

Feed-in Tariff Update

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Issue **15**

In this quarterly report we provide a summary of the statistics for the third quarter of FIT Year 4 (1 Oct – 31 December 2013) and a statistical overview of FIT activity since the start of the scheme.

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

The Feed-in Tariff (FIT) scheme

- The FIT scheme is a Government Programme introduced on 1 April 2010 and designed to promote the uptake of a number of small-scale renewable and low-carbon electricity generation technologies.
- It is available through licensed electricity suppliers and requires some of them (FIT Licensees) to pay tariffs to generators for renewable and low-carbon electricity generated and exported.
- FIT Licensees are responsible for accrediting eligible Solar PV and Wind installations with a Declared Net Capacity not exceeding 50kW and micro-CHP installations with a Declared Net Capacity up to and including 2kW, which are Microgeneration Certification Scheme (MCS)-certified. The MCS is an independent certification body. FIT Licensees are also responsible for processing generation and export data and making FIT payments.
- Ofgem is responsible for the administration of the FIT scheme, including maintenance of the Central FIT Register, monitoring Supplier compliance and administering the Levelisation process. Ofgem is also responsible for accrediting Solar PV and Wind installations with a Declared Net Capacity greater than 50kW and all Anaerobic Digestion and Hydro installations and verifying community/school status.
- The Department of Energy and Climate Change (DECC) is responsible for the FIT scheme policy and legislation.

FIT Key statistics: (1 April 2010 – 31 December 2013)

- ▶ A total of 448,222 renewable installations have been registered under the scheme as of 31 December 2013.
- ▶ 2,231.10 MW of Total Installed Capacity has been registered under the scheme as of 31 December 2013.
- ▶ A total of £164,852,513.52 in FIT payments was due to generators for the quarter 1 October to 31 December 2013.

FIT Statistics for Third Quarter of FIT Year 4 (1 October – 31 December 2013)

Almost 450,000 installations have been registered under the FIT scheme since its introduction on 1 April 2010. A total of 24,143 installations have been registered in this quarter, representing 5% of the total number of installations since the start of the scheme. The number of installations registered in this quarter is 7% less than in the previous quarter (1 July – 30 September 2013) when 26,002 installations were registered. The registered capacity in this quarter is 153.89 MW which represents 7% of the Total Installed Capacity of the scheme as a whole. These trends are shown in **Table 1**.

Table 1: Number of registered FIT Installations by technology since April 2010 until the end of the last quarter, with the last 12 months broken down into quarters. Figures are subject to change.

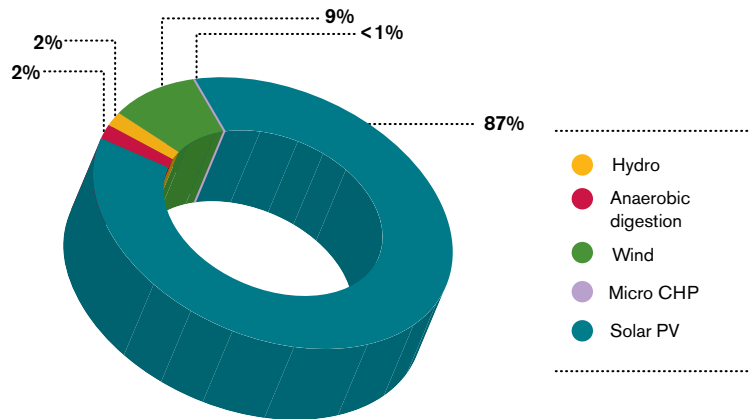
	Apr 10 - Dec 12	Jan-Mar 2013	Apr-Jun 2013	Jul-Sept 2013	Oct-Dec 2013	Total Installations
Hydro	342	19	25	23	17	426
Photovoltaic	352,994	20,625	18,755	25,814	23,914	442,102
Wind	4056	566	185	146	199	5152
Micro-CHP	423	19	15	9	7	473
Anaerobic digestion	37	11	5	10	6	69
Total	357,852	21,240	18,985	26,002	24,143	448,222

Table 1 illustrates that there has been a 7% decrease in the number of installations registered in this quarter since the last quarter. Of the 24,143 installations registered in this quarter the largest proportion consists of Solar PV installations (99%). However, there was a 7% drop in Solar PV installations registered in this quarter compared with the previous quarter. Meanwhile, there has been a notable increase in the number of Wind installations registered in this quarter at 199 installations which equates to a 36% increase compared with the previous quarter.

