

Feed-in Tariff: Guidance for Licensed Electricity Suppliers (Version 4)

Guidance

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Contact:	Feed-in Tariff Compliance
Team:	Environmental Programmes
Email:	fitcompliance@ofgem.gov.uk

Overview:

This document sets out guidance for Licensed Electricity Suppliers on their duties under the Feed-in Tariff scheme. It provides details of the processes, procedures and interactions to enable the delivery of the FIT scheme.

This guidance to Licensed Electricity Suppliers takes account of the recent amendments to the FIT scheme following the Comprehensive Review Phase 1 and 2A, modifications to Conditions 33 and 34 of the Standard Licence Conditions (as amended) and the FIT Order 2010 (as amended). We have also made some other minor amendments to provide greater clarity on aspects of the FIT scheme administration in light of our own and FIT Licensees' experience in administering the scheme.

Material changes to the guidance resulting from redrafting as well as the FIT Amendment Orders are summarised in chapter 1.

Context

The Secretary of State for Energy and Climate Change used enabling powers contained in the Energy Act 2008 to introduce a Feed-in Tariff scheme in Great Britain. The Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010 and modifications to Conditions 33 and 34 of the Standard Licence Conditions became effective from 1 April 2010.

The Feed-in Tariff scheme is designed to be available through Licensed Electricity Suppliers and is intended to encourage the uptake of small scale renewable and low carbon technologies of a capacity size up to 5MW. The scheme requires certain Licensed Electricity Suppliers to make tariff payments on both the generation and export of renewable and low carbon electricity from accredited installations using photovoltaic, wind, hydro, anaerobic digestion and combined heat and power technologies.

Associated documents

Modifications to Conditions 33 and 34 of the Standard Licence Conditions
http://www.decc.gov.uk/assets/decc/what%20we%20do/uk%20energy%20supply/energy%20mix/renewable%20energy/policy/fits/1_20100331172153_e_@@_fitlicencemodification.pdf

The Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010
http://www.legislation.gov.uk/ukxi/2010/678/pdfs/ukxi_20100678_en.pdf

The Feed-in Tariffs (Specified Maximum Capacity and Functions) (Amendment) Order 2011
http://www.legislation.gov.uk/ukxi/2011/1181/pdfs/ukxi_20111181_en.pdf

The Feed-in Tariffs (Specified Maximum Capacity and Functions) (Amendment No.2) Order 2011
http://www.legislation.gov.uk/ukxi/2011/1655/pdfs/ukxi_20111655_en.pdf

The Feed-in Tariffs (Specified Maximum Capacity and Functions) (Amendment No.3) Order 2011
http://www.legislation.gov.uk/ukxi/2011/2364/pdfs/ukxi_20112364_en.pdf

The Feed-in Tariffs (Specified Maximum Capacity and Functions) (Amendment No. 1) Order 2012
http://www.legislation.gov.uk/ukxi/2012/671/pdfs/ukxi_20120671_en.pdf

The Feed-in Tariffs (Specified Maximum Capacity and Functions) (Amendment No. 2) Order 2012
http://www.legislation.gov.uk/ukxi/2012/1393/pdfs/ukxi_20121393_en.pdf

Feed-in Tariffs Scheme: Guidance for renewable installations
<http://www.ofgem.gov.uk/Sustainability/Environment/fits/Pages/fits.aspx>

Central FIT Register User Guide

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

Contents

Executive summary	1
1. Introduction	2
Context	2
Administration of the FIT scheme.....	4
Changes made to the document since the previous version	4
Enforcement.....	5
2. The roles of Licensed Electricity Suppliers and Ofgem in the FIT scheme	6
General principles	6
Annual FIT notification	6
Notification	6
Exiting the FIT scheme	7
Obligations to offer FIT services	8
Mandatory FIT Licensee	8
Voluntary FIT Licensee	8
Licensed electricity supplier not offering FITs	8
Role of Ofgem in the FIT scheme	10
3. Eligibility and accreditation	14
Basic eligibility criteria	14
Site	15
Grants.....	16
Energy efficiency requirements (PV only)	17
Multi-installation tariffs (PV only)	24
The effect of energy efficiency and multi-installation on tariff rates	27
Accreditation	28
MCS accreditation.....	28
ROO-FIT accreditation	29
4. Registration of eligible installations	30
Confirmation of registration	34
Verification of generator information	34
Statement of FIT terms	36
Failure to agree a statement of FIT terms	37
Breaching the statement of FIT terms	38
Suspension and removal from the CFR	38
Switching.....	39
5. FIT payments	41
Eligibility date.....	41
Eligibility period.....	42
Nominated recipient	42
Tariff rates	43
FIT payments	44
Commencing payments	44
Calculation of export payment.....	50
Reducing, recouping and withholding FIT payments	50
6. Extensions	52

Extension rules	52
The same technology type extensions	52
The same technology type extensions to non FIT installations	53
Different technology type extensions.....	54
7. Levelisation process	55
General principles	55
Market share contribution	55
FIT contribution.....	56
Periodic levelisation.....	57
Periodic levelisation report.....	57
Periodic levelisation timetable	58
Periodic levelisation calculation.....	59
Annual levelisation	59
Annual levelisation report	59
Annual levelisation timetable.....	60
Annual levelisation calculations	61
Discrepancies	61
Shortfall in the levelisation fund.....	61
8. Dispute resolution	63
Handling disputes within the FIT scheme	63
Disputes and complaints between a FIT generator and accreditation body.....	63
Enquiries, disputes and complaints involving the CFR	63
Enquiries, disputes and complaints involving periodic and annual levelisation	64
Complaints about Ofgem.....	64
Appendices	66
Appendix 1 – Metering regulations	67
Appendix 2 – Generator and installation details required for CFR ...	68
Appendix 3 – Statement of FIT terms	70
Appendix 4 – The Authority’s powers and duties	73
Appendix 5 - Glossary.....	76
Appendix 6 – Solar PV declarations (new installations and extensions)	85
Appendix 7 - Solar PV declaration (change to the FIT generator or nominated recipient	91
Appendix 8 - Feedback	94

Executive summary

The Feed-In Tariff (FIT) scheme is an environmental programme aimed at promoting widespread uptake of a range of small-scale low carbon electricity generation technologies. The FIT scheme requires certain Licensed Electricity Suppliers to pay fixed tariffs to micro and small renewable and micro CHP generators for electricity generated and exported to the National Grid. The FIT scheme policy and tariff rates are set by the Department of Energy and Climate Change (DECC), but the scheme is administered by FIT Licensees and Ofgem.

This document provides details on the processes, procedures and interactions to enable the delivery of the FIT scheme. It also provides guidance on what Licensed Electricity Suppliers are required to do in order to comply with:

1. Conditions 33 and 34 of the Standard Licence Conditions (“the SLCs”) as amended.
2. Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010 (“the FIT Order 2010”) as amended.

All Licensed Electricity Suppliers are required to declare their FIT status annually and take part in periodic and annual levelisation processes. In addition to this, FIT Licensees are required to:

- Register and make FIT payments to eligible FIT generators.
- Ensure that the information provided by the FIT generators is accurate.
- Update the Central FIT Register (the CFR) as required.
- Verify meter readings provided by FIT generators.

This guidance has been amended to provide FIT Licensees with more information on how to administer the scheme following the recent amendments to the Supplier License Conditions and the FIT Order 2010 as a result of the Comprehensive Review. Some amendments to this guidance are also to provide further information on specific areas which we have been asked to clarify. The key changes to the guidance include:

- a) Setting out the degression mechanism for the determination of tariff rates for new PV installation and extensions.
- b) Updated guidance on the treatment of Energy Performance Certificates for non domestic and new build properties in Scotland.
- c) Additional guidance for FIT Licensees regarding the processes and procedures they are expected to implement to detect abnormal generation and/or export meter readings prior to making FIT payments to FIT generators.

1. Introduction

Context

1.1. The Renewable Energy Strategy, published in July 2009, set out the Government's intention to put appropriate incentives in place for different aspects of the low carbon energy sector. The Government envisaged that the Feed-in Tariff (FIT) scheme would encourage deployment of additional small scale low carbon electricity generation, particularly amongst those who have not traditionally engaged in the electricity market.

1.2. Sections 41 and 43 of the Energy Act 2008 contain powers for the introduction of the FIT scheme in Great Britain to incentivise renewable electricity installations. Under section 41(1) of the Act, the Secretary of State is given the power to modify Standard Conditions of Electricity Supply Licences as well as industry codes for the purpose of establishing or making arrangements for the administration of the FIT scheme. Under section 43(3) of the Act, the Secretary of State may confer the FIT scheme administration on Ofgem.

1.3. The FIT scheme was launched on 1 April 2010. The introduction of the FIT scheme meant that a number of changes needed to be made to the Renewables Obligation (RO) to provide transitional arrangements for existing and new stations.

1.4. The FIT Order 2010 and SLCs provide the statutory and legal basis for the scheme.

1.5. On 7 February 2011, DECC announced that it would undertake a "comprehensive review" of the FIT scheme. The comprehensive review was being undertaken in two phases. The review looked at a broad number of areas including tariff levels, energy efficiency requirements, cost control mechanisms and wider scheme administration issues.

1.6. Alongside the comprehensive review DECC also undertook a "fast-track review" of tariffs for large-scale and stand-alone solar photovoltaic (PV) projects and farm-scale anaerobic digestion (AD) projects. The related consultation on the fast-track review took place from 18 March to 6 May 2011. The outcome of this consultation was announced on 9 June 2011. The fast track review introduced changes to the tariffs for large scale (over 50kW) and stand alone PV projects and farm-scale (up to and including 500kW) AD projects. The increased AD tariff rates took effect from 30 September 2011 following state aid approval.

1.7. In addition, on 27 July 2011 DECC announced a consultation on the treatment of extensions to installations in the FIT scheme that led to a change to the extension rules with effect from 18 October 2011.

1.8. The consultation on comprehensive review Phase 1 ran between 31 October 2011 and 23 December 2011 and focused on solar PV only. Government published its

response on 9 February 2012. The Government response confirmed a number of amendments that affect solar PV installations from 1 April 2012:

- The reduction in tariff rates for all new standard PV installations and extensions with a Total Installed Capacity (TIC) of 250kW or less with an eligibility date on or after 3 March 2012
- The introduction of new energy efficiency requirements
- The introduction of new multi-installation tariffs

1.9. The second phase of the Comprehensive Review was split into two phases (Phase 2A and phase 2B). Both consultations opened on 9 February 2012 and closed on 3 April 2012 and 26 April 2012 respectively.

1.10. On 24 May 2012 DECC published its response to the consultation 'Comprehensive Review Phase 2A: Solar PV cost control'. DECC's response confirmed a number of changes to the scheme that will affect PV installations with an eligibility date on or after 1 August 2012. The changes include:

- A reduction to the generation tariffs for new solar PV installations and extensions with an eligibility date on or after 1 August 2012.
- A reduction in the tariff lifetime for new PV installations and extensions from the current 25 years to 20 years with an eligibility date on or after 1 August 2012.
- The introduction of a degression mechanism that will reduce generation tariffs on a quarterly basis, based on PV deployment.
- An increase to the export tariff rate for new PV installations and extensions with an eligibility date on or after 1 August 2012.
- A change to the domestic customer threshold for mandatory participation in the FITs scheme by Licensed Electricity Suppliers from 50,000 to 250,000.

1.11. DECC's response to its consultation 'Comprehensive Review 2B: Tariffs for non-PV technologies and scheme administration issues' was published on 20 July 2012. The changes announced include:

- Revised tariffs for AD, wind, hydro and microCHP to take effect from 1 December 2012 (or when state aids approval is received).
- A degression mechanism for non-PV technologies.
- A system of preliminary accreditation for all ROO-FIT accredited installations (i.e. all AD and hydro, and wind and solar over 50kW).

- A definition of community and measures to help community installations, including:
 - Exemption from the necessity of achieving a level D energy efficiency certificate;
 - Introducing a tariff guarantee scheme for solar PV projects under 50kW.
- Some changes to definitions of “site”, “commissioned” and “hydro generating station”.
- Extending the ROO-FIT accreditation process for micro-hydro indefinitely.

1.12. Ofgem will revise this document to take account of these changes following the laying of regulations before Parliament.

1.13. Further information on all consultations and decisions can be found on the DECC website¹.

Administration of the FIT scheme

1.14. Ofgem is required to administer certain back office functions in relation to the FIT scheme and granting accreditation, whilst FIT Licensees have responsibility for managing the application process and making FIT payments. This document explains Ofgem’s responsibilities in administering the FIT scheme and sets out what Licensed Electricity Suppliers are expected to do to comply with the provisions in the SLCs. More information on the roles of Licensed Electricity Suppliers and Ofgem in administering the FIT scheme is set out in Chapter 2.

1.15. At all times, the onus is on the Licensed Electricity Suppliers to ensure that they comply with the SLCs. While this document is not intended to provide comprehensive legal advice on how the FIT Order 2010 and SLCs should be interpreted, it is intended to facilitate the efficient operation of the FIT scheme.

1.16. FIT Licensees are the main contacts and administrators of the FIT scheme. Their role is to take generators through the registration process and provide FIT payments for generation and/or export outputs.

Changes made to the document since the previous version

1.17. This guidance document has been updated following amendments to the FIT scheme under DECC’s Comprehensive Review 2A (see principally paragraphs 2.28 - 2.35, however minor amendments have been made throughout the document as necessary).

¹http://www.decc.gov.uk/en/content/cms/meeting_energy/renewable_ener/feedin_tariff/feedin_tariff.aspx

1.18. Ofgem has updated the eligibility period for installations following the reduction in reduction for solar PV from 25 to 20 years for installations and extensions with an eligibility date on or after 1 August 2012 (see paragraph 5.7).

1.19. Revised guidance has been provided on how FIT Licensees should process Scottish new build and non-domestic Energy Performance Certificates (EPCs) (see paragraph 3.48).

1.20. Further clarity has been provided on where the multi-installation tariff should apply to installations (see paragraphs 3.71 and 3.72).

1.21. Following consultation with FIT Licensees additional guidance regarding the processes and procedures that should be implemented to detect abnormal generation and/or export meter readings prior to making FIT payments to FIT generators has been added (see paragraphs 5.23 – 5.34).

1.22. Additional guidance has been added regarding the redemption of LECs (Levy Exemption Certificates) and GoO (Guarantee of Origin) certificates to provide evidence of exempted electricity under the Feed-in Tariff (see paragraphs 7.6 – 7.8).

Enforcement

1.23. Any requirement placed on Licensed Electricity Suppliers under Section C of the SLCs is a relevant condition for the purposes of section 25(8) of the Electricity Act 1989. Ofgem may use its enforcement powers under the Electricity Act 1989, if it has grounds to believe that a licensed electricity supplier is contravening or is likely to contravene a relevant requirement. Such action may be by way of an order for securing licensed electricity supplier compliance with the relevant requirements. Where a licensed electricity supplier has contravened or is contravening a relevant requirement, Ofgem may take action by the imposition of a penalty.

2. The roles of Licensed Electricity Suppliers and Ofgem in the FIT scheme

Chapter summary

This chapter sets out the respective roles of Licensed Electricity Suppliers and Ofgem within the FIT scheme. It includes the annual FIT notification process and information on how Ofgem will monitor Licensed Electricity Suppliers' compliance and maintain the CFR.

General principles

2.1. As provided for in the Energy Act 2008 and SLCs, only Licensed Electricity Suppliers are able to become FIT Licensees.

2.2. Effective from 1 August 2012, Licensed Electricity Suppliers will be defined as Mandatory FIT Licensees if they have a minimum of 250,000 domestic customers as at 31 December of the immediately preceding FIT year. These Licensees are obligated to register and make FIT payments to certain eligible generators. Mandatory FIT Licensees are also unable to exit the scheme unless their status changes. Those Licensed Electricity Suppliers who are currently Mandatory FIT Licensees but will not be defined as such at 1 August 2012 will have the option to elect to become a Voluntary FIT licensee, or cease to be a FIT Licensee for the remainder of the FIT Year. These Licensees must give notice to Ofgem in writing if they wish to change their FIT status no later than 30 September 2012.

2.3. Licensed Electricity Suppliers with fewer than 250,000 domestic customers can elect to register and make FIT payments to certain eligible generators. These Licensees are classed as voluntary FIT Licensees and are required to remain in the FIT scheme for the duration of the FIT year (1 April - 31 March) in which they enter.

Annual FIT notification

2.4. By 14 February of each FIT year, all Licensed Electricity Suppliers must notify Ofgem whether they will be a mandatory FIT licensee, a voluntary FIT licensee or a non FIT Licensee for the FIT year starting on 1 April following the FIT notification.

Notification

2.5. The notification needs to refer to the number of domestic customers on the previous 31 December and detail any affiliates related to the licensed electricity supplier. Under the SLCs, an "affiliate" is: a) a holding company, b) a subsidiary, or c) a subsidiary undertaking of a holding company as defined in the Companies Act 2006.

2.6. The notification date for determining the FIT status is the same as that under the Carbon Emissions Reduction Target (CERT), Community Energy Saving Programme (CESP) and Warm Homes Discount (WHD). The combined CERT, CESP and WHD notification needs to be made by 14 February 2013. Ofgem will include the FIT status declaration with the CERT, CESP and WHD template.

2.7. Voluntary FIT Licensees, who are not party to the CERT, CESP and WHD obligations, are required to make a separate FIT notification to Ofgem.

Exiting the FIT scheme

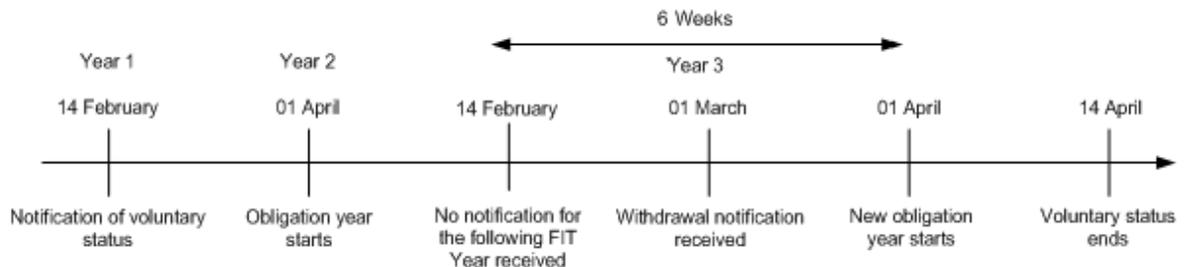
2.8. Mandatory FIT Licensees are not able to withdraw from participating in the FIT scheme.

