ofgem E-Serve Promoting choice and value
for all gas and electricity customers

Feed-in Tariff: Guidance for renewable installations (Version 5)

Guidance

Reference:	57/13	**Contact:**	Renewables & CHP team
Publication date:	19 April 2013	**Team:**	Environmental Programmes
		Tel:	020 7901 7310
		Email:	ROOFIT@ofgem.gov.uk

Overview:

This guidance for renewable installations provides an overview of the Feed-in Tariff (FIT) scheme, its eligibility criteria and explains the process of seeking accreditation and preliminary accreditation.

This document is intended for owners, or potential owners, of Solar PV and wind installations with a Declared Net Capacity (DNC) over 50kW and all anaerobic digestion and hydro installations not exceeding 5MW who want to benefit from the FIT scheme.

The document supersedes the 'Feed-in Tariff: Guidance for renewable installations (Version 4)' and takes into account amendments to the FIT legislation following the Comprehensive Review of the scheme. Other minor amendments have been made to provide greater clarity on aspects of the FIT scheme administration.

This guidance is not intended to be a definitive technical or legal guide to the FIT scheme.

Context

The FIT scheme is intended to encourage the uptake of small scale renewable and low-carbon technologies up to a total installed capacity (TIC) of 5MW located in England, Wales and Scotland. The FIT scheme creates an obligation for certain Licensed Electricity Suppliers to make tariff payments for the generation and export of renewable and low carbon electricity. Installations using solar photovoltaic (PV), wind, hydro and anaerobic digestion (AD) technologies up to 5MW and fossil fuel derived Combined Heat and Power (CHP) up to 2kW or "microCHP", (up to a maximum of 30,000 Eligible Installations) can receive FIT payments, providing all eligibility requirements are met.

The FIT scheme replaces the Renewables Obligation (RO) as the main mechanism of support for PV, wind and hydro installations with a declared net capacity (DNC) of 50kW or less ("micro installations"). The scheme also provides eligible small scale generators with a DNC over 50kW to 5MW ("small installations") the one-off choice of applying under the FIT or the RO.

A FIT scheme was not introduced in Northern Ireland. Instead, additional incentives were put into place via a change to the Northern Ireland Renewables Obligation (NIRO) Order for generating stations of certain technologies and installed capacities.

The FIT scheme was introduced by the Department of Energy and Climate Change (DECC) in April 2010 and is administered by the Gas and Electricity Markets Authority (the Authority), whose day to day functions are performed by Ofgem.[1]

Associated documents

- The Feed-In Tariffs (Specified Maximum Capacity and Functions) Order 2010
- The Feed-In Tariffs Order 2012
- Schedule A to Standard Licence Condition (SLC) 33
- Renewables Obligation Order 2009
- Feed-in Tariff Scheme: Guidance for Licensed Electricity Suppliers
- Renewables Obligation: Guidance for generators (May 2011)
- Renewables and CHP Register User Guide (April 2008)
- Feed-in Tariff: "Generating equipment" decision (February 2013)
- Feed-in Tariff: Guidance for Community Energy and School Installations[2]

[1] Ofgem is the office of GEMA and "the Authority", "Ofgem" & "GEMA" are used interchangeably in this document

Contents

[2] The new guidance document has been published following the July 2012 Government Response to Phase 2B of the Feed-in tariff Comprehensive Review.

Executive Summary

Purpose of this document

The purpose of this document is to provide guidance to existing or prospective FIT generators and to set out Ofgem's procedures for administering the accreditation provisions under FIT legislation. Specifically, this document discusses the ROO-FIT accreditation and preliminary accreditation processes. It also discusses eligibility for solar PV and wind installations with a DNC over 50kW up to 5MW, and all AD and hydro installations with a capacity up to 5MW.

'Feed-in Tariff: Guidance for renewable installations' has been updated to Version 5 to accommodate recent amendments to both the Standard conditions of electricity supply licence (also referred to as the supplier licence conditions: SLC) and the FIT Order. These amendments implemented the outcomes of the FIT Comprehensive Review 2B. In addition, Version 5 provides further information on existing aspects of the scheme. Specifically, the energy efficiency requirement and multi-installation tariff sections (Chapter 3) have been revised in their entirety to clarify how these requirements work.

The 'Feed-in Tariff: Guidance for Licensed Electricity Suppliers' and 'Feed-in Tariff: Guidance for Community Energy and School Installations' are associated documents for the FIT scheme.

What is the Feed-in Tariff scheme (FIT)?

The FIT scheme is a government programme designed to promote the uptake of a range of small-scale renewable and low-carbon electricity generation technologies.

The scheme requires certain Licensed Electricity Suppliers (FIT Licensees) to pay a generation tariff to small-scale low-carbon generators for electricity generated. An export tariff is also payable where electricity is exported to the transmission or distribution network.

The scheme is applicable to a range of technologies up to a maximum total installed capacity of 5MW.

Article 31 of the FIT Order sets out that the Authority may publish procedural guidance for various scheme participants in connection with the administration of the FIT scheme.

How to apply for the scheme: five steps to receiving FIT payments

Step 1 - Check whether you are using an eligible technology

If your installation generates renewable electricity using solar PV, wind, hydro or AD and has a Total Installed Capacity (TIC) of up to 5MW or is a fossil fuel derived CHP with a TIC up to 2kW, you may be able to receive FIT payments.

Step 2 - Make an application for accreditation

Applications for accreditation are made through one of two routes:

- Customers using solar PV or wind with a Declared Net Capacity (DNC) up to 50kW, or CHP up to a TIC of 2kW ("microCHP"), need to ensure they use Microgeneration Certification Scheme (MCS) certified equipment installed by an MCS certified installer. Applicants should approach their electricity supplier for accreditation.

- Solar PV and wind installations with a DNC over 50kW up to a TIC of 5MW and AD or hydro installations of any capacity up to 5MW should apply to Ofgem for ROO-FIT accreditation. Such applications should be made to us via a generator account set up on our Renewables and CHP Register[3] (the Register). More detail on ROO-FIT accreditation is available in Chapter 4 of this document.

Step 3 - Agree to a Statement of FIT Terms[4] with your supplier

Step 4 - Provide meter readings to your supplier who will make FIT payments

Step 5 - Need more advice?

This document provides guidance for applicants using the ROO-FIT accreditation process, set out in Step 2 above.