The number of Micro CHP installations continues to fall with 7 installations registered in this quarter compared with 9 in the previous quarter. The number of registered Micro CHP installations has decreased quarterly for the last two years. The number of Hydro and Anaerobic Digestion installations registered in this quarter compared with the last quarter has also decreased by 26% and 22% respectively.

Chart 1: Total installed capacity by technology type for 1 April 2010 - 31 December 2013

Chart 1 highlights the continued dominance of Solar PV installations, at 87% of Total Installed Capacity. Wind installations constitute 9% of the Total Installed Capacity, while Anaerobic Digestion and Hydro installations make up 2% each of the total. The remaining capacity of less than 1% is made up of micro-CHP installations.



The average Total Installed Capacity of both Hydro and Wind installations (210kW and 103kW respectively) registered in this quarter is more than double that of the average Total Installed Capacity since the start of the scheme (100kW and 38kW respectively). In contrast, the average Total Installed Capacity of Anaerobic Digestion plants registered in this quarter (382kW) is just under half the average Total Installed Capacity of all Anaerobic Digestion plants since the start of the scheme (790kW).

FIT Activity: Since the start of the scheme (1 April 2010 – 31 December 2013)

Chart 2: Registered FIT installations by number and Total Installed capacity (1 April 2010 - 31 December 2013)

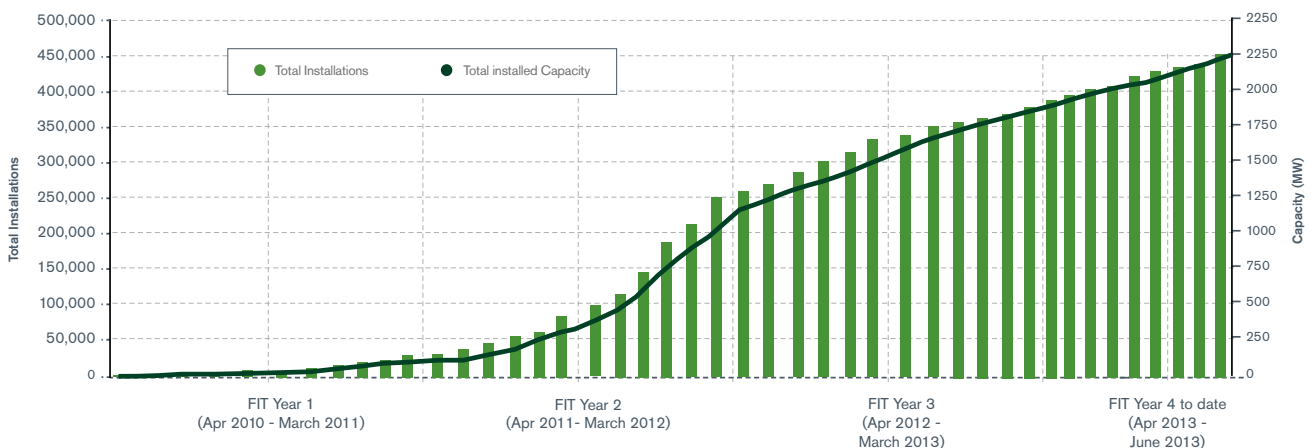


Chart 2 illustrates the cumulative growth in both the number of installations and Total Installed Capacity registered under the scheme. The chart highlights the change in registration trends across the scheme since April 2010. Of note is the more gradual, but consistent uptake of installations across the scheme over the last twenty months and the slightly faster increase in capacity. This suggests that the average capacity registered on the Central FITs Register is increasing.

Regional Breakdown of FIT Activity

Figure 1 demonstrates that the South of England has the highest Total Installed Capacity with 453.97 MW for the South West and 304.87 MW registered for the South East. London has the lowest Total Installed Capacity with 46.66 MW followed by the North East with 72.43 MW. All other regions of Great Britain have between 130-230 MW of registered Total Installed Capacity.