2.9. Mandatory FIT Licensees, whose circumstances alter such that they no longer satisfy the definition of a mandatory FIT licensee, shall remain in the FIT scheme as a mandatory FIT licensee until the following 31 March.

2.10. Mandatory FIT Licensees who cease to continue to be a mandatory FIT licensee and do not elect to become a voluntary FIT licensee are required to notify all FIT generators registered with them that they will not be continuing to operate as a FIT licensee the following FIT year. They are required to give at least 6 weeks' notice to generators after the FIT withdrawal notification date to Ofgem.

Mandatory FIT Licensees who cease to continue to be a mandatory FIT licensee and elect to become a voluntary FIT licensee are required to notify all FIT generators registered with them of the change in their FIT status. They are also required to make it clear to those FIT generators to whom they will no longer be obligated to be a FIT licensee whether they will continue to act as their FIT licensee. They are required to allow a notice period of at least 6 weeks from the FIT withdrawal notification date to Ofgem.

Figure 1. Timeline for voluntary FIT Licensees withdrawing from the FIT scheme



2.11. Voluntary FIT Licensees who decide to withdraw from participation in the FIT scheme shall:

- Notify Ofgem of this decision.

- Continue their existing obligations as a voluntary FIT licensee under the FIT scheme for the remainder of the FIT Year in which the FIT withdrawal notification has been made. However, if the FIT withdrawal notification is made after 14 February of a given FIT Year, the voluntary FIT licensee shall continue its obligation until the following 14 February. Figure 1 illustrates this.
- Notify the FIT generators to whom they make FIT payments of the change in status.

Obligations to offer FIT services

Mandatory FIT Licensee

2.12. A mandatory FIT licensee is obligated, when approached, to register and make FIT payments to:

- Its own electricity supply customers
- An electricity supply customer of a licensed electricity supplier who is not a mandatory FIT licensee
- A generator with an eligible installation on a site situated off grid.

2.13. Notwithstanding its obligation, a mandatory FIT licensee is free to register and make FIT payments to any eligible generator it chooses to offer FIT services to.

Voluntary FIT Licensee

2.14. Once it has opted to become a FIT licensee, a voluntary FIT licensee is obligated, when approached, to register and make FIT payments, to eligible microgenerators (i.e. with a declared net capacity of 50kW or less) and who are an electricity supply customer of the voluntary FIT licensee.

2.15. Notwithstanding its obligation, a voluntary FIT licensee is free to register and make FIT payments to any eligible generator it chooses to offer FIT services to.

Licensed electricity supplier not offering FITs

2.16. Licensed Electricity Suppliers cannot offer FIT services unless they either notify Ofgem that they are a mandatory FIT licensee or notify Ofgem that they are electing to become a voluntary FIT licensee.

2.17. If approached by a generator for the provision of FIT services, Licensed Electricity Suppliers who are neither a mandatory nor a voluntary FIT licensee should inform the generator that they do not provide FIT services and direct the generator towards the list of FIT Licensees maintained by Ofgem. It can be found at www.ofgem.gov.uk/fits.

Responsibilities of FIT Licensees in the FIT scheme

2.18. Mandatory and voluntary FIT Licensees are responsible for:

- a. Taking all reasonable steps to verify that a FIT applicant's installation is eligible for the FIT scheme and the information provided by the FIT applicant is accurate.
- b. Assessing applications for MCS FIT accreditation against the Energy Efficiency Requirement and multi installation rules.
- c. Registering eligible installations (both MCS FIT accredited and ROO-FIT accredited) onto the CFR.
- d. Taking all reasonable steps to ensure the data placed on the CFR is accurate, and, if necessary, updating and amending the CFR with new information.
- e. Acquiring generation and/or export meter readings: and taking all reasonable steps to satisfy themselves that these generation and/or export meter readings are reasonable and within expected tolerances for that particular installation.
- f. Verifying generation and/or export meter readings at least once every two years.
- g. Calculating and making FIT payments in accordance with the information held on the CFR and ensuring that FIT generators and nominated recipients only receive FIT payments which they are eligible for.
- h. Assisting FIT applicants with joining the FIT scheme and providing a reasonable level of customer service.
- i. Ensuring that FIT generators registered with the FIT licensee for both their electricity supply and FIT payments are not discriminated unreasonably in terms of changing electricity supplier or the price paid for electricity supply.

2.19. When providing information to a FIT generator (whether in writing, by electronic display or orally) in relation to the FIT scheme, FIT Licensees must take all reasonable steps to ensure the information:

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

2.20. As the FIT scheme develops, Ofgem will monitor the experiences of FIT generators and consumers and will look to issue further advice to FIT Licensees on how to deal with consumers and FIT generators, if appropriate.

Role of Ofgem in the FIT scheme

2.21. Ofgem's key role is to administer functions in relation to the FIT scheme. Those functions include:

- Establishing and maintaining the CFR
- Calculating periodically and annually the FIT contribution of each licensee, and making levelisation payments to FIT Licensees
- Monitoring Licensed Electricity Suppliers' compliance with the requirements of the FIT scheme
- Directly accrediting eligible installations which are greater than 50kW in declared net capacity, or use AD and hydro² technology in generating electricity
- Publicly reporting on Licensed Electricity Suppliers' compliance, the total number of FIT generators registered on the CFR, the number of MWh generated and FIT payments made under the FIT scheme
- Calculating and publishing the quarterly FIT Payment Rate Table on the Ofgem website, which will set out the tariff rate to apply to PV installations and extensions with an eligibility date on or after the first month of the forthcoming degression quarter,
- Adjusting the generation and export tariffs by the Retail Prices Index for existing installations of each technology type in accordance with FIT legislation and publishing these on the Ofgem website.

Monitoring Licensed Electricity Suppliers' compliance with the FIT scheme

2.22. Ofgem takes a risk-based approach to audit and assurance in the FIT scheme, where the procedures used are proportionate to the potential material impact of fraud and misinformation. This is to avoid creating undue burden on both FIT generators and FIT Licensees.

2.23. Ofgem is required to monitor compliance with the SLCs and FIT Order 2010 at all times. As part of this duty, Ofgem intends to sample review and inspect the processes Licensed Electricity Suppliers have in place to demonstrate compliance and the information held by FIT Licensees is accurate

2.24. Each audit is intended to be focused on a different aspect of the FIT scheme and may include checking whether:

- FIT Licensees are making the necessary checks on both the MCS and ROO-FIT systems in order to verify claims of certification and/or accreditation for eligible installations.

² until 30 September 2012

- The arrangements for checking information provided by the FIT generator.
- FIT Licensees' levelisation processes are robust.
- During the FIT Year, Ofgem, or a contractor working on its behalf, may review and inspect a sample of FIT generators and eligible installations to assess levels of compliance.

2.25. Ofgem may seek to verify the information provided by FIT Licensees using independent organisations at least annually.

Risk assessment

2.26. Given the complexity of the FIT scheme, Ofgem considers that there may be a need to undertake further analysis on whether the administration processes are sufficient to monitor Licensed Electricity Suppliers' compliance.

2.27. Ofgem may consider appointing an independent risk assessor to carry out risk assessment analysis to ascertain whether there is a need to enhance our compliance monitoring procedures.

Degression Mechanism for Solar PV

2.28. The degression mechanism will be administered by Ofgem from 1 August 2012. Degression is applicable to solar PV tariffs and will take place on a quarterly basis, with generation tariffs changing on the first day of the first month of the quarter for new installations and extensions with an eligibility date on or after that date. The four degression quarters are 1 November - 31 January, 1 February - 30 April, 1 May - 31 July and 1 August - 31 October.

2.29. Tariffs will be published at least two months before the start of the quarter in which they will be applicable, and will be based on deployment of new PV generating capacity in the previous quarter, which will be published by DECC on their website. For example, the tariffs for PV installations with an eligibility date between 1 February - 30 April 2013 will be announced by December 2012, and will be determined by the level of PV deployment between 1 August - 31 October 2012.

2.30. The baseline degression rate will vary depending on deployment, from 3.5% per quarter, up to a maximum of 28% (see Table 1 for details).

2.31. Degression will be zero if deployment is below a baseline threshold (see Table 1 for details). Degression can only be skipped for two quarters in a row, so there will be a minimum of 3.5% degression every 9 months.

2.32. Deployment statistics will be published on a monthly basis by DECC, and new tariffs for the following quarter will be published by the end of the first month of each quarter on Ofgem's website based on the deployment statistics.

2.33. There are three separate bands in which degression will operate:

- 1) a 'domestic' band covering installations in the 0-4kW and 4-10kW tariff bands, with degression determined by the total deployment of installations up to 10kW;
- 2) a 'small commercial' band covering installations in the 10-50kW tariff band, with degression determined by total deployment of installations between 10 and 50kW; and
- 3) a 'large commercial' band for installations in the 50-100kW, 100-150kW, 150-250kW, 250kW-5MW and stand-alone tariff bands, with degression determined by total deployment of installations larger than 50kW.

2.34. The degression mechanism will operate independently for each degression band, with separate deployment thresholds. This means tariffs can degress at different rates for different installation sizes, with the constraint that the tariffs for larger installations cannot be higher than the tariffs for smaller installations - i.e. the tariffs for the larger installations will be pegged to those for smaller installations in this case. Table 1 shows the degression thresholds for each of the independent installation groups.

Table 1. Degression thresholds by degression band

Aggregate Declared Net Capacity of all solar photovoltaic installations with a Declared Net Capacity of 10kW or less deployed in the previous Quarter	Degression rate	Aggregate Declared Net Capacity of all solar photovoltaic installations with a Declared Net Capacity of more than 10kW but not more than 50kW deployed in the previous Quarter	Degression rate	Aggregate Total Installed Capacity of solar photovoltaic installations with a Declared Net Capacity of more than 50kW deployed in previous Quarter	Degression rate
Not more than 100MW	nil*	Not more than 50MW	nil*	Not more than 50MW	Nil*
More than 100MW but not more than 200MW	3.5%	More than 50MW but not more than 100MW	3.5%	More than 50MW but not more than 100MW	3.5%
More than 200MW but not more than 250MW	7.0%	More than 100MW but not more than 150MW	7.0%	More than 100MW but not more than 150MW	7.0%
More than 250MW but not more than 300MW	14.0%	More than 150MW but not more than 200MW	14.0%	More than 150MW but not more than 200MW	14.0%
More than 300MW	28.0%	More than 200MW	28.0%	More than 200MW	28.0%

* Degression can only be zero for two quarters in a row. See paragraph 2.31.

2.35. The schedule for publication of the degression tariff table will be published on the Ofgem website.³

³ <http://www.ofgem.gov.uk/Sustainability/Environment/fits/tariff-tables/Pages/index.aspx>

CFR and data protection

2.36. Ofgem is required to establish and maintain the CFR. The data to be placed on the CFR will include data on FIT generators and accredited FIT installations. The CFR will be used primarily by FIT Licensees and Ofgem for the administration of the FIT scheme. In addition, Ofgem has a statutory obligation to publish certain statistical information from the CFR.

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

3. Eligibility and accreditation

Chapter summary

This chapter sets out the basic responsibilities of FIT Licensees for determining eligibility and in the accreditation of installations under the FIT scheme.

Basic eligibility criteria

3.1. Eligible low carbon energy sources for the purpose of the FIT scheme are the following sources of energy or technology:

- AD, as defined in the RO Order 2009
- Hydro generating station, as defined in the FIT Order 2010
- Combined heat and power (CHP) with an electrical capacity of 2kW or less
- Solar PV
- Wind

3.2. The specified maximum capacity of eligible installations is set at 5MW of total installed capacity (2kW in the case of CHP). This means that it is possible to have up to 5MW of total installed capacity generation from the same low-carbon energy source on a site.

3.3. Eligible CHP can join the FIT scheme on a pilot scheme basis; only the first 30,000 CHP installations added to the CFR will be eligible.

3.4. Only eligible installations within Great Britain can join the FIT scheme and must either be MCS-certified (or equivalent) or ROO-FIT accredited.

3.5. Electricity from installations which are selling or have sold electricity pursuant to a Non-Fossil Fuel Obligation (NFFO) or Scottish Renewable Obligation (SRO) arrangement will be ineligible to join the FIT scheme. However, these installations may still be eligible for the RO under certain circumstances. As part of migration from the RO to the FIT scheme and the ROO-FIT accreditation process Ofgem will determine whether an installation is subject to a NFFO or SRO agreement. No microgenerators are subject to a NFFO or SCO agreement.

3.6. Installations which have received a grant in relation to the cost of purchasing or installing from, or on behalf of, a public authority will not be eligible for the FIT scheme unless the grant is exempted (see 3.15– 3.24). Where a grant for an installation does not meet any of the exemptions, the grant must be repaid before the

installation can be considered for the FIT scheme. The FIT generator should discuss grant repayment with the grant issuing body directly.

3.7. In order to be eligible for the FIT scheme, installations must also have a compliant generation and/or export meter in place (see Appendix 1). If an installation exports all its electricity, it is not a requirement to have a separate generation meter, but must have a compliant export meter.

3.8. An installation containing generating equipment which has previously been accredited under the FIT or RO scheme is not eligible. For guidance on the term "generating equipment" please refer to the information available on the Ofgem website www.ofgem.gov.uk/fits.

Off grid sites

3.9. Off grid sites are required to meet the same eligibility criteria as grid connected sites (discussed above). In addition, off grid generators will be required to sign the following declaration:

"I hereby declare that it is my intention to use any and all electricity generated by my FIT installation and that I fully understand that any electricity generated but not so used will not be eligible for FIT payments."

3.10. ROO-FIT generators will be required to sign such a declaration as part of the ROO-FIT accreditation process. Rather than asking microgenerators to sign a separate declaration, FIT Licensees may wish to consider adding this declaration to the statement of FIT terms.

Site

3.11. Determining what constitutes a site is relevant for determining eligibility for the FIT scheme and tariff levels.

3.12. The site where eligible installations or accredited FIT installations are situated in close geographical proximity to each other is determined with reference to:

- The relevant Metering Point Administration Number (MPAN)
- Installation location address (including post code), and/or
- Installation location Ordnance Survey (OS) grid reference
- Any other factors that Ofgem considers relevant. For example, we would also consider the planning situation and any electrical or mechanical interactions between the Installations.

3.13. A postal address at which several eligible installations of the same technology are located and are served by a single MPAN would normally be viewed as a single site. In areas where no postal address exists, the OS grid reference of the generation and/or export meters will be taken into account. The area served by the meters will normally be viewed as a single site.

3.14. For installations located on a private wire network, the point where the private wire network connects to the grid will be considered the import/export point of the site. All installations located on a private wire will be considered to be located on one site.

Grants

3.15. There are two exemptions that may allow an installation to receive FIT payments and retain a grant:

- Permitted grants
- Situations where Ofgem is satisfied that the making of FIT payments would be in accordance with a de minimis Commission Regulation.

Permitted grants

3.16. A permitted grant is:

- A grant made before 1 April 2010 in respect of costs of an eligible installation which was commissioned before 15 July 2009
- A grant made before 1 April 2010 in respect of costs of an eligible installation on a residential property which was commissioned between 15 July 2009 and 31 March 2010, or
- A grant made in respect of the reasonable additional costs of an installation to avoid or mitigate environmental harm, where the amount of the grant is equal to or less than the amount of those costs (see 3.22–3.24).

3.17. The term “made” means the date the offer of a grant is accepted by the recipient.

Compliance with a de minimis aid Commission Regulation

3.18. If a grant is not a permitted grant, the applicant may still be able to retain their grant and receive FITs payments where:

- The grant is made before 1 July 2011

- The installation is first commissioned before 1 October 2011, and
- Ofgem is satisfied that the making of FIT payments in respect of the installation would be in accordance with a de minimis European Commission Regulation.

3.19. To ascertain eligibility for the FIT scheme, the FIT generator must undertake a self-assessment against the requirements of the de minimis regulations and sign a declaration (www.ofgem.gov.uk/fits). The declaration confirms that the applicant has completed a self-assessment and that receiving FIT payments does not and will not contravene the de minimis regulations.

3.20. If an installation is off-grid, it is unlikely that it will be generating electricity as an economic activity. Where an off-grid installation is in receipt of a grant from public funds and wishes to claim FIT payments using the de minimis exemption, the generator will be required to declare that the installation:

- Is not an undertaking by virtue of carrying on any other economic activity, and
- Does not sell any of the electricity it generates.

3.21. Rather than asking FIT generators to sign a separate declaration, FIT Licensees may wish to consider adding this declaration to the statement of FIT terms.

Reasonable additional costs exemption

3.22. Reasonable additional costs are those non-standard costs incurred as a result of installing measures directly related to avoiding or mitigating environmental harm. This may include, for example, measures to protect fish and other wildlife in small hydro schemes.

3.23. The costs and returns associated with photovoltaics, wind and CHP are relatively standard. We do not expect installations using these technologies to have reasonable costs associated with avoiding or mitigating environmental harm.

3.24. FIT applicants seeking to use this exemption should be directed to contact Ofgem.

Energy efficiency requirements (PV only)

MCS applications and energy efficiency requirements

3.25. FIT Licensees are required to check energy efficiency requirements for every solar PV installation up to and including 250kW, including extensions, with the exception of stand-alone, from 1 April 2012.

3.26. FIT Licensees are required to check whether the energy efficiency requirement applies and, if so, these installations are required to demonstrate that the building to which the solar PV is attached or wired to provide electricity has achieved an Energy Performance Certificate (EPC) rating of level D or above in order to receive the higher tariff, provided the multi-installation tariff (see paragraph 3.71) does not apply.