The initial point of contact for anyone wanting to find out more about electricity generation and how they can join the scheme should contact the Energy Saving Advice Service in England and Wales (www.energysavingtrust.org.uk or 0300 123 1234) and the Energy Saving Trust in Scotland (www.energysavingtrust.org.uk/scotland or 0800 512 012).

This a guidance document only. At all times, the onus is on the owner of the installation to ensure that they are aware of the requirements of the FIT Order and related legislation.

[3] www.renewablesandchp.ofgem.gov.uk
[4] See Chapter 4 for more information

1. Introduction

Chapter summary

Sets out Ofgem's role in the FIT scheme and introduces the purpose and key areas covered by this document.

1.1. The FIT scheme requires FIT Licensees to pay fixed tariffs to qualifying renewable and combined heat and power (CHP) installations for electricity generated and electricity exported to the transmission or distribution network. The cost of the FIT scheme is spread across each of the FIT Licensees based upon their share of domestic electricity supply customers, in a process known as levelisation.

1.2. Generation payment rates vary depending on the technology and TIC of the installation. An installation will receive the generation tariff rate and export tariff rate applicable on the Eligibility Date of the installation.

1.3. Generation and export tariffs are adjusted by the Retail Prices Index by Ofgem in accordance with FIT legislation.

1.4. All solar PV installations and extensions with an Eligibility Date of 1 August 2012 onward receive an increased export tariff rate regardless of capacity. Tariff information is available from Ofgem's website[5].

1.5. Installations which (when accredited) would have eligibility dates after 1 December 2012 must meet the eligibility criteria[6], in order to qualify for FIT payments. This document explains what these criteria are. For installations which have an Eligibility Date prior to 1 December 2012, the criteria are slightly different. In these circumstances, please contact Ofgem for more information.

1.6. Applications for FIT payments are made through one of two routes:

- Owners of solar PV or wind installations with a DNC of 50kW or less, or microCHP, need to ensure they use Microgeneration Certification Scheme (MCS) certified equipment installed by an MCS certified installer. Applicants should approach their electricity supplier for further details relating to accreditation.

- Owners of solar PV or wind installations with a DNC over 50kW up to a TIC of 5MW and AD or hydro installations of any capacity up to 5MW must apply to Ofgem for ROO-FIT accreditation. More detail on ROO-FIT accreditation is available in Chapter 4 of this document.

[5] www.ofgem.gov.uk/FITs

[6] as set out in The Feed-in Tariffs Order 2012 (the "FIT Order") and the revised Schedule A to Standard Licence Condition 33

Role of Ofgem in the FIT

1.7. Ofgem has a number of statutory duties and functions to perform in respect of the FIT scheme. These include:

- assessing and determining applications for preliminary accreditation in respect of wind and solar PV installations over 50kW DNC up to 5MW TIC and all installations using hydro or AD technology up to 5MW TIC
- assessing and determining applications for accreditation in respect of wind and solar PV installations (over 50kW up to 5MW), and all installations using hydro or AD technology in generating electricity
- assessing and determining applications for pre-registration of "community energy installations" and "school installations"
- allocating tariff codes and (where applicable) rates
- calculating and publishing FIT payment rate tables
- establishing and maintaining the Central FIT Register
- calculating, periodically and annually, the FIT contribution of each Licensee, receiving Levelisation Payments from all FIT Licensees, and making Levelisation Payments
- monitoring Licensed Electricity Suppliers' compliance with the requirements of Section C of the Electricity Supply Licence and the FIT Order 2012
- publicly reporting on Licensed Energy Suppliers' compliance, and
- publicly reporting the total number of FIT Generators registered on the Central FIT Register, and the number of MWh generated and FIT Payments made under the FIT.

1.8. We carry out these functions as efficiently and effectively as possible according to the provisions of the relevant legal requirements. We cannot act beyond the scope of the powers laid down in legislation and the FIT Order. Amendments to the relevant legislation and Orders are a matter for the Secretary of State.

Queries

1.9. Any queries in relation to our functions under the legislation should be emailed to our dedicated support team at ROOFIT@ofgem.gov.uk. The nature of the query should be clearly marked. Written queries should be sent to the address on the front of this document, clearly marked for the attention of the ROO-FIT Team.

1.10. For telephone enquiries, the team can be contacted on 020 7901 7310 during office hours.

Changes to the FIT Order (December 2012)

1.11. The enactment of the new FIT Order in December 2012 and related modifications to the Electricity Supplier Licence conditions has the effect of implementing the outcome of the Government's Response to the consultation on the Comprehensive Review Phase 2B of the FIT scheme, July 2012.

1.12. We have updated this document to take account of these changes.

1.13. Separately, guidance has been published for community energy or school installations. This can be found on our website[7].

1.14. Further information on all policy consultations and decisions can be found on the DECC website[8].

This document

1.15. Article 31 of the FIT Order sets out that the Authority may publish procedural guidance for various participants in connection with the administration of the FIT scheme. The purpose of this document is to provide guidance to existing or prospective FIT Generators and to set out procedures for implementing the accreditation provisions under FIT legislation

1.16. This document is an updated version of the 'Feed-in Tariff: Draft Guidance for renewable installations (Version 5)' and replaces the draft version that was published for feedback on 30 November 2012. It is intended to be a working document and may be updated from time to time as the scheme evolves.

1.17. The document does not anticipate every scenario which may arise. Where a scenario arises which is not addressed in these procedures, we will adopt an approach consistent with the relevant legislation. Any separate guidance published in addition to this document will be posted on our website.

1.18. This is a guidance document only. At all times, the onus is on the owner of the installation to ensure that they are aware of the requirements of the FIT Order and related legislation. This document is not intended to provide comprehensive legal advice on how the FIT Order should be interpreted.

1.19. This document is procedural guidance in connection with the administration of the FIT scheme. This guidance sits below the obligations, powers and duties that arise in connection with the FIT Order and the SLC. Note

[7] www.ofgem.gov.uk
[8] www.gov.uk/decc

that in the event of an inconsistency between the FIT Order and the SLC, the FIT Order prevails.

1.20. General questions on this document and ROO-FIT accreditation should be directed to the ROO-FIT Team (ROOFIT@ofgem.gov.uk and 020 7901 7310).