Since the previous quarter's update there has been very little change in the split of capacity by technology in each region. However the percentage of Wind capacity installed in both the East Midlands and Scotland has increased by 1% which is due to a number of large scale Wind installations being registered during this quarter.

Solar PV installations make up more than 85% of the Total Installed Capacity in each region except for Scotland. Solar PV in Scotland

accounts for just 49% of the Total Installed Capacity, with Wind and Hydro accounting for 36% and 15% respectively. As per the previous quarter, the percentage of Solar PV capacity this quarter is marginally higher in the Southern areas of England with the South East, South West and London regions having 94% or more Solar PV capacity. Eastern regions (East of England, East Midlands, Yorkshire and The Humber and North East regions) have 90% or marginally less Solar PV capacity.

The regions in England make up 83% of Total Installed Capacity under the scheme with Wales making up 6% and Scotland 10%.

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

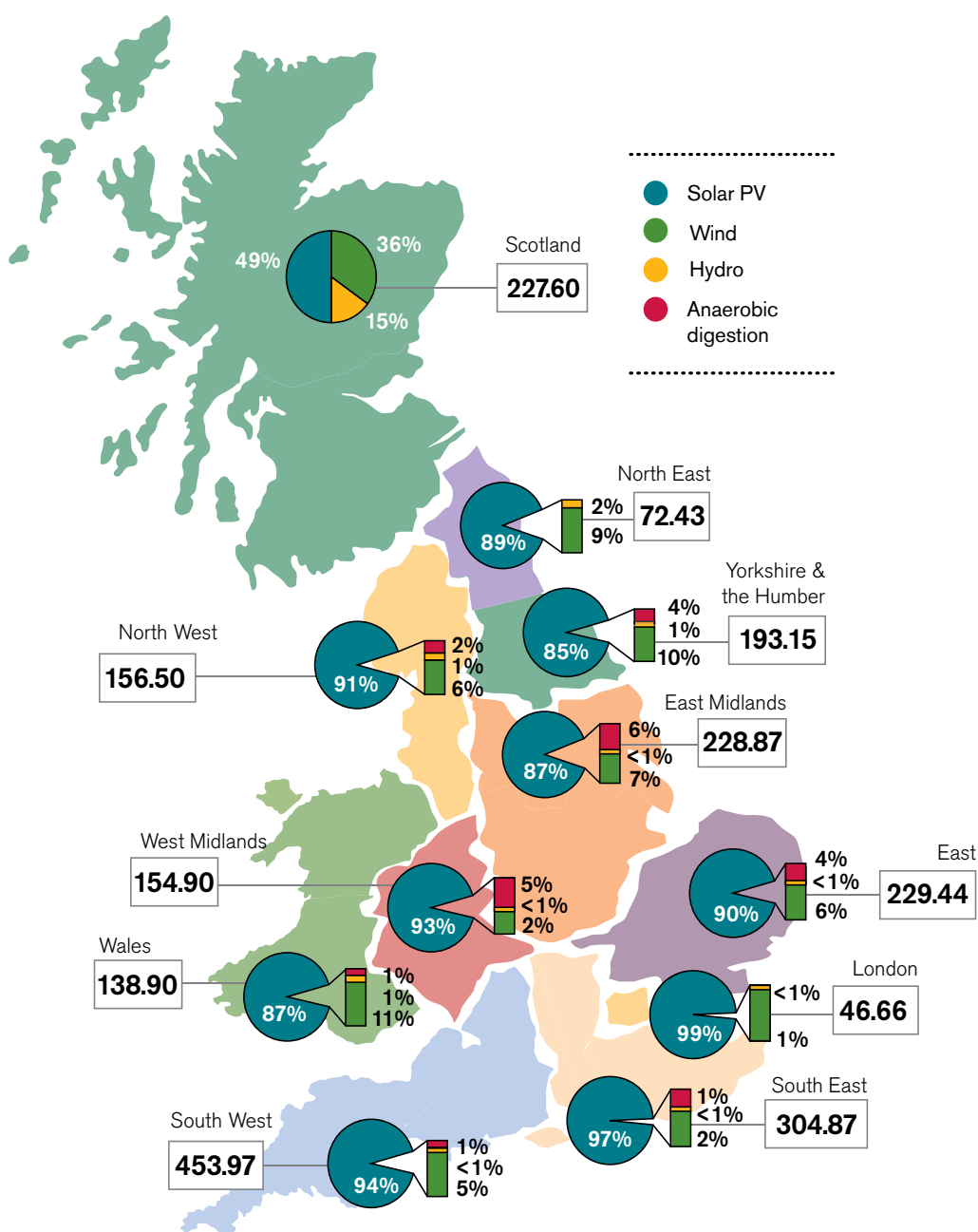
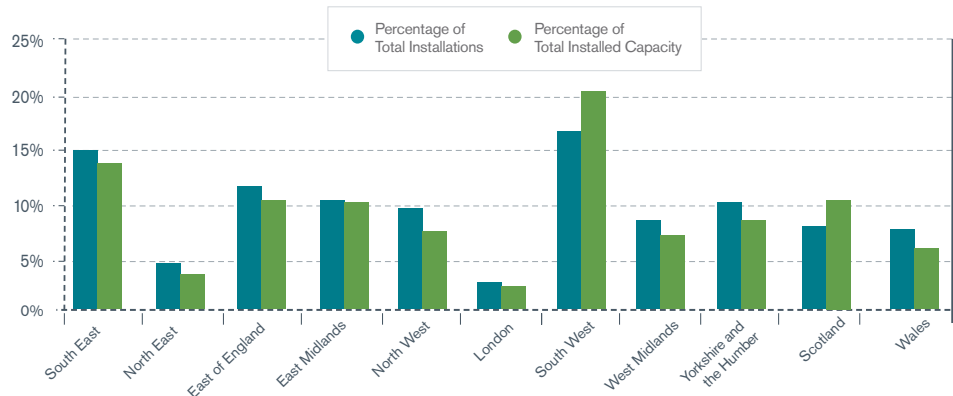


