

A photograph of a residential roof with several blue solar panels. The panels are mounted on a brown tiled roof. Below the roofline, a white window is visible, partially obscured by some autumn-colored foliage in the foreground. The sky is a clear, pale yellow.

ofgem

Making a positive difference
for energy consumers

Feed-in tariffs (FIT)

Annual Report – Scheme Year 14

Scheme year 14 (1 April 2023 to 31 March 2024)

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Foreword

The Feed-in Tariffs scheme is one of twelve schemes Ofgem administers on behalf of the UK government. These schemes are designed to advance decarbonisation and support vulnerable consumers, and were worth over £12 billion in the financial year 2023 to 2024.¹

Launched in 2010, the Feed-in Tariffs (FIT) scheme was designed to promote the uptake of small-scale low-carbon electricity generation, looking to give people a direct stake in the transition to a decarbonised energy system. The FIT requires participating electricity suppliers to make payments to eligible small-scale generators for the generation and export to the grid of electricity. Through this, the FIT has subsidised the uptake of low-carbon generation technologies within households, businesses, organisations and communities. Most notably it has led to a significant increase in people adding small-scale solar photovoltaic installations - solar panels - to their homes. By making small-scale low-carbon generation accessible to the public, the FIT has supported the development of a flexible, affordable and net zero energy system.

The Department for Energy Security and Net Zero (DESNZ) maintains overall responsibility for FIT policy, and Ofgem have administered the scheme on their behalf since its introduction. There are many aspects to our role: we facilitate the robust operation of the scheme by developing and publishing guidance on how the scheme works for suppliers and generators, rebalancing scheme costs fairly across energy suppliers and maintaining a register of all accredited FIT installations. We deliver value for money in our administration by ensuring that suppliers are fulfilling their obligations and guarding the scheme against fraud and error. To keep stakeholders informed, we publish data and reports on the scheme's impact and our administrative activity. Participating suppliers are responsible for most of the day-to-day administration of the scheme, including receiving and verifying meter readings and making FIT payments.

I am particularly impressed by the scheme's immense impact - altogether, the installations supported through the FIT hold 6.5 GW of generating capacity. To date, nearly £16.2 billion of FIT payments have been made to generators, representing incentives paid to a cumulative 870,164 small-scale low-carbon installations. Over 82 TWh of electricity has been generated throughout the scheme's lifetime. Here, the FIT has not only contributed vast amounts of clean electricity to our energy system, but has also driven down the cost of the net zero transition for consumers in the process by making these small-scale technologies cost effective for everyday people.

¹ The figure reported here is accurate as the FY 2023 to 2024 compliance processes for all schemes have now concluded, giving us full sight of the value of each of our schemes. Previously reported figures were a conservative estimate and therefore differ to this value.

Although the scheme has been closed to new entrants since 1 April 2019, accredited installations will continue to receive payments through the FIT for up to 20 years after this. Our work now increasingly focuses on monitoring compliance with scheme rules amongst both suppliers and generators, and pursuing enforcement action where necessary – including recouping payments, withdrawing accreditations, and referring participants to law enforcement agencies in cases of suspected fraud.

I am pleased that this year we were able to launch our statistical audit programme, which conducts site visits into a representative sample of the largest installations on the scheme. This will help us better understand where and how non-compliance is occurring within the scheme population. This will enable us to better target our engagement toward educating participants on their responsibilities and addressing common reasons for non-compliance. Where non-compliant participants fail to take adequate steps to meet our expectations, we will take action against them.

I would encourage suppliers to be proactive in managing their scheme compliance as we will hold them to account where this is not the case. Where suppliers fail to meet our expectations, we publish details of their non-compliance in the Supplier Performance Report in order to provide transparency for stakeholders. Importantly, to ensure the accurate provision of FIT payments, suppliers must take all reasonable steps to inspect generator's meters at least once every two years. This responsibility ensures the accuracy of meter readings, and accordingly, reduces the amount of erroneous FIT payments. In previous years, this has been a major source of supplier non-compliance. Therefore, this year, we targeted 19 suppliers underperforming on this duty, checking their improvement plans and monitoring their progress regularly. I am glad that, so far, we have seen a 30.1% reduction in the number of installations with overdue meter inspection dates. We will continue to monitor supplier performance in this area and ensure that they are meeting their obligations so that consumers are not being adversely affected.

This year we have also seen a number of disputes between FIT generators and homeowners reported in the media. Typically, this occurs with a "rent-a-roof"² arrangement where the homeowner has a FIT installation on their property but doesn't own the installation. We have been working with complainants to better understand their difficulties. Ofgem has limited powers in this area, but we are doing everything we can to protect consumers - including working with DESNZ on how we might strengthen our legal powers to tackle these issues going forward.

² Rent-a-roof refers to an arrangement where property owners would lease their roof to third-party companies. The third-party companies would install solar panels free of charge and the homeowner would receive any electricity generated, thereby reducing their bills. In return, the third-party would claim any FIT payments.

In 2020, the Government launched the Smart Export Guarantee (SEG), a government-backed initiative which offers tariff-based support to small-scale generators who export low-carbon electricity to the grid. The SEG builds upon the successes of the FIT, aiming to deliver a thriving market for small-scale low-carbon generators. Generators can now opt to receive SEG payments in place of their FIT export payments whilst continuing to receive FIT generation payments. This means that FIT generators can now shop around for the best export deals available in the market, thereby maximising the benefits from their installations.

I am immensely proud of the work that Ofgem has done to oversee the successful operation of the FIT scheme. By applying the expertise we have built throughout the lifetime of the FIT, we will continue to support the transition to a flexible, affordable and net zero energy system that works for the benefit of consumers.

We welcome comments from readers on the content of this report, so if you want to get in touch, please contact us at SchemesReportingFeedback@ofgem.gov.uk.

Neil Lawrence

Director, Delivery & Schemes

869,857

Accreditations

The total number of active accreditations on the scheme at the end of Scheme Year 14 (SY14) was 869,857. The majority of these are solar photovoltaic (PV) installations which form 98.93% of all accreditations. 99.56% of these solar PV installations have a capacity below 50 kW.

6.49 **GW**

Capacity

The total installed capacity³ reached nearly 6.49 GW in SY14. Of this installed capacity, 53.78% comes from installations with a capacity below 50 kW, and the remaining 46.22% comes from larger capacity installations. Solar PV installations account for 79.35% (5.15 GW) of the total.

8.3 **TWh**

Generation

A total of 8.3 TWh of renewable electricity was generated on the FIT scheme in SY14, which is a decrease of around 0.56 TWh compared to SY13. Generation in SY14 is sufficient to power over 3 million typical UK homes for a year.

1.3 **TWh**

Exported

Approximately 1.3 TWh of renewable electricity was exported to the grid under the FIT scheme in SY14. This is 0.04 TWh higher than the export recorded in SY13.

£1.86 **billion**

FIT scheme value

The value of the FIT scheme⁴ in SY14 was almost £1.86 billion, which included £1.76 billion in generation payments and £78 million in export payments. The scheme value has increased by £125.3 million compared to SY13.

³ The maximum capacity at which an installation could be operated for a sustained period without damaging it (assuming the eligible low-carbon energy source was available to it without interruption).

⁴ The scheme value consists of total payments made to FIT generators, plus the FIT qualifying costs – the money paid to licensees to compensate them for their administrative costs related to the FIT. FIT qualifying costs were around £17.7 million in SY14.

Executive Summary

The Feed-in Tariffs (FIT) is a government scheme which promoted the uptake of small-scale renewable and low-carbon electricity generation technologies, and continues to support accredited installations. It forms a key part of the range of energy market reforms implemented over the past fifteen years, designed to accelerate the transition towards cleaner and more secure supplies of home-grown energy. Encouraging the use of renewable and low-carbon generation technologies helps the UK to reduce its carbon emissions, contributing towards reaching Net Zero and delivering further benefits, such as a reduction in Britain's reliance on expensive gas imports.

The FIT scheme requires certain Licensed Electricity Suppliers to make payments to accredited installations that meet their ongoing obligations for both the amount of low-carbon electricity they generate and the low-carbon electricity they export into the national grid. The scheme closed to new applications from 1 April 2019, and all pathways for accreditation are now closed. Before the scheme closed to new entrants, generators using one of the following technology types were able to apply to receive FIT payments, subject to certain eligibility requirements:

- Solar photovoltaic (PV)
- Wind
- Hydro
- Anaerobic digestion (AD)⁵
- Fossil fuel-derived combined heat and power (micro-CHP)⁶.

Installations could have a Total Installed Capacity (TIC)⁷ up to 5MW (or 2kW for micro-CHP).

Ofgem has been responsible for administering the FIT scheme on behalf of the Department for Energy Security and Net Zero (DESNZ)⁸ since the scheme's introduction in 2010. Our role includes:

- Maintaining the Central FIT Register (CFR – the database of all accredited FIT installations managed by Ofgem).

⁵ Natural process in which micro-organisms break down organic matter (e.g. animal manure or waste food) within a contained environment. This produces biogas which can then be used as fuel to generate electricity.

⁶ Micro-Combined Heat and Power (CHP) is a technology that generates heat and electricity simultaneously, from the same energy source (normally natural gas).

⁷ The maximum capacity an installation can be operated at over a sustained period without damaging it (assuming the source of power used by it to generate electricity was available to it without interruption).

⁸ From February 2023 the new DESNZ (Department for Energy Security and Net Zero) are responsible for FIT policy. This responsibility was previously held by BEIS (Department for Business, Energy & Industrial Strategy), and prior to that, by DECC (Department of Energy & Climate Change).

- Processing amendments to existing accreditations, and previously, processing applications to join the scheme.
- Managing the levelisation process, ensuring that each participating licensed electricity supplier pays or receives the right amount of money, and as such, the costs of the scheme are shared fairly among suppliers.
- Conducting annual audit and compliance programmes to ensure that suppliers and generators comply with the FIT scheme requirements, helping to ensure the fair and effective use of public funds.

Since the closure of the FIT scheme to new applicants, the Smart Export Guarantee (SEG)⁹ scheme has continued to provide a route to market for small-scale low-carbon generators.

As part of our responsibilities, we produced this report summarising activity during the fourteenth year of the FIT scheme (Scheme Year 14), covering the period 1 April 2023 to 31 March 2024. An outline of the key points from the Scheme Year 14 (SY14) annual report are set out below.

FIT installations (page 20)

The total number of active accreditations on the scheme in SY14 fell by 206 to 869,857, as certain installations are beginning to reach the end of their eligibility period and are therefore no longer on the scheme. Almost 6.49 GW of low-carbon generating capacity has been deployed under the scheme since its start.

The majority of accredited installations are solar photovoltaic installations which form 98.93% (860,509) of all accreditations and 79.35% (5.15 GW) of installed capacity. 99.56% of these solar installations are microgeneration (less than 50 kW installed capacity) and almost all are domestic rooftop installations.

99.21% of accredited installations on the scheme are microgenerators, accounting for 53.78% of installed capacity, and solar PV is responsible for almost all of this (99.28% of microgeneration installations). There is a more diverse mix of technologies in the larger installation band (above 50 kW), where solar PV is still the most popular (54.46% of accreditations), but other technologies contribute a significant share. The mix is as follows: wind (30.19%), hydro (9.14%), and anaerobic digestion (6.21%).

Domestic installations continue to account for the largest proportion of scheme accreditations (95.38%) and capacity (45.53%). Non-domestic commercial installations only accounted for 3.94% of accreditations but contributed 42.52% of capacity.

⁹ [More information about the Smart Export Guarantee \(SEG\)](https://www.ofgem.gov.uk/environmental-and-social-schemes/smart-export-guarantee-seg)
<<https://www.ofgem.gov.uk/environmental-and-social-schemes/smart-export-guarantee-seg>>

Regionally, the South West has the greatest number of installations (123,256) and the highest proportion of installed capacity (17.86%).

Since SY12, some micro-CHP installations have been reaching the end of their ten-year eligibility period (as set out in the standard licence conditions)¹⁰. When installations reach the end of their eligibility period they are no longer classified as active installations¹¹ and are not included in the figures presented in this report. In total, 106 micro-CHP installations with a combined capacity of 144.3 kW became inactive during SY14 and will no longer be eligible for FIT payments.

Scheme costs and renewable generation (page 30)

The impact of the FIT scheme since it started has been significant. During SY14 8.3 TWh of renewable electricity was produced, for which FIT Generators were paid just over £1.84 billion. Of this generated electricity, just over 1.3 TWh was exported to the grid, with associated export payments of around £78.4 million.

In SY14, the total value of the scheme increased by £125.3 million (7.3%) to almost £1.86 billion. As generation fell by around 0.56 TWh (6.7%) from SY13 levels, this can be linked to an increase in tariff rates as they have changed in line with inflation. While the amount of electricity exported slightly increased by 2.9%, export payments fell by £2.3 million (2.9%).

In SY14, 14.43% of the total exported electricity was metered¹², with 85.57% (or 1.13 TWh) deemed¹³. This represents a clear return to metered export compared to SY13 where this ratio was 97.06% deemed and only 2.94% metered export.

We believe this rise in metered export is due to some larger generators returning to receiving FIT export payments following a period of opting out. During SY12 and SY13, due to the rise in wholesale energy costs, a number of generators switched from FIT export tariffs to a negotiated Power Purchase Agreement (PPA) as they were able to receive a higher return rate through this avenue. In SY14, this disparity between PPAs and FIT export tariffs appears to have stabilised, driving this return to FIT export.

The total scheme cost represents the total cost of the scheme to the consumers and the public through bills and general taxation. The total scheme cost in SY14 was nearly £1.76 billion.

¹⁰ [Electricity Act 1989: Standard conditions of electricity supply licence](https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/electricity_supply_standard_licence_conditions_02_02_2021.pdf) - see: Annex 1, page 338: <https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/electricity_supply_standard_licence_conditions_02_02_2021.pdf>

¹¹ Active installations are those installations that are accredited and still in their eligibility period for payments.

¹² Metered export: The amount of renewable electricity exported from an eligible FIT installation, recorded by a meter capable of taking half-hourly measurements.

¹³ Deemed export: where it is not possible or practical to measure the exact amount of renewable electricity exported from an eligible FIT installation, payments are instead calculated based on an estimated percentage of the generated electricity.

Ofgem’s cost to administer the FIT scheme in SY14 was just under £3.9 million, equivalent to 0.22% of the levelisation fund¹⁴.

Monitoring compliance (page 40)

It is the responsibility of FIT Licensees and Generators to ensure they are meeting their obligations.¹⁵ Ofgem takes any non-compliance with scheme obligations very seriously. We operate robust audit and compliance programmes to ensure that suppliers are fulfilling their obligations and payments to generators are only made against eligible generation and export, thereby delivering value for money for consumers while achieving the scheme’s intended benefits.

We conduct audits of both FIT Generators and FIT Licensees, allowing us to detect, monitor and deter non-compliance, misreporting and fraud on the scheme. We have the power to open compliance investigations where we detect issues, and we will pursue enforcement action where necessary. More serious consequences for non-compliance include recouping payments, withdrawing accreditations, and referring participants to law enforcement agencies in cases of suspected fraud.

Licensee audits

The number of FIT Licensees continued to fall in SY14, with 18 voluntary and 16 mandatory FIT Licensees participating in the scheme. Following the wholesale energy crisis, we saw increasing levels of suppliers exiting the market. With increasing market stability, the number of suppliers exiting the market in SY13 reduced to seven, and this has continued into SY14 with only two suppliers exiting the market. No levelisation payments were left unpaid, therefore mutualisation was not triggered in SY14.

There were ten Licensee audits conducted in SY14, increasing from seven in SY13. The proportion of positively rated Licensee audits slightly increased from last year, with 20% receiving a ‘Good’ and 60% receiving ‘Satisfactory’ rating. The proportion of weak audits decreased to 10%. No licensees audited in SY13 were found to be ‘Unsatisfactory’, compared to 10% in SY14. Common themes of non-compliance within supplier audits include:

- Lacking robust procedures
- Deviating from Ofgem recommended processes
- Poor record keeping

It is important that suppliers and generators provide information that is accurate, timely and complete. We expect licensees to be proactive in managing their scheme compliance and reporting and we hold them to account where this is not the case. In SY14 we carried out a

¹⁴ The levelisation fund is the total combined cost of the scheme to licensed electricity suppliers.

¹⁵ ‘FIT Licensees’ are also referred to as ‘suppliers’ within this annual report.

project where we targeted 19 licensees who were underperforming in their obligation of ensuring that generator's meters are inspected at least once every two years. We obtained their improvement plans and have maintained regular contact, and this engagement has seen a significant reduction of 30.1% in the number of installations with overdue meter inspection dates. We will continue to monitor Licensee performance in this area in SY15.

Generator audits

Our generator audit programmes assess the compliance of participating generators with the scheme regulations. During this scheme year, we launched a statistical audit programme which spans over 18 months for its first iteration. This involves auditing a randomly selected sample of scheme participants, allowing us to accurately monitor non-compliance trends across the wider scheme population. Results from the first iteration of this audit programme will be available in SY16. Our targeted audit programme focuses on sites of known or potential areas of risk and runs alongside the statistical audit programme.

In SY14, we conducted a total of 50 targeted audits and 38 statistical audits of FIT generators. Of the targeted generator audits, 80% were given a 'Weak' rating, up from 52% in SY13. However, the proportion of 'Unsatisfactory' generators fell from 26% to 0% over the same period. In SY14, 18% of generators audited were rated as 'Satisfactory', down from 22% in SY13. The proportion of audited sites found to be of a 'Good' audit rating increased to 2%, up from 0% in SY13.

Common themes of audit findings identified from the generator audits included issues with meter details, insufficient evidence for commissioning date, issues with station description, issues with site capacity, and incorrect superuser details.

We closed 39 compliance investigations in SY14, relating to suspected non-compliance from various scheme years. One of these cases resulted in compliance action, where the Licensee was instructed to withhold FIT payments until the value of FIT overpayments is recouped. One suspected fraud investigation was closed in SY14. During the investigation sufficient evidence was found to demonstrate fraud, and we instructed the affected FIT Licensee to recoup any payments made and withdraw the installation's accreditation.

As our schemes are funded through public money, it is vital that they operate as intended and that only those eligible to receive support do so. We work hard to ensure value for money through our monitoring and compliance activities. As a result, in SY14 we have successfully identified almost £3.30 million of error and suspected fraud. Of this, we prevented £2,993,651 being paid out incorrectly and we detected a further £238,290 that was paid to generators who were not eligible to receive it.

Please note: a spreadsheet containing the data used in the production of this report is published alongside the report on our website.

Contacts

For more information about the FIT scheme, please visit our [website](#)¹⁶. If you can't find the information you need, you may find it helpful to refer to our [FIT guidance](#)¹⁷. Alternatively, please email us at renewable.enquiry@ofgem.gov.uk

Press enquiries

For press enquiries please contact Ofgem's press office at press@ofgem.gov.uk

¹⁶ [About the FIT](https://www.ofgem.gov.uk/environmental-and-social-schemes/feed-tariffs-fit) <https://www.ofgem.gov.uk/environmental-and-social-schemes/feed-tariffs-fit>

¹⁷ [FIT - Contacts, guidance and resources](https://www.ofgem.gov.uk/environmental-and-social-schemes/feed-tariffs-fit/contacts-guidance-and-resources) <https://www.ofgem.gov.uk/environmental-and-social-schemes/feed-tariffs-fit/contacts-guidance-and-resources>

1. About the scheme

This chapter introduces the context and legislative background to the Feed-in Tariffs (FIT) scheme, covering the operation of the scheme and its objectives. It describes the various responsibilities in connection to the FIT scheme, including Ofgem’s administrative duties. This chapter also summarises the changes to the scheme and updates to guidance affecting and/or coming into force during Scheme Year 14 (SY14).

Introduction

- 1.1 The Feed-in Tariffs (FIT) scheme was set up to promote the uptake of small-scale renewable and low-carbon electricity generation technologies in England, Wales and Scotland. It forms a key part of the range of energy market reforms, introduced since 2010, designed to accelerate the transition towards cleaner and more secure supplies of home-grown energy. It also helps the UK reduce its carbon emissions, meet its renewable energy and 2050 decarbonisation targets¹⁸, and delivers further benefits, such as a reduction in Britain’s reliance on expensive gas imports.
- 1.2 Introduced on 1 April 2010 by the Department for Energy and Climate Change (DECC)¹⁹, the FIT scheme is underpinned by the Feed-in Tariffs Order 2012²⁰ as amended (‘The Order’) and conditions 33 and 34 of the Standard Conditions of Electricity Supply Licence²¹ (‘the Supply Licence Conditions’).
- 1.3 Under the scheme, accredited installations that meet their ongoing obligations are eligible to receive tariff payments for both the amount of renewable electricity they generate and the renewable electricity they export into the national grid. The scheme requires participating licensed electricity suppliers (‘FIT Licensees’) to make these payments to owners of installations accredited to the scheme (‘FIT Generators’).

¹⁸ The Climate Change Act 2008 set a decarbonisation target for the UK of at least 80% lower than the 1990 baseline by 2050. In 2019 this target was amended to 100% of the 1990 baseline (Net Zero).

¹⁹ The responsibilities of DECC (Department for Energy & Climate Change) were assumed by BEIS (Department for Business, Energy & Industrial Strategy) in 2016. As of February 2023, DESNZ (Department for Energy Security and Net Zero) assumed responsibility for the FIT scheme.

²⁰ [The Feed-in tariffs Order 2012](https://www.legislation.gov.uk/uksi/2012/2782/contents/made): <https://www.legislation.gov.uk/uksi/2012/2782/contents/made>

²¹ [Licensee and licence conditions](https://www.ofgem.gov.uk/industry-licensing/licences-and-licence-conditions): <https://www.ofgem.gov.uk/industry-licensing/licences-and-licence-conditions>

The role of FIT Generators

- 1.4 FIT Generators using one of the following technology types were able to apply to receive FIT payments, subject to certain eligibility requirements:
- Solar photovoltaic (PV)
 - Wind
 - Hydro
 - Anaerobic digestion²² (AD)
 - Fossil fuel-derived combined heat and power (micro-CHP)²³.
- 1.5 Installations could have a Total Installed Capacity (TIC)²⁴ up to 5MW (or 2kW for micro-CHP).
- 1.6 Although the scheme closed to new applications from 1 April 2019, exceptions were granted to those that applied for preliminary accreditation and received extended eligibility periods to make their applications. The last preliminary applicants have now either successfully converted to full accreditation applications or their validity periods have expired rendering them ineligible for the scheme. All pathways for accreditation are now closed.

The role of FIT Licensees

- 1.7 A mandatory FIT Licensee is any licensed electricity supplier with 250,000 or more domestic electricity customers on 31 December as of the preceding year. Licensed electricity suppliers with less than 250,000 domestic customers may choose to become a voluntary FIT Licensee. All licensed electricity suppliers are required to notify Ofgem by 14 February each year whether they will be a mandatory, voluntary or non-FIT Licensee for the FIT year beginning on 1 April.
- 1.8 FIT Licensees are responsible for managing the MCS²⁵ application process and making FIT payments to generators/nominated recipients. FIT Licensees play a key customer-facing role as the main contacts of the FIT scheme.