1.21. Specific questions relating to compliance with the SLCs and FIT Order should be directed to the FIT Compliance Manager (fitcompliance@ofgem.gov.uk).

1.22. Specific questions regarding the Central FIT Register and Fraud Prevention should be directed to the Central FIT Register Manager (fitregister@ofgem.gov.uk).

1.23. Specific questions regarding community energy or school installations should be directed to the FIT Community Team (fitcommunity@ofgem.gov.uk).

1.24. "Ofgem", "us", "our" and "we" are used interchangeably when referring to the exercise of the Authority's powers and functions under the Orders.

2. Eligibility for the FIT scheme

Chapter summary

Outlines the key eligibility requirements of the FIT Order and Schedule A to Standard Licence Condition 33. These requirements are covered in detail in the this chapter.

Eligibility Requirements

2.1. When determining the eligibility, the following requirements are considered:

- the "Site"
- rating of generating equipment
- the implications of Non-Fossil Fuel Obligation (NFFO)/Scottish Renewables Obligation (SRO) contracts
- extensions
- energy efficiency requirements (including benefits for Community Organisations and Education Providers
- multi-installation tariffs
- the combination of FITs and grants.

Definitions of "Eligible Installation" and "Site"

2.2. The boundary of the "Eligible Installation" and the "Site" of the installation will be determined as part of our assessment of an application for ROO-FIT accreditation. This determination is relevant because, under the FIT Order, the total capacity of the same eligible technology type on a single Site will affect eligibility and tariff level.

Eligible Installation

2.3. "Eligible Installation"[9] is defined as:

"any Plant on a Site which is capable of Small-scale Low-carbon Generation; and except as provided otherwise in the FIT Order all such Plant on the same Site which is capable of generating electricity from the same type of Eligible Low-carbon Energy Source is to be treated as a single Eligible Installation."

2.4. Where "Plant" is further defined as:

"any equipment, apparatus or appliance."

[9]Schedule A to Standard Condition 33 of the Electricity Supply Licence

2.5. Given these definitions, we expect any application made to us to set out all of the Plant that constitutes the Eligible Installation in question. Furthermore, we expect all of this Plant to have been commissioned and an application submitted (see 'How to apply for accreditation section', Chapter 4), if accreditation is to be granted.

2.6. For the purposes of ROO-FIT accreditation, an installation is eligible if it is an installation that does not use an MCS-FIT technology and would receive accreditation under the Renewable Obligation Order (ROO), were an application to be made for such an accreditation[10].

Defining "Site"

2.7. In advance of accreditation being granted, we must undertake an assessment of the "Site" of all Eligible Installations of the same technology. The extent of the Site will determine the extent of the Eligible Installation that is eligible for FITs payments. The extent of the Eligible Installation will in turn determine its capacity and its generation tariff.

2.8. Site is determined by reference to the following criteria:

a) the meter point administration number ("MPAN") of the meter measuring the supply of electricity to the premises at which the installation is located
b) the address of the premises at which the installation is located
c) the Ordnance Survey grid reference at which the installation is located, and
d) any other factors which the Authority considers relevant.

2.9. Under criteria "d" above, the other factors that we will take into account include those covered under our guidance regarding the definition of a "generating station" developed under the Renewable Obligation (RO).

2.10. The Site assessment is completed as part of our review of an application for FIT accreditation (or preliminary accreditation). The assessment is completed on a case-by-case basis taking into account each of the factors detailed in paragraph 2.8 above.

2.11. A domestic or non domestic postal address at which an installation (or several installations of the same technology) is located would normally be viewed as a single Site, but not in every case.

2.12. In the main, where more than one installation of the same technology connects to the distribution or transmission network through the same grid connection (and hence share the same supply and/or export MPAN) they will be considered to be located on the same Site.

[10] Article 6(1)(a),6(3)(b) - FIT Order

Significance of MPAN in prescribed cases

2.13. There are three scenarios where the supply MPAN - criteria "a" above - will not be taken into account when completing the Site assessment. This will enable certain installations sharing a grid connection but that are not otherwise electrically or mechanically connected to be considered to be located on separate Sites. The three scenarios are:

1. Where two or more Eligible Installations of the same eligible low carbon energy source are attached to self contained private residential dwellings, eg park homes[11].
2. Where two or more hydro installations are supplied with water by or from separate civil works[12].
3. Where two or more hydro installations are supplied with water by or from the same civil works and one or more of those installations are driven by a statutory compensation flow[13].

Claiming FIT payments when Site is determined in prescribed cases

2.14. Where several Sites share a grid connection, each Site should independently meter the renewable electricity generated. If separate generation metering is not available, generation payments may be calculated by pro-rating any meter readings that may be available[14].

2.15. Where several Sites share a grid connection, eligibility to receive FIT export payments may be affected:

- Where the TIC of an Eligible Installation on a Site is 30kW or less, FIT export payments can be deemed.
- Where the TIC of an Eligible Installation on a Site is greater than 30kW, and it is not possible to separately meter the renewable electricity exported onto the distribution or transmission network from that individual Site, it is not possible to deem the amount of export. In such circumstances the export from the Site may be calculated by pro-rating any meter readings that may be available. It may alternatively be possible to independently negotiate a Power Purchase Agreement (PPA) with an energy company outside of the FIT scheme.

Specified maximum capacity

2.16. The "specified maximum capacity" of Eligible Installations is 5MW TIC[15]. This means that, on a Site, it is possible to have up to 5MW of generating capacity installed that generates electricity from the same eligible low-carbon

[11] Article 15(4)(a) - FIT Order
[12] Article 15(4)(b) - FIT Order
[13] Article 15(4)(c) - FIT Order
[14] Schedule A to Standard Condition 33 of the Electricity Supply Licence
[15] Article 3 FIT Order 2012

energy source. Should the TIC exceed 5MW, all Eligible Installations of the same technology that constitute the TIC will become ineligible under the scheme.

Definition of TIC and DNC

2.17. TIC is defined in Schedule A to Standard Licence Condition 33 as:

"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."

2.18. DNC is defined in Schedule A to Standard Licence Condition 33 as:

"The maximum capacity at which the installation can be operated for a sustained period without causing damage to it (assuming the source of power used by it to generate electricity was available to it without interruption) less the amount of electricity that is consumed by the plant."