Chart 3. Percentage share of total installations and Total Installed Capacity by region.

Chart 3 focuses on the regional breakdown of installations and capacity under the FIT scheme to 31 December 2013. The South West region still remains the holder of the highest number of FIT registered installations. In addition, the South West also contains the greatest Total Installed Capacity of installations in Great Britain. The South East is the next highest region in both total numbers and installed capacity. London makes up the smallest number of installations with on average the smallest capacity per installation. There are 12,013 installations in London with a total of 47 MW of Total Installed Capacity.



FIT Levelisation Process

The most recent Periodic Levelisation process covered the period 1 October to 31 December 2013 and was completed on 12 February 2014. Licensed Electricity Suppliers reported a total of 77,764,440.25 MWh 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 £159,494,014.44. This figure represents a decrease of nearly £64 million from the previous quarter (1 July to 30 September 2013) which is likely a result of seasonal variation in generation from renewable technologies. 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 £164,852,513.52 in FIT payments to generators was reported by FIT Licensees. This figure is a decrease of nearly £59 million from the previous Periodic Levelisation process, and includes both generation and export (deemed and metered) payments claimed by installations registered under the scheme. All owed payments were received by Ofgem, and the fund was successfully redistributed to those FIT Licensees that were owed money.

The fourth quarterly Periodic Levelisation process of FIT Year 4 is due to commence from 1 April 2014 and will cover the quarter 1 January to 31 March 2014.

A timetable for the levelisation periods and deadlines for FIT Year 4 is available from the Ofgem website: www.ofgem.gov.uk/fits.

Additional information on FIT activity

The information described in this report relates to activity in the FIT scheme from 1 April 2010 – 31 December 2013. For more current 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 FIT scheme, please contact the **Energy Saving Trust** on **0300 123 1234 (England and Wales)** or **0808 808 2282 (Scotland)**.

For information on accreditation of installations of Wind and Solar below

50kW and general information about products and installers, please contact Gemserv on **020 7090 1082**.

For general queries regarding FIT accreditation of Wind and Solar PV installations between 50kW and 5MW and all Hydro and AD installations, please contact **ROOFIT@ofgem.gov.uk** or **020 7901 7310**.

For more information on FITs, including a list of the current FIT Licensees, please visit the Ofgem website: www.ofgem.gov.uk/fits

If you have any comments or suggestions on the information provided within the FIT update or would like to be added to the distribution list, please email FITupdate@ofgem.gov.uk