3.27. See paragraph 3.33 for circumstances where the energy efficiency requirement does not apply.

3.28. Please see paragraph 3.88 onwards for an explanation on the effect of the energy efficiency requirement and multi-installation tariff in terms of the higher, middle and lower tariff rate.

3.29. The EPC level D or above must have been achieved by the eligibility date of the FIT installation. Any installation that has not achieved an EPC level D or above at this time will receive the lower tariff. Please refer to paragraph 3.32 for more information on circumstances where FIT generators are not able to obtain an EPC.

What is an EPC?

3.30. The Energy Performance of Buildings (EPB) Regulations⁴ require an EPC whenever a building is constructed or marketed for sale or rent. The EPC allocates a 'rating band' between A (most energy efficient) to G (least energy efficient) on both domestic and non-domestic EPCs. A domestic EPC has two rating bands – an energy efficiency rating band and an environmental impact rating band. For the purpose of the energy efficiency requirement, the rating band addressing energy efficiency is the relevant rating band. The EPC allocates an estimate of the amount of energy that would be required for certain activities (such as heating) associated with the use of the building. The EPC is valid for ten years unless a new assessment is made and a new certificate is issued. More information on EPCs can be found on the Department for Communities and Local Government (DCLG) website⁵ and the Scottish Government website⁶.

Assessing whether the energy efficiency requirement applies

3.31. The energy efficiency requirement does not apply to standalone PV installations.

3.32. The energy efficiency requirement applies if a PV installation with an eligibility date on or after 1 April 2012 is attached to a relevant building (see paragraph 3.33) or wired to provide electricity to one or more such buildings.

⁴ EPB Regulations (England and Wales): <http://www.legislation.gov.uk/ukxi/2007/991/contents/made> (Scotland): http://www.legislation.gov.uk/ssi/2008/309/pdfs/ssi_20080309_en.pdf

⁵ DCLG Website Energy Performance

<http://www.communities.gov.uk/planningandbuilding/sustainability/energyperformance/>

⁶ Scottish Government Website <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/BuyingSelling/Home-Report/epcs>

Applications from FIT generators who do not have an EPC (including definition of a relevant building)

3.33. A 'relevant building' is defined in legislation⁷ and must be a roofed construction which has walls, *and* for which energy is used to condition the indoor climate. Examples of energy being used to condition the indoor climate include heating and cooling systems. If any aspect of this definition does not apply to a building to which the PV installation is attached or wired to provide electricity to then the energy efficiency requirement does not apply.

3.34. A relevant building must also be a building in respect of which an EPC can be issued. If an EPC cannot be issued then the building is not a relevant building and the energy efficiency requirement does not apply. It will be the responsibility of the FIT generator to prove that an EPC cannot be obtained for any building that the PV is attached or wired to provide electricity. One option to demonstrate this could be for the FIT generator to provide a document from an EPC assessor which confirms that it was not possible to obtain an EPC on the relevant building and the reasons why.

3.35. Where an installation is attached to or wired to provide electricity to a number of buildings that are 'relevant buildings' only one of those buildings needs to satisfy the energy efficiency requirement.

3.36. A FIT Generator who claims, for any of the reasons outlined above, that a building to which the installation is attached or wired to provide electricity to is not a relevant building such that the energy efficiency requirement does not apply will be required to provide a declaration to that effect as part of the application process. A copy of the declarations can be found in Appendix 6 and 7. Failure to demonstrate that the energy efficiency requirement does not apply will result in the FIT generator receiving the lower tariff.

Applications from FIT generators who do have an EPC

3.37. Where the energy efficiency requirement applies, the EPC (original, or copy) must be submitted at the same time as the application for FITs for all new installations for solar PV up to and including 250kW, with the exception of stand-alone. Once received, the FITS licensee is required to check the information on the EPC with a declaration that must be signed by the FIT generator. A copy of the declarations can be found in Appendix 6 and 7.

Checking EPC information in England and Wales for domestic dwellings

3.38. The EPC information is lodged on the Landmark database and can be accessed here for domestic dwellings:

<https://www.epcregister.com/>

⁷ Annex 2 of Schedule A to Standard Condition 33 of the Electricity Supply Licence

3.39. EPC information can only be accessed from the Register by someone who has the relevant Report Reference Number.

3.40. When accessing the EPC register the user will need to accept the terms and conditions, including agreeing to comply with the Data Protection Act 1998. The information currently needed on the property is the first line of the address and the postcode.

3.41. When access to the EPC Register can be made, FIT Licensees should check the following criteria against the EPC provided by the FIT generator:

- The unique reference number of the EPC
- The address and postcode of the building assessed
- The date the certificate was issued (and that it is valid at the time of the eligibility date of the FIT installation)
- The assessment of the building's energy efficiency or "asset rating" on a scale of A to G.

Checking EPC information in England and Wales for non-domestic buildings

3.42. The EPC information is lodged on the Landmark database and can be accessed here for non-domestic buildings:

<https://www.ndepcregister.com>

3.43. The same procedures apply as to the domestic register as stated in paragraph 3.38 onwards.

Checking EPC information in Scotland for domestic dwellings

3.44. The EPC information, with the exception of new build and non-domestic buildings, is lodged on the Energy Savings Trust Scotland's Homes Energy Efficiency Database Register and can be accessed at

<https://www.scotlandepcregister.org.uk>

3.45. EPC information can only be accessed by someone who has a relevant password and Report Reference Number.

3.46. When access to the EPC Register can be made, FIT Licensees should check the following criteria against the EPC provided by the FIT generator:

- 1) The address and postcode of the building assessed

- 2) The unique reference number of the EPC (where given)
- 3) The date the certificate was issued (and that it is valid at the time of the legibility date of the FIT installation)
- 4) The assessment of the building's energy efficiency or "asset rating" on a scale of A to G.

Checking EPC information in Scotland for non-domestic dwellings and new build

3.47. No Register currently exists for non-domestic and new build EPCs in Scotland. For these buildings FIT Licensees must ask for the original or photocopy of the EPC and ensure the relevant declarations (as provided in Annex 6 and 7) has been signed by the FIT generator.

3.48. If FIT Licensees receive an application for a PV installation in Scotland that has either a non-domestic or new build EPC that does not contain an EPC reference number they should contact the Central FIT Register Team at Ofgem (FITregister@ofgem.gov.uk) for further guidance.

3.49. Where evidence has not been received by the FIT licensee to verify that an EPC level D or above has been achieved, the lower tariff will apply to the FIT installation.

3.50. An update to this guidance may be made at a later date reflecting any changes to accessing the EPC Registers in England, Wales and Scotland.

Meeting and failing to meet the requirement

3.51. An EPC is 'valid' if it has been issued before, but not more than 10 years before, the eligibility date that is given to the PV installation⁸ and is the most recent EPC that has been issued in respect of the relevant building.

3.52. The energy efficiency requirement is a one-off assessment and will be made when accrediting the FIT application. There is no option to submit an EPC level D or above at a later date with the expectation to receive the higher tariff from that date onwards.

3.53. Failure to provide a valid EPC level D or above on the eligibility date of the FIT installation will result in the installation receiving the lower tariff. A FIT installation cannot receive a higher tariff if an EPC level D or above is achieved *after* an application for FITs has been accepted from 1 April 2012.

3.54. A Display Energy Certificate (DEC) will not be accepted as proof of meeting the energy efficiency requirement.

⁸ As to 'eligibility date' see 5.1 in chapter 5

3.55. In cases where the information provided to the FIT licensee does not correspond to the information on the EPC Register, the accredited body responsible for the EPC should be notified. This information is provided on the EPC. Any scenarios where an EPC of level D or above has not been demonstrated (with the exception of those who do not need to provide an EPC or cannot provide an EPC), the lower tariff will be applied.

3.56. Information about the process FIT Licensees will need to follow when submitting details of whether the FIT installation has/has not met the energy efficiency requirement will be provided in the Central FIT Register (CFR) User Guide⁹.

Energy Efficiency and ROO-FIT applications

3.57. FIT Licensees are required to enter on the CFR the information relating to the energy efficiency requirement based on the information provided by Ofgem in the accreditation letter issued to a FIT installation. The correct tariff will be applied depending on whether the energy efficiency requirement has been met/has not been met or cannot be achieved.

3.58. The energy efficiency requirement applies to the relevant building(s)¹⁰ that the PV is attached to or wired to provide electricity. Applications for ROO-FIT accreditation are also required to provide an EPC which should confirm:

- 1) An EPC level D or above has been achieved; and
- 2) The date on which the EPC was issued; and
- 3) That the EPC is the most recent EPC that has been issued in respect of the relevant building.

3.59. A copy of the declarations can be found in Annexes 6 and 7. Failure to provide a valid EPC level D or above on the eligibility date of the FIT installation will result in the installation receiving the lower tariff.

3.60. If the energy efficiency requirement applies, installations are required to demonstrate that the relevant building to which the solar PV is attached or wired to provide electricity to has achieved an Energy Performance Certificate (EPC) rating of level D or above in order to receive the higher tariff, provided the multi-installation tariff (see paragraph 3.71 onwards) does not apply. Assessment against the energy efficiency requirement will apply to standard (non-standalone) solar PV installations with a capacity up to and including 250kW, including extensions, with an eligibility date on or after 1 April 2012.

⁹ Ofgem FIT Website <http://www.ofgem.gov.uk/Sustainability/Environment/fits/Pages/fits.aspx>

¹⁰ Modifications to the Standard Conditions of Electricity Supply Licences (No. 2 of 2012) <http://www.decc.gov.uk/assets/decc/Consultations/fits-review/4324-feedin-tariff--licence-modifications-.pdf>

3.61. Where the energy efficiency requirement applies, FIT generators will be asked by Ofgem during the ROO-FIT accreditation process to provide a copy of a valid EPC of level D or above.

3.62. Where an installation is attached to or wired to provide electricity to a number of buildings that are 'relevant buildings' (see paragraph 3.33 above), only one of those buildings needs to satisfy the energy efficiency requirement.

3.63. If it is claimed that the energy efficiency requirement does not apply because an EPC cannot be obtained for the building that the PV installation is attached or wired to provide electricity to, the FIT generator must provide suitable evidence in support of that claim. As noted above at paragraph 3.34 one option to demonstrate this would be to provide a letter from an EPC assessor which confirms that it is not possible to obtain an EPC on the relevant building and the reasons why. If it is not possible to provide a letter the FIT generator will have to find an alternative means of demonstrating to Ofgem the reasons why the EPC cannot be obtained.

3.64. Ofgem will consider on a case-by-case basis other instances where it is claimed that the energy efficiency requirement does not apply. Other than where it is claimed that an EPC cannot be obtained this should only arise where the building(s) to which the installation is attached or wired to provide electricity to are not roofed structures with walls, and / or do not use energy to condition the indoor climate (such as heating or cooling).

3.65. FIT generators applying for ROO-FIT accreditation are also required to sign a declaration which will confirm:

- In cases where the energy efficiency requirement applies, that an EPC level D or above has been achieved; or
- In cases where the energy efficiency requirement does not apply, an EPC cannot be obtained for the building(s) to which the installation is attached or wired to provide electricity to: or that such building(s) are otherwise not 'relevant buildings' for the purposes of the energy efficiency requirement.

3.66. Extensions with an eligibility date on or after 1 April 2012 must also be assessed against and (if applicable) meet the energy efficiency requirement.

3.67. Information about the process Licensees will need to follow when submitting details of whether the ROO-FIT installation has/has not met the energy efficiency requirement will be provided in the CFR User Guide¹¹.

Declarations

3.68. Applications for accreditation received on or after 1 April 2012 must include a declaration relating to the energy efficiency requirement (see Appendix 6 and 7). The

¹¹ Ofgem FIT Website <http://www.ofgem.gov.uk/Sustainability/Environment/fits/Pages/fits.aspx>

declaration will need to be signed to confirm that the energy efficiency requirement is applicable and if it has been met.

3.69. There are a number of declarations that can be signed within Appendix 6 and 7, for which there are various outcomes, as set out below:

- Where Declaration 1 for new installations and extensions has been signed, this indicates that the energy efficiency requirement is applicable and has been met.
- Where Declaration 2 for new installations and extensions has been signed, this indicates that the energy efficiency requirement is not applicable.
- Where Declaration 3 for new installations and extensions has been signed, this indicates that the energy efficiency requirement is applicable and has not been met.

3.70. **We advise all parties to read the relevant sections of the FIT legislation and this guidance document and take their own legal advice, before signing the relevant declarations. A copy of the declarations can be found in Appendix 6 and 7.**

Multi-installation tariffs (PV only)

3.71. Solar PV installations (not including extensions) with an eligibility date on or after 1 April 2012 with a TIC up to and including 250kW and with the exception of stand-alone will need to be assessed to determine whether the multi-installation tariff applies to it.

3.72. The multi-installation tariff will apply from 1 April 2012 to any solar PV installation where the FIT generator or nominated recipient already owns or receives FIT payments from 25 or more other eligible solar PV installations. For the purposes of this document, the multi-installation tariff is a reduced, middle tariff rate that applies to an installation. However where the energy efficiency requirement is applicable and not met, the lower tariff rate will apply, regardless of whether or not the multi-installation tariff would have applied (see table on page 28).

3.73. Tariff information is available from Ofgem's website.¹² Please see paragraph 3.88 for an explanation on the effect of the energy efficiency requirement and multi-installation tariff in terms of the higher, middle and lower tariff rate.

3.74. The assessment of whether multi-installation tariffs apply upon an application for the accreditation of an eligible installation will be necessary regardless of the meeting of the energy efficiency requirement.

¹² FIT Tariff table 1 April 2012

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=30&refer=Sustainability/Environment/fits>

Determining whether multi-installation tariffs apply

3.75. FIT Licensees must assess installations and determine if the multi-installation tariff applies, for which the following criteria are relevant:

- where the FIT generator for the installation and any persons who are 'connected persons' in relation to them (see 3.74) are, or have applied to be, the FIT generator or nominated recipient for 25 or more other eligible solar PV installations on different sites, the multi-installation tariffs will apply; or
- where the nominated recipient for the installation and any persons who are 'connected persons' in relation to them (see 3.74) are, or have applied to be, the FIT generator or nominated recipient for 25 or more other eligible solar PV installations on different sites, the multi-installation tariffs will apply.

3.76. A 'connected person' in relation to a FIT generator or a nominated recipient, means any person connected to that person within the meaning of section 1122 of the Corporation Tax Act 2010¹³. These provisions are complicated and a full explanation of them is beyond the scope of this guidance. Where participants or prospective participants in the FIT scheme are assessing whether the multi-installation tariffs may apply to them it is suggested that they take independent legal advice relevant to their circumstances. Participants or prospective participants should note that the FIT legislation requires that a FIT generator or nominated recipient and (in each case) 'connected persons' are assessed collectively when assessment is made of whether the multi-installation rate is applicable. Below are some common **illustrative examples** only of how a person ('person A') may be a 'connected person' in relation to another person ('person B'):

- Person A is person B's spouse or civil partner;
- Person A is person B's relative;
- Person A is a relative of person B's spouse or civil partner;
- Person A is a spouse or civil partner of a relative of person B;
- Person A and person B are both companies: and the same person ('person C') has control over both;
- Person A and person B are both companies; person C has control over person A; and persons connected with person C have control over person B;

¹³ Corporation Tax Act 2010 <http://www.legislation.gov.uk/ukpga/2010/4/section/1122>

Determining when multi-installation tariffs apply upon receipt of notices of change of FIT generator or nominated recipient

3.77. When determining whether the multi-installation tariffs apply upon a notice being received of a change in the identity of either the FIT generator or the nominated recipient for an existing installation, the following criteria are relevant. Where (as at the date on which the notice is received) the new FIT generator or new nominated recipient for the installation who is identified in the notice and any persons who are 'connected persons' (see 3.74) in relation to them are, or have applied to be, the FIT generator or nominated recipient for 25 or more other eligible solar PV installations on different sites, the multi-installation rate will apply in respect of the installation to which the notice relates.

Continued application of the multi-installation tariff

3.78. If before a change in FIT generator or nominated recipient an installation is receiving the higher rate and following the change the multi-installation tariff is to apply, the tariff level will be lowered as appropriate to the middle rate.

3.79. If before a change in FIT generator or nominated recipient an installation is receiving the middle rate then, following the change, although the criteria for the multi-installation tariff may no longer apply, the middle tariff will continue to apply.

3.80. Hence, if the multi-installation tariff has applied to an installation, the installation will continue to be subject to the tariff, even if changes in FIT generator or nominated recipient mean the criteria for the multi-installation tariff are no longer met.

Declarations

3.81. Applications for accreditation and notices of changes of FIT generators or nominated recipients received on or after 1 April 2012 must include a declaration relating to the multi-installation tariffs (see Appendix 6 and 7). The owner or nominated recipient will be required to sign a declaration to confirm that they are or are not the owner or nominated recipient for 25 or more other solar PV installations.

3.82. There are a number of declarations that can be signed within Appendix 6 and 7, for which there are various outcomes, as set out below:

- Where Declaration 4 for new installations and extensions has been signed, this indicates that the multi-installation tariff will be applicable to the installation.
- Where Declaration 5 for new installations and extensions has been signed, this indicates that the multi-installation tariff will not be applicable to the installation.
- Where Declaration 1 for changes to the FIT generator or nominated recipient has been signed, this indicates that the multi-installation tariff will be applicable to the installation.

- Where Declaration 2 for changes to the FIT generator or nominated recipient has been signed, this indicates that the multi-installation tariff will not be applicable to the installation, unless already subject to the middle tariff.

3.83. We advise all parties to read the relevant sections of the FIT legislation and take their own legal advice before signing the relevant declaration.

Existing installations, extensions and other technologies

3.84. Existing solar PV installations with an eligibility date before 1 April 2012 will be included when assessing whether the multi-installation tariff applies. Tariffs for these existing installations will not change as a consequence of the multi-installation tariff applying to any new installations.