²² Natural process in which micro-organisms break down organic matter (e.g. animal manure or waste food) within a contained environment. This produces biogas which can then be used as fuel to generate electricity.

²³ Micro-Combined Heat and Power (CHP) is a technology that generates heat and electricity simultaneously, from the same energy source (normally natural gas).

²⁴ The maximum capacity an installation can be operated at over a sustained period without damaging it (assuming the source of power used by it to generate electricity was available to it without interruption).

²⁵ The MCS (Microgeneration Certification Scheme) is a certification scheme for microgeneration installation companies, products and installations. It defines and maintains consistent standards, providing confidence to consumers who wish to invest in small-scale technologies that produce electricity and heat from low carbon sources.

1.9 FIT Licensees have a number of other responsibilities²⁶, including:

- Supporting the process of MCS-certified registration, including verifying eligibility and the accuracy of information provided by applicants
- Ensuring the data entered into the CFR is accurate and up-to-date
- Acquiring generation and/or export meter readings in a timely manner and verifying readings at least once every two years
- Fully cooperating with the process of levelisation, including the provision of accurate, timely and complete data/information to Ofgem
- Identifying potential fraud risks and putting in place mitigating actions/processes within their own organisation, and investigating and reporting suspected fraud to Ofgem
- Ensuring they have appropriate governance and controls in place to be able to meet their obligations under the FIT scheme.

Ofgem's role

1.10 As administrators of the FIT scheme Ofgem performs a number of functions including:

- Publishing guidance
- Processing applications, including amendments to existing accreditations, for large wind and solar PV installations, and all anaerobic digestion and hydro installations
- Maintaining the Central FIT Register (CFR), the database of all accredited installations
- Managing the levelisation process
- Ensuring suppliers and generators comply with the FIT scheme requirements
- Ensuring that the scheme is guarded against fraud and error
- Reporting annually on the amount of electricity generated under the scheme, associated payments made and characteristics of accredited installations.

1.11 As part of our obligations under the scheme we are required to provide an annual report to the Secretary of State for the Department of Energy Security and Net Zero by 31 December following the end of an obligation period.²⁷ This report fulfils this obligation summarising activity during the fourteenth year of the scheme (Scheme Year 14), covering 1 April 2023 to 31 March 2024.

²⁶ [Feed-in Tariffs: Guidance for licensed electricity suppliers:](https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers)

<<https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers>>

²⁷ As outlined in article 33 of the FIT Order 2012 (as amended).

Changes to the Scheme

1.12 The Department for Energy Security and Net Zero (DESNZ) develop scheme policy over time and we review our guidance for suppliers and generators to respond to developments affecting the scheme. We work closely with DESNZ to ensure the scheme is being delivered effectively and in accordance with policy. Policy changes affecting the FIT scheme during SY14 are listed below.

EII Exemption Level Change

- 1.13 The costs of the FIT scheme are levied on GB suppliers in proportion to their share of the GB electricity sales market. Electricity suppliers are able to seek exemptions from the costs of the FIT scheme in respect to a percentage of the electricity supplied to qualifying Energy Intensive Industries (EIIs). Electricity suppliers must report on the total amount supplied to relevant EIIs and the amount of this which is exempt. EIIs refer to industrial sectors that are high users of energy like steel, chemicals, paper and glass.
- 1.14 The Government led a consultation in June 2023²⁸ on a set of measures to make Britain’s strategic EIIs more competitive across Europe. The rationale for the proposed changes was that as UK electricity prices are seen to be higher than other countries, GB EIIs are at a competitive disadvantage and there is an increased risk of having to rely on import markets; sourcing goods from territories with less stringent climate policies.
- 1.15 Following on from the consultation, the Government increased the EII exemption level from 85% to 100%, effective from April 1 2024 onwards. SY14 was therefore the final year that the 85% EII exemption level applied, and certain EIIs are now fully exempt from contributing to the policy costs of certain renewable energy schemes, including the FIT scheme.

Green Import Exemptions

1.16 Electricity suppliers were able to seek exemptions from the costs of the FIT scheme in respect of renewable electricity generated overseas and supplied in GB. These exemptions were known as green import exemptions and were evidenced by the presentation and recognition of EU Guarantees of Origin (GoO) certificates.

²⁸ [British Industry Supercharger: Network Charging Compensation Scheme:](https://www.gov.uk/government/consultations/british-industry-supercharger-network-charging-compensation-scheme/outcome/government-response-british-industry-supercharger-network-charging-compensation-scheme)
<<https://www.gov.uk/government/consultations/british-industry-supercharger-network-charging-compensation-scheme/outcome/government-response-british-industry-supercharger-network-charging-compensation-scheme>>

- 1.17 The Government led a consultation²⁹ in March 2022 on the removal of these scheme cost exemptions for green imported electricity. It committed to remove the availability of the green import exemptions for the FIT Scheme and amended the FIT legislation.³⁰ Consequently, as of SY14 Ofgem no longer recognises EU GoOs.

Guidance updates

Updates to FIT Guidance for generators

- 1.18 On 6 September 2024, we published Version 18 of our guidance for generators³¹ to improve readability and accessibility, with a new title that better reflects its focus. Several chapters have been reduced by removing outdated information following the closure of the FIT scheme. There have also been updates and additions to several sections, including guidance on generator ownership checks, co-locating installations with batteries and electric vehicle (EV) charging points, and the interactions between the FIT and Smart Export Guarantee (SEG) schemes.

Updates to FIT Guidance for licensed electricity suppliers

- 1.19 On 23 April 2024 we published Version 17 of our guidance for licensed electricity suppliers³² to provide detail on interactions between the FIT and SEG schemes, and on extensions to installations through de-rating or repowering. This update also includes recommendations for battery installations, and on the methodology for calculating FIT payments over RPI uplift period. For a full summary of updates see the “updates to guidance” section on page 17 of the guidance.
- 1.20 Version 17.1 was published on 6 September 2024 to mirror the updates in Version 18 of the FIT Guidance for Generators on the interactions between the FIT and SEG schemes.

²⁹ [Feed in Tariffs and Contracts for Difference: proposals relating to Guarantees of Origin:](https://www.gov.uk/government/consultations/feed-in-tariffs-and-contracts-for-difference-proposals-relating-to-guarantees-of-origin) <<https://www.gov.uk/government/consultations/feed-in-tariffs-and-contracts-for-difference-proposals-relating-to-guarantees-of-origin>>

³⁰ [The Feed-in Tariffs \(Amendment\) Order 2023:](https://www.legislation.gov.uk/ukxi/2023/127/pdfs/uksiem_20230127_en.pdf) <https://www.legislation.gov.uk/ukxi/2023/127/pdfs/uksiem_20230127_en.pdf>

³¹ [Feed-in Tariffs: Guidance for FIT Generators](https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-fit-generators) <<https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-fit-generators>>

³² [Feed-in Tariffs: Guidance for licensed electricity suppliers](https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers) <<https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers>>

2. FIT installations

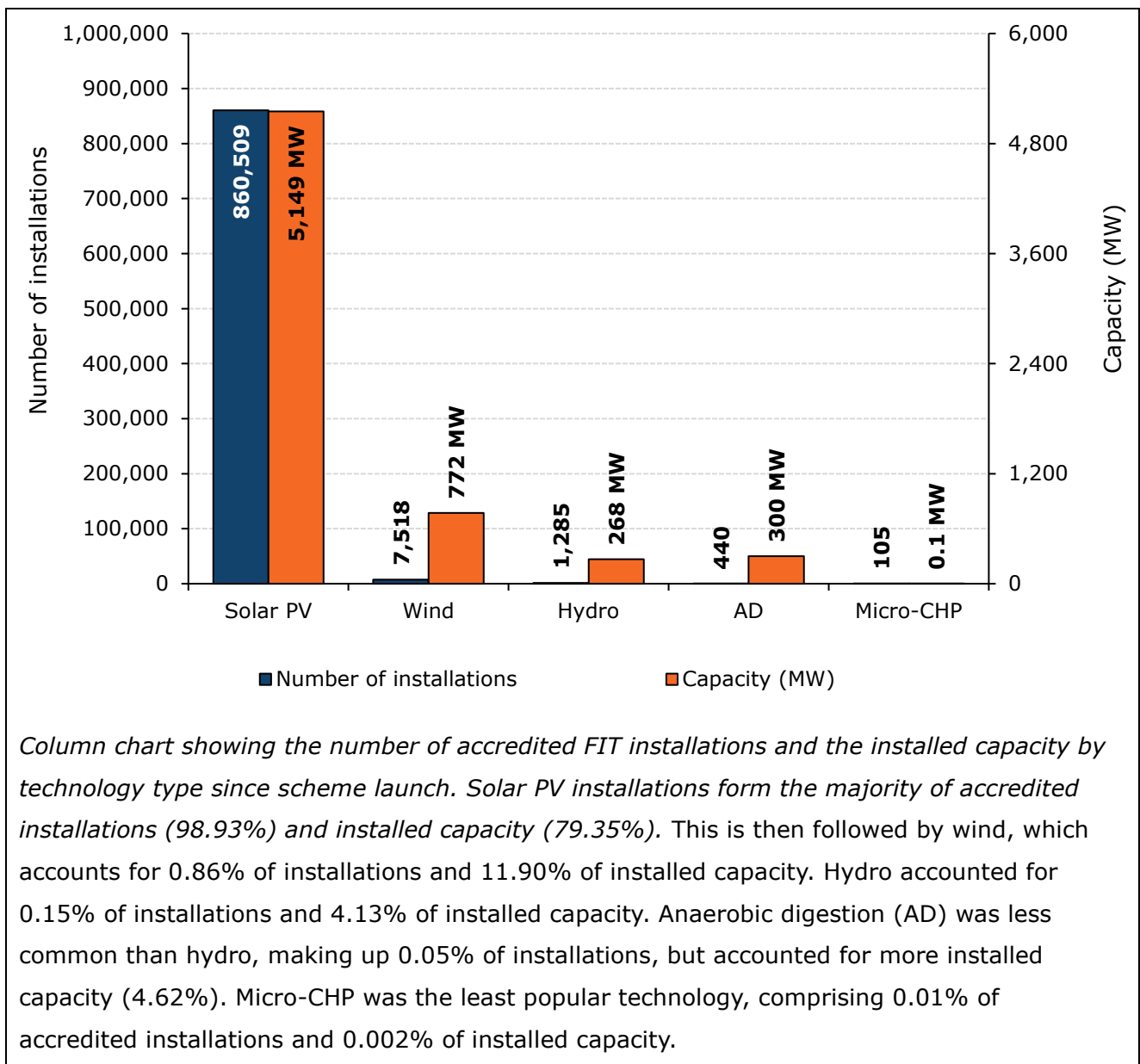
This chapter provides information on the accreditations under the FIT scheme. It includes information on new registrations and the characteristics of the scheme population. For example, technology type, capacity, regional distribution and installation setting.

- 2.1 Ofgem is responsible for maintaining a register of all accredited installations on the FIT scheme, known as the Central Fit Register (CFR). We collect a variety of information on installations that allows us to report on the makeup of the scheme population in terms of various factors. These include capacity, technology type, installation setting, and geographical location.
- 2.2 Most generators accredited on the FIT are eligible to receive payments for a maximum period of 20 years following their eligibility date³³, except for solar installations accredited before 1 August 2012, which have a maximum eligibility period of 25 years, and all micro-CHP³⁴ installations, which have a maximum eligibility period of 10 years.
- 2.3 At the end of SY14 there were 869,857 active installations registered on the Central FIT Register (CFR). This is a decrease of 206 from the 870,063 active installations registered at the end of SY13. Overall, 98.93% of these installations are solar photovoltaic (PV), and 95.38% are domestic installations.
- 2.4 Across all technology types at the end of SY14, there was a total of 6.49 GW of installed capacity on the scheme. This is a small increase of just under 5.01 MW on last year's total of 6.48 GW.
- 2.5 **Figure 2.1** shows a breakdown of accredited installations and installed capacity on the scheme by technology type. This clearly shows the dominance of solar PV installations; most of these solar PV installations are domestic roof top installations, and these tend to be in the 0-4kW capacity range.

³³ The definition of an accreditation's eligibility date depends on several factors, for more information please refer to our guidance: [Feed-in Tariffs \(FIT\) - Contacts, guidance and resources | Ofgem](https://www.ofgem.gov.uk/environmental-and-social-schemes/feed-tariffs-fit/contacts-guidance-and-resources): <<https://www.ofgem.gov.uk/environmental-and-social-schemes/feed-tariffs-fit/contacts-guidance-and-resources>>

³⁴ Micro-Combined Heat and Power (CHP) is a technology that generates heat and electricity simultaneously, from the same energy source (normally natural gas).

Figure 2.1: Total number and installed capacity of FIT installations by technology



2.6 The figures in **Figure 2.2** highlight the significance of micro scale installations on the FIT scheme. Across all technology types they make up over 99.2% of installations. However, despite the volume of installations they make up only 53.8% of installed capacity. On the other hand, installations with a capacity greater than 50kW make up 0.8% of installations yet account for 46.2% of installed capacity.

Figure 2.2: Proportion of deployment and installed capacity by capacity band

Capacity band	Number of installations	% of total installations	Installed capacity (MW)	% of total capacity
0-50kW (microgeneration)	862,944	99.21%	3,489.9	53.78%
>50kW	6,913	0.79%	2,999.6	46.22%
Total	869,857		6,489.5	

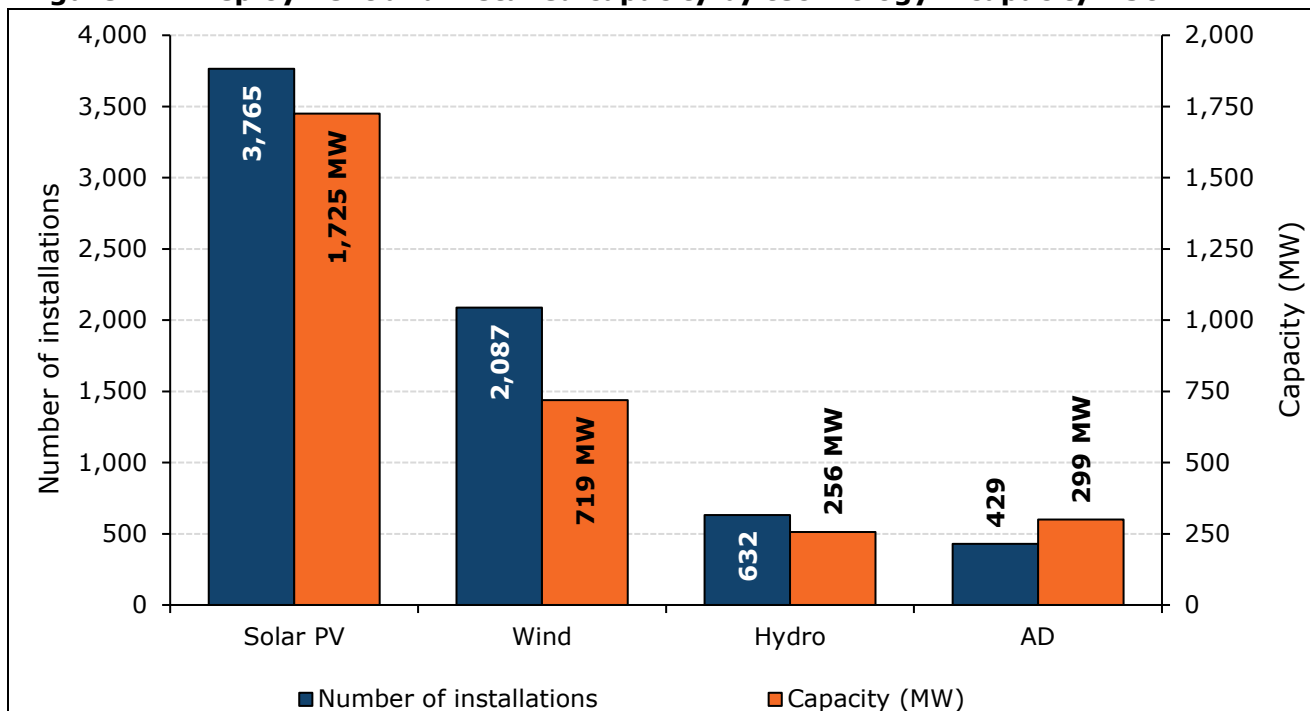
2.7 **Figure 2.3** provides a breakdown of microgeneration installations by technology type. The majority of microgeneration comes from solar PV installations, accounting for 99.3% of installations in the 0-50 kW band and similarly contributing 98.1% of capacity. The other technology types collectively account for 0.7% of installations and 1.9% of capacity.

Figure 2.3: Deployment and installed capacity by technology - microgeneration

Tech type	Microgeneration installations	% microgeneration installations	Microgeneration installed capacity (MW)	% microgeneration capacity
Solar PV	856,744	99.28%	3,424.3	98.12%
Wind	5,431	0.63%	53.1	1.52%
Hydro	653	0.08%	12.0	0.34%
Micro-CHP	105	0.01%	0.1	0.004%
AD	11	0.001%	0.4	0.01%
Total	862,944		3,489.9	

2.8 **Figure 2.4** presents a breakdown of larger installations on the scheme (capacity >50 KW). Solar PV is still the most popular technology type, accounting for 54.5% of installations and 57.5% of installed capacity. However, the other technology types see a lot more representation in this band, collectively accounting for 45.5% of installations and 42.5% of installed capacity. Note that as the FIT scheme only offers support to micro-CHP installations with a maximum capacity of 2 kW, this technology type does not appear here.

Figure 2.4: Deployment and installed capacity by technology – capacity >50 kW



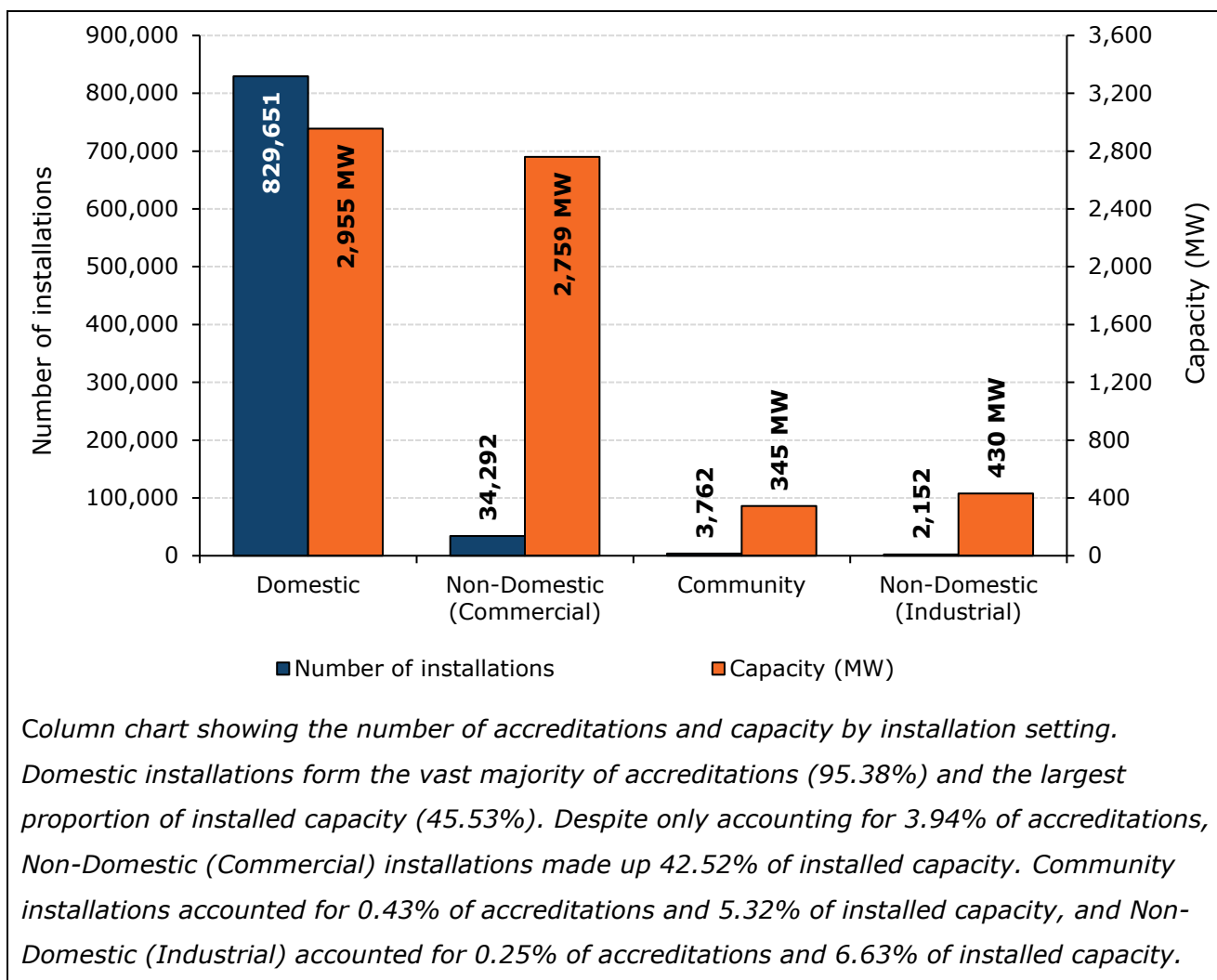
Column chart showing the number of accredited installations and installed capacity by technology type for installations with a capacity above 50 kW. Of the totals for installations with a capacity above 50 kW, solar PV forms the majority of accreditations (54.46%) and installed capacity (57.50%). This is then followed by wind, which accounts for 30.19% of accreditations and 23.97% of installed capacity. Then, hydro accounts for 9.14% of installations and 8.54% of installed capacity. Finally, anaerobic digestion comprises the remaining 6.21% of installation and 9.98% of installed capacity.

Installation setting

2.9 Applicants are required to state the setting type where their installation is located during the application process.³⁵ As shown in **Figure 2.5**, domestic installations continue to account for the largest proportion of scheme accreditations (95.38%) and capacity (45.53%). Domestic installations are followed by Non-Domestic (Commercial) installations with a slightly lower proportion of capacity (42.52%) and much lower share of accreditations (3.94%).

³⁵ With exception of the 'Community' installation type, this choice is subjective but provides insight into the type of installations being registered under the scheme. The term 'Community' is defined in the FIT Order 2012 (as amended) Article 11.

