

Update

In this quarterly report we provide an update on the Feed-in Tariff scheme and an overview of the latest information on the installations that are now participating. This report also gives a summary of the statistics for the third quarter of FIT Year 3 (1 October - 31 December 2012).



The Feed-in Tariff (FITs) scheme

- The scheme was introduced on 1 April 2010 to promote the uptake of small-scale renewable electricity generation.
- It requires participating Licensed Electricity Suppliers (FIT Licensees) to pay tariffs to generators for electricity generated and exported.
- The scheme is applicable to four small-scale renewable technologies, plus micro-CHP.
- All Licensed Electricity Suppliers are required to make payments into Ofgem's Levelisation Fund, based on their market share of the Great Britain electricity supply market.
- The Levelisation Fund is then redistributed to FIT Licensees that have made more FIT payments to generators than they would be required to by their market share proportion.
- FIT Licensees are responsible for registering eligible installations, processing generation and export data and making FIT payments.
- Ofgem is responsible for the administration of the FITs scheme, while the Department of Energy and Climate Change (DECC) is responsible for the policy.

Feed-in Tariff key statistics

- ▶ A total of 358,658 renewable installations have been registered under the scheme as of 31 December 2012.
- ▶ 1,657MW of total installed capacity has been registered under FITs as of 31 December 2012.
- ▶ A total of £138,185,394.20 in FIT payments was due to generators for the quarter 1 October to 31 December 2012.

FITs Statistics for Last Quarter

The figures used in this report are based on Feed-in Tariff (FIT) installation figures extracted from Ofgem's Central FIT Register. For statistics regarding Microgeneration Certification Scheme (MCS) figures please refer to the DECC website (www.gov.uk/government/organisations/department-of-energy-climate-change/series/feed-in-tariff-statistics).

As of the end of December 2012, almost 360,000 installations have been registered under the Feed-in Tariff scheme since its introduction on 1 April 2010. The 28,769 installations registered between October and December 2012 account for 8 percent of the total installations. Table 1 illustrates the breakdown of installations registered under the scheme by quarter and technology. As can be seen from the table, there has only been a moderate increase in the overall number of installations registered in the most recent quarter when compared to the number registered over the four previous quarters.

The total of 28,769 installations is the lowest number of registered installations since April to June 2011 (14,791), and suggests the implementation of the PV tariff cut and the PV Degression mechanism by the Department of Energy and Climate Change on 1 August 2012, has influenced the number of new installations registered under the scheme.

Of the total of 28,769 installations registered between 1 October to 31 December 2012 the largest proportion is that of photovoltaic technology, consisting of over 97 percent (27,991) of all registered installations. Although the overall number of installations registered this quarter is lower than the number registered in the previous quarter, the highest number of wind installations (735) were registered since the scheme commenced in 2010. The level of micro-CHP installations has fallen back to what it was two years previously, and Hydro has reduced to the level it was a year ago.



Table 1: Number of FIT installations by quarter. Figures are subject to change.

	Apr – Jun 2010	Jul – Sep 2010	Oct – Dec 2010	Jan – Mar 2011	Apr – Jun 2011	Jul – Sep 2011	Oct – Dec 2011	Jan – Mar 2012	Apr – Jun 2012	Jul – Sep 2012	Oct – Dec 2012	Total
Hydro	4	108	48	44	14	18	15	24	33	36	15	359
Photovoltaic	2,698	7,813	6,663	11,378	14,532	35,436	66,034	100,309	37,187	43,688	27,991	353,729
Wind	60	632	330	316	185	321	239	362	476	457	735	4,113
Micro-CHP	0	5	17	78	58	96	67	34	14	30	20	419
Anaerobic digestion	0	0	2	1	2	5	4	2	5	9	8	38
Total	2,762	8,558	7,060	11,817	14,791	35,876	66,359	100,731	37,715	44,220	28,769	358,658

FITs Activity since the start of the scheme

Chart 1 shows the cumulative growth in both the number of installations and Total Installed Capacity registered under the scheme by month. As illustrated, the number of installations has continued to increase at a consistent rate, although slower relative to the period of

activity at the end of 2011 and early 2012. The chart shows capacity increasing at a faster rate than the number of installations, suggesting that the average capacity per installation is increasing.