3.85. In these circumstances the multi-installation tariff will apply to the 26th installation and each subsequent installation will be subject to the multi-installation tariff, depending on whether the energy efficiency requirement applies and has been met.

3.86. Extensions to accredited solar PV installations will not be treated as separate installations when assessing whether the multi-installation tariff applies.

3.87. FIT installations using technologies other than solar PV will not be included when assessing whether the multi-installation tariff applies.

The effect of energy efficiency and multi-installation on tariff rates

3.88. From 1 April 2012, there will be 3 possible tariff rates available to solar PV installations; a higher rate, a middle rate and a lower rate. These rates will be dependent on meeting the energy efficiency requirement and whether the multi-installation tariff applies.

3.89. Tariff information is available from Ofgem's website.¹⁴

3.90. Table 2 provides the tariff outcomes based on a new solar PV installation up to and including 250kW, including extensions, with the exception of stand-alone, from 1st April 2012 and its interaction with the energy efficiency requirement and whether the multi-installation tariff applies.

¹⁴ FIT Tariff table 1 April 2012
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=30&refer=Sustainability/Environment/fits>

Table 2. Multi-installation tariffs

New solar PV installations with an eligibility date on or after 1 April 2012	Multi-installation tariff applies	Multi-installation tariff does NOT apply
Energy efficiency requirement applicable and met by installation	Middle rate	Higher rate
Energy efficiency requirement applicable and NOT met by installation	Lower rate*	Lower rate*
Energy efficiency requirement not applicable for installation	Middle rate	Higher rate

*Installations will receive the lower tariff rate when an installation has not met the energy efficiency requirement, regardless of whether multi-installation tariff applies

Accreditation

To apply for the FIT scheme, installations must either be accredited via the ROO-FIT process or be MCS-certified, or certified by an equivalent scheme.

MCS accreditation

3.91. MCS or equivalent certification is required for the following:

- PV with a declared net capacity of 50kW or less
- Wind with a declared net capacity of 50kW or less
- Hydro with a declared net capacity of 50kW or less (commissioned on or after 1 October 2012)
- CHP with an electrical declared net capacity of 2kW or less

3.92. This means that installations using these technologies must be commissioned by a MCS-certified installer using a MCS-certified product, or be certified under an equivalent scheme.

3.93. A valid MCS certificate issued to an installation is proof that that installation is MCS-certified and must be included with the application form at the time of submission to the FIT Licensee.

3.94. More information about the content of an MCS certificate can be found in the MCS User Guide for Installers, Market Operators and Reporting Users¹⁵. Each MCS certificate and MCS certificate number can be verified using the MCS Database¹⁶.

ROO-FIT accreditation

3.95. The following eligible low-carbon energy sources must go through the ROO-FIT accreditation process:

- AD with a total installed capacity up to 5MW
- PV with a declared net capacity of greater than 50kW and up to a total installed capacity of 5MW
- Wind with a declared net capacity of greater than 50kW and up to a total installed capacity of 5MW
- Hydro with a declared net capacity of greater than 50kW and up to a total installed capacity of 5MW.

3.96. Micro-hydro installations that commission between 1 April 2010 and 30 September 2012 must apply using the ROO-FIT accreditation process. The eligibility date for these installations will be the date of commissioning.

3.97. Ofgem will determine eligibility and provide ROO-FIT accreditation. Successful applicants will be allocated a ROO-FIT accreditation number. FIT Licensees will be able to verify a ROO-FIT accreditation number on the CFR.

3.98. Full information on the ROO-FIT accreditation process is available from the "Feed-in Tariff: Guidance for renewable installations" document available at: www.ofgem.gov.uk/fits.

¹⁵ <https://certificate.microgenerationcertification.org/public/Documents/Help.pdf>

¹⁶ <http://www.microgenerationcertification.org/mcs-installation-database>

4. Registration of eligible installations

Chapter summary

This chapter provides guidance on the steps required when registering FIT generators.

4.1. FIT Licensees are responsible for determining whether MCS-certified installations are suitable for participation in the FIT scheme. Ofgem accredits ROO-FIT installations.

4.2. It is a requirement that any documentation or records referred to in this section are kept by the FIT licensee for a period of 5 years and are made accessible for auditing by Ofgem and any organisation appointed by Ofgem. Electronic records are permitted for the purpose of complying with this requirement.

Verification of accreditation details

4.3. FIT Licensees are required to verify that the certification or accreditation details given by an applicant (normally a MCS certificate number or Ofgem ROO-FIT accreditation number) are valid and relate to that installation. The FIT licensee should cross reference the details given by the FIT applicant with the MCS Database and CFR.

Existence of other installations on the same site check

4.4. Before adding the FIT applicant's details on the CFR, FIT Licensees should search the CFR to ascertain whether any accredited FIT installations exist on the same site. If the search confirms that other accredited FIT installations are present, FIT Licensees should contact the CFR Manager to confirm whether any meter sharing arrangements occur.

4.5. If the installation the FIT licensee is trying to add shares the same meter with an existing installation, the FIT licensee should advise the FIT applicant that they need to contact another FIT Licensee for FITs. Installations sharing the same generation and/or export meter should be assigned to the same FIT Licensee. If no meter sharing arrangements occur, FIT Licensees may proceed with the application.

Identity checks

4.6. When registering an eligible installation, a FIT licensee is required to ensure that the identity of the FIT generator is verified.

4.7. A full Experian credit check is a suitable mechanism for checking a FIT generator's identity. If by virtue of an existing relationship with the FIT applicant, the

FIT licensee has already carried out such a check, the FIT licensee will not be required to request further proof of identity.

4.8. For all other FIT applicants, FIT Licensees are required to undertake an identification check to ensure that the person or company stated as the owner of the eligible installation is genuine. Examples of identification are a photocopy of:

- Passport
- Driving licence
- Or equivalent identification document (fire arms licence/national identity card).

4.9. A FIT licensee must request domestic installation owners to provide proof of address. This may take the form of utility bills, bank statements, council tax bills or equivalent documents, unless these records are already held by the FIT licensee by virtue of an existing business relationship. Alternatively, a FIT licensee may rely on a credit agency reference check to confirm proof of address.

4.10. Non-domestic installation owners must prove their identity by providing details of their company registration and proof of address to the FIT licensee.

Ownership checks

4.11. FIT Licensees are also responsible for establishing that a FIT applicant is the owner of the eligible installation. FIT Licensees are required to obtain documented evidence that shows the relationship between the owner and the eligible installation such as:

- A receipt or other documentation stating ownership, or the transfer of ownership from the previously stated owner (invoices may be accepted if the values are redacted to protect commercial interest)
- A copy of the sale and purchase agreement transferring ownership from one party to another as part of a property sale, or equivalent documentation.

4.12. The owner of an eligible installation is stated on the ROO-FIT accreditation letter. However, an MCS certificate is not satisfactory evidence to prove ownership.

4.13. The owner of the generating equipment may be different from the owner, leaseholder or tenant of the property or site at which the generating equipment is located. Where an installation is owned by a company or third party via a private financial scheme/programme, FIT Licensees should:

- Obtain copies of the agreement between the relevant parties, and
- Check whether the agreement has been made between the relevant parties.

Meter checks

4.14. All meters used in the FIT scheme must comply with the relevant metering legislation (see Appendix 1). Ofgem will verify meters of ROO-FIT installations during the ROO-FIT accreditation process, however FIT Licensees must be satisfied that appropriate metering is in place before adding the installation on the CFR and commencing payments.

4.15. Any eligible installation which does not have a generation and/or export meter that meets the required metering legislation should have their application declined until such a time as the necessary metering requirements have been met.

Nominated recipient

4.16. Any assignment rights of a nominated recipient must be documented fully before placing such details onto the CFR. This should include: the nominated recipient's name, bank details and a declaration signed by the FIT generator stating the assignment of payments to the nominated recipient. Only a FIT generator can assign rights to FIT payments.

4.17. If a FIT generator wishes to add or change the nominated recipient details, they must notify the FIT licensee, and the FIT licensee needs to record this on the CFR. FIT Licensees are required to follow their standard procedure for verifying data with the FIT generator (e.g. using a password when requesting the FIT generator to confirm personal details etc.) to ensure that the assignment is made by the FIT generator.

4.18. The nominated recipient cannot instruct the FIT licensee to make any changes to the FIT generator's or the accredited FIT installation's details.

Meter details

4.19. FIT Licensees must capture details of the generation and export meter as well as the import and export MPAN, as appropriate, and record this on the CFR.

4.20. FIT Licensees should check that the import MPAN (and export MPAN as applicable) provided is valid and correct. Where the FIT Licensee is the supplier for the MPAN we would expect a check to be made against their own records. Where they are not the supplier of the MPAN a check should be made against ECOES. Alternatively as a minimum the first 2 digits (Distributor ID) should be checked to ensure it starts with a value in the range 10-28 as this refers to the Distribution Network Operator (DNO) or Independent Distribution Network Operator (IDNO). Values outside of this range are not a valid MPAN.

4.21. The final digit in the MPAN is the check digit and validates the previous 12 (the core) using a modulus 11 test. The check digit can be calculated by:

1. Multiplying the first digit by 3
2. Multiplying the second digit by the next prime number (5)
3. Repeat this for each digit (missing 11 out on the list of prime numbers for the purposes of this algorithm)
4. Add up all these products
5. The check digit is the sum modulo 11 modulo 10

Over time we expect Licensees to incorporate this into their checks and systems.

4.22. FIT Licensees are also required to obtain meter details for each meter used for the purpose of claiming FIT payments. An initial generation and/or export meter readings must be taken on the eligibility date (see 4.1 – 4.5). For ROO-FIT installations, an initial generation meter reading will be captured by Ofgem, whereas FIT Licensees will be required to obtain an initial export meter reading from the FIT generator during the application process.

4.23. In circumstances where a FIT licensee operates a postal application process, Ofgem considers that it is reasonable to allow 5 working days from the date on which the application was signed to when it was received by the FIT licensee to allow for postage delays. In such circumstances, the meter reading recorded on the application can be considered as the start meter reading. If the application has been received a long time after it was signed, the FIT licensee is obligated to contact the FIT applicant to obtain another meter reading. This meter reading should be considered the start reading from which the FIT applicant will be eligible for FIT payments.

4.24. If an export meter is installed at a later date, the FIT licensee should instruct the FIT generator to take an export meter reading on the day the export meter is installed. The FIT licensee is required to update the CFR accordingly.

Export status

4.25. Generators with a total installed capacity of more than 30kW who have the ability to export have to make an initial choice whether to receive the guaranteed export payment or to sell exported electricity on the open market. FIT Licensees are required to explain this choice to FIT generators and record their decision on the CFR. Generators who opt in to receive export payments from their FIT licensee will be unable to opt out and sell exported electricity on the open market, and vice versa, until at least the first anniversary of their participation in the scheme. After that date, FIT generators shall be permitted to change their selection to opt in or out, but no more than once every 12 months. FIT Licensees are required to record this change on the CFR.

4.26. In circumstances where a FIT generator does not have the ability to export to the National Grid, they will not be required to make a choice at registration. They can

defer such a decision until they have the necessary connection and equipment in place.

4.27. If an accredited installation with a total installed capacity of 30kW or less has an export meter commissioned and the FIT licensee chooses to make export payments in respect of readings from that meter, the export electricity from that installation will no longer be able to be deemed. FIT Licensees should notify Ofgem to update the CFR accordingly.

Confirmation of registration

4.28. Once the FIT licensee has carried out all the required checks, it needs to register the eligible installation on the CFR. Details required to complete the registration are set out in Appendix 2.

4.29. An eligible installation will not be classed as accredited until the FIT licensee has received confirmation from Ofgem that the FIT generator is entered onto the CFR.

4.30. Once the registration process is complete, the confirmation email listing the key information about the accredited FIT installation will be sent to the FIT licensee. There will also be an on screen confirmation that the installation has been registered.

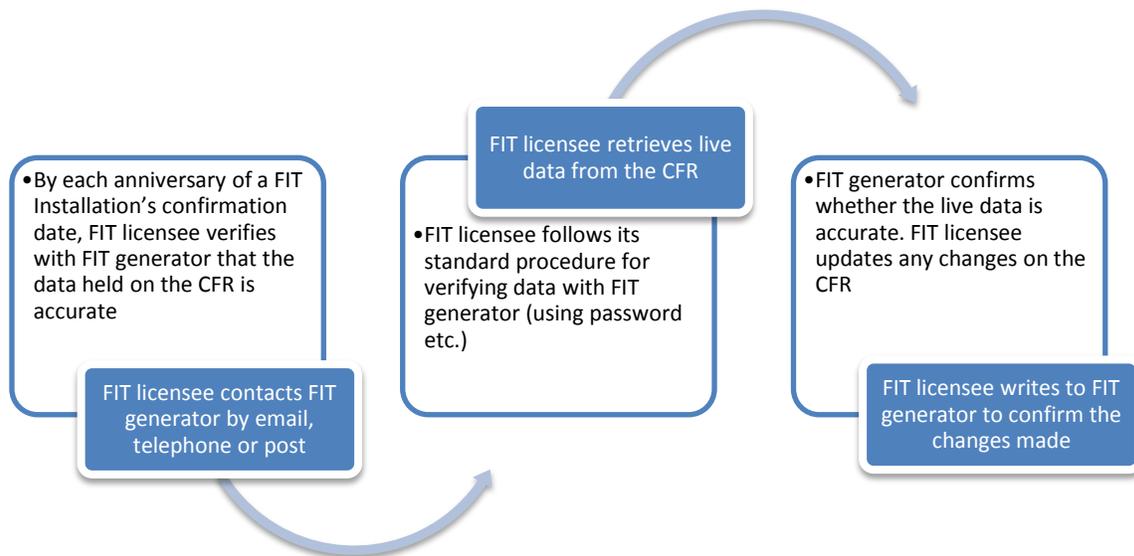
4.31. Ofgem has facilitated the migration of certain microgenerators and small generators from the RO onto the CFR. Once completed, a confirmation email will be sent to the nominated FIT licensee. FIT Licensees are then required to check with the FIT generator that the information held on the CFR is correct.

4.32. Once an installation is confirmed to be registered, the FIT licensee and FIT generator should agree a statement of FIT terms before FIT payments can begin.

Verification of generator information

4.33. Ofgem expects FIT Licensees to require FIT generators to make an annual declaration that the information held on the CFR is complete and accurate. The process for annual data checks set out in Figure 2 is for illustration only. Further guidance can be obtained from Ofgem's CFR Manager.

Figure 2. A summary process to verify information provided by FIT generator



Verification of meter readings

4.34. If any changes are identified, FIT licensee should update the CFR accordingly or notify Ofgem to update the CFR.

4.35. FIT Licensees are required to take reasonable steps to verify generation and/or export meter readings, at least once every two years from the installation's eligibility date.

4.36. We expect that FIT Licensees or their agents would read meters, documenting which meters have been read, the reading taken and when. These records should be available for auditing by Ofgem or any organisation working on behalf of Ofgem.

4.37. When registering for the FIT scheme, FIT applicants should be made aware that to continue to be eligible for FIT payments, generation and/or export meters must be in an accessible location and the FIT generator will be expected to take reasonable steps to allow access to them. The agreed statement of FIT terms should set out these responsibilities and also the possible consequences of not complying with these requirements such as a suspension of FIT payments.

4.38. We do not expect FIT Licensees to read meters, if they are prevented from accessing the meter by unreasonable actions taken by the site owner or tenant, or if accessing the meter contravenes recognised health and safety standards.

4.39. Where it has not been possible to read or verify a generation and/or export meter, the FIT licensee should issue a warning to the FIT generator, reminding them of the agreed statement of FIT terms and the possibility of FIT payments being

suspended. FIT Licensees should then contact Ofgem and provide full details of any concerns with respect to the FIT generator's continued registration on the CFR. If the circumstances require, Ofgem may consider exercising its powers to suspend and/or remove the FIT generator.

Statement of FIT terms

4.40. FIT Licensees are required to take all reasonable steps to agree a statement of FIT terms with a FIT generator within ten working days of the confirmation date.

4.41. Following the receipt of a confirmation email from Ofgem, the FIT licensee should not delay agreeing the statement of FIT terms in writing. If a FIT generator and FIT licensee cannot agree a statement of FIT terms, the FIT licensee should not begin FIT payments.

4.42. In certain circumstances, the FIT licensee and FIT generator may wish to extend the ten working day period. There are no restrictions on extending this period, if both parties agree.

4.43. The statement of FIT terms is required to:

- Be in writing
- Include the Principal FIT Terms (as detailed in Schedule A of the SLCs and reproduced in Appendix 3 of this document)
- Take due account of this guidance document.

4.44. In addition, the statement of FIT terms must include the following terms:

- a. A term which states that the information provided by the FIT generator or nominated recipient can be used for the purpose of administering, reporting and auditing the FIT scheme by the FIT licensee and Ofgem.
- b. A term specifically for off grid generators: "I hereby declare that it is my intention to use any and all electricity generated by my FIT installation and that I fully understand that any electricity generated but not so used will not be eligible for FIT payments".
- c. A term which requires FIT generators to notify the FIT licensee of any installations, including any extensions, which may affect the eligibility and capacity calculation of an eligible installation.
- d. A term requiring the FIT generator to make a declaration that the information they provide is complete and accurate.

- e. A term requiring generation and export meters to be located, where reasonable, in an accessible location, and for access to be made available to the FIT licensee or its contractor for generation and export meter readings.
- f. A term requiring the FIT generator to confirm that they are not in receipt of any grants which may make their installation ineligible for the FIT scheme.
- g. A term specifically for off grid installations in receipt of a grant from public funds who wish to claim FIT payments using the de minimis exemption: "I hereby declare that my FIT installation is not an undertaking by virtue of carrying on any other economic activity, and I do not sell any of the electricity it generates".
- h. A term requiring the FIT generator to confirm that before they sign the statement of FIT terms and return it to the supplier that they have installed a FITs eligible technology and that it has been commissioned.¹⁷
- i. A term stating that any information provided by the generator to the FIT Licensee may be shared with Ofgem or other such regulatory authority or government department and industry body for the purpose of administering, reporting and auditing of the FIT Scheme.