Figure 2.5: Total number and capacity of FIT accreditations by installation setting



2.10 As the majority of installations on the scheme are roof-top solar PV microgeneration in domestic settings, this category accounts for most of the accreditations on the scheme and comprises the largest share of installed capacity. However, installations in industrial, community and commercial settings tend to be of a higher capacity, and typically are not microgeneration installations. The average accredited capacity for Domestic was only 3.6 kW, compared the to 199.8 kW for Non-Domestic (Industrial), 91.8 kW for Community and 80.5 kW for Non-Domestic (Commercial) installation settings.

GB regional overview

2.11 As shown in **Figure 2.6** when looking at the regional distribution of installations the South West has the greatest number (123,256) and the highest proportion of installed capacity (17.86%). The South East and East of England are the only other regions with more than 100,000 installations and account for 11.30% and 10.49% of installed capacity respectively.

2.12 Scotland with 65,433 installations is only eighth regionally in terms of installations accredited, but second in terms of installed capacity (12.25%). The average capacity of installations in Scotland is higher due primarily to the significance of onshore wind in the country compared to other regions. Almost 43% of all FIT onshore wind installations are in Scotland.

Figure 2.6: Regional distribution of FIT installations

Region	Number of installations	% total number of installations	Installed capacity (MW)	% total installed capacity
South West	123,256	14.17%	1,158.9	17.86%
South East	114,293	13.14%	733.0	11.30%
East of England	106,137	12.20%	680.5	10.49%
East Midlands	87,911	10.11%	652.4	10.05%
North West	85,610	9.84%	474.2	7.31%
Yorkshire and The Humber	84,357	9.70%	523.4	8.07%
West Midlands	71,867	8.26%	486.1	7.49%
Scotland	65,433	7.52%	795.1	12.25%
Wales	56,792	6.53%	490.8	7.56%
North East	47,670	5.48%	209.4	3.23%
London	25,839	2.97%	130.3	2.01%
Unknown ³⁶	692	0.08%	155.3	2.39%
Total	869,857		6,489.5	

2.13 **Figure 2.7** and **Figure 2.8** break down the regional distribution of installations by technology type. This helps illustrate how technologies have been utilised to take advantage of local environmental conditions. For example, there’s a greater proportion of solar PV deployment in the south and there are higher levels of hydro and wind deployment in Wales and Scotland. **Figure 2.7** shows installations with an installed capacity of 50kW or less (microgeneration), and **Figure 2.8** shows those with an installed capacity greater than 50kW.

³⁶ During the registration process, applicants provide details of where an installation is located. Normally this means a postal address, however where this is not possible a grid reference can be used instead. Installations registered using a grid reference are not categorised by region and so are listed as ‘Unknown’ in the table.

Figure 2.7: Distribution of FIT installations (and installed capacity) by technology type (Capacity 0-50kW)

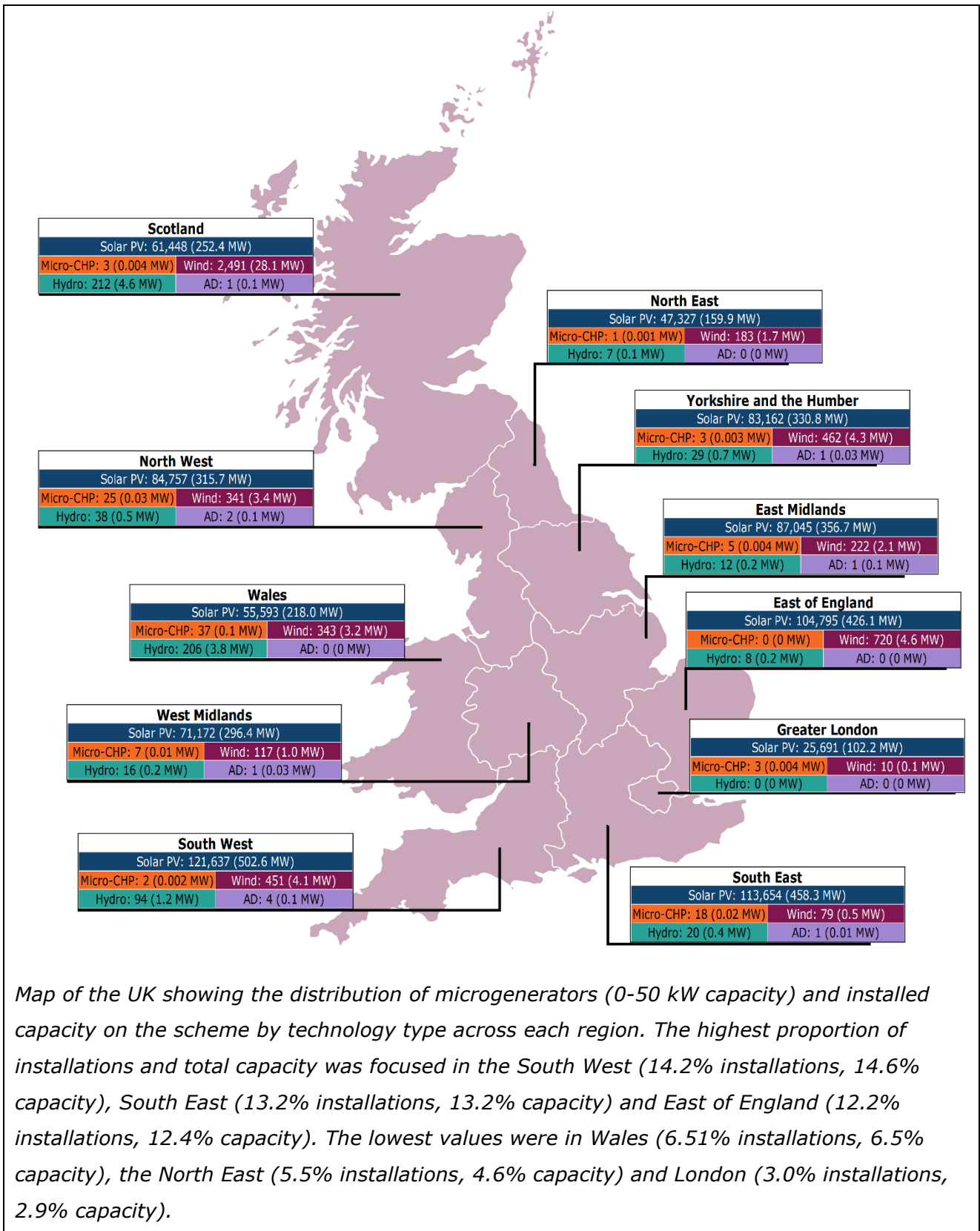
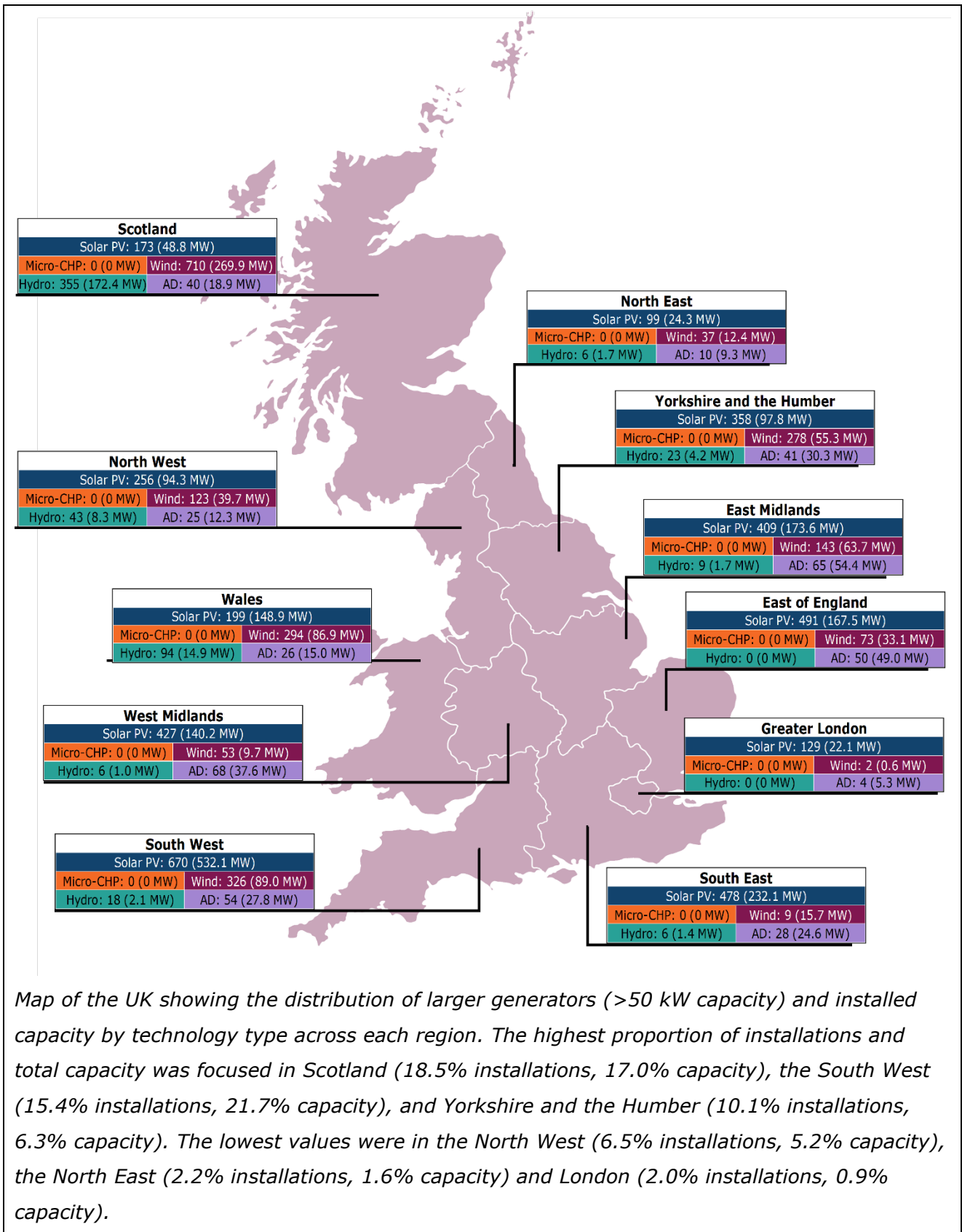


Figure 2.8: Distribution of FIT installations (and installed capacity) by technology type (Capacity >50kW)



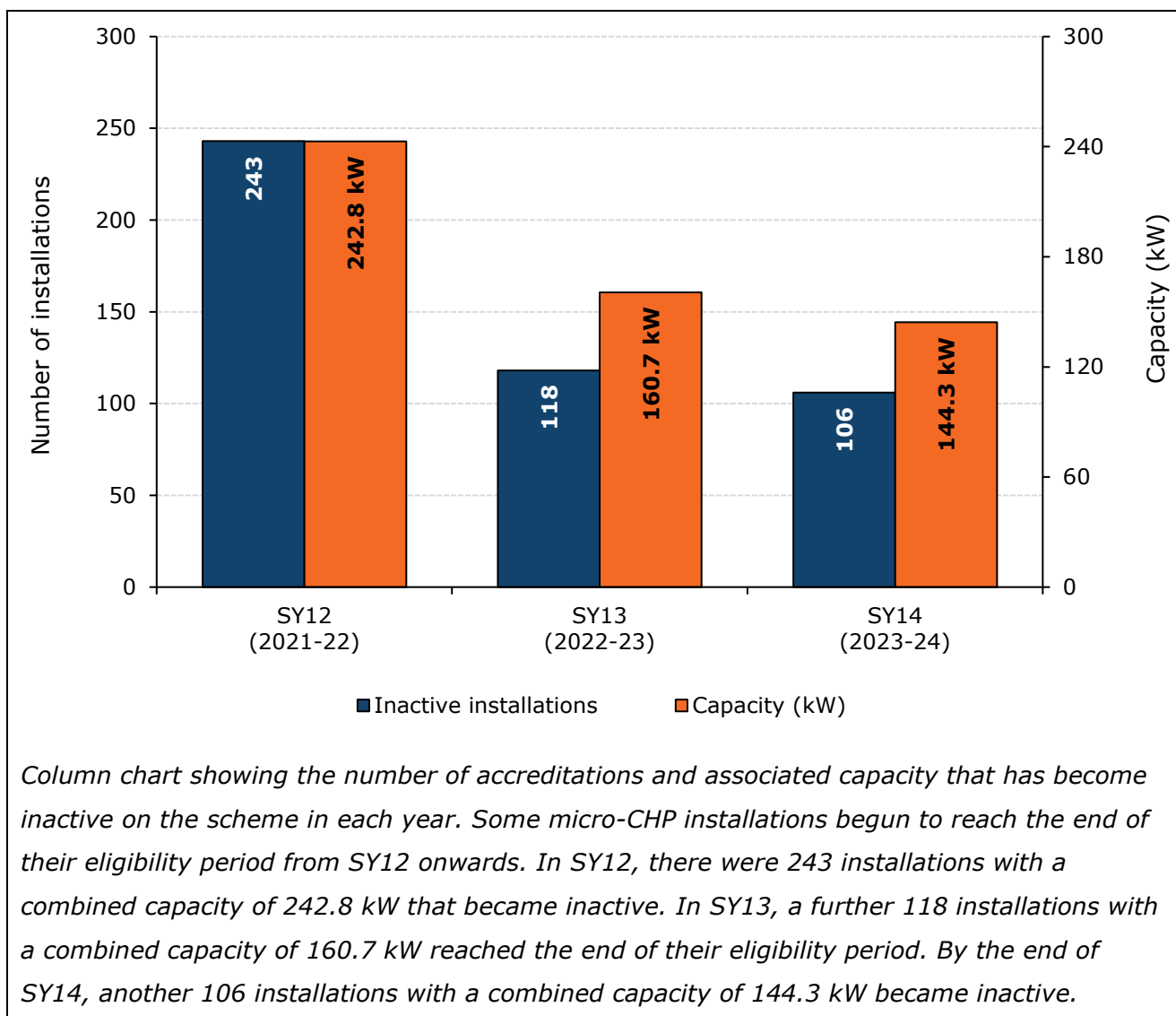
Change in the number of FIT installations

- 2.14 A small number of accreditations were added to the CFR in SY14.³⁷ A total of 101 new accreditations were added to the scheme in SY14, bringing the cumulative total to 870,164.
- 2.15 In SY14, the number of total accreditations on the scheme fell by 206. This is because the number of new accreditations added to the CFR was outstripped by the number of installations becoming ineligible due to reaching the end of their eligibility, withdrawing from the FIT scheme, or having their accreditation revoked due to compliance action.
- 2.16 A number of micro-CHP installations begun to reach the end of their ten-year eligibility period (as set out in the standard licence conditions)³⁸ from SY12 onwards. When installations reach the end of their eligibility period they are no longer classified as active installations and are not included in the figures reported in this chapter.
- 2.17 All other eligible technology types have a comparatively longer eligibility period; from 17 to 25 years. As such, we will see these technology types start to reach the end of their eligibility periods on the FIT scheme from 2027 (SY17).
- 2.18 As of the end of SY14, a total of 467 micro-CHP installations with a combined capacity of 547.7 kW have become inactive on the scheme and will no longer be eligible for FIT payments. A yearly breakdown of inactive installations can be seen in **Figure 2.9**.

³⁷ See Chapter 6 for details on application processing.

³⁸ [Electricity Act 1989: Standard conditions of electricity supply licence](https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/electricity_supply_standard_licence_conditions_02_02_2021.pdf) <https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/electricity_supply_standard_licence_conditions_02_02_2021.pdf> see: Annex 1, page 338.

Figure 2.9: Number and capacity of installations becoming inactive - SY12-14



3. Scheme Costs and Renewable Generation

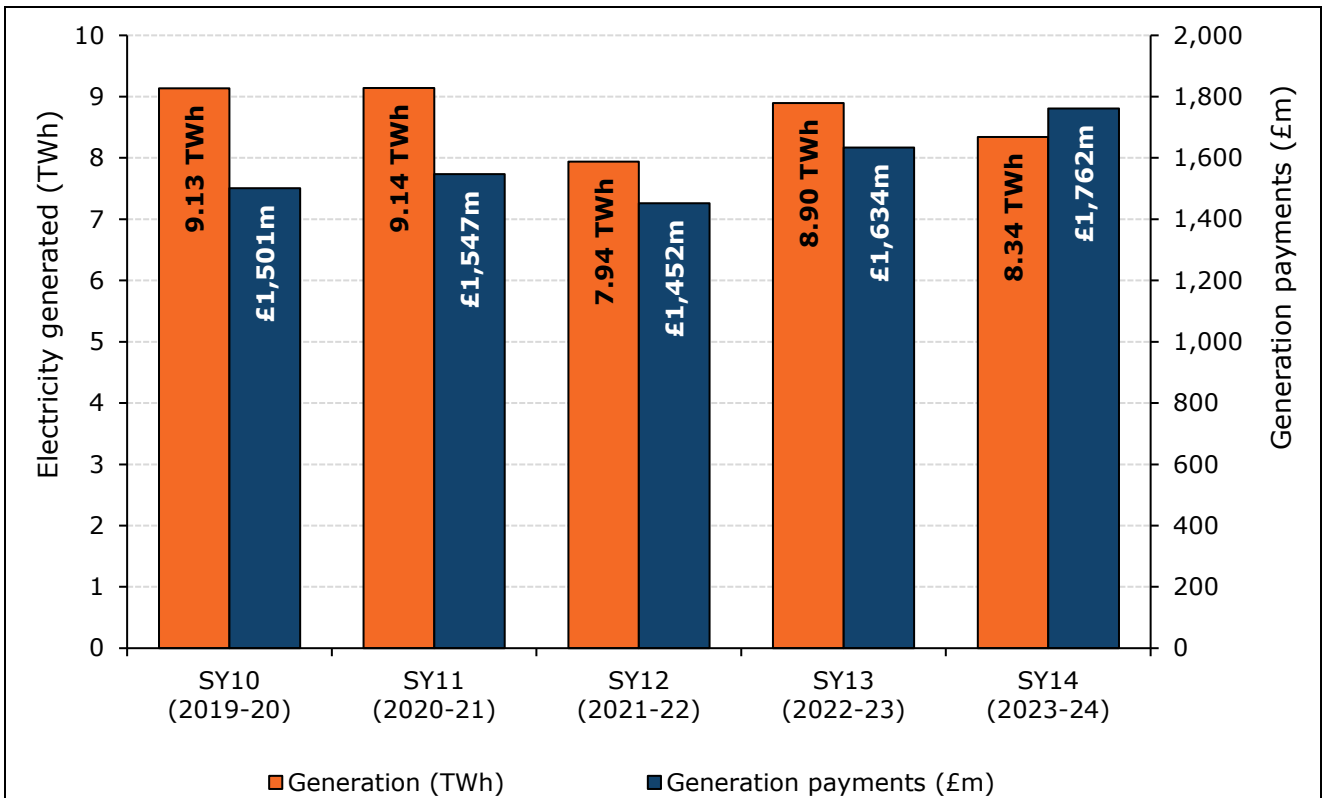
This chapter provides a summary of the costs associated with the FIT scheme. It gives an update on the renewable electricity generated and exported under the scheme, the associated payments, and the value of the scheme.

- 3.1 As a government scheme, the FIT is funded through various mechanisms in order to ensure that scheme costs are fairly distributed amongst licensees, consumers and taxpayers. These mechanisms ensure that the scheme functions efficiently and that we are not adversely affecting consumers, ensuring value for money in our administration. There are several components used to evaluate the finances of the FIT scheme.
- 3.2 The scheme's total value represents the total money passing through the scheme, mostly in terms of the payments being made to generators for the generation and export of electricity. It also includes the qualifying FIT costs, which is the money paid to licensees to compensate them for their administrative costs for participating in the FIT. The FIT scheme value in SY14 was £1.86 billion.
- 3.3 The levelisation fund represents the costs to licensees, including the money that licensees pay to generators for their electricity and the qualifying FIT costs. The costs to FIT licensees are met by all licensees, not just those participating in the FIT. The total levelisation fund for SY14 was around £1.75 billion. The costs to licensees are ultimately passed on to consumers through their energy bills.
- 3.4 The total scheme cost represents the total cost of the scheme to the consumers and the public through bills and general taxation. It includes the levelisation fund and Ofgem's administrative costs. The total scheme cost in SY14 was almost £1.76 billion.
- 3.5 The rest of this chapter provides a more detailed explanation of these elements and a breakdown of how they are calculated.

Generation and export

- 3.6 In SY14, the amount of electricity generated with the support of the FIT was 8.34 TWh. Of this, 1.32 TWh was exported to the national grid. Accordingly, a total of £1.84 million was paid to generators in SY14, including £1.76 billion in generation payments and £78.4 million in export payments.
- 3.7 **Figure 3.1** shows the trends in renewable electricity generation and associated payments.

Figure 3.1: Electricity generated and associated payments, SY10-14

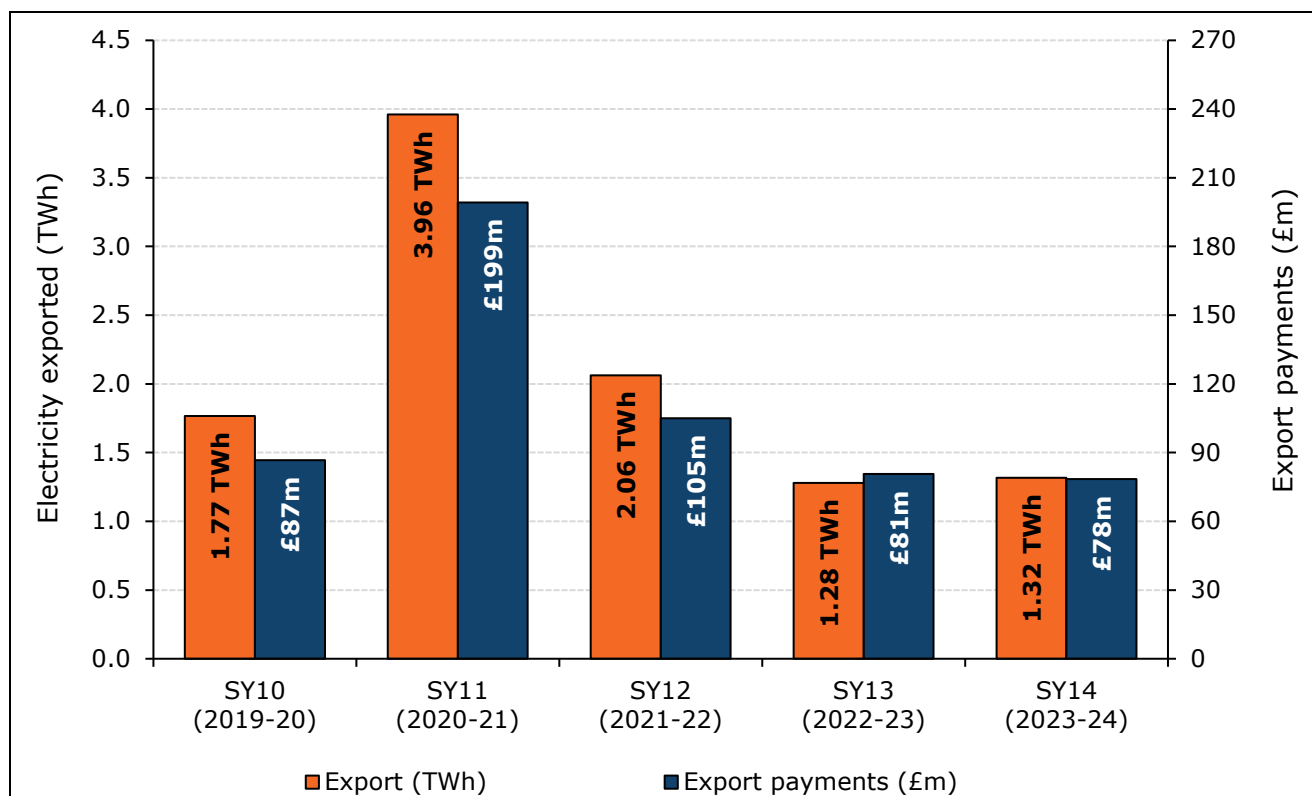


Column chart showing the electricity generated and associated FIT generation payments made in each scheme year from SY10 to SY14. With 9.13 TWh of generation and £1,501m of payments in SY10, this stayed relatively stable into SY11 (9.14 TWh and £1,547m of payments), before dropping to 7.94 TWh of generation and £1,452m of payments in SY12. SY13 saw generation increase again to 8.90 TWh, although still not the scheme’s peak generation in SY11. Payments peaked at £1,634m in SY13. Generation dropped to 8.34 TWh in SY14, however, payments continued to grow, reaching a new peak of £1,762m.