Chart 1: Registered FIT installations by number and total installed capacity (1 April 2010 - 31 December 2012)



As of 31 December 2012, more than 1,656MW of Total Installed Capacity have been registered under the scheme. This figure is an increase of more than 169MW since 30 September 2012. A breakdown of the Total Installed Capacity under the scheme by technology is shown in **Chart 2**, and highlights the continued significance of photovoltaic installations, at 90 percent of installed capacity. Wind installations constitute 6 percent of the Total Installed Capacity, while both anaerobic digestion and hydro installations make up 2 percent each of the total. The remaining capacity of less than 1 percent is made up of micro-CHP installations.

Chart 2: Total installed capacity by technology type for 1 April 2010 - 31 December 2012

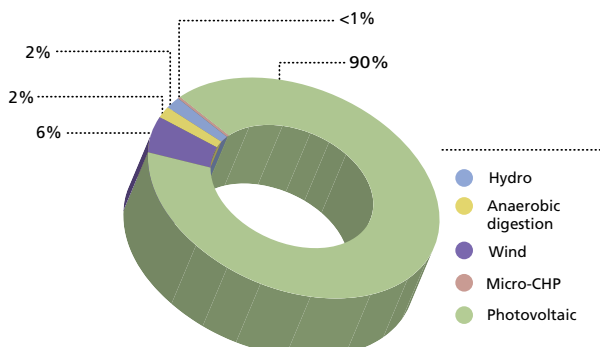


Chart 3: Total installed capacity by installation type for 1 April 2010 - 31 December 2012

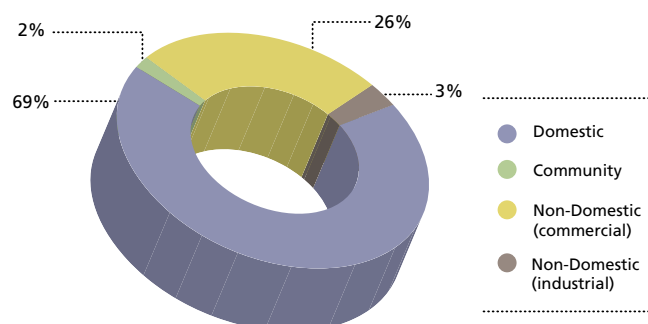


Chart 3 shows the Total Installed Capacity of registered installations by installation type since 1 April 2010. These installation types are selected by the generator owner at the time of application, and are not to be confused with newly defined community installations since 1 December 2012. The domestic share of installed capacity remains

the largest type at nearly 70 percent. The capacity of industrial and community installations make up 3 percent and 2 percent respectively, while commercial installations form 26 percent of the total.

Regional breakdown of FITs activity

Figure 1: Regional breakdown of installed capacity by technology (MW)