Failure to agree a statement of FIT terms

4.45. In order to minimise the potential for the rejection of statement of FIT terms by the FIT generator, FIT Licensees are strongly encouraged to explain to the FIT generator its obligations with regards to providing information and declarations and payment terms during the registration process.

4.46. FIT Licensees should also look to accommodate the particular circumstances of a FIT generator, if they believe it to be reasonable to do so.

4.47. If a FIT generator and a FIT licensee cannot agree the statement of FIT terms within ten working days, the FIT licensee may decide to discontinue the FIT registration process. The discontinuation of the registration process should be notified to the CFR Manager at fitregister@ofgem.gov.uk.

4.48. On discontinuing the registration process the FIT licensee is required to notify the FIT generator in writing, explaining the reason why the application is being discontinued and explain how the FIT generator can make a complaint against this decision.

4.49. The FIT generator should be advised that if they believe the FIT licensee is in breach of their obligations, they can make a formal complaint in writing to Ofgem's FIT Compliance Manager at fitcompliance@ofgem.gov.uk or 9 Milbank, London, SW1P 3GE.

¹⁷ For example, if solar PV is being installed the panels must already be in their final, permanent position, have been connected to the electricity supply by an MCS or equivalent registered installer and the meter must be fitted and operational. It should be made clear to the FIT generator that audit checks are in place to monitor scheme abuse.

4.50. If the FIT licensee wished to discontinue an application, they should contact Ofgem. We will update the CFR to reflect that the FIT Licensee is no longer acting in that role for that accredited FIT installation. Once the CFR has been updated, the FIT generator is able to approach an alternative FIT licensee for FITs. The FIT generator's eligibility date will not be affected.

Breaching the statement of FIT terms

4.51. If a FIT licensee believes a FIT generator is in breach of the agreed statement of FIT terms, it should first look to remedy the situation with the FIT generator directly. However, if the breach continues and a resolution cannot be found, the FIT licensee should contact the CFR Manager (fitregister@ofgem.gov.uk) and request that the appropriate entry be suspended and/or removed from the CFR.

Suspension and removal from the CFR¹⁸

4.52. FIT generators and accredited FIT installations may be suspended or removed from the CFR if:

- A modification is made to an installation which makes it ineligible.
- Abuse of the FIT scheme is suspected.
- This is required for the proper administration of the scheme. The following are indicative examples of where these circumstances might arise:
 - A statement of FIT terms is in breach.
 - Ofgem has good reason to believe that a FIT payment should not have been made.
 - FIT generator has not provided FIT licensee with the required information (for example, has not participated in the annual data check exercise).

4.53. FIT Licensees shall not make any FIT payments to a FIT generator or nominated recipient, if Ofgem informs the FIT licensee that a FIT generator or accredited FIT installation has been suspended or removed from the CFR. Suspending an accredited FIT installation may affect FIT payments due to a FIT generator or nominated recipient for other accredited FIT installations if the multi-installation tariff rate is applicable. If Ofgem suspends or removes a FIT generator or accredited FIT installation, it will write to the FIT licensee and FIT generator and explain what actions are being taken and why. If the suspension is lifted, Ofgem will again write to the FIT licensee and FIT generator confirming that the suspension has been lifted.

4.54. FIT Licensees are required to promptly inform Ofgem's CFR Manager when they have reason to believe an error has occurred in relation to a FIT generator or FIT

¹⁸ Article 21 of the FIT Order 2010 and Schedule A to Standard Condition 33 of the Electricity Supply Licence, Part 1, clause 9.4

installation's eligibility, or that there is the possibility of abuse of the FIT scheme. FIT Licensees should seek to remedy any error before the next FIT payment is due. If appropriate, Ofgem may suspend the relevant entry on the CFR until the error has been corrected or any investigation into suspected abuse has been concluded.

4.55. When scheme abuse is suspected, FIT Licensees should discuss with Ofgem's CFR Manager any actions the FIT licensee intends to take.

Switching

4.56. All FIT Licensees have a duty to facilitate the switching of a FIT generator from one FIT Licensee to another and ensure the FIT services are appropriately managed during this process. The CFR facilitates the switching process.

4.57. When approached by a FIT generator requesting a switch, FIT licensee shall check the status of the accredited FIT installation the FIT generator wishes to switch on the CFR

4.58. The CFR will indicate whether there are any other accredited FIT installations on the same site. If there are, the FIT licensee is then required to contact Ofgem's CFR Manager to confirm whether any meter sharing arrangements occur on that site. Ofgem will provide the FIT licensee with FIT IDs of all installations sharing the meter as the FIT licensee should ensure that all installations sharing the same meter are being switched. Ofgem will monitor whether all installations sharing the same meter have switched to the same FIT licensee.

4.59. If the FIT generator's current FIT licensee gives consent to the switch, both FIT Licensees shall agree the switch date and a generation and/or export meter reading on that date.

4.60. During the process the new FIT licensee should ensure that it has received all the necessary information about the FIT generator. Most of the information is available on the CFR, however the following needs to be captured during the switching process from the previous FIT licensee:

- When the meter readings have last been verified
- When the export opt in/opt out choice has last been made
- Copy of the relevant declarations (for example, grants)

4.61. The new FIT licensee has rights to object to the switch if the key information is missing, for example the FIT generator has not had its meter verified as required. If both FIT Licensees express no objections to the switch throughout the process, they and the FIT generator will be notified once the switch is complete.

4.62. The previous FIT licensee shall be obliged to pay all FIT payments due to the FIT generator up to the switch date.

4.63. The new FIT licensee shall be obliged to pay all FIT payments from the switch date. The new FIT Licensee shall have the responsibility for amending the CFR to reflect the fact that the switching process is completed.

4.64. The new FIT licensee shall follow the same process regarding registration and statement of FIT terms as discussed above.

5. FIT payments

Chapter summary

This chapter provides guidance on making and calculating FIT payments.

Eligibility date

5.1. FIT payments to an accredited FIT installation should commence from the eligibility date. The eligibility date is defined as the latter of:

- Receipt by Ofgem of a written request for ROO-FIT accreditation or receipt by a FIT licensee of a written request for MCS-certified registration
- Commissioning date
- The launch of the FIT scheme (1 April 2010).

5.2. Table 3 provides examples of how the eligibility date should be determined.

Table 3. Examples of how the eligibility date is determined

Examples	Launch of the FIT scheme	Commissioning date	Receipt of MCS-certified application by FIT licensee	Receipt of ROO-FIT application by Ofgem	Eligibility date
Example 1	1 April 2010	1 March 2010	1 June 2010	-	1 June 2010
Example 2	1 April 2010	1 February 2011	-	1 December 2010	1 February 2011
Example 3	1 April 2010	1 April 2011	-	1 June 2011	1 June 2011

5.3. Receipt by a FIT licensee of a FIT applicant's written request means the receipt of the FIT applicant's MCS certification, initial generation and/or export meter readings (for postal applications, taken no more than five days before FIT licensee's receipt of application), installation location address including postcode, as well as the basic information about the FIT applicant (name, address, contact details).

5.4. If the FIT applicant does not have a compliant meter in place, such a FIT applicant will be required to reapply to the FIT licensee once they have appropriate metering in place. If they reapply, a new eligibility date should be calculated for that FIT applicant as this will ensure that the FIT applicant receives FIT payments for the duration of the eligibility period.

5.5. The eligibility date for FIT applicants with RO or ROO-FIT accreditation will be determined by Ofgem in accordance with the definition of the eligibility date. It will be stated both on the CFR and in the RO migration or ROO-FIT accreditation letter.

Eligibility period

5.6. The eligibility period means the maximum period during which a FIT generator can receive FIT payments for an eligible installation. The eligibility period begins on the eligibility date and differs in length depending on when an accredited FIT installation was commissioned and the technology type installed. It will be determined by Ofgem based on the information provided and stored on the CFR.

5.7. For all new installations commissioned from 1 April 2010, and for microgenerators commissioned between 15 July 2009 and 1 April 2010, the eligibility period should commence on the eligibility date and expire after:

- 25 years, for PV with an eligibility date prior to 1 August 2012 (or 20 years for new PV installations or extensions with an eligibility date on or after 1 August 2012)
- 20 years, for Wind, Hydro and AD
- 10 years, for domestic fossil fuel Micro CHP

5.8. The eligibility period for microgenerators commissioned before 15 July 2009 and transferring from the RO will expire on 31 March 2027.

5.9. For small generators commissioned between 15 July 2009 and 1 April 2010, the eligibility period shall expire on 1 October 2034 for PV, and on 1 October 2029 for Wind, Hydro and AD.

5.10. The end of the eligibility period is calculated by the CFR. FIT Licensees can view it for accredited FIT installation who they have registered.

Nominated recipient

5.11. The FIT generator is able to assign FIT payments to a nominated recipient in respect of an accredited FIT installation owned by that FIT generator.

5.12. The nominated recipient is permitted to provide generation and/or export meter readings in respect of an accredited FIT installation they have been nominated to receive FIT payments for.

5.13. If the nominated recipient suspects fraudulent activity regarding the FIT generator or the FIT licensee, they should contact Ofgem's CFR Manager.

Tariff rates

5.14. The FIT tariff rates are provided in the SLCs and are allocated to each accredited FIT installation based on the following:

- a) the eligibility date
- b) eligible low carbon energy source
- c) total installed capacity
- d) the energy efficiency requirement (if it applies)
- e) the multi-installation tariff (if it applies)
- f) other characteristics relevant to the accredited FIT installation

5.15. FIT payments must be made at the rates set out under the SLCs. However, if a FIT licensee wishes to make additional payments to FIT generators and nominated recipients as a commercial matter outside of the statutory FIT scheme, any such payments should be identified separately in any communication with FIT generators and nominated recipients (e.g. itemised separately within their bill), and any such payments must not be included within the FIT licensee's levelisation notifications to Ofgem.

5.16. Both generation and export tariff rates are index-linked, which means that they increase and decrease with inflation. The tariff rates are adjusted annually by the percentage increase or decrease in the Retail Price Index (RPI) over the 12 month period ending on 31 December of the previous year.

5.17. From 1 April each year all electricity generated and/or exported by accredited FIT installations will receive the adjusted tariff by the previous year's RPI. To ensure the correct tariff is applied to all generation and export from 1 April each year, FIT Licensees are required to calculate what proportion of electricity has been generated and/or exported until 31 March, and what proportion has been generated and/or exported from 1 April. To facilitate the process FIT Licensees may ask FIT generators and nominated recipients to take a reading on 31 March and submit it in accordance with the FIT licensee's instructions.

5.18. Tariff information is available from Ofgem's website.¹⁹

¹⁹ FIT Tariff table 1 April 2012
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=30&refer=Sustainability/Environment/fits>

FIT payments

5.19. FIT payments are normally due to the FIT generator or nominated recipient from the eligibility date for the entirety of the eligibility period unless:

- The payments are suspended or withheld.
- The FIT generator is suspended from the CFR.
- The accredited FIT installation is suspended or removed from the CFR.

Commencing payments

5.20. FIT Licensees are not obligated to make FIT payments to a FIT generator or nominated recipient until:

- They are first satisfied that the information given by the FIT generator or third party is accurate and the eligible installation meets the necessary FIT requirements (Chapter 3);
- **The eligible installation has the appropriate metering (Appendix 1);**
- The eligible installation has the necessary entry on the CFR and the FIT licensee has received a confirmation email from Ofgem (Chapter 4), and;
- A statement of FIT terms has been agreed between the FIT licensee and the FIT generator (Chapter 4).

5.21. Because FIT payments accrue from the eligibility date, the generation and/or export start meter reading provided by the FIT generator needs to be taken on the eligibility date (or up to 5 working days before that for postal applications (see 4.23) to ensure that the FIT generator is paid for the duration of the eligibility period.

5.22. **Where half hourly meters are used, we expect FIT Licensees to put in place arrangements which would allow the FIT licensee to capture and record the amount of electricity being exported in place of having a start and end meter read.**

Tolerance checks

5.23. **FIT Licensees' obligations include implementing processes to detect abnormal generation and/or export meter readings before making FIT payments. FIT licensees must fulfil this obligation by taking consideration of capacity/load factors based on the following:**

Table 4: Technology type and tolerance level considerations

Technology Type	Considerations when determining tolerance levels
PV	Solar radiation varies seasonally over the course of a year; however it can be assumed that PV panels will not operate at full capacity for more than an average 12 hours per day across one year. Therefore, we would expect tolerance levels to be lower than other technology types due to the higher predictability of solar input, in comparison to other environmental factors.
Wind	Wind energy generation varies regionally, with those installations in northern regions of the UK/elevated locations experiencing greater wind input. Hence, it is advisable to consider regional location of wind installations to determine relative tolerance levels. Further to this, seasonal and exceptional weather variations (such as storms) may also be factored in to tolerance levels.
Hydro	Meter reads from hydro installations will typically exhibit considerable seasonal variation, and hence for reads over the winter period we would advise a higher tolerance level.
Anaerobic Digestion	It is expected that generation from anaerobic digestion will vary. Generation will be linked to the calorific value of the biogas which is broadly based on the feedstocks added to the digester.

Total installed capacity of the installation

- Total installed capacity along with technology must be included in tolerance levels.
- We advise that larger installations have a lower tolerance level than smaller installations of the same technology. This would ensure that installations with a large TIC, which consequently submit high meter reads, had a smaller tolerance margin to minimise potential error with their, comparatively substantial, FIT payments
- However you may prefer to include additional checks on meter reads that result in substantial FIT payments, rather than vary tolerances within a certain technology.

5.24. Additionally, FIT Licensees should consider incorporating the following factors related to the installation into their processes:

- Estimated Annual Generation
 - *This can be established from MCS records*

- Historical meter reads
 - *It is advisable to compare meter reads of an installation with the previous year's reads during their second FIT year and beyond, as this may highlight any anomalous recordings. Consequently, for the duration of the first FIT year for an installation this method will not be possible but referring to similar installations in nearby locations may be appropriate.*
- Seasonal variations in generation, where appropriate
 - *Tolerance levels may vary quarterly; with solar installations recording elevated reads in the summer, and wind and hydro experiencing higher output in the winter months. Hence it is reasonable to bear this in mind when analysing meter reads over a FIT year.*
 - *In some instances, it may be advisable to request a weather report or other suitable verifiable evidence from generators after they have experienced adverse weather conditions, such as a storm causing increased wind/hydro energy generation, which can be kept on record and thus help explain any reads which fall outside of tolerance levels.*

5.25. Photographs can be used to verify aspects of the installation metering details. Ofgem will continue to monitor tolerance processes.

- *It is advisable that after the second instance of a reading which falls outside of tolerance levels, the Supplier requests a photograph of the meter reading, with proof of the date, as well as a photograph of the installation itself to confirm capacity (I.e. to verify the number of PV panels on a roof). The photograph of the meter is to confirm whether the meter has been mis-read or if there are any other discrepancies with the meter read.*
- *This does not alter our guidance on verifying meter reads at least once every 2 years, which does not allow photographs instead of physical checks.*

5.26. Generation and export meter readings given by or on behalf of FIT generators should be assessed against expected generation. If generation and/or export meter readings are noticeably different from the expected generation, FIT licensees must query the generation and/or export meter reading. Under these circumstances, FIT licensees must undertake increased monitoring of the relevant installation and consider if there is an error in the information given by the FIT generator, or possible abuse of the scheme.

- *After considering both a weather report or other evidence and photographs of the meter and installation, it may be necessary to complete a further audit of the installation.*

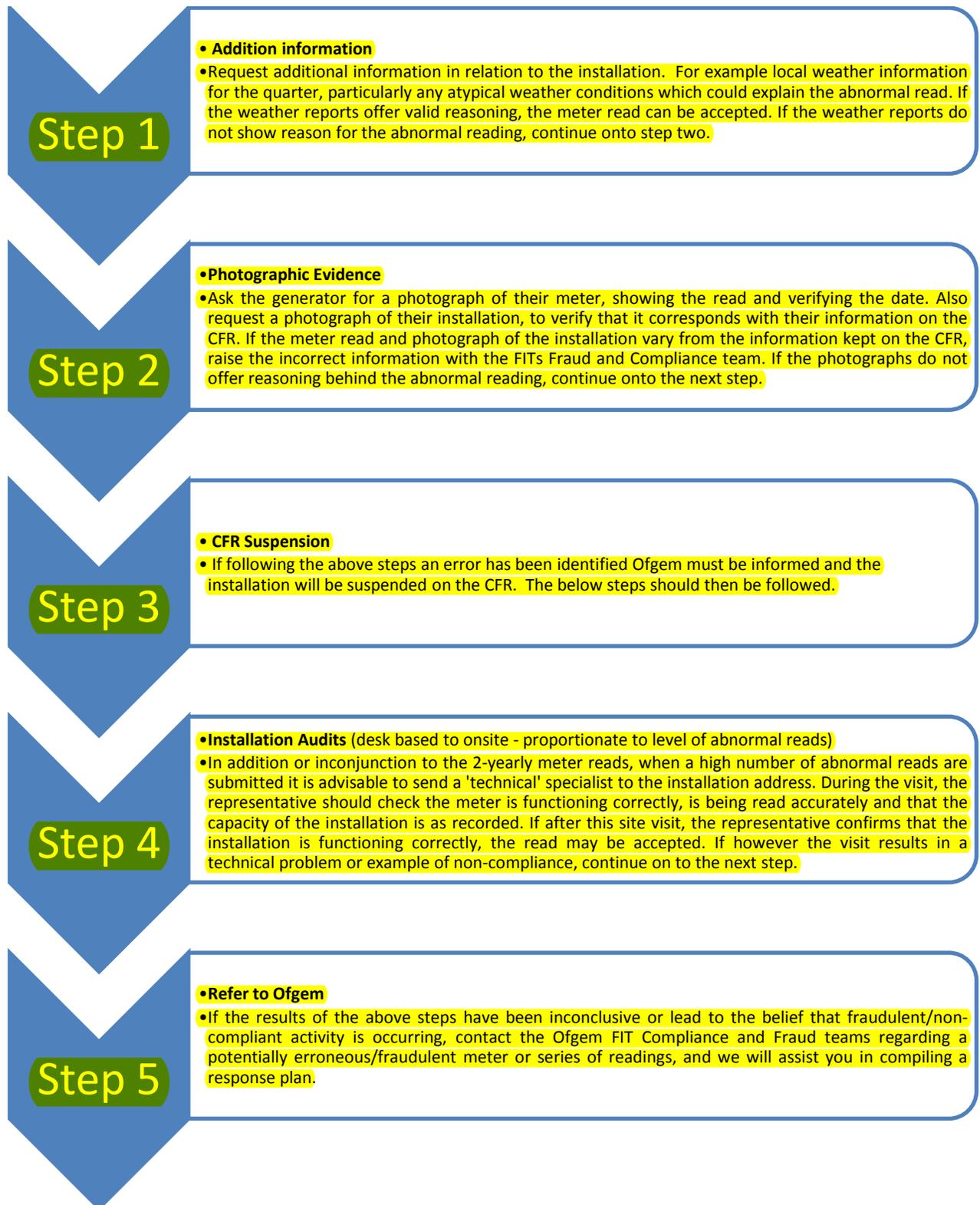
5.27. Supplier audits of generation and/or export meter readings should be proportionate to the level of abnormal readings, and can range from desk based investigation to onsite visits.