3.8 Total generation in SY14 fell by around 0.56 TWh from SY13 levels. However, SY14 represented the highest ever generation payment total, increasing by around £127.4 million. This rise in generation payments is primarily driven by an increase in tariff rates as they have changed in line with inflation.

3.9 **Figure 3.2** shows the trends in the export of this electricity and associated payments. The export figure is made up of metered and deemed export. Metered Export is paid according to export meter readings. Deemed Export is paid according to a percentage of generation meter readings and is only an option where the Total Installed Capacity (TIC) of the installation is 30kW or less and no export meter is installed. This percentage is set annually by government (for SY14 it was 75% for hydro and 50% for all other technologies).

Figure 3.2: Electricity exported and associated payments, SY10-14



Column chart showing the electricity exported and associated FIT export payments made in each scheme year from SY10 to SY14. There was 1.77 TWh of export and £87 million paid in SY10. This significantly spiked to 3.96 TWh of export and £199 million paid in SY11, which we believe is attributable to the COVID-19 pandemic when generators were not using as much electricity on site due to lockdowns and therefore may have been exporting more than usual. Export fell back down to 2.06 TWh in SY12, with £105 million in payments made. This decrease continued into SY13, with 1.28 TWh export and an associated £81 million of payments. Export remained relatively similar into SY14, increasing minorly to 1.32 TWh, whilst payments fell slightly to £78 million.

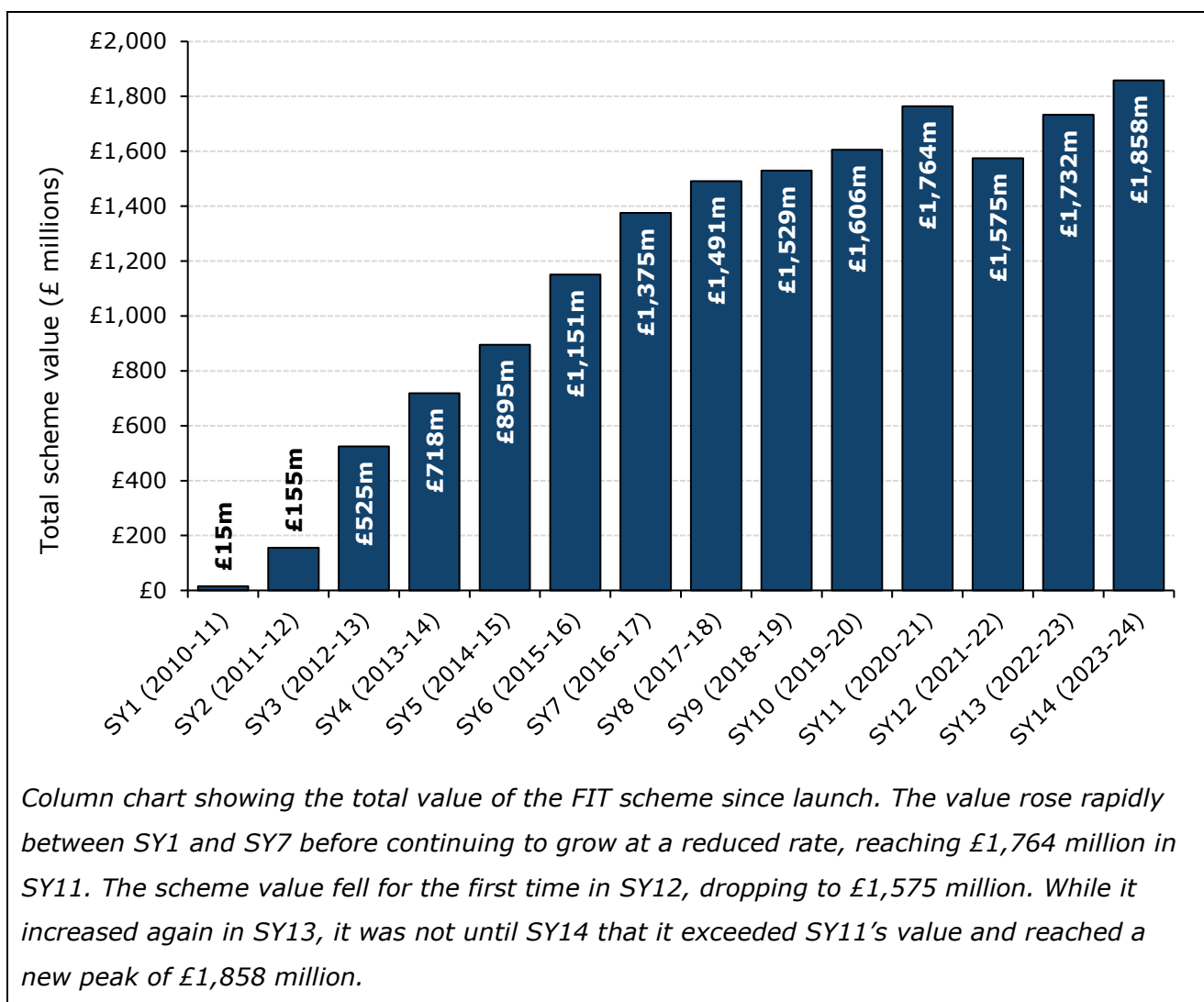
- 3.10 The amount of electricity exported rose slightly from around 1.28 TWh in SY13 to 1.32 TWh in SY14. Despite this minor increase, export payments fell by £2.3 million over the same time period.
- 3.11 In SY14, 14.43% of the total exported electricity was metered, with 85.57% (or 1.13 TWh) deemed. This represents a clear return to metered export compared to SY13 where this ratio was 97.06% deemed and only 2.94% metered export.
- 3.12 We believe this rise in metered electricity is due to some metered generators returning to receiving FIT export following a period of opting out in order to receive export payments from sources outside of the FIT scheme. During SY12 and SY13, due to the rise in wholesale energy costs, a number of FIT Generators opted out of the export

element of the scheme, switching from the standard FIT export tariff to a negotiated Power Purchase Agreement (PPA) as they were able to receive a higher return rate through this avenue. In SY14, this disparity between PPAs and FIT export tariffs appears to have stabilised, driving this return to FIT export.

Total value of the FIT scheme

3.13 **Figure 3.3** shows how the scheme value has grown over the lifetime of the FIT. **Figure 3.4** shows the breakdown of how each individual element used to calculate the total value has changed over the scheme’s lifetime.

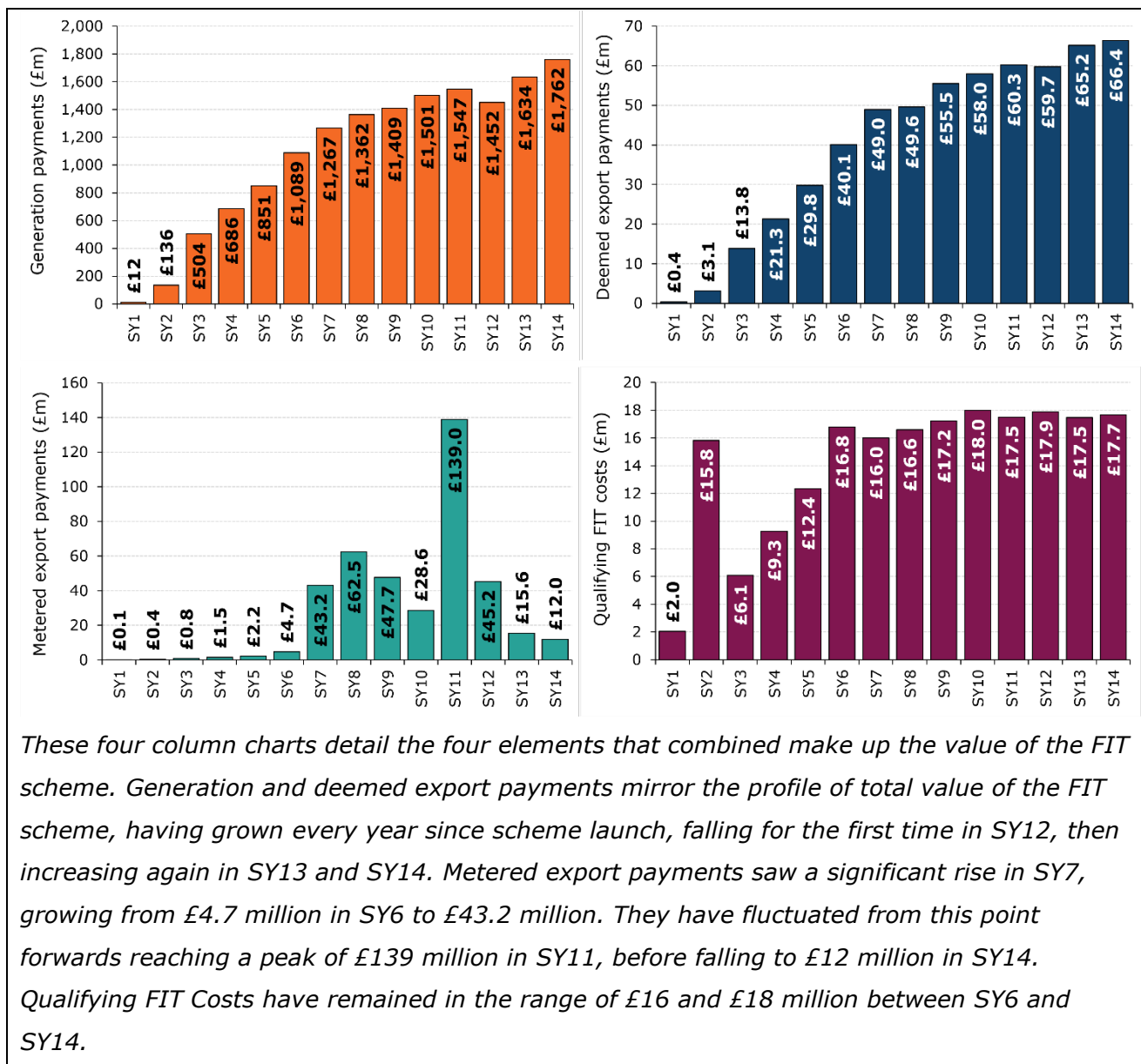
Figure 3.3: FIT scheme value, SY1-14



3.14 The scheme value has increased by around £125.3 million compared to SY13. The SY14 scheme value of £1.86 billion was a new peak scheme value, surpassing the previous peak value of £1.76 billion achieved in SY11.

3.15 Despite the scheme value reaching a new peak in SY14, in SY11 the actual amount of electricity generated was 9.6% higher, and the amount exported was 200.6% higher. Therefore, we believe that this rise in value has primarily been driven by the annual inflation adjustment increase being applied to the generation and export tariffs on the scheme.

Figure 3.4: Total value of the FIT scheme - breakdown



The Levelisation Fund

3.16 The cost of the FIT scheme to licensed electricity suppliers – which is equal to the total levelisation fund – has increased since SY13. The total levelisation fund for SY14 was around £1.75 billion, an increase of around £300 million on the previous year. This can primarily be attributed to the inflation-driven increase in generation payments.

3.17 The total levelisation fund is determined by adding up the following costs of the scheme incurred by licensed electricity suppliers – the value of generation payments made to FIT Generators, net export payments, and Licensees’ qualifying FIT costs. The calculation for net export payments is explained in the section below and broken down in **Figure 3.5**. The calculation of the overall levelisation fund is set out in **Figure 3.6**.

Calculating net export payments

3.18 Net export payments represent the difference between the total tariff payments made by licensees to generators for the generation and export of electricity, and the actual value of this electricity to licensees. The calculations for the value of net export payments are shown in **Figure 3.5**.

3.19 To determine the value of the export to Licensees, the amount of electricity exported or deemed to have been exported is multiplied by the ‘System Sell Price’ (SSP), the weighted average of actual prices paid during the Settlement period in the wholesale energy market.³⁹

Figure 3.5: Net export payment calculations, SY14

	Deemed export	Metered export	Total
Export payments to FIT Generators (A)	£66,402,586	£12,022,964	£78,425,550
Value to FIT Licensees (B)	£88,039,135	£14,865,690	£102,904,825
Net export payments (A - B)	-£21,636,549	-£2,842,726	-£24,479,275

3.20 Net export payments were negative for the third time since the FIT launched. This is due to the actual market value of the export being significantly higher than the price paid for the export under the FIT scheme. This has resulted in the overall cost of the scheme reducing which is beneficial to consumers who ultimately pay for the scheme.

Scheme cost calculations

3.21 **Figure 3.6** provides the description and value of each element needed to calculate the overall scheme cost, and breaks down how this total is calculated.

³⁹ [System Sell Price and System Buy Price Breakdown](https://www.elexon.co.uk/knowledgebase/what-is-the-system-sell-price-and-the-system-buy-price) <https://www.elexon.co.uk/knowledgebase/what-is-the-system-sell-price-and-the-system-buy-price>

Figure 3.6: Scheme cost calculations, SY14

Cost	Total	Description
Generation payments (A)	£1,761,710,776	The total value of payments made to accredited FIT Generators for electricity generation.
Net deemed and metered export payments (B)	-£24,479,275	The difference between the cost of export payments made and the value of those exports to Licensees (ie how much a FIT supplier can gain by selling the electricity. N.B. A negative value indicates a financial gain for FIT Licensees and a lowering of the costs incurred as a levy on consumer bills). See Figure 3.5 for details of how this figure was calculated.
Qualifying FIT costs (C)	£17,683,550	The total administration costs allocated to FIT Licensees. The administration costs are determined annually by the Secretary of State. Further information in Appendix A4.1 .
<u>The levelisation fund (D)</u> (A + B + C)	£1,754,915,050	The cost of the scheme to licensed electricity suppliers in SY14 is reached by adding up the above costs. It's then 'levelised' according to each Licensee's share of the electricity supply market of GB. This is explained in more detail in the section below.
Administrative costs (E)	£3,866,644	Ofgem's total administration costs. For more information, see Figure 3.9 . This cost is not included in levelisation and is paid for through general taxation.
<u>Total Scheme cost</u> (D + E)	£1,758,781,694	This is the total cost of the scheme in SY14 and is reached by adding Ofgem's administrative costs to the value of the levelisation fund.

Levelisation process

3.22 In a process called ‘periodic levelisation’, scheme costs are met every quarter by all licensed electricity suppliers based on their share of the electricity supply market of Great Britain (GB). Depending on how much a Licensee has paid FIT Generators for generation and export⁴⁰, they either pay money into or receive money from the levelisation fund. After the end of each FIT year, the ‘annual levelisation’ process reconciles the year’s periodic levelisations and ensures each FIT Licensee has paid or received the right amount of money.

3.23 All active licensed electricity suppliers, including those that are not FIT licensees, are required to participate in the levelisation process by:

- providing us with information to enable us to administer the process
- making levelisation payments as instructed by us.

3.24 Not all electricity supplied to customers within GB is counted for the purposes of determining a supplier’s market share for levelisation. There are exemptions for a proportion of the electricity supplied to Energy Intensive Industries (EIIs)⁴¹. **Figure 3.7** shows, in terms of supply volume, how much of the electricity supply market of GB carries the costs of FIT scheme (Total Relevant Electricity Supplied).

Figure 3.7: Relevant electricity supplied, SY14

Supply Volume	Total (MWh)	Description
Total supply (A)	251,242,919	Total electricity supplied to customers within GB.
Additional supply (B)	5	Additional supply to account for suppliers that exited the market during the year
Exempt supply for Energy Intensive Industries (EIIs) (C)	9,726,770	Total renewable electricity supplied to Energy Intensive Industries.
<u>Total Relevant electricity supplied</u> (A+ B) – (C)	241,516,154 (96.1% of total supply)	The total amount of electricity supplied that is liable for the costs of the FIT scheme.

⁴⁰ Only ‘FIT Licensees’ are obliged to pay FIT Generators. Licensed electricity suppliers with over 250,000 customers in GB are ‘mandatory FIT Licensees’. Those with fewer customers can choose to be ‘voluntary FIT Licensees’. All electricity supply licensees must contribute to levelisation.

⁴¹ [Information on exemptions for EIIs:](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1094666/cfd-ro-fit--exemption-guidance-revised-july-2022.pdf)

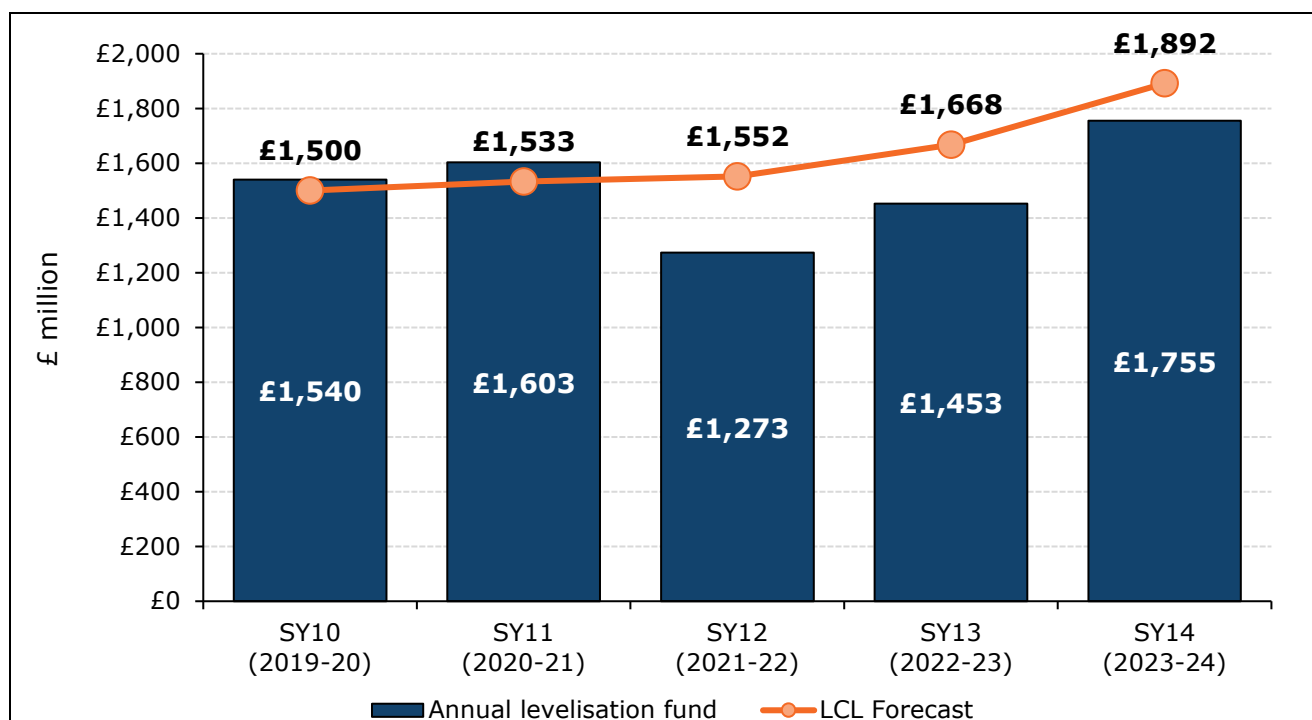
<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1094666/cfd-ro-fit--exemption-guidance-revised-july-2022.pdf>

Cost controls

3.25 As part of government’s commitment to keep energy costs as low as possible, the ‘Control for low carbon levies’⁴² (the Control) monitors the costs of low carbon electricity schemes (including FIT) and provides a forecast of total FIT scheme costs. The Control sets out that there will be no new low carbon electricity levies on energy bills until the value of such costs is falling.

3.26 **Figure 3.8** shows the annual levelisation fund fell below ‘the Control’ forecast for the FIT scheme in SY14 by around £136.7 million. This means that the levelisation fund fell below the Control forecast for the third year in a row. However, the gap between these two figures has been shrinking, from 18% in SY12, to 12% in SY13, and 7% in SY14.

Figure 3.8: Levelisation Fund vs The Control Forecast, SY10-14



Combined column and line chart showing the annual levelisation fund against the Control forecast from SY10 to SY14. Since SY12, the annual levelisation fund has consistently remained under the Control forecast. However, the gap between the levelisation fund and the forecast has been falling, with the levelisation fund in SY12 (£1,273 million) being almost 18% lower than the forecast (£1,552 million). The difference was almost 13% in SY13, with the levelisation fund being £1,453 million and the forecast being £1,668 million. In SY14, the difference had shrunk to almost 7%, with the levelisation fund being £1,755 million and the forecast being £1,892 million.