2.19. When assessing a ROO-FIT application, we must have regard for the definitions of TIC and DNC. The FIT Generator will declare the TIC and DNC of their installation as part of their application for ROO-FIT accreditation. In the main, we would consider the capacity rating of the generating equipment to indicate the TIC of the installation, with any other restrictions, such as the capacity of parasitic loads, being factored into the DNC.

2.20. Given the importance of TIC when determining tariffs for an Eligible Installation we will request third party verification of it during the accreditation process. This could take the form of a declaration made by the installer or manufacturer of the generating equipment. If, for any reason, we remain unclear as to the TIC of an Eligible Installation, we will request that the applicant arranges for an independent audit report to be submitted to us. This report will attest to the TIC of the Eligible Installation, with reference to the legislative definition.

De-rating or altering an installation to cap its generating capacity

2.21. Where an applicant wishes to declare a TIC which deviates from the capacity rating of the generating equipment, it is the responsibility of the FIT Generator to provide us with sufficient evidence which establishes the TIC of the installation. If a FIT Generator wishes to apply for accreditation of an installation on the basis of de-rated or capped capacity equipment, they will need to satisfy Ofgem that the TIC is in accordance with the FIT Order. Further information can be provided upon request by email: ROOFIT@ofgem.gov.uk

Definition of "Commissioned"

2.22. The Eligibility Date (see Chapter 4) of an Eligible Installation is important as, in the majority of cases, it will determine the generation and export tariff. The date on which an Eligible Installation is commissioned will be its Eligibility Date, as long as an application for accreditation is made in advance of the installation being commissioned[16].

2.23. The term "commissioned" is defined in FIT legislation[17] as meaning:

In relation to an Eligible Installation, that:

(a) such procedures and tests have been completed as constitute, at the time they are undertaken, the usual industry standards and practices for commissioning that type of installation such that it is capable of operating at its Declared Net Capacity (assuming that the relevant Eligible Low-Carbon Energy Source was available to it without interruption or limitation), and

(b) the installation is connected to Plant such that the whole of its maximum output could be used in a permitted way.

For this purpose:

(1) the maximum output of an installation is the amount of electricity that it would generate if operated at its Declared Net Capacity; and

(2) electricity is used in a permitted way if it is:

(i) consumed by the FIT Generator or (if different) the operator of the installation, or by persons to whom it is supplied by the FIT Generator, or
(ii) Exported.

2.24. During our assessment of an application for accreditation, we will request independent verification that the Eligible Installation in question has been commissioned. This information will be assessed against the definition in the FIT Order. Such verification could take the form of:

- notice from the Distribution or Transmission Network Operator that the installation was permitted to export to the grid, for example witnessed G59/2 test documentation
- confirmation from the installer as to the date on which the installation was commissioned, and/or
- An audit report from an independent party that attests to when the installation was commissioned and the configuration of the installation at the relevant date.

Metering

[16] An application for ROO-FIT accreditation can be made up to two months prior to commissioning through the Renewables & CHP Register.
[17] Schedule A to Standard Condition 33 of the Electricity Supply Licence

2.25. FIT payments are based on generation and export meter readings[18]. All metering used for measuring generation and export from FIT installations must be approved to set standards (see below). Exported electricity can be deemed[19] for installations with a TIC of 30kW or less where it is not possible or practical to measure electricity generation with an export meter[20]. For all other installations, an approved export meter is required in order to receive FIT export payments.

Metering requirements

2.26. All metering which is intended to be used to record generation or export for FIT payment purposes must comply with specific metering legislation[21].

2.27. The National Measurements Office (NMO) approve meters, on Ofgem's behalf, for use where the maximum demand exceeds 100kW. It also approves any modifications to existing meters that originally received approval prior to the implementation of the Measuring Instruments (Active Electrical Energy Meters) Regulations 2006 (the MI (AEEM) Regulations)[22].

2.28. A meter can also be regarded as approved for the purposes of the FIT scheme if it has been approved by, or under similar regulations to the MI (AEEM) Regulations after 2007 in other European Member States. Where a FIT Generator would like to use a meter approved in another jurisdiction, it should direct Ofgem to the applicable laws and any relevant published list of meters, providing a copy of the relevant certification for the meter.

2.29. As part of the accreditation process, we review all installed metering which will be used for FIT payment purposes. An installation will not receive accreditation unless it uses approved metering and we will withhold accreditation until approved metering is installed. We recommend that any installation which does not have approved metering replace that metering before applying for accreditation to avoid affecting the period from which the installation can receive FIT payments.

2.30. As set out above, a meter has to be approved to appropriate standards. It is our understanding that, at the current time, there are no direct current meters that meet the FIT metering legislation requirements.

2.31. The FIT legislation does not make provision for the use of estimates.

Metering scenarios

[18] See Chapter 4 of this document for more information on FIT payments
[19] Schedule A to Standard Condition 33 of the Electricity Supply Licence
[20] Deemed at 50% of generation for micro-CHP, AD, solar PV and wind. Deemed at 75% of generation for hydro.
[21] The definition of "metering legislation" can be found in Schedule A to Standard Condition 33 of the Electricity Supply Licence
[22] These regulations implement part of the Measuring Instruments Directive (MID) in to UK legislation

2.32. FIT generation payments are made based on the total generation produced by an installation. As such, a generation meter is normally located close to the point of generation.

2.33. FIT export payments are made based on electricity which is exported onto the distribution or transmission network. As such, an export meter is always located at the point where the installation connects into the distribution or transmission network.

2.34. An export meter can be used to claim FIT generation payments as well as FIT export payments. This is because a "generation meter" is defined in the FIT legislation as a meter which measures the quantity of electricity generated. The generation meter can therefore be located anywhere between the point of generation and the point of export.

2.35. However, a generation meter (located as set out in paragraph 2.32) cannot be used to claim FIT export payments. This is because an "export meter" is defined in the FIT legislation as a meter which measures the quantity of export, where export is defined as the flow of electricity from an eligible installation onto a distribution or transmission network. Where the generation meter is located at the point of generation and not at the point of connection between the installation and the distribution or transmission network, it cannot be used to claim FIT export payments.

2.36. Where an installation is extended using the same technology, the original and extension can either be metered separately for generation payment purposes or metered together. Where the original and extension capacity are metered jointly, FIT payments will be made on a pro-rata basis based on the TIC of each part.