- *It may be beneficial to monitor the number of abnormal readings submitted, noting each occurrence on the generators record and referring to a tiered approach (see below).*
- *For onsite visits it may be beneficial to send a 'technical' representative to the installation address to check that the meter is operating correctly, to confirm the capacity and to ensure that the meter is being read accurately by the generator.*
- *The feedback from this check should be analysed, to decide upon the next appropriate step.*

5.28. If an error is identified, the FIT licensee must inform Ofgem and undertake further investigation. Ofgem will suspend the FIT installation on the CFR whilst the investigation takes place. The FIT licensee must suspend FIT payments to the FIT generator until the investigation is complete. If no error has been made, or the error has been corrected, the FIT licensee should notify Ofgem to update the CFR and should resume FIT payments in accordance with the installation's entry on to the CFR.

- *We advise that you communicate with the Ofgem FITs Compliance and Fraud team members in this instance, in order to take the appropriate action with the generator*

Figure 3: Tiered response plan for abnormal readings



5.29. Figure 3 is an example plan. We expect all suppliers to compile their own appropriate response plan, which should be readily accessible for auditing.

5.30. The Standard Licence Conditions are relevant conditions for the purposes of the Electricity Act 1989. Ofgem monitors licensees' compliance with such conditions. As part of this duty, Ofgem will conduct sample reviews and inspect the processes Licensed Electricity Suppliers have in place to demonstrate compliance are appropriate, including the tolerance controls and auditing procedures that suppliers have implemented to detect, monitor and investigate abnormal meter readings.

5.31. With regard to the process of monitoring and investigating abnormal readings, it is important that supplier retain clear records of all the readings that have been flagged as exceptions and the actions that have been taken to resolve/conclude each instance. This will ensure there is a clear audit trail.

5.32. Unless a FIT installation exports all electricity, a generation meter reading is a prerequisite for eligibility for FIT generation payments.

5.33. The FIT licensee should use generation meter readings, given by the FIT generator or nominated recipient, to determine the amount of electricity that has been generated in the relevant period.

5.34. FIT generation payments must be paid on the basis of actual meter readings from the installation, estimated generation is not permitted under the scheme.

Calculation of generation payment

5.35. Unless a FIT generator exports all electricity, a generation meter reading is a prerequisite for eligibility for FIT generation payments.

5.36. The FIT licensee should use generation meter readings, given by the FIT generator or nominated recipient, to determine the amount of electricity that has been generated in the relevant period.

5.37. The FIT licensee should then calculate how much generation payments are due to the FIT generator or nominated recipient by reference to the relevant tariff code and the amount of electricity that has been generated.

5.38. The FIT licensee should then make a generation payment to the party identified on the CFR as being the payee. This could either be the FIT generator or the nominated recipient.

Calculation of export payment

5.39. In order to receive export payments, the FIT generator must have the ability to export and have opted in to receive export payment from the FIT Licensee. A FIT generator is not entitled to export payments, if it does not have the ability to export electricity or has chosen to negotiate a price for the exported electricity on the open market.

5.40. Where it is not possible or practical to measure export by export meter readings, deeming is permitted for accredited FIT installations with a total installed capacity of up to 30kW. For the accredited FIT installations where export is permitted to be deemed, the Secretary of State determines the percentage of electricity deemed to be exported. Such a determination is published at least 1 month before the beginning of each FIT Year.

5.41. An accredited FIT installation with a total installed capacity of over 30kW must have an export meter to receive export payments from the FIT Licensee.

5.42. Where an export meter is installed, the FIT licensee can elect to register it with the Balancing and Settlement Code (BSC) for the purpose of settlement. Such registration is the responsibility of the FIT licensee.

5.43. The FIT licensee should use export meter readings or deemed export meter readings, given by the FIT generator or nominated recipient, to determine the amount of electricity that has been exported in the relevant period.

5.44. The FIT licensee should then calculate how much export payments are due to the FIT generator or nominated recipient by reference to the relevant tariff code and the amount of electricity that has been exported or deemed to have been exported.

5.45. The FIT licensee should then make an export payment to the party identified on the CFR as being the payee. This could either be the FIT generator or the nominated recipient.

Reducing, recouping and withholding FIT payments

5.46. FIT Licensees have an obligation to take all reasonable steps to ensure any FIT payments it has made reflect only what the FIT generator or nominated recipient is entitled to.

5.47. If a FIT licensee believes that in making a FIT payment it would contravene their obligations, it is required to notify Ofgem's CFR Manager immediately. If Ofgem determines that a FIT payment could result in the improper administration of the FIT scheme, it may suspend the accredited FIT installation from the CFR.

5.48. FIT payments may be reduced, recouped or withheld by the FIT licensee if:

- An error has been made.
- Fraud or abuse of the FIT scheme is suspected.
- Ofgem notifies the FIT licensee that it has good reason to believe that a FIT payment should not have been made.

5.49. If instructed to withhold payments, the FIT licensee shall continue to do so until notified by Ofgem that the suspension has been rescinded, or if instructed by Ofgem to recover or make a reduced FIT payment.

5.50. Ofgem will only instruct FIT Licensees to recover payments, if they were the relevant FIT licensee when the overpayment was made.

6. Extensions

Chapter summary

This chapter provides guidance on how to deal with installations that have been extended.

Extension rules

6.1. If the maximum capacity of the same technology type on a site exceeds the upper limit placed on eligible installations (5MW of total installed capacity for all technologies except for CHP, where the maximum limit is 2kW), the extended installation will become ineligible for FIT payments. The installation may then be eligible for other schemes, such as the RO. Where this occurs, the FIT licensee is required to notify Ofgem, who will remove the installation from the CFR.

6.2. Multiple installations of the same technology type commissioned at the same time on the same site will **usually** be regarded as one installation. Such an installation will have one tariff rate based on the total installed capacity of all installations. The same generation meter can be used to record the amount of electricity generated from all installations.

6.3. Generation and/or export meters which serve more than one accredited FIT installation are permitted, as long as only installations eligible to receive generation payments are connected to the meter.

6.4. All accredited FIT installations sharing the same meter should be registered with the same FIT licensee. To ascertain whether there are any installations on one site sharing the same meter, FIT Licensees should search for other installations at the same address. If a match is found and they are not the FIT Licensee of the match, the FIT licensee is required to contact the CFR Manager.

6.5. If a FIT licensee suspects that an error has been made and an installation has been extended but not reported, the FIT licensee should suspend FIT payments to that installation and undertake further investigation into the possible error. The FIT licensee should also inform Ofgem of the suspected error. If no error has been made, or the error has been corrected i.e. the extension has been notified and the CFR updated, the FIT licensee should notify Ofgem and resume making FIT payments in accordance with the installation's entry on the CFR.

The same technology type extensions

6.6. If an extension had been commissioned before 18 October 2011 and notified to Ofgem before that date, it will be treated in accordance with the rules set out in the FIT Supplier Guidance (Version 1):

- a) An extension to an eligible installation will be classed as being part of the original installation if commissioned within 12 months of the original installation's confirmation date (or commissioning date for the installations installed prior to 1 April 2010). The extension will have the same eligibility date and eligibility period as the original installation. The combined installation will be treated as having a new total installed capacity. If the extension moves the combined installation's capacity to another tariff band, the whole installation will receive the lower tariff from the extension's eligibility date.
- b) An extension to an eligible installation commissioned more than 12 months from the eligible installation's confirmation date (or commissioning date for those installations installed prior to 1 April 2010) will be treated as a separate installation, except when determining a total installed capacity (see 5.8).

6.7. From 18 October 2011, if an installation has been extended by increasing its capacity to generate electricity using the same technology type, extensions will be treated as a separate installation, except when determining a total installed capacity.

6.8. The original installation will retain its tariff rate and eligibility period, but the extension will have its own eligibility period and tariff rate. The eligibility date for the extension will be based on its commissioning date only, as the application date is that of the original installation. This means that different eligibility periods may apply to different components of an accredited FIT installation. Payments to the extension will accrue from its eligibility date; therefore the start generation meter reading must be captured on the eligibility date.

6.9. The tariff rate for the extension will be based on the combined capacity of the extended installation. However, both the original installation and subsequent extensions will share the same entry on the CFR.

6.10. If the original installation and extension share the same generation meter, a pro rata calculation from the generation meter reading taken on the extension's eligibility date should be used to determine how much electricity generated is assigned to each part. The CFR contains details on how generation payments should be split for multiple installations using the same generation meter.

6.11. If one of the installations sharing the meter becomes ineligible for FITs, for example because the eligibility period of the original installation has come to an end, the extension must have a separate meter installed to ensure that it remains eligible for FITs.

The same technology type extensions to non FIT installations

6.12. Where a FIT generator wishes to add additional capacity of the same technology type to an existing installation that is not eligible for the FIT scheme, FIT Licensees should treat the extension as a new application to the FIT scheme in accordance with Chapter 3.

6.13. In order for the extension to be eligible for FIT payments, it must be metered separately. FIT payments to the extension will accrue from its eligibility date, the start generation and/or export meter reading must be captured on the eligibility date.

6.14. The extension tariff rate will be based on the combined capacity of all commissioned installations of the same technology type on that site.

Different technology type extensions

6.15. In circumstances where an accredited FIT installation has been extended with a different technology type, the extension will be treated as a separate installation. FIT Licensees should treat the extension as a new application to the FIT scheme in accordance with Chapter 3.

6.16. Payments to the extension will accrue from its eligibility date. The start generation and/or export meter reading must be captured on the eligibility date.

6.17. Where the accredited FIT installation and the extension share the same generation meter, the lower of the two tariffs that would otherwise be received if each installation had a separate meter should be applied to all generation from the generation meter reading captured on the extension's eligibility date.

6.18. If one of the installations sharing the meter becomes ineligible for FITs, for example because its eligibility period of that installation has come to an end, the other installation must be metered separately to ensure that it remains eligible for FITs until the end of its eligibility period. The tariff rate of the remaining installation will be reset to a tariff that would have been assigned to that installation on its eligibility date.

7. Levelisation process

Chapter summary

This chapter details the levelisation process in the FIT scheme.

General principles

7.1. All Licensed Electricity Suppliers are required to participate in the levelisation process by:

- Providing information to Ofgem to enable us to administer the process, and
- making levelisation payments as requested by Ofgem.

7.2. In order to determine whether a licensed electricity supplier will have to make a levelisation payment or whether a FIT licensee is entitled to levelisation payments, Ofgem must determine and compare each licensed electricity supplier's market share contribution and adjusted FIT contribution.

7.3. If the licensed electricity supplier's adjusted FIT contribution exceeds the amount of that licensed electricity supplier's market share contribution, the licensee will receive a levelisation payment. If, however, the licensee's adjusted FIT contribution is less than that licensee's market share contribution, the licensee will be required to make a levelisation payment.

Market share contribution

7.4. The market share contribution of a licensed electricity supplier means the sum of all FIT contributions by all FIT Licensees adjusted by the licensed electricity supplier's market share.

7.5. The market share of a licensed electricity supplier is determined by calculating the amount of electricity supplied to customers in Great Britain by the licensed electricity supplier less the amount of electricity it sourced from renewable sources generated outside of the UK and supplied to customers in Great Britain. This is then compared to, and expressed as a percentage of, the amount of electricity supplied by all Licensed Electricity Suppliers to customers in Great Britain less the amount of any electricity they sourced from renewable sources which is generated outside of the UK and supplied to customers in Great Britain.

7.6. Any electricity sourced from renewable energy generated outside of the UK and supplied to customers in Great Britain which a licensed electricity supplier wishes to be taken into account when calculating their own market share, should be backed by appropriate certificates. Electricity generated within the EU should be backed by

Guarantees of Origin (GoOs) issued by the EU Member States that have been recognised by Ofgem. To demonstrate that the renewable electricity has been used in Great Britain, Licensed Electricity Suppliers should back it up with the corresponding Levy Exemption Certificates (LECs). For LECs to be considered as evidence of exempted electricity, these should be redeemed by 1 August following each FIT Year (1 April – 31 March).

7.7. For any GoOs to be considered as evidence of exempted electricity, these need to be recognised by Ofgem (renewable@ofgem.gov.uk) and held by the FIT Licensee at midday on 1 July following each FIT Year (1 April - 31 March).

7.8. We do not recognise GoOs issued for renewable generation in non-EU Member States. Electricity generated outside of the EU and supplied to customers in Great Britain should be backed by LECs. For LECs to be considered as evidence of exempted electricity, these should be redeemed by 1 August following each FIT Year (1 April – 31 March).

FIT contribution

7.9. The FIT contribution means the sum of the following FIT payments and costs incurred:

- Generation payments
- Net metered export payments
- Net deemed export payments
- Qualifying FIT cost.

The 'adjusted FIT contribution' means the FIT contribution adjusted by the amount of periodic levelisation payments received or made by the licensee in the FIT year.

Export payments

7.10. Net (metered and deemed) export payments means payments made to a FIT generator or nominated recipient in respect of the export less the value of that export.

7.11. For each FIT year, the Secretary of State determines the value of net metered and net deemed export one month before the beginning of that FIT year.

7.12. The value of net deemed export has been determined to be the amount of electricity deemed to have been exported by all accredited FIT installations multiplied by the System Sell Price (SSP), and this value needs to be apportioned to each licensed electricity supplier in accordance with its market share.

7.13. Ofgem determines the value of deemed export during each levelisation process. This includes calculating the SSP.

7.14. The value of metered export is set at the same level as the export tariff rate.

Qualifying FIT Costs

7.15. The Secretary of State determines the value of the qualifying FIT costs for each FIT year. After the qualifying FIT costs have been determined by the Secretary of State, Ofgem will communicate to suppliers how they will be calculated.

7.16. During the levelisation process, the CFR will display how many installations are eligible for the qualifying FIT costs and how much the FIT licensee is entitled to claim.

Periodic levelisation

7.17. Ofgem is required to undertake the levelisation process on a periodic basis. Periodic levelisation will take place quarterly with each period beginning and ending as follows:

- 1 April - 30 June
- 1 July - 30 September
- 1 October - 31 December
- 1 January - 31 March.

Periodic levelisation report

7.18. FIT Licensees should provide the following information in their periodic levelisation reports:

- Total value of (£) FIT generation payments claimed by FIT generators and nominated recipients following the submission of valid generation meter readings during that periodic levelisation period.
- Total value of (£) deemed FIT export payments claimed by FIT generators and nominated recipients following the submission of valid generation meter readings during that periodic levelisation period.
- Total amount (MWh) of electricity deemed to have been exported by FIT generators and nominated recipients following the submission of valid generation meter readings during that periodic levelisation period.

- Total value of (£) FIT export payments (deemed and metered) claimed by FIT generators and nominated recipients following the submission of valid meter readings during that periodic levelisation period.

7.19. The following components of the periodic levelisation report will be determined by the CFR:

- Total number of installations eligible for the qualifying FIT costs in that periodic levelisation period.
- Total value of (£) qualifying FIT costs that FIT Licensees have incurred in respect of FIT installations in that periodic levelisation period.

7.20. In addition, all Licensed Electricity Suppliers shall provide Ofgem with details of the total electricity they have supplied in Great Britain for that periodic levelisation period. The total electricity supplied in Great Britain should be determined using the same methodology as the one used under the RO. As part of the periodic levelisation submission, Licensees can declare the amount of supply to exempt to reflect any electricity sourced from renewable sources generated outside of the UK and supplied to customers in Great Britain.

7.21. Information submitted as part of a periodic levelisation process is required to be based on FIT payments which have been claimed by generators or nominated recipients in the periodic levelisation period following the submission of valid meter readings. The payments do not have to be audited, or reflect what have been received by FIT generators and nominated recipients, or completely reflect electricity which has been generated by FIT Installations in that particular periodic levelisation period.

7.22. FIT Licensees are not required to submit payment information to Ofgem every periodic levelisation. However, the levelisation process cannot be fully undertaken without each licensed electricity supplier confirming its market share.

Periodic levelisation timetable

7.23. FIT Licensees are required to send a periodic levelisation report regarding a periodic levelisation period within eight working days of that period ending.

7.24. Ofgem will make the necessary calculation and notify each licensed electricity supplier within seven working days following the deadline to submit the periodic levelisation report whether a levelisation payment is owed by them, or due to them.

7.25. Licensed Electricity Suppliers are required to make any levelisation payments due to Ofgem within ten working days of a periodic levelisation payment notification being issued.