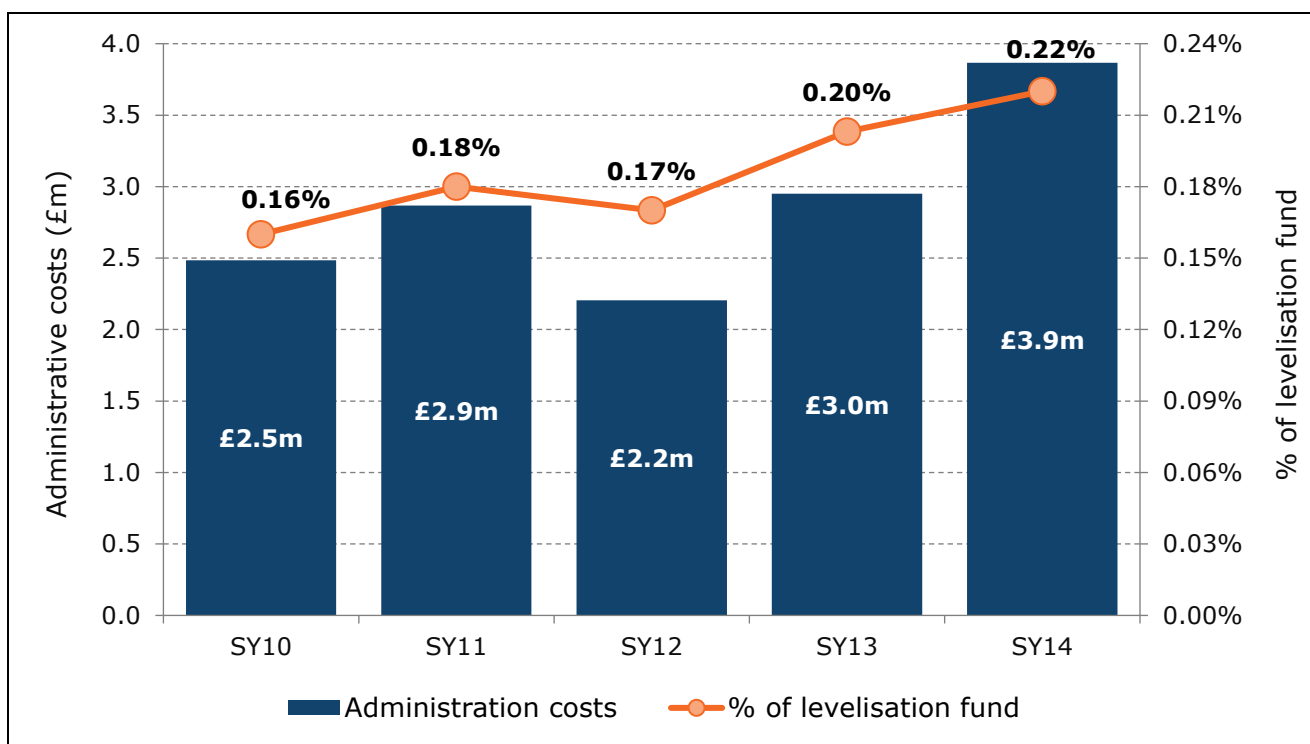
⁴² ‘The Control’ refers to The Control Low Carbon Levies. For more information, see: [Control for Low Carbon Levies Policy Paper](https://www.gov.uk/government/publications/control-for-low-carbon-levies) <https://www.gov.uk/government/publications/control-for-low-carbon-levies>

Ofgem’s administration costs

3.27 Our administrative costs cover our staffing and all the activities we undertake to ensure the successful operation of the scheme. For example, our audit and compliance activity, the processing of amendments and remaining applications, as well as the maintenance and development of the CFR and Renewable Electricity Register (RER).⁴³

3.28 **Figure 3.9** shows that in SY14 our administrative costs increased from SY13 by £916,441 to almost £3.9 million. This increase is mostly driven by heightened spending on our audit and compliance work and the development of the RER. Compared to the total cost incurred by consumers on their energy bills, our SY14 administrative costs equated to 0.22% of the levelisation fund.

Figure 3.9: Administration costs, SY10-14



Combined column and line chart showing our administration costs for the FIT and the equivalent proportion of the levelisation fund from SY10 to SY14. SY10 represented a scheme lifetime low of the administrative costs (£2.5 million) as a percentage of the levelisation fund (0.16%). Administrative costs increased to £2.9 million (0.18% of levelisation fund) in SY11, before falling again to £2.2 million (0.17% of levelisation fund) in SY12. Since SY12, our administrative costs have steadily increased, to £3.0 million (0.20% of levelisation fund) in SY13 and £3.9 million (0.22% of levelisation fund) in SY14. SY14 represents the second highest administrative costs throughout the scheme’s lifetime, however, the levelisation fund has grown with inflation therefore this is only equivalent to 0.22% of the levelisation fund.

⁴³ Ofgem is currently working on developing the RER to replace the ‘Renewables and CHP Register’, which will be used to process any remaining ROO-FIT applications and amendments to these applications.

4. Compliance of Licensed Suppliers

This chapter covers compliance and audit activity in respect of the licensed electricity suppliers under the FIT scheme during Scheme Year 14 (SY14). It provides a summary of non-compliance during SY14, and gives an update on annual notifications, levelisation compliance, biennial meter read verifications and licensee audits. This chapter also gives an overview of any enforcement actions taken by Ofgem against non-compliant suppliers.

- 4.1 As part of our role administering the FIT scheme, we work to ensure that electricity suppliers comply with their FIT scheme obligations. We monitor compliance across a number of key areas which are summarised here and covered in more detail below. Where suppliers fail to meet their obligations, we publish the details of their non-compliance in the Supplier Performance Report (SPR) and take appropriate action to address their underperformance. The SPR helps to hold suppliers to account by providing a transparent view of their performance to stakeholders, consumers and other interested parties.
- 4.2 During SY14, we continued to see instances of non-compliance related to periodic and annual levelisation. In total, 98 instances were recorded on the SPR related to late submission of data, misreporting of data, as well as late and incorrect payments being made.
- 4.3 We have also seen the number of suppliers in the market, and hence participating in the FIT scheme, decrease from 27 in SY13 to 25 in SY14. The number of suppliers exiting the market was lower than in previous years, due to increasing market stability. No levelisation payments were left unpaid, therefore Mutualisation was not triggered in SY14.⁴⁴
- 4.4 Licensees are required to take all reasonable steps to ensure the accuracy of FIT generator payments by verifying FIT meter readings at least once every two years, known as biennial meter verification (BMV). The number of licensees managing to verify at least 80% or 90% of meters within two years increased significantly in comparison to previous years. This improvement was driven by compliance engagement with poorly performing licensees. At the time of writing our compliance engagement has resulted in 16 licensees out of 26 having verified over 90% of FIT meter readings in the last two years. We continue to monitor supplier compliance with biennial meter verification obligations. Licensees that do not achieve a compliant position can expect further compliance engagement.

⁴⁴ The mutualisation threshold for SY14 was approximately £5.5 million.

4.5 We carry out FIT Licensee audits to ensure information submitted to us by suppliers is accurate and that their processes are sufficiently robust. The proportion of ‘Good’ (20.0%) audit ratings for licensees increased in SY14, up from 14.3%, as well as ‘Satisfactory’ (60.0%), up from 57.1% in SY13. In SY13 no licensees received an ‘Unsatisfactory’ audit rating, whereas, in SY14, 1 licensee (10%) received an ‘Unsatisfactory’ rating. There was also a decrease in ‘Weak’ audit ratings compared to SY13, with 1 audit (10%) rated as ‘Weak’ in SY14. To improve assurance on the scheme there was a slight increase in the number of audits completed, with 10 licensee audits completed in SY14, compared to 7 in SY13.

FIT Licensees and annual notifications

4.6 All licensed electricity suppliers are required to notify Ofgem by 14 February each year whether they will be a mandatory, voluntary or non-FIT Licensee for the FIT year beginning on 1 April. A mandatory FIT Licensee is any licensed electricity supplier that together with their affiliates have 250,000 or more domestic electricity customers on 31 December of the preceding year. Licensed electricity suppliers with less than 250,000 domestic customers may choose to become a voluntary FIT Licensee.

4.7 In SY14, 76 electricity suppliers informed Ofgem of their FIT Licensee status by the deadline. However, one electricity supplier informed Ofgem after the deadline of 14 February 2022, with a further three suppliers not informing us of their status. From the suppliers that did not provide their FIT Licensee status, we followed up to obtain the information.

4.8 As seen in **Figure 4.1** the number of suppliers participating in the FIT has continued to fall over the last few scheme years. In SY14 there were 34 Licensees under 25 supplier groups participating in the scheme.

Figure 4.1: Number of FIT Licensees, SY9-14

Licensee Type	SY9	SY10	SY11	SY12	SY13	SY14
Voluntary	43 (34)	25 (25)	24 (21)	20 (16)	19 (15)	18 (14)
Mandatory	27 (19)	22 (19)	23 (20)	21 (18)	18 (12)	16 (11)
Total	70 (53)	47 (44)	47 (41)	41 (34)	37 (27)	34 (25)

Please note: The bracketed figures represent the number of supplier groups participating in the scheme. This number is lower as some supplier groups hold multiple licenses (each licence is a FIT Licensee).

Levelisation compliance

4.9 **Figure 4.2** and **Figure 4.3** show the numbers of FIT Licensees that provided either late or incorrect data submissions as part of the levelisation process during SY14. All instances of non-compliance are recorded on the Supplier Performance Report. Late submissions decreased from 16 incidents in SY13 to 8 in SY14, and incorrect submissions increased from 120 incidents to 210 in SY14. Not all of these incidences were ultimately determined to be non-compliant, as we assess them on a case-by-case basis and some suppliers offered a valid explanation. The list of suppliers with late or incorrect submissions can be found in Appendices A3.1 and A3.2.

4.10 The high number of incorrect levelisation submissions is due to a change in our methodology and reporting approach which highlights any amendments made that should have been identified by the supplier. To address this, in July 2024 we issued a regulatory expectations letter to the directors of all participating suppliers, outlining the poor data submissions we have been receiving and reminding them that the onus is on them to provide accurate data. We instructed these suppliers to respond outlining the measures they have or will implement to ensure accurate submissions going forward.

Figure 4.2: Number of late levelisation submissions, SY14

	Q1	Q2	Q3	Q4	Annual	Totals
Voluntary FIT Licensees	0	1	0	0	0	1
Mandatory FIT Licensees	0	0	0	0	0	0
Non-FIT Licensees	2	0	1	0	4	7
Totals	2	1	1	0	4	8

Figure 4.3: Number of incorrect levelisation submissions, SY14

	Q1	Q2	Q3	Q4	Annual	Totals
Voluntary FIT Licensees	10	11	14	4	1	40
Mandatory FIT Licensees	7	18	8	6	4	43
Non-FIT Licensees	26	34	31	30	6	127
Totals	43	63	53	40	11	210

4.11 **Figure 4.4** shows the number of FIT Licensees that missed the deadline for levelisation payments.

Figure 4.4: Number of late levelisation payments, SY14

	Q1	Q2	Q3	Q4	Annual	Totals
Voluntary FIT Licensees	0	1	2	0	0	3
Mandatory FIT Licensees	0	0	0	1	0	1
Non-FIT Licensees	2	3	2	2	0	9
Totals	2	4	4	3	0	13

4.12 In SY14 we had 13 late payments totalling £28,906,427.95. Ultimately, no levelisation payments were left unpaid. Mutualisation⁴⁵ was not triggered in SY14.

Biennial meter read verifications

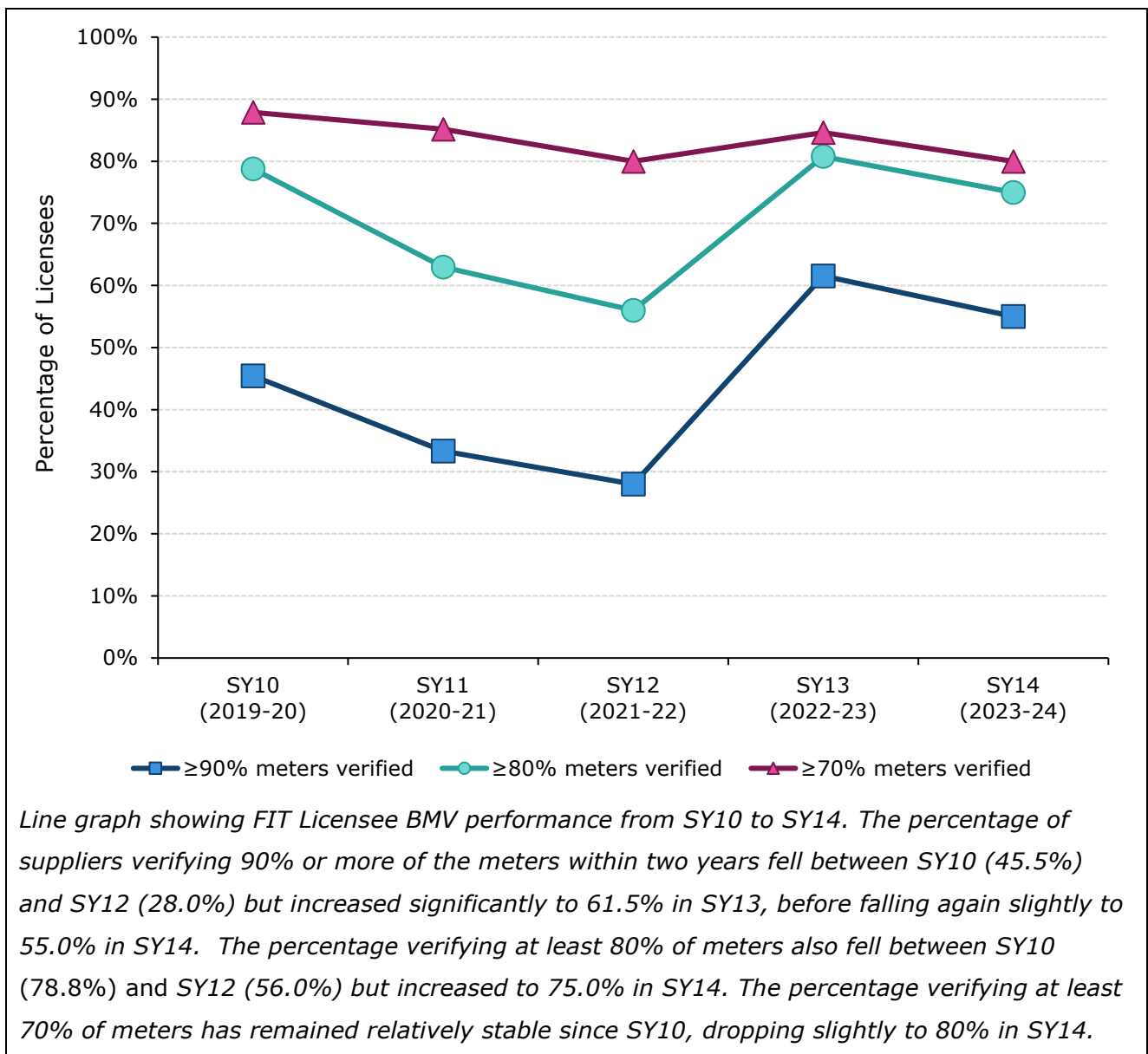
4.13 In accordance with their licence conditions, FIT Licensees are required to take all reasonable steps to ensure the accuracy of FIT payments by verifying FIT meter readings at least once every two years. Ofgem monitors each supplier's biennial meter verification (BMV) performance weekly to ensure areas for improvement are identified and effectively. The BMV process is essential for the integrity of the FIT scheme as it provides extra assurance on eligible output before making FIT payments. Where

⁴⁵ [Details on mutualisation can be found in our Guidance for licensed electricity suppliers:](https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers)
<<https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers>>

possible, we expect suppliers to aim for 100% of meters read within each two-year period.

4.14 **Figure 4.5** shows FIT Licensee BMV performance from SY10 to SY14. The proportion of licensees managing to verify at least 90% of meters within two years decreased between SY13 and SY14. This is because we improved our methodology between SY13 and SY14 to consider a broader range of factors, which led to a decrease in licensee performance.

Figure 4.5: Biennial meter verification - Licensee performance, SY10-14



4.15 We expect FIT Licensees to be proactive in managing their scheme compliance and reporting, holding them to account where this is not the case. We open compliance cases with poorly performing licensees and outline our concerns, setting performance measures and target dates for improvement. In SY14 we targeted 19 licensees whose

performance in this area was not as strong as we would expect, obtaining their improvement plans and maintaining regular contact for improvements on their scores. This engagement has seen a significant reduction of 30.1% in the number of installations with overdue meter inspection dates in the CFR. We will continue to monitor licensee performance in this area in SY15.

FIT Licensee audits

4.16 The aim of our licensee audit programme is to check the compliance of FIT Licensees with the scheme regulations and the requirements set out in our guidance. Ten FIT Licensees were audited during SY14, an increase from the seven licensee audits conducted during SY13. These audits were carried out to ensure information submitted to Ofgem was accurate and that licensee processes were sufficiently robust. This helps to ensure that licensees can effectively fulfil their obligations under the scheme.

4.17 FIT Licensees are selected each year upon a number of criteria. These include, but are not limited to:

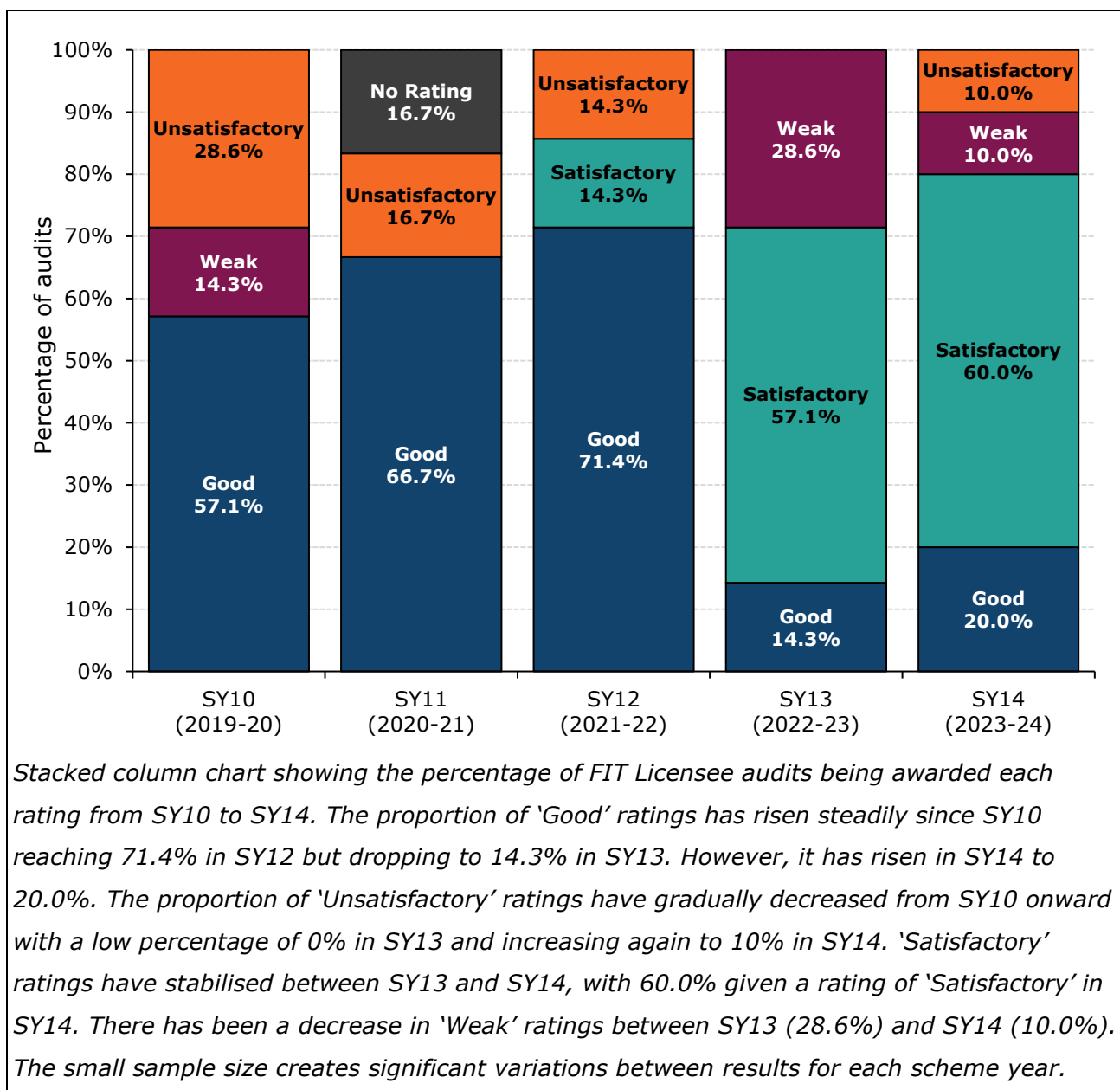
- The size of the licensee’s Generator portfolio
- If the licensee is a new entrant to the scheme
- The length of time since their last audit
- Previous assurance ratings
- Any concerns arising in the previous compliance year.

4.18 Each audit is given a rating depending on the outcome of the audit based upon a risk assessment carried out by the auditor. For example:

- **‘Unsatisfactory’** audits identified numerous exceptions, including those graded as ‘medium’ or ‘major’, which individually or collectively may impact negatively on the overall level of compliance
- **‘Weak’** identified several exceptions which individually or collectively may impact negatively on the overall level of compliance
- **‘Satisfactory’** identified a small number of exceptions, of which none were graded ‘major’, and were reported to the supplier to make improvements in operating procedures
- **‘Good’** either had no exceptions or if there are any, these were reported to the supplier to address minor shortcomings in operating procedures or meet best practice.

4.19 The percentage of audits being given each rating for SY10 to SY14 can be seen in **Figure 4.6** below.

Figure 4.6: FIT Licensee audit scores, SY10-14



4.20 The proportion of audits rated 'Weak' or 'Unsatisfactory' in SY14 was 20%.⁴⁶ The main reasons for audits having an assurance rating of 'Weak' or 'Unsatisfactory' in SY14 were:

- Lacking robust procedures
- Deviating from Ofgem recommended processes
- Poor record keeping

4.21 We expect suppliers to take compliance with their obligations extremely seriously. Following completion of each audit, the audit report is shared with the relevant FIT

⁴⁶ More audit information including supplier names and subsequent action can be found in the [Supplier Performance Report \(SPR\)](https://www.ofgem.gov.uk/supplier-performance-report-spr): <https://www.ofgem.gov.uk/supplier-performance-report-spr>

Licensee. We use this opportunity to discuss the findings and highlight best practice in areas where they have fallen short. Our expectation is that the audit recommendations are implemented, and any concerns raised are resolved. Where the non-compliance is more serious, or there is continued poor performance we may take further action, including enforcement sanctions where appropriate.

Enforcement

- 4.22 All FIT Licensees are required to comply with their licence conditions and statutory FIT obligations. Ofgem may take enforcement action in cases of non-compliance. Decisions on whether to take action and what enforcement action is appropriate are made on a case-by-case basis, in line with Ofgem’s Enforcement Guidelines.⁴⁷
- 4.23 The enforcement powers available to us include imposing financial penalties, issue of formal regulatory orders to secure compliance (called Provisional Orders and Final Orders), as well as other alternative measures. Within SY14, no enforcement action was taken in respect of suppliers on the FIT scheme.