2.37. Where an installation is extended using the same technology, FIT export payments will be made on a pro-rata basis based on the TIC of each part.

Use of previously accredited equipment

2.38. Where Ofgem has reason to believe that any generating equipment has formed part of an installation previously accredited under the FIT or RO schemes, the installation will not receive FIT accreditation.

2.39. Where a FIT installation is moved from its Site, for example where its owner moves property and takes the generating equipment to their new property, they will not be entitled to receive a new FIT accreditation, nor will they be able to continue to receive FIT payments under their previous accreditation.

Installations which are selling or have sold electricity under a NFFO or SRO contract[23]

2.40. Electricity from installations which are selling or have sold electricity pursuant to a NFFO or SRO arrangement will be ineligible to join the FIT scheme.

2.41. In addition to the requirements set out in Article 7(1)(c) of the FIT Order, we will also look to the NFFO/SRO requirements set out in the ROO when assessing an application for accreditation. Further guidance on the NFFO/SRO requirements under the ROO is available in the 'Renewables Obligation: Guidance for generators' available on our website.

Hydro installations and pumped storage

2.42. "Hydro Generating Station" is defined in the FIT Order as meaning:

"*a generating installation driven by water, except for such an installation—*

a) driven by waves, ocean currents or geothermal sources;

b) driven by tidal flows, unless also driven partly by non-tidal flows from a water course; or

c) *where the hydrostatic head of the water has been increased by pumping.*"

2.43. The definition of "Hydro Generating Station"[24] must be read alongside the FIT "Site"[25] requirements.

2.44. A Hydro Generating Station is composed of both the generating equipment and civil works. In most cases where more than one turbine is supplied by water from the same civil works, all such turbines will be regarded as part of the same generating station.

2.45. A Hydro Generating Station which generates electricity from water where the hydrostatic head of the water has been increased by pumping will not be eligible to receive FIT accreditation.

2.46. If it is unclear to us as to whether water that feeds an Eligible Installation has been pumped or not, we will request that the applicant arranges for an independent audit report to be submitted to us.

[23] NFFO contracts were the initial means used by the Government to implement its renewable energy policy, prior to the introduction of the RO. These required the then Public Electricity Suppliers to purchase electricity from renewable generators and provided for this electricity to be purchased at fixed prices for long term contract periods (typically 15 years).

[24] The definition of "Hydro Generating Station" can be found in the FIT Order, Part 1 Introductory provisions

[25] The definition of "Site" can be found in Article 15, the FIT Order

Installations in receipt of a grant from public funds

2.47. We must not accredit an installation where a grant has been made from public funds towards any costs of purchasing or installing the installation.[26] The term "grant from public funds" is defined in the FIT Order to "*mean a grant made by a public authority or by any person distributing funds on behalf of a public authority*.[27]"

2.48. Grant(s) received for items outside of the Eligible Installation need not be declared as part of an application for FIT accreditation. In addition to the FIT Order's definitions of the elements which make up the installation[28], we interpret the definition of generating station in the same way that we do under the RO when considering whether a grant has been made for the purposes of purchasing or installing the installation[29].

2.49. Table 1 below provides some illustrative examples of costs that would not be considered as part of the installation for the purposes of the FIT scheme.

2.50. Please also note the items listed in Table 2 below which sets out a list of illustrative standard costs that will be taken into account in addition to those factored into the "generating station" definition.

Table 1: Examples of costs not associated with an installation

Technology	Example of costs that are not part of the installation for the purposes of FIT
PV	• Pre-design feasibility studies • Local electricity grid reinforcement/upgrades
Wind	• Pre-design feasibility studies • Local electricity grid reinforcement/upgrades
MicroCHP	• Pre-design feasibility studies
AD	• Infrastructure for transmitting electricity/heat generated by AD plant, eg to neighbouring buildings • Local electricity grid reinforcement/upgrades • Transforming digestate into different products, eg dewatering to create dry compost as opposed to a low dry matter liquid. • Secondary gas treatment/use • Educational facilities associated with the AD plant, eg visitor centre. Large scale: • Secondary feedstock pre-treatment Small scale: • Slurry/maize storage
Hydro	• Pre-design feasibility studies • Local electricity grid reinforcement/upgrades

[26] Article 7(3) of the FIT Order
[27] Article 2(1) of the FIT Order
[28] Schedule A to Standard Licence Condition 33 defines 'Eligible Installation' and 'Plant'
[29] See Appendix 2 of the 'Renewables Obligation: Guidance for generators'; www.ofgem.gov.uk

2.51. The FIT Order 2012 allows an installation to receive FIT payments even if a grant has been made from public funds towards any of the costs of its purchase or installation provided that the grant is made towards reasonable additional costs[30]. 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.

2.52. Costs that are standard to an installation of the specific technology type - ie costs taken into account in the development of the FIT tariff bands - will not be considered reasonable additional costs. The table below illustrates the types of standard costs that were used in developing the tariffs for AD and hydro. These lists are not exhaustive.

Table 2: Illustrative standard costs that are associated with an installation

	Capital costs	Operational costs
AD	**Both large scale and small scale:** • Digester tank • Gas holder/collection kit • Primary gas treatment and use • Electricity generating equipment, eg CHP • Digestate storage • Digestate processing (preparing it to be spread and minor processing) • Grid connection (to existing grid) • Planning/permitting costs **Large scale:** • Reception building • Pipe work • Loaders • Gas collection and storage • Pasteurisation equipment	• Staff costs incl. training etc • Permitting, licensing and other regulatory requirements (eg waste management, ABPR) • Fuel for mobile plants (ie loading shovels for a waste based plant) • Digestate spreading • Parasitic electricity use by the plant
Hydro	• Design studies and administrative costs • Civil engineering • Hydromechanical and electrical equipment • Installation and commissioning • Costs of planning/permitting	• Maintenance costs for small systems (<50kW) are based on an annual inspection/service cost – routine maintenance such as screen cleaning is expected to be carried out by the owner. • For larger systems, costs assume an annual maintenance charge based on a service contract.

[30] Articles 7(4) and 7(5) FIT Order

2.53. Costs associated with purchasing land or inefficient or poorly located installations would not be considered reasonable additional costs.

