification to an Eligible Installation to decrease its Total Installed Capacity from the same Eligible Low-carbon Energy Source, and Reduce as a verb shall be construed accordingly;
“ROO”	means collectively the Renewables Obligation Order 2009 and Renewables Obligation (Scotland) Order 2009 (or equivalent determinations under any amendments to those Orders or re-enactments of the renewables obligation upon revocation of those Orders);
“ROO-FIT Accreditation”	means the process of accreditation pursuant to the FIT Order to be undertaken in respect of an Eligible Installation not using an MCS-FIT Technology;
“Site”	means the premises to which are attached one or more Accredited FIT Installations or Eligible Installations in close geographical proximity to each other, to be determined as required by the Authority by reference to: the relevant Meter Point Administration Number for electricity supply; street address; OS grid reference; and any other factors which the Authority at its discretion views as relevant;

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“Small-scale Low-carbon Generation”	means the use, for the generation of electricity, of any Plant: which, in generating electricity, relies wholly or mainly on an Eligible Low-carbon Energy Source; and the Total Installed Capacity of which does not exceed the Specified Maximum Capacity;
“Specified Maximum Capacity”	means the maximum capacity specified in the FIT Order;
“Statement of FIT Terms”	means the statement of terms and conditions agreed between the FIT Licensee and FIT Generator in relation to participation in the Scheme;
“Switching”	means the process involved when a FIT Generator elects to change its FIT Licensee, and Switch used as a verb shall be construed accordingly;
“Tariff Code”	means a code allocated to each Accredited FIT Installation identifying the: FIT Year in which the Eligibility Date falls; Eligible Low-carbon Energy Source; and other characteristics relevant to the Accredited FIT Installation;
“Total Installed Capacity”	means the maximum capacity at which an Eligible Installation could be operated for a sustained period without causing damage to it (assuming the Eligible Low-carbon Energy Source was available to it without interruption), a declaration of which is submitted as part of the processes of ROO-FIT Accreditation and MCS-certified Registration;
“Transfer Date”	Means the date upon which a FIT Generator is deemed to have Switched in relation to an Accredited FIT Installation;
“Voluntary FIT Licensee”	means a licensee which is not a Mandatory FIT Licensee but which voluntarily elects to participate in making FIT Payments under the Scheme.

## Appendix 5 - Feedback Questionnaire

1.1. Ofgem considers that consultation is at the heart of good policy development. We are keen to consider any comments or complaints about the manner in which this consultation has been conducted. In any case we would be keen to get your answers to the following questions:

1. Do you have any comments about the overall process that was adopted for this consultation?
2. Do you have any comments about the overall tone and content of the report?
3. Was the report easy to read and understand? Could it have been better written?
4. To what extent did the report's conclusions provide a balanced view?
5. To what extent did the report make reasoned recommendations for improvement?
6. Please add any further comments?

1.2. Please send your comments to:

**Andrew MacFaul**  
Consultation Co-ordinator  
Ofgem  
9 Milbank  
London  
SW1P 3GE  
andrew.macfaul@ofgem.gov.uk