⁴⁷ [Ofgem's Enforcement Guidelines](https://www.ofgem.gov.uk/publications/enforcement-guidelines): <<https://www.ofgem.gov.uk/publications/enforcement-guidelines>>

5. Compliance of FIT Generators

This chapter covers audit and compliance activity in respect of FIT Generators during Scheme Year 14 (SY14). It provides a summary of the results of the targeted and statistical Generator audit programme, and gives an update on generator compliance, counter fraud, and an overview of our work to safeguard public funds.

ROO-FIT⁴⁸ Generator audits

- 5.1 The aim of our generator audit programme is to check the compliance of ROO-FIT Generators with the scheme regulations and the requirements set out in our guidance, to identify and deter potential non-compliance, misreporting and fraud on the scheme. Audits are conducted to determine the accuracy of information provided, and/or submitted throughout the application process, helping to ensure that payments are only made against eligible generation, thereby protecting the public purse.
- 5.2 The SY14 generator audit programme consisted of two types of audits:
- Targeted – audits are selected using data analysis that identifies high-risk generating stations displaying one or more risk indicators. For example, applications submitted in the run up to scheme closure. The selection may also include any high-risk or potentially non-compliant stations identified through our internal and external processes, such as via an internal referral or by whistleblowers.
 - Statistical - To better understand the level and types of non-compliance across the ROO-FIT scheme population, accredited stations are randomly selected based on defined sample parameters. SY14 is the first year of the ROO-FIT statistical audit programme.
- 5.3 In SY14, the generator audit programme consisted of 50 targeted and 38 statistical ROO-FIT generator audits being conducted. All 50 targeted audits were selected based on known areas of risk, however the statistical audits were selected randomly.

⁴⁸ ROO-FIT is the term used to define large scale installations that are solar photovoltaic (PV) and wind installations with a declared net capacity (DNC) greater than 50kW up to and including 5MW. All anaerobic digestion (AD) and hydro installations up to and including 5MW.

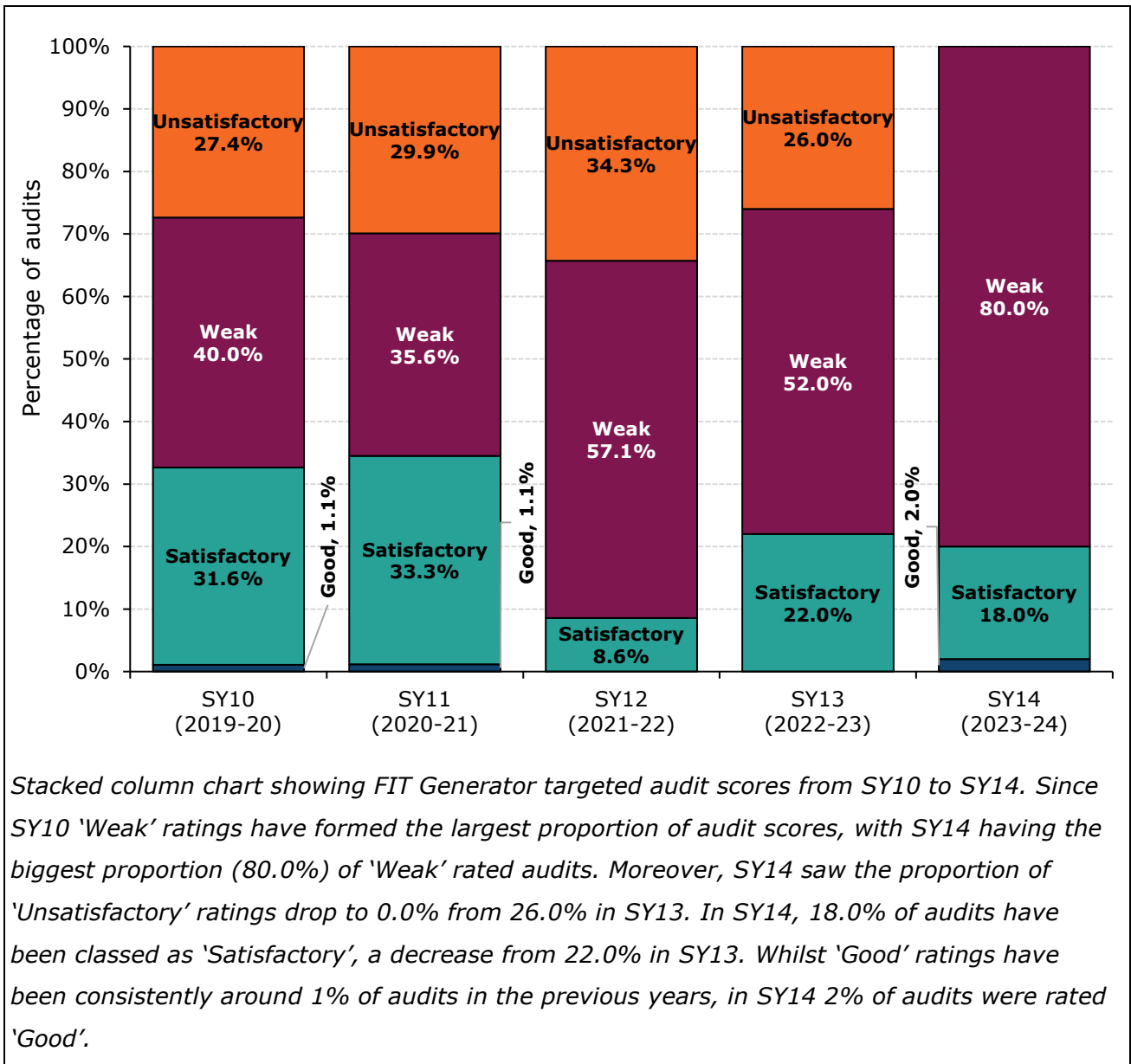
5.4 Each audit receives an assurance rating which is dependent on the findings. The ratings are as follows:

- **Good** (no issues identified at audit)
- **Satisfactory** (only minor issues identified or instances where best practice is not followed)
- **Weak** (the audit identified moderate issues of non-compliance, with potential financial non-compliance(s) reported)
- **Unsatisfactory** (major instances of non-compliance or suspected fraud identified, with a significant number of potential financial non-compliances reported).

Targeted Generator Audits

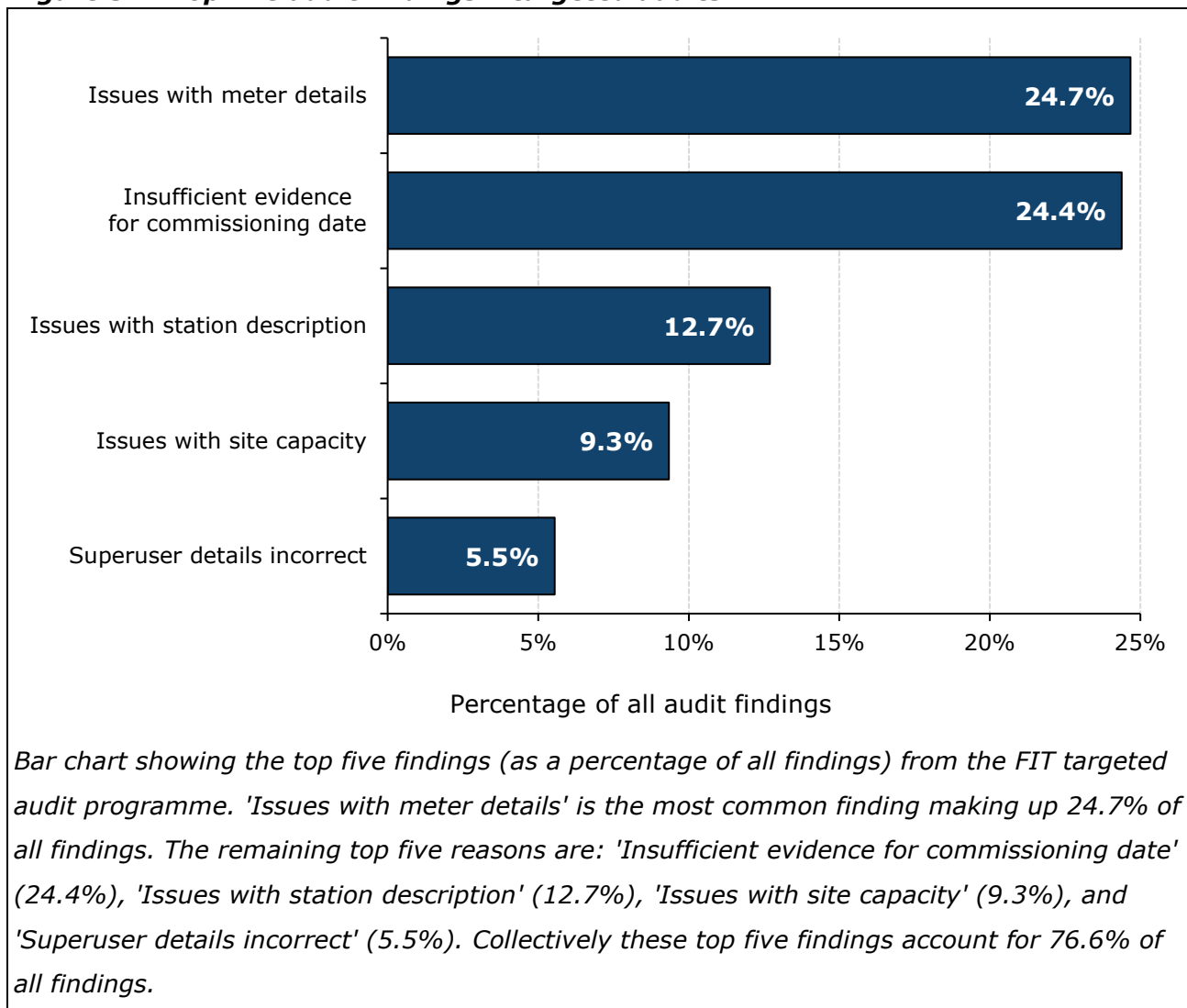
5.5 **Figure 5.1** shows the percentage of targeted audits receiving each rating between SY10 and SY14. Of the 50 audits conducted, 40 of the stations (80.0%) were rated 'Weak' and there were no audits rated as 'Unsatisfactory'. There were 9 audits (18.0%) rated 'Satisfactory' with the one remaining audit rated 'Good' (2.0%). A high proportion of 'Weak' assurance ratings was expected as all 50 audits were targeted in scheme risk areas. During SY14, we amended our assurance rating definitions to accurately reflect when certain findings are a potential financial non-compliance or not. As a result, we've seen a reduction in 'Unsatisfactory' rated audits, and an increase in 'Weak' audits from SY13 to SY14.

Figure 5.1: FIT Generator Targeted audit scores, SY10-14



5.6 **Figure 5.2** shows the top five audit findings identified at generator sites during the SY14 targeted audit programme. Collectively, these audit findings accounted for 76.6% of all issues identified during targeted audits.

Figure 5.2: Top five audit findings – targeted audits



5.7 The most frequent audit findings identified during targeted audits were:

- Issues with meter details - this encompasses discrepancies such as the make and model of meters recorded in the audit not matching those listed in the application, as well as missing meter information, like serial numbers not being provided in the application.
- Insufficient evidence for the commissioning date - this included discrepancies such as conflicting dates in commissioning evidence, missing generation invoices, and the absence of half-hourly data.
- Issues with station descriptions - this includes discrepancies where the station description in the application or single line diagram did not match the findings of the audit.
- Issues with station capacity, including incorrect export capacity or missing capacity evidence.
- Incorrect superuser details, which may require updating

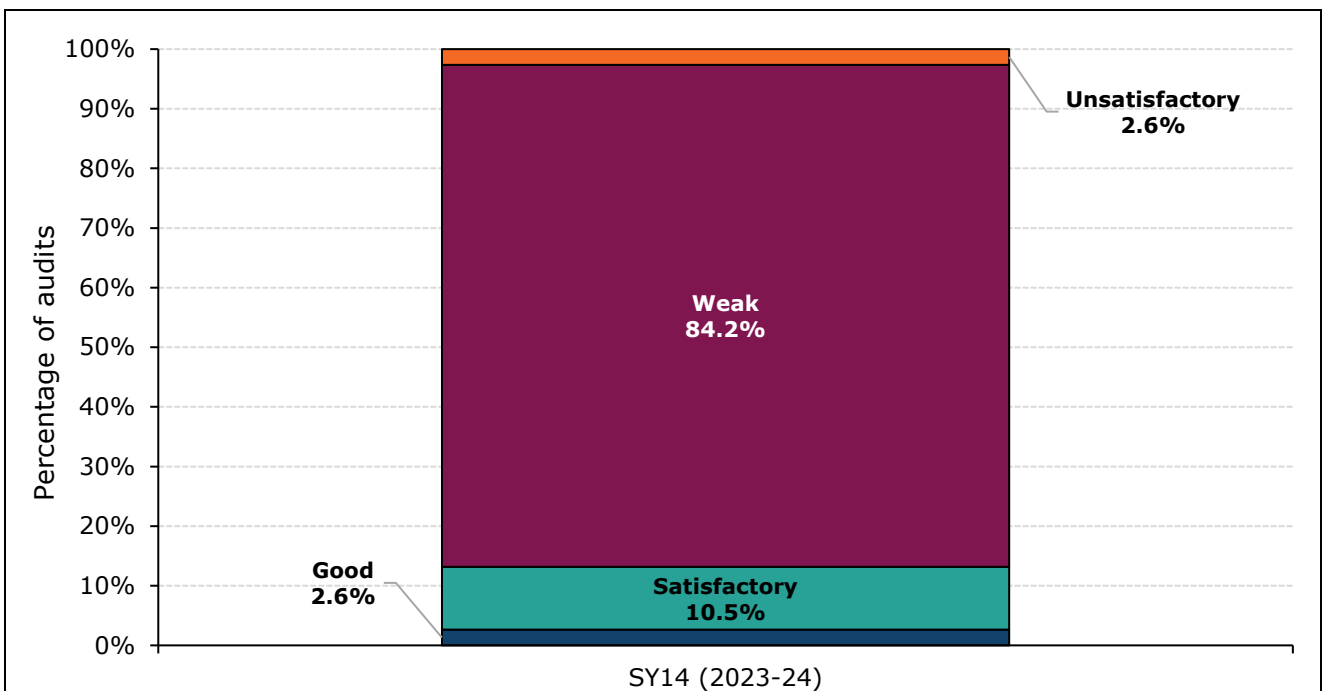
5.8 Worth noting, that the above doesn't encompass all possible audit findings, these are merely examples of each.

Statistical Generator Audits

5.9 In SY14 we implemented the first FIT statistical audit programme, which commenced in October 2023. This programme is undertaken alongside the existing FIT targeted audit programme and is currently running over 18 months for its first iteration. This will allow us to spread the audit volumes over a longer timeframe as we develop and embed the new processes associated with this audit programme. For the purpose of this annual report, the data below only analyses data from the first 6 months of the programme, from the 2nd of October 2023 to the 31st of March 2024. The data below cannot yet be used to infer the levels of potential non-compliance throughout the wider scheme as until the programme fully concludes, the results may be unrepresentative.

5.10 There were 38 audits conducted through the statistical programme in SY14. **Figure 5.3** shows the percentage of statistical audits receiving each rating.

Figure 5.3: FIT Generator Statistical audit scores, SY14

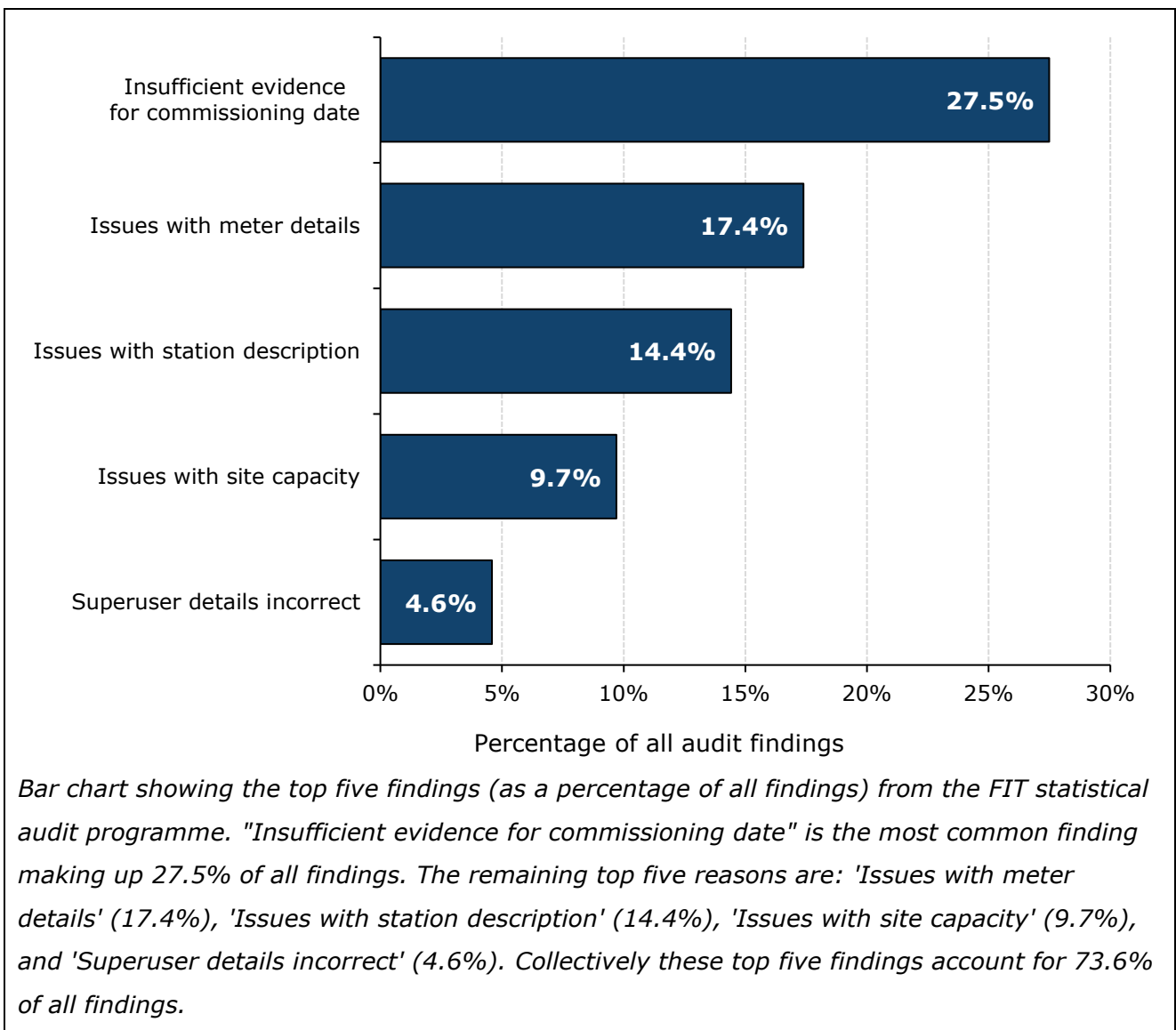


Stacked column chart showing FIT Generator statistical audit scores in SY14. Since SY14 is the first year to include statistical audits on the ROO-FIT population no historic data is available. 'Weak' rated audits have formed the largest proportion of statistical audit scores in SY14, with 84.2% of statistical audits rated 'Weak'. Moreover, SY14 had 1 'Unsatisfactory' rated statistical audit (2.6%). In SY14, 10.5% of statistical audits have been classed as 'Satisfactory', and 2.6% of statistical audits were rated 'Good'.

5.11 When a generation site has been audited, and potential financial non-compliance has been identified leading to a rating of 'Weak' or 'Unsatisfactory', it is passed to the Participant Compliance team for investigation. During this phase generators have the opportunity to provide additional evidence to resolve outstanding audit findings. More information regarding compliance investigations can be found in the Generator Compliance section of this chapter.

5.12 **Figure 5.4** shows the top five audit findings identified at generator sites during the SY14 statistical audit programme. Collectively, these audit findings accounted for 73.6% of all issues identified during targeted audits.

Figure 5.4: Top five audit findings – statistical programme



5.13 The most frequent audit finding identified during statistical audits were:

- Insufficient evidence for commissioning date - this included discrepancies such as conflicting dates in commissioning evidence, missing generation invoices, and the absence of half-hourly data.
- Issues with meter details - this encompasses discrepancies such as the make and model of meters recorded in the audit not matching those listed in the application, as well as missing meter information, like serial numbers not being provided in the application.
- Issues with station description - this includes discrepancies where the station description in the application or single line diagram did not match the findings of the audit.
- Issues with site capacity this includes incorrect export capacity or missing capacity evidence.
- Incorrect superuser details, which may require updating.

5.14 Note that the above doesn't encompass all possible audit findings, these are merely examples of each.

Generator compliance

5.15 We take compliance extremely seriously and investigate matters where potential concerns or risks are highlighted, particularly where there could be a financial impact. There are a range of outcomes from these investigations, and more serious consequences include recouping payments, withdrawal from the FIT scheme, and referral to law enforcement agencies in cases of suspected fraud.

5.16 When our audit programme scores an audit report as 'Weak' or 'Unsatisfactory', the case is referred for further compliance assessment. Often generators will be asked to provide additional evidence to resolve outstanding audit findings. Using all evidence provided by the generator and obtained at accreditation and audit, we assess the compliance of generating stations against FIT legislation to determine if compliance action is required. These actions are outlined in articles 17 and 35 of the FIT Order 2012 (as amended)⁴⁹. Where appropriate, to prevent payments being made incorrectly, we may decide to suspend FIT Payments before a compliance decision has been finalised. Following targeted audits conducted in various scheme years⁵⁰, this scheme year included the introduction of a statistical audit programme.

⁴⁹ [FIT Order 2012 \(as amended\)](https://www.legislation.gov.uk/uksi/2012/2782/contents/made): <<https://www.legislation.gov.uk/uksi/2012/2782/contents/made>>

⁵⁰ Delay in referral for further compliance action may be due to the generator's slow response to our requests and letters of information.

- 5.17 In SY14 73 new cases were referred for further assessment to determine if a compliance investigation was required. 27 of these referrals were from the new statistical audit programme; 35 relate to a targeted audit from SY14, 10 to audits conducted in SY13, and 1 to an audit carried out in SY11.
- 5.18 A total of 39 cases were closed in SY14 (33 targeted and 6 statistical). Of those 39, one resulted in compliance action. In that case, the solar PV installation's FIT tariff was adjusted due to a change of commissioning date⁵¹. Subsequently, Ofgem instructed the FIT Licensee to withhold FIT payments to the installation until the overpayments were recouped. The value of this compliance decision is expected to be around £3,000,000.
- 5.19 Audit findings are assessed against a list of non-compliances which allows potential financial non-compliances to be quickly identified. The process for referring potentially non-compliant cases from audit to compliance has recently been updated, and following the success of the implemented changes, we will continue to review and refine the process to ensure they remain as streamlined and efficient as possible.
- 5.20 As part of our investigative work, audit and compliance teams issue requests for information to generators to ensure they have all the relevant information to make the most informed decision possible. Therefore, resolving investigations and closing audits can be hampered by non-responsiveness. Consequently, we have communicated our lowered tolerance for non-responsiveness to generators and now set strict deadlines for information request responses. Failure to comply with deadlines or cooperate may result in compliance action, such as the suspension of payments.