2.54. The costs and returns associated with solar PV, 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.

2.55. It is for the FIT Generator to identify and provide justification to Ofgem that:

- the installation has incurred costs additional to those standard costs associated with an installation of that technology and size
- those costs have been incurred in the avoidance or mitigation of environmental harm, and
- any grant(s) received for the installation have been made to cover all or some of the cost of those measure(s) and no other costs of the installation.

2.56. Ofgem cannot confirm whether a grant meets the reasonable costs exemption before receiving an application for accreditation. It is for the FIT Generator to prove to Ofgem that their installation meets the requirements of this exemption at the point of application.

Permitted grants under 2010 FIT Order

2.57. An applicant for FIT accreditation may be able to receive a grant in respect of the costs of purchasing or installing their installation and retain it where it is:

- a grant made before 1 April 2010 in respect of costs of purchasing or installing an installation which was commissioned before 15 July 2009, or
- a grant made before 1 April 2010 in respect of costs of purchasing or installing an installation on a residential property which was commissioned between 15 July 2009 and 31 March 2010.

2.58. The term "made" means the offer of a grant is accepted by the recipient.

Compliance with a de minimis aid commission regulation

2.59. Additionally an applicant may still be able to retain their grant and receive FIT payments where[31]:

- the grant is made before 1 July 2011, and

[31] Article 8(5) - FIT Order 2010

- the installation is first commissioned before 1 October 2011, and
- the Authority is satisfied that the making of FIT payments in respect of the installation would be in accordance with a de minimis Commission Regulation[32].

2.60. In order to establish whether or not an installation is entitled to receive FIT payments under these provisions, the FIT Generator must first establish whether the grant(s) was made and installation commissioned within the window described in first two bullets above. Where the installation meets the first two bullets above, the FIT Generator must then undertake a self-assessment against the requirements of the de minimis Regulations[33].

2.61. Applicants seeking to use this exemption are required to sign a declaration. 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.

Grants that do not meet the exemptions

2.62. Where a grant for an installation does not meet any of the above exemptions, the grant must be repaid before the installation can be considered for the FIT. The FIT Generator should discuss grant repayment with the grant issuing body directly. Where it is appropriate to do so, we will request evidence that a grant has been repaid to the relevant body.

Modifications: extensions and reductions

2.63. Ofgem and the FIT Licensee should be notified as soon as is reasonably possible of any modification affecting the TIC or DNC of a FIT accredited installation. The modification of an installation's TIC or DNC may affect the ongoing eligibility of the installation or tariff level which the entire installation or part of the installation may be entitled to receive.

2.64. Other changes to an installation, such as replacement meters, should also be reported to the FIT Licensee and reflected as an amendment to the ROO-FIT accreditation application[34].

Definition of extension

2.65. The term "extension" is defined as a modification to an accredited FIT installation to increase its TIC from the same eligible low-carbon technology.

[32] Article 8(6) definition of "a de minimis Commission Regulation" - FIT Order 2010
[33]Detailed information on the de minimis regulations, how to self-assess and the de minimis declarations are available on our website: www.ofgem.gov.uk/FITs
[34] Article 23, FIT Order

2.66. Ofgem is responsible for assessing applications in respect of solar PV and wind extensions with a DNC over 50kW and all extensions to AD and hydro installations. For extensions to ROO-FIT accredited installations, the FIT Generator must amend their original FIT accreditation application to reflect the TIC change. For extensions to existing MCS-FIT accredited installations where the extension has a DNC over 50kW, a new ROO-FIT application should be submitted for the extension only, making reference to the original installation in the site description. An application can be submitted to Ofgem up to two months before the extension is commissioned. If the extension is successfully accredited, Ofgem will inform the FIT Generator.

2.67. With the exception of stand-alone installations, extensions to solar PV installations from 1 April 2012 need to meet the new energy efficiency criteria in order to receive the higher tariffs. Please see the section on energy efficiency within this chapter for more information.

2.68. The FIT Licensee must be made aware of any changes affecting FIT payments. Once accredited, the FIT Generator must inform the FIT Licensee. The FIT Licensee will revise the Statement of FIT Terms as required and an amended version will be agreed with the FIT Generator.

Extensions to FIT accredited installations

2.69. Where a FIT installation is extended using the same technology type, the extension is assessed as a separate Eligible Installation. If successfully accredited, the extension will be assigned a separate eligibility period and separate tariff code based on the aggregate TIC of both the extension and existing FIT installation[35]. In this situation, the eligibility date and the eligibility period of the extension will be based on the commissioning date of the extension. The original installation's eligibility date, tariff, and eligibility period will not be affected. Both installations will, however, share the same FIT ID[36] on the Central FIT Register (CFR) - the register on which all installation details are stored.

Extensions using a different technology

2.70. Where a FIT installation is extended using a different eligible technology, the extension is also treated as a separate Eligible Installation[37].

2.71. In circumstances where two different technologies share the same Generation Meter, eligible generation will be pro-rated between the installations in proportion to their TICs.

[35] Article 18(2)(c) - FIT Order
[36] The unique identifier on the Central FIT Register
[37] Schedule A to Standard Condition 33 of the Electricity Supply Licence, clause 10.4

Extending an installation which is not FIT accredited

2.72. Where an installation which is not FIT accredited is extended using an eligible low-carbon energy source[38] and the combined capacity does not exceed 5MW TIC, the extension may be eligible to receive FIT accreditation.

2.73. Provided that (i) the combined TIC of the original installation and the extension does not exceed 5MW and (ii) the DNC of the extension is more than 50 kW, the extension is treated as a new installation for the purposes of making a ROO-FIT application. If successfully accredited, the extension is treated as a separate Eligible Installation and is assigned a tariff code based on the aggregate TIC of both the extension and the non-FIT installation[39].

Definition of reduction

2.74. The term "reduction" is defined as a modification to an accredited FIT installation to decrease its TIC from the same eligible low-carbon energy source.

2.75. Reductions to a FIT accredited installation should be reported to Ofgem and the FIT Licensee as soon as reasonably possible.

Meter readings and pro-rating

2.76. Meter readings should be taken at the time the extension is commissioned or the reduction takes place. For separate installations using the same technology sharing generation and export meters, a pro rata calculation will be used to determine how much electricity generation and export is assigned to each part of the Eligible Installation. This calculation will be based on the proportion of the TIC of each of the installations[40].