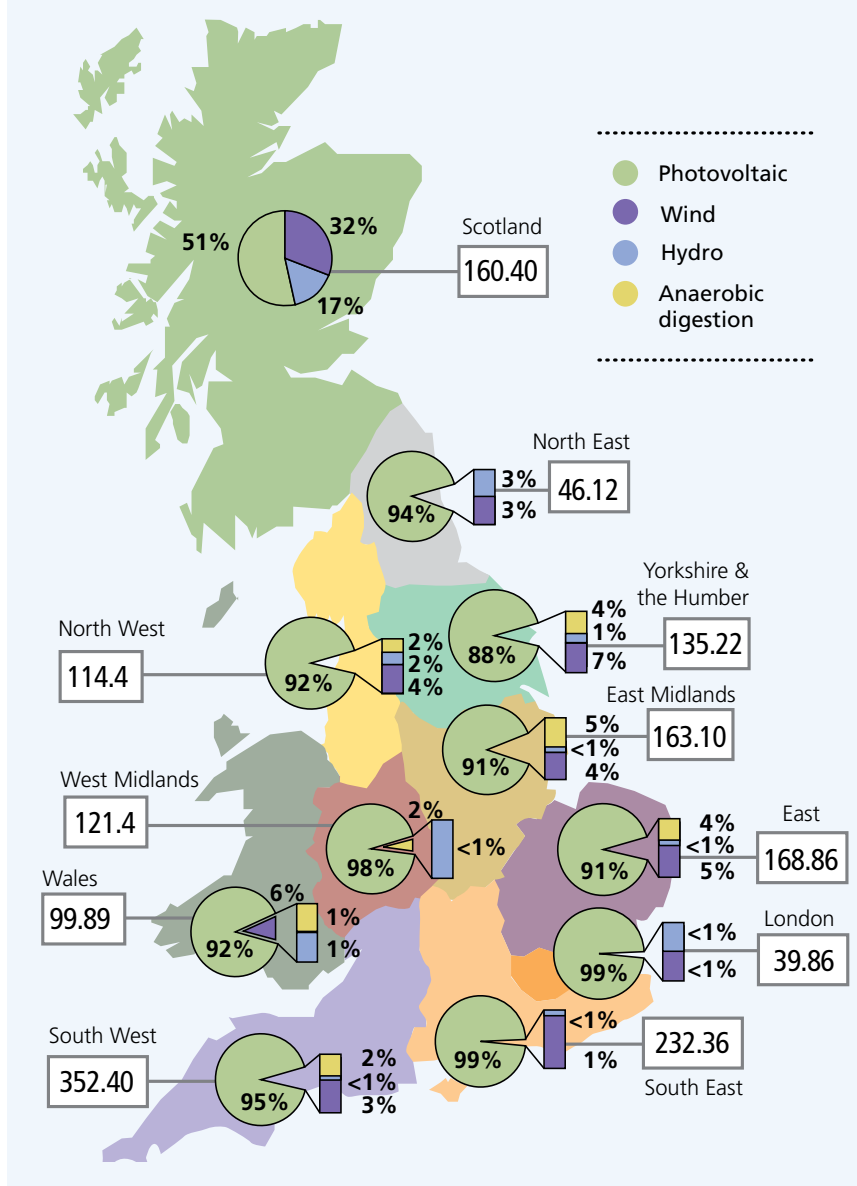


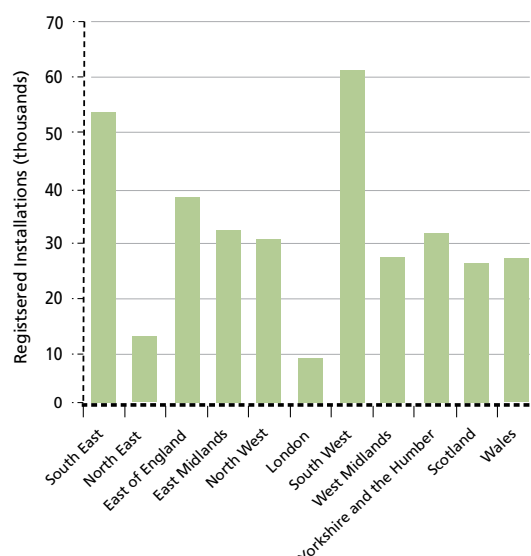
Chart 4 focuses on the regional breakdown installations under the FIT scheme in Great Britain since the start of the FIT scheme on 1 April 2010 to 31 December 2012. It is clear that the highest number of installations are registered in the South West with 61,412 (17.12%), closely followed by the South East with 53,095 (14.80%) installations. London continues to maintain the lowest number of registered installations with 9,545 (2.66%), followed by the North East with around 13,000 installations.