Counter Fraud

- 5.21 The purpose of our Counter Fraud work is to detect, prevent and deter fraud, and take firm action where there is evidence of fraud. To detect fraud, we proactively monitor risks and investigate information received through referrals. We then determine if a fraud investigation is required. During the investigation we establish if the allegation of fraud is supported by the evidence, and based on the result, we either close the case without action, take enforcement action, and may also refer the case to law enforcement agencies.⁵²
- 5.22 During SY14, we received eight referrals for suspected fraud on the FIT scheme. A similar number to the nine referrals received in SY13. Of these, we determined that further

⁵¹ [Feed-in Tariffs \(FIT\) - Payments and tariffs](https://www.ofgem.gov.uk/environmental-and-social-schemes/feed-tariffs-fit/tariffs-and-payments): <https://www.ofgem.gov.uk/environmental-and-social-schemes/feed-tariffs-fit/tariffs-and-payments>

⁵² [Counter fraud for environmental and social programmes](https://www.ofgem.gov.uk/environmental-and-social-schemes/counter-fraud-environmental-and-social-programmes): <https://www.ofgem.gov.uk/environmental-and-social-schemes/counter-fraud-environmental-and-social-programmes>

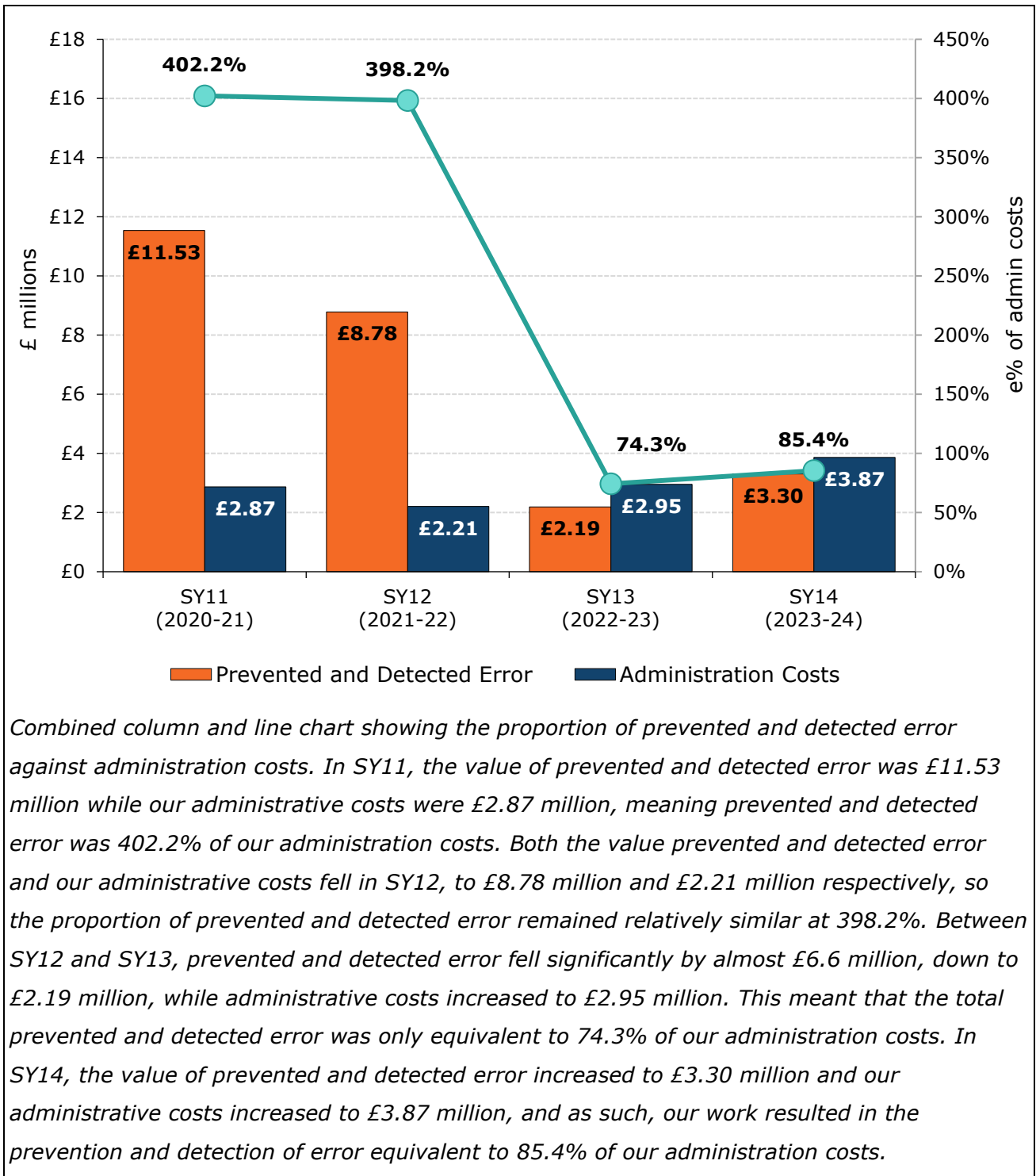
investigation was required in two cases and fraud investigations were opened as a result of these referrals. One of these investigations was closed in SY14.

- 5.23 There was sufficient evidence support the allegation of suspected fraud. To justify higher than expected meter readings a generator provided false documentation and photographs to support their claims. As a result of this action, which was also reported to Action Fraud, the decision was made to withdraw the installation's FIT accreditation. This stopped all further payments to the generator worth £71,796. We also instructed the Licensee to recoup the value of funds already paid to this generator.
- 5.24 We take Counter Fraud very seriously. Where there is strong evidence of wrongdoing, Ofgem reports the matter to Action Fraud and other law enforcement agencies.

Safeguarding Public Funds

- 5.25 As part of our commitment to safeguarding public funds and ensuring value for money in administering the FIT scheme, we have a robust system of detection and prevention of error and suspected fraud.
- 5.26 In the context of this report, 'error' is defined as the difference between what an installation could or has received in incentive payments, and what they are eligible to receive.
- 5.27 We classify error and suspected fraud as either being prevented or detected. A prevented issue refers to any money which we have prevented from being paid out because of our work. A detected issue relates to any payment which has been made to a generator for which they were not eligible.
- 5.28 **Figure 5.5** shows that our work in this area has resulted in £3.30 million being identified during SY14 through our compliance work and accreditation assessments. Of this, we prevented £2,993,651 being paid out incorrectly and we detected a further £310,086 that was paid to generators who were not eligible to receive it. Where FIT payments are made incorrectly, we work with FIT Licensees to ensure that this money is recouped.
- 5.29 The sum of £3.30 million is higher than the almost £2.19 million identified or prevented in SY13. However, this has significantly fallen from the levels seen in SY12 (£8.78 million) and before. This is primarily due to the closure of the scheme, which has led to a fall in the number of applications being assessed and the number of application refusals. Through our assessments we identified applications that were ineligible before they were able to benefit from the scheme, and therefore, as incoming applications have tailed off, this has led to a significant fall in prevented error.

Figure 5.5: Prevented/detected error and suspected fraud, SY11-14



6. Our Administration

This chapter provides detail on our administration activity during Scheme Year 14 (SY14). We perform several functions as administrator of the scheme, including processing applications and amendments, maintaining the Central FIT Register (CFR), and managing the Levelisation process. Additionally, we conduct licensee and generator audit programmes, engage with scheme stakeholders and work to ensure generators' ongoing compliance with the scheme regulations.

6.1 As administrators of the FIT scheme Ofgem performs a number of functions including:

- Publishing guidance
- Processing applications, including assessing amendments to existing accreditations, for large wind and solar PV installations, and all anaerobic digestion (AD) and hydro installations
- Maintaining the Central FIT Register (CFR), the database of all accredited installations
- Managing the levelisation process
- Ensuring suppliers and generators comply with the FIT scheme requirements
- Ensuring that the scheme is guarded against fraud and error
- Reporting annually on the amount of electricity generated under the scheme, associated payments made, characteristics of accredited installations, and generator and supplier compliance.

6.2 For transparency we publish some performance measurements on our website⁵³ and below we give more detailed information elaborating on some of the work we have done administering the scheme during SY14.

Application processing (ROO-FIT⁵⁴)

6.3 Assessing the eligibility of scheme participants is one of our key administrative functions. Through this, we ensure that the installations supported through the scheme are compliant with the eligibility criteria and that we are therefore supporting scheme objectives by only paying for eligible generation and export. This assures that we are using public funds fairly and effectively, and that we are maximising value for money.

⁵³ [Scheme performance indicators](https://www.ofgem.gov.uk/environmental-and-social-schemes): <<https://www.ofgem.gov.uk/environmental-and-social-schemes>>

⁵⁴ ROO-FIT is the accreditation pathway used on the FIT scheme for solar PV and wind installations with a capacity greater than 50kW, and for all hydro and anaerobic digestion installations.

6.4 Processing applications for accreditation on the scheme was a responsibility split between Ofgem and Licensees, depending on the size and technology type of the installation seeking accreditation.⁵⁵ All accreditation pathways for new applications are now closed.

6.5 **Figure 6.1** shows the outcomes of our ROO-FIT application processing in SY14.

Figure 6.1: Summary of application processing, SY14

CTF Applications Received	Applications Approved	Applications Refused	Value of Refused Applications
1	12	4	£2,802,082

6.6 We received one convert-to-full (CTF) applications in SY14, down from 13 in SY13. This was a hydro application, which received a preliminary approval in SY12.

6.7 CTF hydro applications could still claim a grid delay grace period due to the unavailability of Distribution Network Operator (DNO) staff as they responded to storm damage during February and March 2022. The grace period allowed a claim to be made up to 12 months after the end of the validity period. The grace period window closed in September 2023.

6.8 A total of four applications worth £2,802,082 were refused during SY14, in comparison to ten refused in SY13. In each case the applications were refused as they did not meet the requirements of the scheme.

6.9 We received 108 amendments in SY14. The volume of amendments received dropped by 25.52% in comparison to SY13 (145) and was the lowest since we started reporting these figures. Amendments can vary from simple meter replacements to substantial changes, including replacement of equipment.

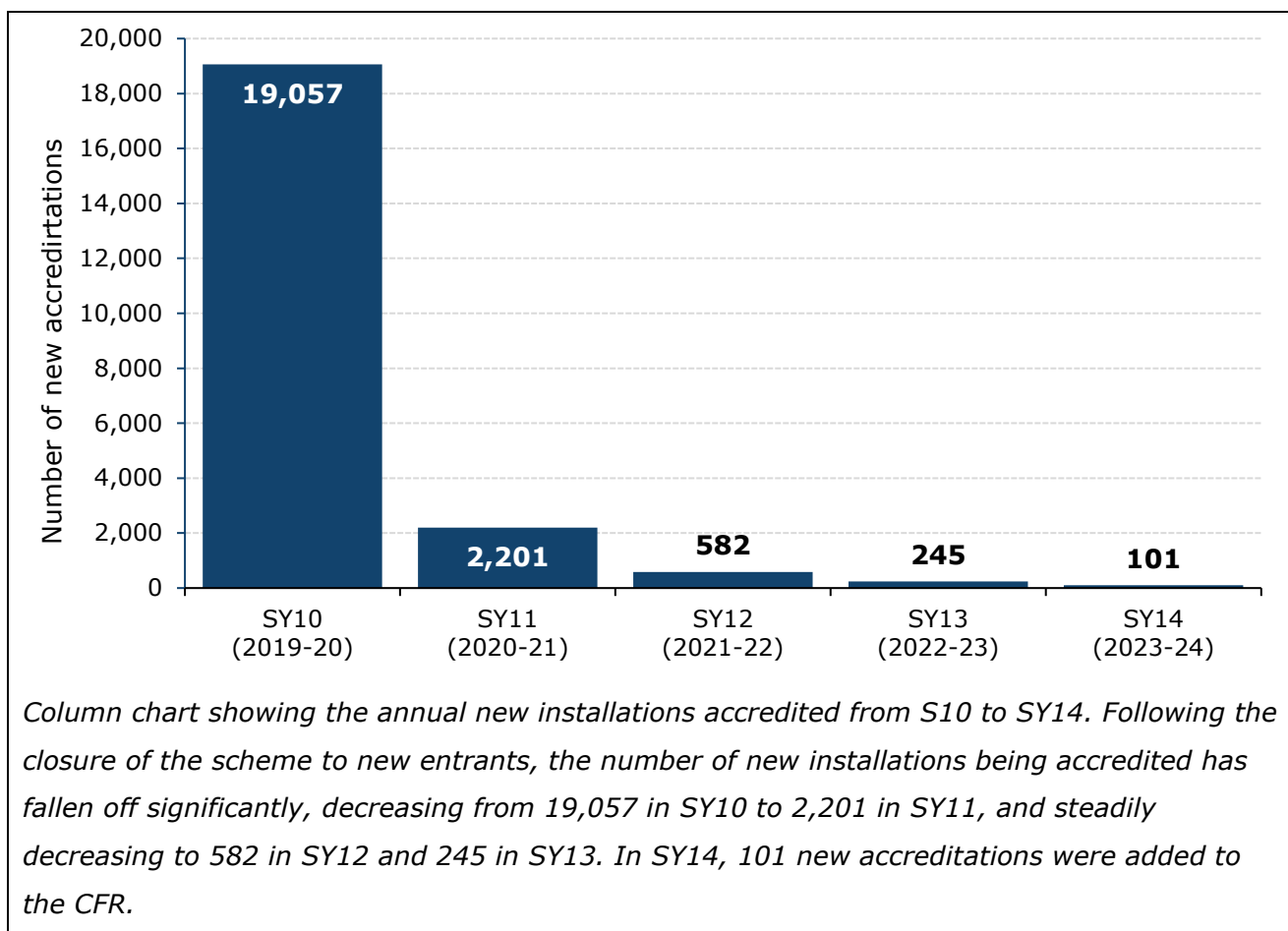
Central FIT Register (CFR)

6.10 We are responsible for maintaining the CFR, a register of all accredited FIT installations. The accuracy of this register is important for the robust operation of the scheme as it contains details about installations that are vital for informing generators about changes and carrying out compliance work. It is the responsibility of FIT Licensees to ensure the information on the CFR is accurate and complete.

6.11 **Figure 6.2** shows the number of new accreditations added to the CFR between SY10 and SY14. This includes ROO-FIT accreditations processed by us and microgeneration installations accredited by FIT licensees.

⁵⁵ Ofgem processed applications and granted accreditations for wind and solar PV installations with a declared net capacity (DNC) over 50kW, all anaerobic digestion and hydro installations, and community and school applicants. FIT licensees managed applications for solar PV and wind installations with a DNC of 50kW or less, and micro-CHP installations with a capacity of 2 kW or less.

Figure 6.2: New installations accredited, SY10-14



6.12 From time to time, it is necessary for FIT Licensees to make changes to the installations already registered on the CFR. For example, this could be to update the details for an installation after a change of ownership, or to correct details that have been incorrectly recorded.

6.13 Licensees make changes to installations on the database themselves via the CFR taskbar. Most of these changes do not require approval but where a change may impact eligibility or tariff rates, we review the request before making a decision on whether it can be approved.

6.14 In some cases, where we find that a supplier has failed to fulfil their obligations under the scheme, an incident is added to the Supplier Performance Report (SPR)⁵⁶. The reasons change requests may be added to the SPR are outlined below:

- Approvals - A request to correct an earlier error made by a licensee is approved by Ofgem
- Rejections - An amendment or new entry on the CFR is rejected due to incorrect information on the request or the correct submission process not being followed.

⁵⁶ [Information on the SPR](https://www.ofgem.gov.uk/supplier-performance-report-spr): <https://www.ofgem.gov.uk/supplier-performance-report-spr>

6.15 **Figure 6.3** shows that throughout SY14, we processed a total of 1,732 change requests on the CFR, of which 1,349 (77.9%) were approved. Of the approved requests, 16.8% were needed to correct data that had been incorrectly entered into the CFR by suppliers. These incidents were subsequently added to the SPR. The remaining 83.2% of approvals were required due to routine changes to the installation details and as such were not included in the SPR. During this period, we rejected 383 of the change requests which were submitted, 179 (46.7%) of these rejected requests were added to the SPR due to incorrect information being submitted by the FIT Licensee.

Figure 6.3: Taskbar approvals and rejections, SY12-14

	SY12	SY13	SY14
SPR Approvals	491	221	226
Non-SPR Approvals	1,225	955	1,123
Approved Total	1,716	1,176	1,349
SPR Rejections	132	186	179
Non-SPR Rejections	527	243	204
Rejections Total	659	429	383
Total Processed	2,375	1,605	1,732

Enquiries

6.16 Ofgem receives many enquiries relating to the FIT scheme. These commonly relate to the ROO-FIT accreditation process, MCS guidance and licensee issues. We also receive enquiries related to ongoing generator compliance and general queries regarding the scheme itself. As seen in **Figure 6.4**, 1,833 telephone calls and 2,208 email enquiries were received in SY14. This is roughly in line with the number of FIT enquiries we received in SY13.

Figure 6.4: Number of FIT enquiries by type, SY14

	KPI	Received	Met KPI	Performance
Telephone enquiries	85% of calls answered/no more than 15% abandoned	1,833	1,804	98.4%
Email enquiries	80% of email enquiries responded to within 10 working days	2,208	2,187	99.0%

6.17 We exceeded our performance targets for enquiries in SY14, with 98.4% of telephone enquiries answered, and 99.0% of email enquiries receiving a response within 10 working days.

7. Looking Forward

This chapter provides a summary of any significant changes affecting the future of the FIT scheme.

Future of the FIT scheme

- 7.1 The FIT closed to new registrations as of 1 April 2019. However, work is still required to process a handful of outstanding applications submitted prior to scheme closure. The scheme provides generation and export payments over a 20-year period, and as such, we will keep servicing generators up until 31 March 2042. Over this period, we will carry on ensuring that the processes supporting the scheme remain effective and we will continue to publish this report annually.
- 7.2 Following on from the closure of the FIT, the Smart Export Guarantee (SEG)⁵⁷ launched on 1 January 2020. The SEG is a government-backed market initiative available to the same technology types and with the same maximum capacity as the FIT scheme, and ensures homes and businesses with small-scale electricity generation can receive payment for the surplus low-carbon electricity they export to the national grid.

Replacement of generating equipment, decommissioning and extensions

- 7.3 In December 2021 Ofgem made the decision to allow replacement generating equipment, meaning generators can replace and temporarily remove generating equipment and retain an installation's accreditation. Following on from this, we have received queries from FIT generators and industry stakeholders around how various scenarios involving replacing, modifying or removing generating equipment impacts accreditation. As the average age of accredited FIT installations increases, so does the likelihood that generating equipment needs to be replaced. In order to aid generators in better understanding the scheme rules in relation to replacing, removing or modifying generating equipment, we added further clarification on our position in an update to the Feed-in Tariffs: Guidance for FIT Generators, published by Ofgem on 6 September 2024.⁵⁸
- 7.4 Where installations are extended through repowering or the removal of de-rating mechanisms, this is considered an "extension", and the standard rules on extensions apply. Repowering is the process of replacing older generating equipment with newer

⁵⁷ [Information on the SEG](https://www.ofgem.gov.uk/environmental-and-social-schemes/smart-export-guarantee-seg): <<https://www.ofgem.gov.uk/environmental-and-social-schemes/smart-export-guarantee-seg>>

⁵⁸ [Feed-in Tariff: Guidance for FIT Generators](https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-fit-generators): <<https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-fit-generators>>

equipment which either has a greater capacity or more efficiency. De-rating is the practice of using mechanisms to reduce the capacity of an installation.

- 7.5 FIT generators may repair or replace all or some generating equipment and retain the installation's accreditation, provided that the installation continues to meet scheme rules. If all generating equipment is permanently removed up to the point of grid connection, the accredited installation has been decommissioned and accreditation ends.

Improvements in the audit and compliance programme

- 7.6 We are continuously seeking ways to improve and evolve. This includes analysing audit findings and assessing whether their classifications (i.e. if an audit finding is labelled as a financial, or non-financial non-compliance) should be adjusted to accurately reflect our risk appetite. By doing so, we ensure that our compliance team focus on investigating the most serious non-compliances. Additionally, we have updated our FIT Audit webpage⁵⁹ and are in the process of creating a newsletter to keep scheme participants informed. The newsletter's purpose is to highlight common potential non-compliance findings identified during audits, enabling participants to proactively address them. We anticipate that these changes will be reflected in the SY15 generator audit ratings.
- 7.7 In 2024, we formed a new Supplier Audit team to help identify efficiencies in ways of working and to streamline processes associated with our supplier audit activity. The team has reviewed the FIT audit scope and Terms of Reference associated with FIT supplier audits to more accurately focus our audits on key compliance risks.