Exceeding the specified maximum capacity

2.77. If the combined TIC of a technology on a Site exceeds 5MW TIC (or 2kW for CHP installations), the total installation (the original installation plus any extension(s)) will become ineligible to receive FIT payments[41]. The installation may instead be eligible for other schemes, such as the RO.

Energy efficiency requirements (PV only)

2.78. Where the energy efficiency requirement applies applicants are required to demonstrate that the building to which the solar PV is wired to provide electricity has achieved an Energy Performance Certificate (EPC) rating of level D or above in

[38] Defined in Schedule A to Standard Condition 33 of the Electricity Supply Licence
[39] Article 19(2)(c) - FIT Order
[40] Clause 10 of Part 1 to Schedule A to Standard Condition 33 of the Electricity Supply Licence
[41] Article 16(3) - FIT Order 2010

order to receive the higher tariff. This is on the assumption that the multi-installation tariff (see 'Multi-installation tariff' section) does not apply.

2.79. An EPC level of D or above must have been issued on or before 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.

2.80. Community energy and school installations may be exempt from the energy efficiency requirement (see section on community energy and school installations below).

2.81. There are a limited number of situations where this requirement does not need to be met. These are discussed later.

What is an EPC?

2.82. The Energy Performance of Buildings (EPB) Regulations[42] require an Energy Performance Certificate (EPC) to be obtained whenever a building is constructed or marketed for sale or rent. The certificate gives an asset rating which indicates how energy efficient a building is.

2.83. A rating band is allocated on both domestic and non-domestic EPCs.

2.84. A domestic EPC may have two rating bands – an energy efficiency rating band and an environmental impact rating band. For the purpose of meeting the FIT energy efficiency requirement under the FIT, 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.

2.85. An EPC is valid for ten years from the date of issue unless a new assessment is made and a new certificate is issued.

2.86. More information on EPCs can be found on the Department of Communities and Local Government (DCLG) website[43] and the Scottish Government website[44].

Assessing whether the energy efficiency requirement applies

2.87. The energy efficiency requirement does not apply to stand-alone[45] PV installations.

[42] EPB Regulations (England and Wales) 2012; EPB Regulations (Scotland) 2008 - www.legislation.gov.uk
[43] DCLG information on Energy Performance Certificates can be found at www.gov.uk; "Planning and building" section.
[44]Scottish Government Website - www.scotland.gov.uk
[45] The definition of stand-alone has been amended, to take effect on 1 May 2013. See Annex 3 to 'Modifications to the Standard Conditions of the Electricity Supply Licences (No 4. Of 2012)'.

2.88. The energy efficiency requirement applies to a PV installation or extension with an Eligibility Date on or after 1 April 2012 which is wired to a "relevant building" or wired to provide electricity to one or more such buildings.

2.89. A "relevant building" is defined in Schedule A to Standard Licence Condition 33[46] 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 wired to provide electricity to then the energy efficiency requirement does not apply.

2.90. 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. Under the EPB Regulations some properties are exempt from the requirement for an EPC; however if a building can be assessed and receive an EPC then the energy efficiency requirement will apply under the FIT legislation (irrespective of whether an EPB exemption applies or not).

2.91. Failure to demonstrate that the efficiency requirement does not apply will result in the FIT generator receiving the lower tariff.

Meeting the requirement

2.92. Where the energy efficiency requirement applies, the FIT generator will be asked by Ofgem to provide a copy of a valid EPC level D or above. The EPC must be the most recent EPC that has been issued in respect of the relevant building and should confirm:

- whether an EPC level D or above has been achieved (or level G for community energy and school installations)
- the date on which the EPC was issued.

2.93. An EPC is "valid" if it has been issued on or before, but not more than 10 years before, the Eligibility Date[47] of the PV installation *and* is the most recent EPC that has been issued in respect of the relevant building.

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

2.95. Where an installation is 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.

[46]Annex 5 of Schedule A to Standard Condition 33 of the Electricity Supply Licence
[47]See paragraph 4.12 in Chapter 4

2.96. The following examples describe different scenarios and explain what evidence is needed, where an installation is wired to provide electricity to:

- one "relevant building": must provide an EPC for that building
- one non "relevant building": must prove that the building is not a "relevant building" (eg letter from EPC assessor) and that they therefore do not need to meet the energy efficiency requirement
- multiple "relevant buildings": must provide one EPC for any one of the buildings
- multiple non-relevant buildings: must prove that all the buildings do not need to meet the energy efficiency requirement
- a combination of "relevant" and non "relevant buildings": must provide one EPC for any of the relevant buildings.

Declarations

2.97. Applications for accreditation received on or after 1 April 2012 must include a declaration relating to the energy efficiency requirement (see Appendices 2 and 3). The declaration must be signed to confirm that the energy efficiency requirement is applicable and if it has been met.

2.98. **We advise all parties to read the relevant sections of the FIT Order, the SLCs, and this guidance document and take their own legal advice, before signing the relevant declarations.** A copy of the declarations can be found in Appendices 2 and 3.

Extensions and the energy efficiency requirement

2.99. Extensions with an Eligibility Date on or after 1 April 2012 must also meet the energy efficiency requirement.

2.100. As with new installations, the EPC certificate date must be on or before the Eligibility Date. For extensions, the EPC certificate issued date must be on or before the commissioned date of the extension.

Community energy installations and school installations

2.101. DECC have introduced a number of measures to benefit "community energy installations[48]" and "school installations[49]".

2.102. From 1 December 2012, community organisations and education providers who install solar PV community energy and school installations will benefit from a relaxation of the energy efficiency requirement. This means that a valid non-domestic EPC that has achieved any level, ie G or above, will be sufficient to meet the energy efficiency requirement.

2.103. Community energy and school installations with a DNC over 50kW may wish to apply for ROO-FIT preliminary accreditation. In certain circumstances, preliminary accreditation may provide a tariff guarantee for a set validity period and confirmation of eligibility prior to commissioning the installation. See Chapter 3 for information on how to apply for preliminary accreditation.

2.104. Extensions to existing installations, even if they are solar PV community energy or school installations, will still be required to meet the existing EPC level D or above in order to receive the higher tariff.

2.105. FIT Generators wishing to benefit from the relaxation of the energy efficiency requirement will be asked during the ROO-FIT accreditation process whether the installation meets the definition of a community installation or school installation as defined in the FIT Order.