In addition a breakdown of registered installations by regional capacity is presented in **Figure 1**. This reveals the breakdown of Total Installed Capacity of registered installations by technology type. All data is reflective of the scheme as of 31 December 2012.

Figure 1 demonstrates that the South of England has the highest Total Installed Capacity at 352.40MW for the South West and 232.36 MW for the South East. In all other regions of Great Britain, with the exception of London and the North East, a relatively even share of Total Installed Capacity can be found distributed throughout. Solar Photovoltaic installations make up more than 87 percent of the Total Installed Capacity in each region except for Scotland, where it accounts for 51%, with Wind and Hydro accounting for 32 percent and 17 percent respectively.

Micro-CHP installations have been accredited in all regions across Great Britain, however as of 31 December 2012 the Total Installed Capacity of the installations was 439kW, which represents approximately 0.03 percent of capacity under the FITs Scheme. Since this figure is insignificant compared to the Total Installed Capacity of other technologies within the scheme this technology has been removed from the regional breakdowns in **Figure 1**.

Chart 4: Regional breakdown of registered installations



FIT Levelisation Process

The most recent Periodic Levelisation process covered the period 1 October to 31 December 2012 and was completed on 12 February 2013. Licensed Electricity Suppliers reported a total of 80,408,712MWh of relevant electricity supplied during this period.

As part of the Periodic Levelisation process, all Licensed Electricity Suppliers (regardless of FIT participation status) are required to make payments into Ofgem E-Serve's Levelisation Fund, based on their market share of the Great Britain electricity supply market and taking account of any FIT payments they make to generators. The fund is then redistributed to FIT licensees that have made more payments to generators than they would be required to by their market share contribution.

In the latest Periodic Levelisation period, the total Levelisation fund was calculated to be £133,014,542.68. This figure represents a decrease of nearly £36 million from the previous quarter (1 July to 30 September 2012) and is the first time the overall fund has reduced quarter on quarter. This is due to seasonal variations affecting output for PV installations. This figure represents the cost of the scheme in that quarter and includes generation payments, deemed export payments claimed by generators, the qualifying (administration) costs incurred by FIT Licensees, minus the value of deemed export to Licensed Electricity Suppliers.

During the most recent Periodic Levelisation period, a total of £138,185,394.20 in FIT payments to generators was reported by FIT Licensees. This figure is a decrease of almost £35 million from the previous Periodic Levelisation process, and includes both generation and export (deemed and metered) payments claimed by installations registered under the scheme. In addition, a total of £55,234,989.50 was paid into the Levelisation fund collectively by Licensed Electricity Suppliers in this process. All owed payments were received by Ofgem, and the fund was successfully redistributed to those FIT Licensees that were owed money from the fund.

The fourth quarterly Periodic Levelisation process of FIT Year 3 is due to commence from 1 April 2013 and will cover the quarter 1 January 2013 to 31 March 2013.

A timetable for the Periodic Levelisation periods and deadlines for FIT Year 3 is available from the Ofgem website:

www.ofgem.gov.uk/fits.

Additional information on FITs activity

The information described in this report relates to activity in the FIT scheme from 1 April 2010 to 31 December 2012. For more up to date details on FIT activity, please refer to the FIT Summary or FIT Installation Statistical Reports available from the Public Reports section of the Renewables and CHP Register: <https://www.renewablesandchp.ofgem.gov.uk>

Feed-in Tariff scheme contact details

For information on home or business electricity generation and how to join the FITs scheme, please contact the **Energy Saving Trust** on **0800 512 012**.

For information on accreditation of wind and solar PV installations below **50 kW** and general information about products and installers, please contact

Gemserv on **020 7090 1082**

For general queries regarding FIT accreditation of all hydro and AD installations and wind and solar PV installations between **50kW** and **5MW** only, please contact **renewable@ofgem.gov.uk** or **020 7901 7310**

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

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