Renewable Electricity Register Launch

- 7.8 Ofgem is redeveloping the 'Renewables and CHP Register', currently used for the administration of the Renewables Obligation (RO), Feed-in Tariffs (specifically ROO-FIT) and Renewables Energy Guarantees of Origin (REGO) schemes. The new Register will be called the Renewable Electricity Register (RER) and aims to provide a better user experience and a more robust system moving forward.
- 7.9 The new Register will focus on signposting users to guidance rather than focusing on help text, allowing users to efficiently find relevant information and make informed decisions on their amendments. More information and the latest updates are available on the Renewables and CHP Register landing page.⁶⁰

⁵⁹ [FIT Audit webpage](https://www.ofgem.gov.uk/environmental-and-social-schemes/feed-tariffs-fit/participant-audit-programme#:~:text=Our%20Feed%20In%20Tariff%20Participant,generators%20on%20the%20FIT%20Scheme.>) <https://www.ofgem.gov.uk/environmental-and-social-schemes/feed-tariffs-fit/participant-audit-programme#:~:text=Our%20Feed%20In%20Tariff%20Participant,generators%20on%20the%20FIT%20Scheme.>

⁶⁰ [Renewables and CHP Register](https://renewablesandchp.ofgem.gov.uk/>) <https://renewablesandchp.ofgem.gov.uk/>

Appendix 1: Mandatory and Voluntary Licensees

Figure A1.1: Mandatory FIT Licensees and their associated electricity supply licences

Supplier Group	Electricity Supply Licence
British Gas Trading Limited	British Gas Trading
E.ON Energy	E.ON Energy Solutions Ltd
E.ON Energy	E.ON Next Energy Limited
E.ON Energy	E.ON UK plc
EDF Energy Customers Limited	EDF Energy Customers Ltd
Edgware Energy Limited	Edgware Energy Limited
Electricity Plus Supply Limited	Electricity Plus Supply Ltd
Octopus Energy	Octopus Energy Limited
Octopus Energy	Octopus Energy Operations Limited
Octopus Energy	Shell Energy Retail Ltd
OVO Energy	OVO (S) ELECTRICITY LIMITED
OVO Energy	Ovo Electricity Ltd
ScottishPower Energy Retail Limited	ScottishPower Energy Retail Ltd
Shell Energy	Shell Energy UK
So Energy Trading Limited	So Energy Trading Limited
Utilita Energy Limited	Utilita Energy Limited

Figure A1.2: Voluntary FIT Licensees and their associated electricity supply licences

Supplier Group	Electricity Supply Licence
Arto.Energy Limited	Arto.Energy Limited
Conrad Energy (Trading) Limited	Conrad Energy (Trading) Limited
Coulomb Energy Supply Limited	Coulomb Energy Supply Limited
Drax Energy Solutions Limited	Drax Energy Solutions Limited
Ecotricity Limited	ECOTRICITY LIMITED
ENGIE Power Limited	ENGIE Power Limited
F & S Energy Limited	F & S Energy Limited
Good Energy Limited	Good Energy Ltd
Green Energy (UK) Limited	Green Energy (UK) Limited
Limejump Energy Limited	Limejump Energy Limited
Opus Energy	Farmoor Energy Limited
Opus Energy	Donnington Energy Limited
Opus Energy	Opus Energy (Corporate) Limited
Opus Energy	Opus Energy Ltd
Opus Energy	Opus Energy Renewables Limited
Pozitive Energy Limited	Pozitive Energy Ltd
TotalEnergies Gas & Power	TotalEnergies Gas & Power
Valda Energy Limited	Valda Energy Limited

Appendix 2: Total Annual Generation and Export Payments

Figure A2.1: Total export and generation payments made by FIT Licensees in SY13

Licensee	Total generation payments made	Total export payments made	Total payments
Arto.Energy Limited	£10,388,003.47	£1,807,951.88	£12,195,955.35
British Gas Trading	£164,924,172.05	£11,033,308.35	£175,957,480.40
Conrad Energy (Trading) Limited	£863,416.20	£0.00	£863,416.20
Coulomb Energy Supply Limited	£0.00	£0.00	£0.00
Donnington Energy Limited	£0.00	£0.00	£0.00
Drax Energy Solutions Limited	£1,526,998.45	£34,703.03	£1,561,701.48
E.ON Energy Solutions Ltd	£0.00	£0.00	£0.00
E.ON Next Energy Limited	£419,938,089.59	£17,244,257.76	£437,182,347.35
E.ON UK plc	£0.00	£0.00	£0.00
ECOTRICITY LIMITED	£84,572,181.87	£8,723,832.50	£93,296,014.37
EDF Energy Customers Ltd	£235,095,363.12	£6,099,780.15	£241,195,143.27
Edgware Energy Limited	£0.00	£0.00	£0.00
Electricity Plus Supply Ltd	£12,988,742.22	£1,136,356.31	£14,125,098.53
ENGIE Power Limited	£34,494,720.17	£331,000.01	£34,825,720.18
F & S Energy Limited	£28,990,381.08	£26,610.63	£29,016,991.71
Farmoor Energy Limited	£0.00	£0.00	£0.00
Good Energy Ltd	£246,570,558.45	£13,655,001.58	£260,225,560.03
Green Energy (UK) Limited	£4,415,826.68	£78,601.79	£4,494,428.47
Limejump Energy Limited	£18,975,989.73	£0.00	£18,975,989.73

Licensee	Total generation payments made	Total export payments made	Total payments
Octopus Energy Limited	£14,126,452.04	£805,720.66	£14,932,172.70
Octopus Energy Operations Limited	£1,060,066.27	£260,547.29	£1,320,613.56
Opus Energy (Corporate) Limited	£0.00	£0.00	£0.00
Opus Energy Ltd	£0.00	£0.00	£0.00
Opus Energy Renewables Limited	£173,749,105.92	£348,208.86	£174,097,314.78
OVO (S) ELECTRICITY LIMITED	£0.00	£0.00	£0.00
Ovo Electricity Ltd	£174,076,491.80	£9,691,750.91	£183,768,242.71
Pozitive Energy Ltd	£0.00	£0.00	£0.00
ScottishPower Energy Retail Ltd	£73,049,264.59	£5,793,831.55	£78,843,096.14
Shell Energy Retail Ltd	£6,534,778.37	£1,004,218.19	£7,538,996.56
Shell Energy UK	£22,373.26	£10,498.75	£32,872.01
So Energy Trading Limited	£12,759.41	£1,392.80	£14,152.21
TotalEnergies Gas & Power	£53,708,862.00	£320,247.00	£54,029,109.00
Utilita Energy Limited	£64,270.88	£17,648.59	£81,919.47
Valda Energy Limited	£1,561,908.00	£81.47	£1,561,989.47
Total	£1,761,710,775.62	£78,425,550.06	£1,840,136,325.68

Appendix 3: Non-compliance by suppliers

Figure A3.1: Late (quarterly/annual) levelisation data submissions per supplier

Licensee	Type	Period
BES Commercial Electricity Ltd	Non-FIT Licensees	Q1
SmartestEnergy Business Limited	Non-FIT Licensees	Q1
Pozitive Energy Limited	Voluntary FIT Licensees	Q2
D-Energi Trading Ltd	Non-FIT Licensees	Q3
Wilton Energy Limited	Non-FIT Licensees	Annual
UK Power Reserve Limited	Non-FIT Licensees	Annual
Dodo Energy Limited	Non-FIT Licensees	Annual
Toucan Energy Limited	Non-FIT Licensees	Annual

Figure A3.2: Incorrect (quarterly/annual) levelisation data submissions per supplier

Licensee	Type	Period*
AXPOUK Limited	Non-FIT Licensees	Q4 (x3)
BGI Trading Limited	Non-FIT Licensees	Q3 (x3)
British Gas Trading	Mandatory FIT Licensees	Annual
Brook Green Trading Limited	Non-FIT Licensees	Annual
Brook Green Trading Limited	Non-FIT Licensees	Q1 (x2)
Brook Green Trading Limited	Non-FIT Licensees	Q2 (x3)
Conrad Energy (Trading) Limited	Voluntary FIT Licensees	Q1
Corona Energy Retail 4 Limited	Non-FIT Licensees	Q1
Coulomb Energy Supply Limited	Voluntary FIT Licensees	Q2
Crown Gas and Power 2 Limited	Non-FIT Licensees	Q1 (x2)
Delta Gas and Power	Non-FIT Licensees	Q4 (x4)
Delta Gas And Power Ltd	Non-FIT Licensees	Q2 (x2)
Delta Gas And Power Ltd	Non-FIT Licensees	Q3 (x5)
D-Energi Trading Ltd	Non-FIT Licensees	Q2
Dodo Energy Limited	Non-FIT Licensees	Q1 (x4)
Dodo Energy Limited	Non-FIT Licensees	Q3 (x3)
Drax Energy Solutions Limited	Voluntary FIT Licensees	Q1 (x2)
Drax Energy Solutions Limited	Voluntary FIT Licensees	Q4 (x2)
Dyce Energy Limited	Non-FIT Licensees	Annual
Dyce Energy Limited	Non-FIT Licensees	Q4 (x2)
Dyce Energy Limited (PROZ)	Non-FIT Licensees	Q1
E.ON Energy Solutions Ltd	Mandatory FIT Licensees	Q4 (x2)
E.ON Next Energy Limited	Mandatory FIT Licensees	Q1 (x3)
EDF Energy Customers Ltd	Mandatory FIT Licensees	Q1

Licensee	Type	Period*
EDF Energy Customers Ltd	Mandatory FIT Licensees	Q2 (x6)
EDF Energy Customers Ltd	Mandatory FIT Licensees	Q4 (x3)
Edgware Energy Limited	Non-FIT Licensees	Q3 (x2)
Eneco Energy Trade BV	Non-FIT Licensees	Annual
Eneco Energy Trade BV	Non-FIT Licensees	Q1
Eneco Energy Trade BV	Non-FIT Licensees	Q3
Eneco Energy Trade BV	Non-FIT Licensees	Q4
ENGIE Power Limited	Voluntary FIT Licensees	Q1
ENGIE Power Limited	Voluntary FIT Licensees	Q2
ENGIE Power Limited	Voluntary FIT Licensees	Q4
EPG Energy Ltd	Non-FIT Licensees	Q1
EPG Energy Ltd	Non-FIT Licensees	Q2 (x5)
EPG Energy Ltd	Non-FIT Licensees	Q3 (x2)
ESB Energy Limited	Non-FIT Licensees	Annual
Farringdon Energy Limited	Non-FIT Licensees	Q1 (x2)
Farringdon Energy Limited	Non-FIT Licensees	Q3 (x3)
Flexitricity Limited	Non-FIT Licensees	Q2 (x2)
Flexitricity Limited	Non-FIT Licensees	Q4 (x2)
Good Energy Ltd	Voluntary FIT Licensees	Q2 (x3)
Green Energy (UK) Limited	Voluntary FIT Licensees	Q2 (x3)
Green Energy (UK) Limited	Voluntary FIT Licensees	Q3 (x3)
Hartree Partners Supply (UK) Limited	Non-FIT Licensees	Q3
Hartree Partners Supply (UK) Limited	Non-FIT Licensees	Q4 (x2)
Home Energy Trading	Non-FIT Licensees	Q4 (x3)
Home Energy Trading Ltd	Non-FIT Licensees	Q1

Licensee	Type	Period*
Home Energy Trading Ltd	Non-FIT Licensees	Q3 (x2)
Limejump Energy Limited	Voluntary FIT Licensees	Q3 (x2)
Npower Commercial Gas Limited	Non-FIT Licensees	Q2 (x2)
Octopus Energy Limited	Mandatory FIT Licensees	Q2 (x3)
Octopus Energy Operations Limited	Mandatory FIT Licensees	Q2 (x3)
Opus Energy (Corporate) Limited	Voluntary FIT Licensees	Q1 (x2)
Opus Energy Ltd	Voluntary FIT Licensees	Q1 (x2)
P3P Energy Supply Limited	Non-FIT Licensees	Q1
Pozitive Energy Ltd	Voluntary FIT Licensees	Q1 (2)
Pozitive Energy Ltd	Voluntary FIT Licensees	Q2 (x3)
Pozitive Energy Ltd	Voluntary FIT Licensees	Q3 (x5)
Pozitive Energy Ltd	Voluntary FIT Licensees	Q4
Rebel Energy Supply Limited	Non-FIT Licensees	Q1 (x2)
Rebel Energy Supply Limited	Non-FIT Licensees	Q2 (x3)
Regent Power Limited	Non-FIT Licensees	Q4 (x2)
Regent Power Ltd	Non-FIT Licensees	Annual
Regent Power Ltd	Non-FIT Licensees	Q3 (x2)
Shell Energy Retail Ltd	Mandatory FIT Licensees	Q1
Shell Energy Retail Ltd	Mandatory FIT Licensees	Q3 (x3)
Shell Energy UK	Mandatory FIT Licensees	Q1 (x2)
Shell Energy UK	Mandatory FIT Licensees	Q4
Smartest Energy Limited	Non-FIT Licensees	Q4 (x2)
SmartestEnergy Business Limited	Non-FIT Licensees	Q4
So Energy Trading	Mandatory FIT Licensees	Annual
So Energy Trading Limited	Mandatory FIT Licensees	Q3 (x2)

Licensee	Type	Period*
Square1 Energy Limited	Non-FIT Licensees	Q1
Square1 Energy Limited	Non-FIT Licensees	Q4 (x3)
Squeaky Clean Energy Limited	Non-FIT Licensees	Q1
Statkraft Markets GmbH	Non-FIT Licensees	Q1 (x2)
Switch Business Gas and Power	Non-FIT Licensees	Annual
Switch Business Gas and Power	Non-FIT Licensees	Q1 (x3)
Switch Business Gas and Power	Non-FIT Licensees	Q3 (x3)
Switch Business Gas and Power	Non-FIT Licensees	Q4 (x3)
Switch Business Gas and Power Limited	Non-FIT Licensees	Q2 (x3)
Tomato Energy Limited	Non-FIT Licensees	Q2 (x3)
Tomato Energy Limited	Non-FIT Licensees	Q3 (x3)
TotalEnergies Gas & Power	Voluntary FIT Licensees	Q3 (x4)
Toucan Energy Limited	Non-FIT Licensees	Q1
Tru Energy Limited	Non-FIT Licensees	Q2 (x2)
Unify Energy Limited	Non-FIT Licensees	Q2
United Gas & Power Trading Ltd	Non-FIT Licensees	Q2
Utilita Energy Limited	Mandatory FIT Licensees	Annual (x2)
Utilita Energy Limited	Mandatory FIT Licensees	Q2 (x6)
Utilita Energy Limited	Mandatory FIT Licensees	Q3
Valda Energy Limited	Voluntary FIT Licensees	Annual
Vattenfall Energy Trading GmbH	Non-FIT Licensees	Q2 (x2)
Vattenfall Energy Trading GmbH	Non-FIT Licensees	Q4 (x2)
Yu Energy Retail Limited	Non-FIT Licensees	Q2 (x4)
Yu Energy Retail Limited	Non-FIT Licensees	Q3 (x3)

*Where a supplier has made more than one incorrect data submission in a period, the number is shown in brackets.

Figure A3.3: Late levelisation payments per supplier

Licensee	Type	Period
Eneco Energy Trade BV	Non FIT Licensee	Q1
Statkraft Markets GmbH	Non FIT Licensee	Q1
Toucan Energy Ltd	Non-FIT Licensees	Q2
Unify Energy Ltd	Non-FIT Licensees	Q2
Statkraft Markets GmbH	Non FIT Licensee	Q2
TotalEnergies Gas & Power	Voluntary FIT Licensee	Q2
Dodo Energy Limited	Non FIT Licensee	Q3
Opus Energy (Corporate) Limited	Voluntary FIT Licensee	Q3
Opus Energy Ltd	Voluntary FIT Licensee	Q3
Vattenfall Energy Trading GmbH	Non FIT Licensee	Q3
EQUIN	Non FIT Licensee	Q4
SEFE Energy Ltd	Non FIT Licensee	Q4
Shell Energy Retail Ltd	Mandatory FIT Licensee	Q4

Appendix 4: Annual Determinations

DESNZ makes determinations every year so that we can administer the scheme.⁶¹ The following determinations were made for SY14, covering 1 April 2023 to 31 March 2024.

The percentage of electricity from each technology deemed to be exported

75% for hydro and 50% for all other technology types.

Figure A4.1: How Licensees are compensated for their administrative costs (Qualifying Costs)

Type of Licensee	Qualifying FITs costs per Generator
Large FIT Licensee (New Generator)	£25
Large FIT Licensee (Ongoing Generator)	£15
Small FIT Licensee (New Generator)	£55
Small FIT Licensee (Ongoing Generator)	£30

The collar and cap range for mutualisation payments

For SY14, the mutualisation trigger range shall be a lower limit of £5,525,627 and a higher limit of £55,256,274.

⁶¹ [Feed in Tariffs \(FITs\) determinations](https://www.gov.uk/government/publications/feed-in-tariffs-fits-determinations) <https://www.gov.uk/government/publications/feed-in-tariffs-fits-determinations>

Appendix 5: Associated Documents

Standard Conditions 33 and 34 of the Electricity Supply Licences on the Ofgem website:

[Standard Conditions 33 and 34 of the Electricity Supply Licences](#)

<<https://epr.ofgem.gov.uk/Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf>>

The Feed-in Tariffs Order (as amended) on the legislation.gov.uk website:

[The Feed-Tariffs \(FITs\) Order](#)

<<https://www.legislation.gov.uk/uksi/2012/2782/contents>>

The Feed-in Tariffs (Amendment) (Coronavirus) Order 2020 on the legislation.gov.uk website:

[The Feed-in Tariffs \(Amendment\) \(Coronavirus\) Order 2020](#)

<<https://www.legislation.gov.uk/uksi/2020/375>>

The Feed-in Tariffs (Amendment) (Coronavirus) (No. 2) Order 2020 on the legislation.gov.uk website:

[The Feed-in Tariffs \(Amendment\) \(Coronavirus\) \(No. 2\) Order 2020](#)

<<https://www.legislation.gov.uk/uksi/2020/957>>

The Feed-in Tariffs: Guidance for licensed electricity suppliers (v17.1) on the Ofgem website:

[The Feed-in Tariffs: Guidance for licensed electricity suppliers](#)

<<https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers>>

The Feed-in Tariffs: Guidance for FIT Generators (v18) on the Ofgem website:

[Feed-in Tariffs: Guidance for renewable installations](#)

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

Guidance for generators: Co-location of electricity storage and hydrogen production under the RO, FIT and SEG (v6.1)

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

<<https://www.ofgem.gov.uk/publications/guidance-generators-co-location-electricity-storage-facilities-renewable-generation-supported-under-renewables-obligation-or-feed-tariff-schemes-0>>

Appendix 6: Glossary

A

Anaerobic Digestion (AD) – Natural process in which micro-organisms break down organic matter (e.g., animal manure or waste food) within a contained environment. This produces biogas which can then be used as fuel to generate electricity.

Authority - The Gas and Electricity Markets Authority (GEMA) (the Authority) is the statutory body responsible for administering the FIT scheme in Great Britain (GB). The Authority's day-to-day functions are performed by Ofgem, the office of the Authority.

B

Biennial Meter Read Verification (BMV) – Inspection of an accredited FIT installation's meter readings to verify that the amount of electricity generated and exported is accurate, conducted every two years.

C

Central FIT Register (CFR) – A database of all accredited FIT installations managed by Ofgem.

Combined Heat and Power (CHP) – The process of capturing and using heat which is created as a by-product of the electricity generation process.

Control for Low Carbon Levies – Replaces the Levy Control Framework (LCF) and monitors the costs of low carbon electricity schemes (including FIT), providing a forecast of total scheme costs. 'The Control' sets out there will be no new low carbon electricity levies until the burden of such costs on electricity bills is falling.

D

Deemed Export – The proportion of electricity considered to have been exported by installations without export metering. The proportion is set annually as a percentage of the electricity generated.

Declared Net Capacity (DNC) – The maximum capacity an installation can be operated at over a sustained period without damaging it (assuming the source of power used by it to generate electricity was available to it without interruption) minus the amount of electricity that is consumed by the installation.

DESNZ – Department for Energy Security and Net Zero (DESNZ) is responsible for FIT policy in Great Britain.

E

Energy Intensive Industries (EII) – Industries which consume large amounts of energy in their industrial processes.

Eligibility Date – The eligibility date is the date from which FIT payments commence and the FIT generation tariff is assigned.

Eligibility period – 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 of Schedule A to Standard Condition 33 of the Electricity Supply Licence.

F

FIT Generator – Is the owner of an eligible FIT installation.

FIT Licensee – A licenced electricity supplier participating in the FIT scheme.

G

GEMA – The Gas and Electricity Markets Authority (GEMA) (the Authority) is the statutory body responsible for administering the FIT scheme in Great Britain (GB). The Authority's day-to-day functions are performed by Ofgem, the office of the Authority.

Guarantees of Origin (GoOs) – GoOs label electricity from renewable sources to provide information to electricity customers on the source of their energy. They are used by suppliers for Fuel Mix Disclosure compliance to show how much renewable electricity they have supplied in the previous year. GoOs are also used by suppliers to exempt themselves from some of their FIT costs via the FIT levelisation process. GoOs may be issued by any EU member state – the UK version of GoOs are called Renewable Energy Guarantees of Origin (REGOs).

GW – Gigawatt, equal to one billion watts.

GWh – Gigawatt hour, equivalent to one billion watt hours of electricity output.

K

kW – Kilowatt, equal to one thousand watts.

kWh – Kilowatt hour, equivalent to one thousand watt hours of electricity output.

L

Levelisation – The mechanism by which the total cost of the FIT scheme is shared across licensed electricity suppliers. The cost is allocated between suppliers in proportion to their share of the electricity supply market of Great Britain, whilst taking into account any FIT contribution they have already made.

Levelisation fund – The total combined cost of the scheme to licensed electricity suppliers.

M

Mandatory Licensee – Licensed Electricity suppliers with 250,000 or more domestic customers that are obligated to register and make payments to eligible Generators under the FIT scheme.

MCS – The MCS (Microgeneration Certification Scheme) is a certification scheme for microgeneration installation companies, products and installations. It defines and maintains consistent standards, providing confidence to consumers who wish to invest in small-scale technologies that produce electricity and heat from renewable sources.

MCS-FIT – Refers to the accreditation pathway for solar photovoltaic (PV) and wind installations with a Declared Net Capacity (DNC) of 50kW or less, and micro-CHP installations.

Metered export – The amount of renewable electricity exported from an eligible FIT installation, recorded by a meter capable of taking half-hourly measurements.

Micro-CHP – Micro combined heat and power (Micro-CHP) is a technology that generates heat and electricity simultaneously, from the same energy source, in individual homes or buildings.

Micro installation/generation – The terms for installations, or energy generation from installations with a declared net capacity (DNC) of 50kW or less.

Mutualisation – A mechanism to prevent excessive shortfalls in the levelisation fund in the event of a supplier or suppliers being unable to make some or all of their levelisation payments. If triggered, suppliers who have made periodic levelisation payments are required to make additional payments. These are redistributed to suppliers in proportion to their share of the electricity supply market of Great Britain, whilst taking into account any FIT contribution they have already made.

MW – Megawatt, equal to one million watts.

MWh – Megawatt hour, equivalent to one million watt hours of electricity output.

P

Preliminary accreditation – A mechanism for prospective FIT Generators, giving increased security with regard to tariff rates and eligibility prior to commissioning.

R

Renewables and CHP Register (R&CHP Register) (The Register) – A web-based system used to manage several schemes that we administer on behalf of government, including the ROO-FIT application process.

ROO-FIT – Refers to the accreditation pathway for a solar photovoltaic (PV) or wind installations with a Declared Net Capacity (DNC) above 50kW and all hydro and anaerobic digestion (AD) installations.

S

SPR – The Supplier Performance Report (SPR) documents incidents where energy suppliers have not complied with their obligations under the environmental, energy efficiency and social programmes Ofgem administers on behalf of the government.

System Sell Price (SSP) – The price that parties receive to settle the difference between contracted generation or consumption and the amount that was actually generated or consumed.

T

Total Installed Capacity (TIC) – The maximum capacity an installation can be operated at over a sustained period without damaging it (assuming the source of power used by it to generate electricity was available to it without interruption).

Total scheme cost – It is the total cost of the scheme calculated by adding Ofgem's administration costs to the value of the levelisation fund.

TW – Terawatt, equal to one trillion watts.

TWh – Terawatt hour, equivalent to one trillion watt hours of electricity output.

V

Value of the scheme – The total value of the FIT scheme calculated by adding the value of all generation and export payments to FIT Licensees qualifying costs.

Voluntary FIT Licensee – A Licensee which is not a Mandatory FIT Licensee but volunteers to participate by registering and making payments to eligible Generators under the FIT scheme.