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

Periodic levelisation calculation

7.27. Following the submission of the data applicable to that period, Ofgem will calculate that a licensed electricity supplier's periodic levelisation payment shall be equal to:

$$plp = \{ms \times [tgp + tdep - (ade \times SSP) + tqc]\} - [igp + idep - (ade \times SSP \times ms) + iqc]$$

plp - licensed electricity supplier's periodic levelisation payment (£)

ms - licensed electricity supplier's market share

tgp - total (£) generation payments

tdep - total (£) deemed export payments

ade - total (MWh) amount of electricity deemed to have been exported

SSP - System Sell Price (£/MWh)

tqc - total (£) qualifying FIT costs

igp - individual (£) generation payments

idep - individual (£) deemed export payments

iqc - individual (£) qualifying FIT cost

Annual levelisation

7.28. Annual levelisation begins on following the end of a FIT year and is to be completed by 1 October. It is a requirement that data regarding FIT payments made to FIT generators submitted in the annual levelisation process is fully audited by a third party.

7.29. Data provided by FIT Licensees to Ofgem for the annual levelisation process should be fully audited by a reputable organisation that is independent of the company management. For example, this can be an internal audit function capable of acting independently of the FIT licensee. To carry out such an audit, a company does not have to hold Consultative Committee of Accountancy Bodies (CCAB) qualifications; however it needs to be competent to perform such functions.

Annual levelisation report

7.30. FIT Licensees should provide the following information in their annual levelisation reports:

- Total value (£) of FIT generation payments made to FIT generators and nominated recipients following the submission of valid generation meter readings during that FIT year.
- Total value of (£) deemed FIT export payments made to FIT generators and nominated recipients following the submission of valid generation meter readings during that FIT year.

- Total amount (MWh) of electricity deemed to have been exported by FIT generators and nominated recipients following the submission of valid meter readings during that FIT year.
- Total value of (£) FIT export payments (deemed and metered) made to FIT generators and nominated recipients following the submission of valid meter readings during that FIT year.
- The number of installations in each tariff band that received payments in that FIT year.
- The amount (kWh) of electricity generated and exported by all installations that received payments in that FIT year in each tariff band.

7.31. The following components of the annual levelisation report will be determined by Ofgem using the information from the CFR:

- Total number of installations eligible for the qualifying FIT costs in that FIT year.
- Total value of (£) qualifying FIT costs that FIT Licensees have incurred in respect of FIT installations during that FIT year.

7.32. FIT Licensees will also be required to provide an audit report of the FIT payments they made in that year.

7.33. In addition, all Licensed Electricity Suppliers shall provide Ofgem with details of the total electricity they have supplied in Great Britain for that FIT year and any electricity which is to be exempted from the calculation. The data given for total electricity supplied in Great Britain for that FIT year should be determined using the same methodology as the one used under the RO.

7.34. FIT payments collated in the annual levelisation should be based on payments made to FIT generators and nominated recipients during that FIT year. We recognise that claims for FIT payments and meter readings may fall outside the exact windows of the relevant FIT year. It will therefore be the responsibility of the FIT licensee to calculate what proportion of the electricity was generated in one FIT year (at a particular tariff rate) and what proportion was generated in the subsequent FIT year (at the particular tariff rate adjusted for inflation).

Annual levelisation timetable

7.35. Licensed Electricity Suppliers will be required to send to Ofgem a levelisation report covering a FIT year by 1 August following the end of that FIT Year.

7.36. Ofgem will make the necessary calculation and notify each licensed electricity supplier within twenty six days whether a levelisation payment is owed by them, or due to them.

7.37. Licensed Electricity Suppliers are required to make a levelisation payment within ten working days of an annual levelisation payment notification being issued.

7.38. Ofgem will make levelisation payments due to FIT Licensees, subject to any shortfall in the levelisation fund, by 28 September following the end of that FIT year.

Annual levelisation calculations

7.39. A licensed electricity supplier's annual levelisation payment shall be equal to:

$$alp = \{ms \times [tgp + tdep - (ade \times SSP) + tqc]\} - [igp + idep - (ade \times SSP \times ms) + iqc] - plp$$

alp - licensed electricity supplier's annual levelisation payment (£)

ms - licensed electricity supplier's market share

tgp - total (£) generation payments

tdep - total (£) deemed export payments

ade - total (MWh) amount of electricity deemed to have been exported

SSP - System Sell Price (£/MWh)

tqc - total (£) qualifying FIT costs

igp - individual (£) generation payments

idep - individual (£) deemed export payments

iqc - individual (£) qualifying FIT cost

plp - all licensed electricity supplier's periodic levelisation payments in that FIT year (£)

Discrepancies

7.40. If a FIT licensee uncovers any discrepancies or wishes to dispute the levelisation calculations made, they should raise this with the FIT Compliance Manager (fitcompliance@ofgem.gov.uk) at the earliest possible opportunity, providing the team with relevant background details.

7.41. Given the tight timeframe in which periodic levelisation needs to be reviewed, such discrepancies will not affect the levelisation payments for that periodic levelisation period. Instead, discrepancies will be dealt with during the annual levelisation process.

7.42. However, if discrepancies or disputes concerning the annual levelisation calculation are raised, we will look to resolve those before final invoices are issued.

Shortfall in the levelisation fund

7.43. If there is a shortfall in the levelisation fund, Ofgem will reduce each levelisation payment due in proportion to the reduction in the levelisation fund value. Once any late levelisation payments have been received, the remainder of a levelisation payment will be made to FIT Licensees.

7.44. If the value of late payments is at a de minimis level, we will redistribute the shortfall as part of annual levelisation.

7.45. At present, if a shortfall is not recovered (for example, if a licensed electricity supplier who owes money into the levelisation fund goes into liquidation and is unable to make a payment), there is no mechanism to readjust levelisation payments.

8. Dispute resolution

Chapter summary

This chapter details how to make a complaint and resolve a dispute in relation to the administration of the FIT scheme. There are no material changes made to this chapter since the previous version.

Handling disputes within the FIT scheme

8.1. FIT Licensees have an obligation to provide a description of the complaints procedure in their statement of FIT terms, and have a duty to participate in the complaints procedure on disputes in relation to compliance with obligations under the FIT scheme. For information on this complaints procedure please consult the Complaints Factsheet which can be found at www.decc.gov.uk/fits.

8.2. Complaints against a FIT licensee should be directed towards the FIT licensee in the first instance. If after 12 weeks a satisfactory solution has not been agreed between both parties, the complaint may then be referred to the Energy Ombudsman.

8.3. Once the Ombudsman has received a complaint, it will consider whether the FIT licensee has been given sufficient time to deal with the complaint and also assess whether the complaint falls within the remit of the Ombudsman. If the Ombudsman takes on the case, it will investigate and make recommendations to rectify a situation. The FIT licensee then has up to 28 days to action any recommendations by the Energy Ombudsman.

Disputes and complaints between a FIT generator and accreditation body

8.4. If a FIT generator wants to make a complaint regarding their accreditation under the scheme, it should approach the accreditation body (MCS or Ofgem) to attempt to resolve a dispute.

Enquiries, disputes and complaints involving the CFR

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

8.6. If a FIT generator disputes the information contained on the CFR, it should approach its FIT licensee. The FIT generator should explain the reasons why they believe the information on the CFR is inaccurate and provide supporting evidence. If

the FIT licensee decides that the information contained on the CFR is inaccurate, it should, as soon as is reasonably possible, update the CFR.

8.7. If a FIT licensee disputes the information contained on the CFR and cannot amend this, the FIT licensee should write to the CFR Manager. The FIT licensee should detail the installation concerned, the incorrect data and what it believes the correct data should be. The FIT licensee should also detail the reasons why it believes the information on the CFR is inaccurate and provide supporting evidence. Ofgem can then take a decision as to what needs amending.

8.8. If a FIT generator or FIT licensee wishes to clarify or dispute any decision taken by Ofgem with regards to the CFR, the FIT generator or FIT licensee should write to the CFR Manager clearly identifying the installation concerned, the matter needing resolving and provide any relevant evidence. If the FIT generator or FIT licensee remains unhappy at how a decision is taken, it is able to make a complaint.

Enquiries, disputes and complaints involving periodic and annual levelisation

8.9. If a licensed electricity supplier would like further clarity on the methods used to calculate levelisation payments or annual reconciliation, it should contact the FIT Compliance Manager.

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

Complaints about Ofgem

8.11. If a licensed electricity supplier or FIT generator is unhappy with the way they have been dealt with or in which Ofgem has reached a decision, or with how Ofgem operates, they should write to:

**Ofgem Complaints
Operations Division
Ofgem
9 Milbank
London
SW1P 3GE**

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

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

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

8.15. Details of how to make a complaint to the Parliamentary Ombudsman can be found on their website at www.ombudsman.org.uk.

Appendices

Index

Appendix	Name of Appendix	Page Number
1	Metering regulations	59
2	Generator and installation details required for CFR	60
3	Statement of FIT terms	64
4	The Authority's powers and duties	67
5	Glossary	70
6	Solar PV declarations (new installations and extensions)	79
7	Solar PV declaration – change to the FIT generator or nominated recipient	84
8	Feedback questionnaire	87

Appendix 1 – Metering regulations

All meters used in the FIT scheme must comply with the relevant metering legislation. These include:

- Schedule 7 to the Electricity Act 1989
- The Meters (Approval of Pattern or Construction and Manner of Installation) Regulations 1998, SI/1565
- The Meters (Certification) Regulations 1998, SI/1566
- The Electricity (Approval of Pattern or Construction and Installation and Certification) (Amendment) Regulations 2002, SI/3129
- The Measuring Instruments (EC Requirements) (Electrical Energy Meters) Regulations 1995, SI/2607
- The Measuring Instruments (EC Requirements) (Electrical Energy Meters) (Amendment) Regulations 2002, SI/3082
- The Measuring Instruments (Active Electrical Energy Meters) Regulations 2006, SI/1679

Appendix 2 – Generator and installation details required for CFR

Below is a list of information required from FIT Licensees to populate the CFR when registering a new eligible installation, and where that information may be retrieved from (marked with an "X" in the last two columns).

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



Feed-in Tariff: Guidance for Licensed Electricity Suppliers (Version 4)

Energy efficiency declaration	Declaration confirming, whether or not the installation meets the energy efficiency requirement or if it [the energy efficiency requirement] is not applicable		
Multi-installation declaration	Declaration stating whether or not the FIT generator and/or nominated recipient owns or will receive FIT payments from 25 or more other eligible solar PV installations		



Appendix 3 – Statement of FIT terms

The content of this appendix is replicated from the proposed Schedule A to Standard Condition 33 of the Electricity Supply Licence. Where the conditions refer to Mandatory FIT Licensees, this should be read as Mandatory and Voluntary FIT Licensees.

6. Statement of FIT Terms

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

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

6.3 The Principal Generator Terms shall include:

6.3.1 obligations relevant to FIT Payments, including:

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

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

- a) a description of the Complaints Procedure and a stated duty to participate in the Complaints Procedure on disputes in relation to compliance with obligations under the Scheme

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

6.4 The Principal FIT Licensee Terms shall include:

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

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

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

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

6.4.5 a term setting out the circumstances and procedures for changing the Nominated Recipient on the CFR

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

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

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

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

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

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

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

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

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

Appendix 4 – The Authority’s powers and duties

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

1.2. The Authority's powers and duties are largely provided for in statute (such as the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002 and the Energy Acts of 2004, 2008 and 2010) as well as arising from directly effective European Community legislation.

1.3. References to the Gas Act and the Electricity Act in this appendix are to Part 1 of those Acts.²⁰ Duties and functions relating to gas are set out in the Gas Act and those relating to electricity are set out in the Electricity Act. This appendix must be read accordingly.²¹

1.4. The Authority’s principal objective is to protect the interests of existing and future consumers in relation to gas conveyed through pipes and electricity conveyed by distribution or transmission systems. The interests of such consumers are their interests taken as a whole, including their interests in the reduction of greenhouse gases and in the security of the supply of gas and electricity to them.

1.5. The Authority is generally required to carry out its functions in the manner it considers is best calculated to further the principal objective, wherever appropriate by promoting effective competition between persons engaged in, or commercial activities connected with,

- the shipping, transportation or supply of gas conveyed through pipes;
- the generation, transmission, distribution or supply of electricity;
- the provision or use of electricity interconnectors.

1.6. Before deciding to carry out its functions in a particular manner with a view to promoting competition, the Authority will have to consider the extent to which the interests of consumers would be protected by that manner of carrying out those functions and whether there is any other manner (whether or not it would promote competition) in which the Authority could carry out those functions which would better protect those interests.

²⁰ Entitled “Gas Supply” and “Electricity Supply” respectively.

²¹ However, in exercising a function under the Electricity Act the Authority may have regard to the interests of consumers in relation to gas conveyed through pipes and vice versa in the case of it exercising a function under the Gas Act.

1.7. In performing these duties, the Authority must have regard to:

- the need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met;
- the need to secure that all reasonable demands for electricity are met;
- the need to secure that licence holders are able to finance the activities which are the subject of obligations on them²²; and
- the need to contribute to the achievement of sustainable development.

1.8. In performing these duties, the Authority must have regard to the interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.²³

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

- promote efficiency and economy on the part of those licensed²⁴ under the relevant Act and the efficient use of gas conveyed through pipes and electricity conveyed by distribution systems or transmission systems; protect the public from dangers arising from the conveyance of gas through pipes or the use of gas conveyed through pipes and from the generation, transmission, distribution or supply of electricity; and secure a diverse and viable long-term energy supply, and shall, in carrying out those functions, have regard to the effect on the environment.

1.10. In carrying out these functions the Authority must also have regard to:

- the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed and any other principles that appear to it to represent the best regulatory practice; and
- certain statutory guidance on social and environmental matters issued by the Secretary of State.

1.11. The Authority may, in carrying out a function under the Gas Act and the Electricity Act, have regard to any interests of consumers in relation to communications services and electronic communications apparatus or to water or sewerage services (within the meaning of the Water Industry Act 1991), which are affected by the carrying out of that function.

²² Under the Gas Act and the Utilities Act, in the case of Gas Act functions, or the Electricity Act, the Utilities Act and certain parts of the Energy Acts in the case of Electricity Act functions.

²³ The Authority may have regard to other descriptions of consumers.

²⁴ Or persons authorised by exemptions to carry on any activity.

1.12. The Authority has powers under the Competition Act to investigate suspected anti-competitive activity and take action for breaches of the prohibitions in the legislation in respect of the gas and electricity sectors in Great Britain and is a designated National Competition Authority under the EC Modernisation Regulation²⁵ and therefore part of the European Competition Network. The Authority also has concurrent powers with the Office of Fair Trading in respect of market investigation references to the Competition Commission.

²⁵ Council Regulation (EC) 1/2003

Appendix 5 - Glossary

Accredited FIT installation	means an Eligible Installation which the Authority has both determined is suitable for participation in the FIT and entered onto the CFR in accordance with the FIT Order 2010;
Affiliate	means in relation to an Licensed Electricity Supplier any holding company or subsidiary or subsidiary undertaking of a holding company of the Licensed Electricity Supplier in each case within the meaning of the Companies Act 2006;
BSC	Balancing and Settlement Code;
CCAB	Consultative Committee of Accountancy Bodies;
Central FIT Register	means the register kept and maintained by the Authority for the purpose of recording details of FIT Generators, FIT Installations and other such matters relating to the FIT;
CERT	Carbon Emissions Reduction Target;
CESP	Community Energy Saving Programme;
Commissioned	means, in relation to an Eligible Installation, the completion of such procedures and tests as constitute, at the time they are undertaken, the usual industry standards and practices for commissioning that type of Eligible Installation in order to demonstrate it is capable of operation;
Complaints procedure	means the procedure available to a FIT Generator in the event it has a complaint about any action taken by a FIT Licensee in relation to this Scheme;

Connected persons	In relation to a FIT generator or nominated recipient, means any person connected to that person within the meaning of section 1122 of the Corporation Tax Act 2010
Confirmation date	means the date on which the FIT Generator is entered onto the CFR by the Authority, such that its Eligible Installation becomes an Accredited FIT Installation;
Declared net capacity	means the maximum capacity at which the installation can be operated for a sustained period without causing damage to it (assuming the source of power used by it to generate electricity was available to it without interruption) less the amount of electricity that is consumed by the Installation;
Deemed export	means Export from an Accredited FIT Installation which may be deemed to be a percentage of the equivalent Generation Meter Reading from the same Accredited FIT Installation and period, in the event it is not possible or practical to measure it by way of Export Meter Readings, to be determined in accordance with the methodology determined by the Secretary of State as set out in the FIT Order 2010;
Degression	means the regular review and potential reduction of tariff rates for new installations based on deployment in the preceding months. For solar PV this review is quarterly;
Eligibility period	means the maximum period during which a FIT Generator can receive FIT Payments for a particular Eligible Installation, as set out in the table at Annex 1 of Schedule A to Standard Condition 33 of the Electricity Supply Licence;
Eligible installation	means, on a Site, any Installation owned by a FIT Generator capable of producing Small-scale Low-carbon Generation from the same type of Eligible Low-carbon Energy Source, the Total Installed Capacity of which does not exceed the specified maximum Declared Net Capacity;

Eligible low-carbon energy source	means the following sources of energy or technology: anaerobic digestion, as defined in the ROO; hydro generating station, as defined in the ROO; combined heat and power with an electrical capacity of 2kW or less; solar photovoltaic; wind, which may be amended from time to time by the Secretary of State insofar as the scope remains consistent with the sources of energy and technologies identified in s.41(5) EA08;
Energy efficiency requirement	Means the requirement for a FITs generator to achieve an asset rating of level D on an Energy Performance assessment of the installation that is attached to a relevant building or wired to provide electricity to one or more such buildings
EPB Regulations	In relation to the energy performance of a building in England and Wales as laid in Regulations 2007 and Scotland Regulations 2008;
Export	means the flow of electricity at any instant in time from an Eligible Installation onto a distribution system or transmission system and, if the FIT Licensee so elects, accounted for in settlement in accordance with the BSC, and Export used as a verb shall be construed accordingly;
Export meter	means a meter which measures the quantity of Export which, if registered pursuant to the BSC, such registration is to be the responsibility of the FIT Licensee;
Export meter reading	means the measure by an Export Meter of the amount of Export;
Export payment	means the sum paid to the FIT Generator or Nominated Recipient, as applicable, by a FIT Licensee, for FIT Export in any period, calculated by reference to the Export Tariff and Export Meter Reading or Deemed Export Reading;

Export tariff	means the payment rate per kilowatt hour for FIT Export from an Accredited FIT Installation as set out in the FIT Payment Rate Table at Annex 2 of Schedule A to Standard Condition 33 of the Electricity Supply Licence;
Extension	means a modification to an Accredited FIT Installation to increase its Total Installed Capacity from the same Eligible Low-carbon Energy Source, and Extend as a verb shall be construed accordingly;
FIT export	means Export or Deemed Export from an Accredited FIT Installation in relation to which a FIT Generator has requested to receive Export Payments in accordance with Part 1, clause 7.1;
FIT generator	means the Owner, identified as such in the CFR, of an Eligible Installation used or intended to be used for Small-scale Low-carbon Generation, whether or not that person is also operating or intending to operate the Eligible Installation;
FIT licensee	means the collective term for Mandatory FIT Licensees and Voluntary FIT Licensees;
FIT notification	means the notification to be submitted to the Authority by the licensee on or before 14 February in each year to confirm whether the licensee is: a Mandatory FIT Licensee; or a Voluntary FIT Licensee; or neither a Mandatory FIT Licensee nor a Voluntary FIT, by reference to its status as at 31 December of the previous calendar year. In FIT Year 1, the FIT Notification must be submitted on or before 30 June 2010 by reference to a licensee's status as at Implementation;
FIT Order 2010	means an order made in accordance with sections 43(3) and 41(1) EA08;
FIT payments	means, as applicable, the Generation Payments and/or Export Payments;

FIT scheme	means the scheme for feed-in tariffs introduced in accordance with sections 41 to 43 EA08, as set out in Standard Condition 33 of the Electricity Supply Licence, and Schedule A to Standard Condition 33 of the Electricity Supply Licence;
FIT year	means the year commencing on 1st April and ending on 31st March numbered sequentially from FIT Year 1 (being 1st April 2010 to 31st March 2011) to FIT Year 11;
Generation meter	means a meter which measures the quantity of electricity generated by an Accredited FIT Installation, for which the FIT Generator is responsible;
Generation payment	means the sum paid to the FIT Generator or Nominated Recipient, as applicable, by a FIT Licensee, for the electricity generated by Accredited FIT Installations in any period, calculated by reference to the Generation Tariff and Generation Meter Readings;
Generation meter reading	means the measure by a Generation Meter of the gross amount of electricity generated by an Accredited FIT Installation;
Generation tariff	means the payment rate per kilowatt hour of electricity generated by an Accredited FIT Installation as set out in the FIT Payment Rate Table at Annex 2 of Schedule A to Standard Condition 33 of the Electricity Supply Licence;
Implementation	means the date on which the FIT Scheme becomes operational;
Insolvency event	to be interpreted in accordance with paragraphs 1(f)-(g), 2 and 3 of Schedule 2 on Revocation of the Electricity Supply Licence;
Levelisation payment	means the payment required to be made by a FIT Licensee to the Authority or by the Authority to the FIT Licensee, in accordance with the Levelisation Process as determined in the FIT Order 2010;

Levelisation process	means the process by which the total cost of the FIT Order 2010 Scheme is allocated between Licensed Electricity Suppliers in proportion to the size of their share in the electricity supply market of Great Britain, as determined in accordance with the FIT Order 2010;
Mandatory FIT licensee	means a Licensed Electricity Supplier which either: supplies electricity to at least 50,000 domestic customers; or together with its Affiliates jointly supplies electricity to at least 50,000 domestic customers, as at 31 December before the start of each FIT Year; and effective on and from the 1 April of the current FI Year;
MCS-certified installation	means an Eligible Installation using an MCS-FIT Technology which has been recognised by MCS or equivalent as satisfying relevant equipment and installation standards;
MCS-certified registration	means the process whereby an Eligible Installation confirmed as an MCS-certified Installation is entered onto the CFR by the Authority;
MCS or equivalent	means the Microgeneration Certification Scheme or equivalent schemes accredited under EN 45011, which certify microgeneration products and installers in accordance with consistent standards;
MCS-FIT technology	means the following Eligible Low-carbon Energy Sources for which MCS-certified Registration is required: solar photovoltaic with a capacity of 50kW or less; wind with a capacity of 50kW or less; hydro generating station with a capacity of 50kW or less; combined heat and power with an electrical capacity of 2kW or less; which may be amended from time to time by the Secretary of State insofar as the scope remains consistent with s.41(5) EA08;

Migrated ROO generator	means a Generator whose generation installation was accredited under the ROO as at Implementation and who notifies the Authority, or, as the case may be, a FIT Licensee, of their intention to participate in the FIT and whose Eligible Installation is subsequently accredited by the Authority in accordance with the FIT Order;
Multi-installation tariff	The reduced tariff rate, applicable from 1 April 2012 to any solar PV installation where the FIT generator or nominated recipient already owns or receives FIT payments from 25 or more other eligible solar PV installations. This is subject to whether the energy efficiency requirement has also been met
Nominated recipient	means a person appointed by a FIT Generator to receive FIT Payments in respect of an Accredited FIT Installation owned by that FIT Generator and recorded as such on the FIT Central Register;
Original FIT installation	means a person appointed by a FIT Generator to receive FIT Payments in respect of an Accredited FIT Installation owned by that FIT Generator and recorded as such on the FIT Central Register;
Owner	means, in relation to any Installation which is the subject of a hire purchase agreement, a conditional sale agreement or any agreement of a similar nature, the person in possession of the Plant under that agreement, and in all other contexts it shall bear its ordinary meaning, Owned as a verb shall be construed accordingly;
Part 1	means Part 1 of Schedule A to Standard Condition 33 of the Electricity Supply Licence;
Part 2	means Part 2 of Schedule A to Standard Condition 33 of the Electricity Supply Licence;
Part 3	means Part 3 of Schedule A to Standard Condition 33 of the Electricity Supply Licence;
Plant	means any equipment, apparatus or appliance;

Principal FIT licensee terms	means the principal terms, to be included in the Statement of FITs Terms, which relate to the obligations which a FITs Generator must satisfy in order to receive FITs Payments from a FIT Licensee;
Principal generator terms	means the principal terms, to be included in the Statement of FITs Terms, which relate both to FITs Payments and the protection of FITs Generators;
Reduction	means a modification to an Eligible Installation to decrease its Total Installed Capacity from the same Eligible Low-carbon Energy Source, and Reduce as a verb shall be construed accordingly;
ROO	means collectively the Renewables Obligation Order 2009 and Renewables Obligation (Scotland) Order 2009 (or equivalent determinations under any amendments to those Orders or re-enactments of the RO upon revocation of those Orders);
ROO-FIT accreditation	means the process of accreditation pursuant to the FIT Order to be undertaken in respect of an Eligible Installation not using an MCS-FIT Technology;
Site	means the premises to which are attached one or more Accredited FIT Installations or Eligible Installations in close geographical proximity to each other, to be determined as required by the Authority by reference to: the relevant Meter Point Administration Number (MPAN) for electricity supply; Installation Location address including postcode; or OS grid reference; and any other factors which the Authority at its discretion views as relevant;
Small-scale low-carbon generation	means the use, for the generation of electricity, of any Plant: which, in generating electricity, relies wholly or mainly on an Eligible Low-carbon Energy Source; and the Total Installed Capacity of which does not exceed the specified maximum Declared Net Capacity;

Feed-in Tariff: Guidance for Licensed Electricity Suppliers (Version 4)

Specified maximum capacity	means the maximum capacity specified in the FIT Order;
Statement of FIT terms	means the statement of terms and conditions agreed between the FIT Licensee and FIT Generator in relation to participation in the FIT;
Switching	means the process involved when a FIT Generator elects to change its FIT Licensee, and Switch used as a verb shall be construed accordingly;
Tariff code	means a code allocated to each Accredited FIT Installation identifying the: FIT Year in which the Eligibility Date falls; Eligible Low-carbon Energy Source; and other characteristics relevant to the Accredited FIT Installation;
Total installed capacity	means the maximum capacity at which an Eligible Installation could be operated for a sustained period without causing damage to it (assuming the Eligible Low-carbon Energy Source was available to it without interruption), a declaration of which is submitted as part of the processes of ROO-FIT Accreditation and MCS-certified Registration;
Transfer date	Means the date upon which a FIT Generator is deemed to have Switched in relation to an Accredited FIT Installation;
Voluntary FIT licensee	means a licensee which is not a Mandatory FIT Licensee but which voluntarily elects to participate in making FIT Payments under the FIT scheme;
WHD	Warm Homes Discount

Appendix 6 – Solar PV declarations (new installations and extensions)

Feed-in Tariff (FIT) solar PV declarations (new installations and extensions)

All applications for accreditation of new solar PV installations (including extensions to existing installations), with an eligibility date on or after 1 April 2012, need to be accompanied by a copy of this document with the relevant section signed and dated. This will then be used by FITs licencees/Ofgem as appropriate to determine whether or not (i) the energy efficiency requirement applies and, if so, has been met; and (ii) the multi-installation tariff rates should apply.

If your application is for a new PV installation with an eligibility date on or after 1 April 2012, you must sign two of the enclosed declarations; one declaration from the energy efficiency section and one declaration from the multi-installation section. Tick one of the boxes in relation to the energy efficiency declarations **and** one of the boxes in relation to the multi installation declarations. Then go on to sign the two relevant declarations.

However, if your application is for an extension to an existing PV installation, you must sign one declaration from the energy efficiency section only. Tick one of the boxes in relation to the energy efficiency declarations then go on to sign the relevant declaration.

Please read the following information to understand which of the declarations are relevant to you.

Energy Efficiency declaration

Tick **one** of the following boxes in relation to the energy efficiency requirement and sign the relevant declaration overleaf:]

- The energy efficiency requirement does apply and an Energy Performance Certificate (EPC) rating of level D or above *has* been achieved (complete declaration '1')
- The energy efficiency requirement does not apply because my installation is not attached or wired to provide electricity to a 'relevant building'²⁶ (complete declaration '2')
- The energy efficiency requirement does apply and an EPC rating of level D or above *has not* been achieved (complete declaration '3')

Multi-installation declaration

Tick **one** of the following boxes in relation to the multi-installation requirement and sign the relevant declaration overleaf:

²⁶ "relevant building" means a roofed construction having walls, for which energy is used to condition the indoor climate, other than such a building for which an energy performance certificate cannot be issued; and a reference to a relevant building includes a reference to part of such a building which has been designed or altered to be used separately;

- The 'FIT generator'²⁷ or 'nominated recipient'²⁸ owns or will receive FIT payments from 25 or more other eligible solar PV installations (complete declaration '4')
- Neither the FIT generator or nominated recipient owns or will receive FIT payments from 25 or more other eligible solar PV installations (complete declaration '5')

²⁷ "FIT generator" means the Owner, identified as such in the CFR, of an Eligible Installation used or intended to be used for Small-scale Low-carbon Generation, whether or not that person is also operating or intending to operate the Eligible Installation

²⁸ "nominated recipient" means a person appointed by a FIT Generator to receive FIT Payments in respect of an accredited FIT Installation owned by that FIT Generator

Energy Efficiency declarations

(sign one declaration only from declarations 1-3)

Declaration 1

I _____ certify in respect of this application for accreditation that all of the following are applicable:

- a. the eligible PV installation is attached to or wired to provide electricity to one or more relevant buildings¹;
- b. a valid energy performance certificate is enclosed in respect of the building (or one of the buildings) to which the PV installation is attached or wired to provide electricity;
- c. the enclosed energy performance certificate is the most recently issued energy performance certificate in respect of that building;
- d. the enclosed energy performance certificate certifies that the relevant building to which it relates has been assessed as being within bands A-D;

(‘e’ and ‘f’ relevant if energy performance certificate issued in England and Wales only: if energy performance certificate issued in Scotland ignore ‘e’ and ‘f’ below and sign the declaration)

- e.
 - (i) I am an owner or tenant of the relevant building to which the enclosed energy performance certificate relates; or
 - (ii) I certify that I am not a person mentioned in (i) but such a person has co-signed this document;
- f. I: or (where this declaration is co-signed by another person, that person) consent to the disclosure of the enclosed energy performance certificate and / or the information contained within it to one or more FIT Licensees, the Gas and Electricity Markets Authority (Ofgem) and ministerial departments of the government and devolved administrations for retention and use by them for all purposes connected with administering, auditing, reporting on and performing statistical analysis on the Feed-in Tariff scheme for the duration of that scheme.

Signed _____

Counter signed
(if e (ii) applies) _____

Dated _____

Declaration 2

I _____ certify in respect of this application for accreditation that the eligible PV installation is not attached or wired to provide electricity to any 'relevant building'¹.

I have enclosed evidence supporting this declaration that the eligible PV installation is not attached or wired to provide electricity to any 'relevant building'.

Signed _____

Dated _____

Declaration 3

I _____ certify that declarations 1 and 2 above do not relate to my eligible solar PV installation. An EPC level D or above *is required* AND *has not* been achieved.

I understand that this means I will receive the lower FIT generation tariff.

Signed _____

Dated _____

Multi-installation declarations

(sign one declaration only from declarations 4-5, unless your application is for the accreditation of an extension to an existing PV installation in which case you do not need to sign either of these declarations)

Declaration 4

I _____ ('the FIT Generator') (and²⁹ I _____ ('the Nominated Recipient*')) certify in respect of this application for accreditation that either the FIT Generator or the Nominated Recipient (if there is one) are, or have applied to be, the FIT Generator or Nominated Recipient for 25 or more other eligible PV installations located on different Sites.

In this certification, references to the 'FIT Generator' and 'Nominated Recipient' include all persons who are 'connected persons'³⁰ in relation to them.

Signed FIT generator: _____

Signed Nominated recipient*: _____

Dated: _____

Please tick the relevant box or boxes to confirm whether the FIT generator and/or the nominated recipient owns or will receive FIT payments from 25 or more other eligible solar PV installations:

- FIT generator
- Nominated recipient*

*where applicable

²⁹ Only to be completed where there is a nominated recipient

³⁰ A 'connected person' in relation to a FIT generator or a nominated recipient, means any person connected to that person within the meaning of section 1122 of the Corporation Tax Act 2010.

Declaration 5

I _____ ('the FIT Generator') (and³¹ I _____ ('the Nominated Recipient*')) certify in respect of this application for accreditation that neither the FIT Generator nor the Nominated Recipient (if there is one) are, or have applied to be, the FIT Generator or Nominated Recipient for 25 or more other eligible PV installations located on different Sites.

In this certification, references to the 'FIT Generator' and 'Nominated Recipient' include all persons who are 'connected persons' in relation to them.

Signed FIT generator: _____

Signed Nominated recipient*: _____

Dated: _____

*where applicable

³¹ Only to be completed where there is a nominated recipient

Appendix 7 - Solar PV declaration (change to the FIT generator or nominated recipient)

Feed-in Tariff (FIT) solar PV declaration – change to the FIT generator or nominated recipient

You must sign one of the enclosed declarations where the FIT generator or nominated recipient changes.

Please read the following information to understand which of the declarations are relevant to you.

Tick one of the following boxes then go on to sign the relevant declaration:

- The new 'FIT generator'³² or 'nominated recipient'³³ owns or will receive FIT payments from 25 or more other eligible solar PV installations (complete declaration '1')
- The new FIT generator and or the new nominated recipient does not own or will not receive FIT payments from 25 or more other eligible solar PV installations (complete declaration '2')

³² "FIT generator" means the Owner, identified as such in the CFR, of an Eligible Installation used or intended to be used for Small-scale Low-carbon Generation, whether or not that person is also operating or intending to operate the Eligible Installation

³³ "nominated recipient" means a person appointed by a FIT Generator to receive FIT Payments in respect of an accredited FIT Installation owned by that FIT Generator

NOTE: Sign one declaration only

Declaration 1

I _____ ('the new FIT Generator') (and³⁴/or I _____ ('the new Nominated Recipient*')) certify in respect of this notice of change of identity that the new FIT Generator or the new Nominated Recipient (as applicable) is, or has applied to be, the FIT Generator or Nominated Recipient for 25 or more other PV eligible installations located on different Sites.

In this certification, references to the 'FIT Generator' and 'Nominated Recipient' include all persons who are 'connected persons'³⁵ in relation to them.

Signed FIT generator: _____

Signed Nominated recipient*: _____

Dated: _____

Please tick the relevant box or boxes to confirm whether the FIT generator and/or the nominated recipient owns or will receive FIT payments from 25 or more other eligible solar PV installations:

- FIT generator
- Nominated recipient*

*where applicable

³⁴ Only to be completed where there is a nominated recipient

³⁵ A 'connected person' in relation to a FIT generator or a nominated recipient, means any person connected to that person within the meaning of section 1122 of the Corporation Tax Act 2010.

Declaration 2

I _____ ('the new FIT Generator') (and³⁶/or I _____ ('the new Nominated Recipient*')) certify in respect of this notice of change of identity that the new FIT Generator or the new Nominated Recipient (as applicable) is not, or has not applied to be, the FIT Generator or Nominated Recipient for 25 or more other PV eligible installations located on different Sites.

In this certification, references to the 'FIT Generator' and 'Nominated Recipient' include all persons who are 'connected persons'³⁷ in relation to them.

Signed FIT generator: _____

Signed Nominated recipient*: _____

Dated: _____

*where applicable

³⁶ Only to be completed where there is a nominated recipient

Appendix 8 - Feedback

1.1. We welcome any comments about this document. We would be keen to get your answers to the following questions:

- 1.** Do you have any comments about the overall tone and content of the guidance?
- 2.** Was the guidance easy to read and understand, could it have been better written?
- 3.** Please add any further comments?

1.2. Please send your comments to:

Team: Environmental Programmes
Address: Ofgem, 9 Millbank, London SW1P 3GE
Telephone number: 0207 901 3085
Email: FITCompliance@ofgem.gov.uk