2.106. A FIT Generator who already holds an EPC rated level D or above for the building to which their installation is wired to provide electricity will not be required to demonstrate that they meet the definition of a community energy or school installation.

2.107. Documentary evidence to support the verification of the community installation or school installation must be submitted during the ROO-FIT application process. Details of this are included in the guidance document 'Feed-in Tariff: Guidance for community energy and school installations'. Verification that the installation is a community energy installation or school installation will be determined by the Ofgem FIT Community team.

2.108. Once we have verified that the installation is a community energy installation or school installation, a confirmation letter will be sent in writing via post and email to the applicant.

2.109. For further information on this process, including how to apply and the supporting evidence required, please email FITcommunity@ofgem.gov.uk or refer to the 'Feed-in Tariff: Guidance for community energy and school installations'.

[48] Article 11(6) – FIT Order
[49] Article 12(6) – FIT Order

2.110. Further information on the energy efficiency requirement and its impact on tariff rates is available from the 'Feed-in Tariffs - Frequently Asked Questions document'[50] which is available on the DECC website.

Multi-installation tariffs (PV only)

2.111. Multi-installation tariffs apply to any solar PV installation with a TIC up to and including 250kW and with an Eligibility Date on or after 1 April 2012 where the FIT generator or nominated recipient already owns or receives FIT payments from **25 or more other** eligible solar PV installations.[51]

2.112. 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 always apply.

2.113. Tariff information is available from Ofgem's website[52]. Please see table 3 below 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.

2.114. Solar PV installations (not including extensions) with an Eligibility Date on or after 1 April 2012 with a TIC up to and including 250kW, with the exception of stand-alone installations, will need to be assessed to determine whether the multi-installation tariff applies. Please see the paragraph below 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.

Determining when multi-installation tariffs apply

2.115. When determining whether the multi-installation tariffs apply, the following criteria are relevant:

- where the FIT Generator for the installation and any persons who are "connected persons" in relation to them (see paragraph below) 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 paragraph below 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.

[50] This document can be found on the DECC website: www.gov.uk/decc
[51] Allocated through the tariff code under Article 13 of the FIT Order
[52] www.ofgem.gov.uk/FITs

2.116. 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[53]. These provisions are detailed and a full explanation of them is beyond the scope of this guidance.

2.117. 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.

2.118. 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.

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

2.119. 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 paragraphs above) 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.

[53] Corporation Tax Act 2010, section 1122 - www.legislation.gov.uk

Continued application of the multi-installation tariff

2.120. If before a change in FIT Generator or nominated recipient an installation is receiving the higher tariff (please refer to the Multi-installation tariff table in this section) and following the change the multi-installation tariff is to apply, the tariff level will be lowered as appropriate to the middle tariff.

2.121. If before a change in FIT Generator or nominated recipient an installation is receiving the middle tariff (please refer to the Multi-installation tariff table in this section) then, following the change, although the criteria for the multi-installation tariff may no longer apply, the multi-installation tariff will continue to apply.

2.122. Hence, if the multi-installation tariff has been 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 are no longer met.

Declarations

2.123. 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 2 and 3). 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.

2.124. There are a number of declarations that can be signed within Appendix 2 and 3, for which there are various outcomes, as set out below:

Appendix 2

- Where Declaration 5 has been signed, this indicates that the multi-installation tariff will be applicable to the installation.

- Where Declaration 6 has been signed, this indicates that the multi-installation tariff will not be applicable to the installation.

Appendix 3

- 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.

2.125. **All parties should read and be familiar with the relevant sections of the FIT Order, Schedule A to Standard Licence Condition 33 , 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 2 and 3.**

Existing installations, extensions and other technologies

2.126. 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.

2.127. 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.

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

2.129. 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

2.130. From 1 April 2012, three possible tariff rates have been 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.

2.131. Tariff information is available from Ofgem's website[54].

2.132. Table 3 overleaf provides the tariff outcomes based on a new solar PV installation with an Eligibility Date on or after 1 April 2012 and its interaction with the energy efficiency requirement and whether the multi-installation tariff applies.

2.133. **Table 3. Multi-installation tariffs**

[54] www.ofgem.gov.uk/FITs

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 met by installation	Middle rate	Higher rate
Energy efficiency requirement 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 the multi-installation tariff should apply.

3. Preliminary Accreditation

Chapter summary

Outlines the key eligibility requirements of the preliminary accreditation process, the prerequisite documentation required and how to apply.

What is Preliminary Accreditation?

3.1. Preliminary accreditation under the FIT scheme is a mechanism which allows prospective generators to obtain an assurance that they will be accredited, and of the tariff rate they will receive, before they commission their Eligible Installation. This assurance will have a set validity period depending on the technology.

3.2. Preliminary accreditation is available to all installations that, once commissioned, would use the ROO-FIT route of accreditation (solar PV and wind installations with a DNC over 50kW and all AD and hydro installations). It is not available to extensions of accredited FIT installations[55].

What the FIT Order says

3.3. The FIT Order[56] states that the Authority must grant preliminary accreditation where it is satisfied that specific information has been provided and the installation, once commissioned, would receive accreditation under the FIT scheme.

How to apply for preliminary accreditation

3.4. An application for preliminary accreditation can be submitted by an individual or an individual representing a company who proposes to construct or operate an installation. The "super user" of the generator account set up on our Register should be the individual or representative of the company that proposes to construct or operate the Eligible Installation.

3.5. As with ROO-FIT accreditation, an application for preliminary accreditation is made via the Register. An application can be submitted at any time prior to the installation's commissioning date - please note the validity period section below. An application must be accompanied by all prerequisite documentation listed in paragraph 3.8 below.

3.6. The onus is on the generator to ensure that they are familiar with the Register and guidance documents in advance of setting up a generator account and using the functionality of that account. The applicant will need to comply with the following steps:

[55] Means an Eligible Installation which has been given accreditation
[56] Article 9 - FIT Order

- Create a generator account via the Register.
- Complete an application for accreditation via their generator account, providing documentation as appropriate.
- Make the relevant declarations in advance of submitting an application[57].
- Once the declarations have been made, submit the application to us and respond to any queries we may have on the application. Email notifications will be sent to alert generators when we raise queries on applications.

3.7. Each application goes through three stages of review. If we require further information, a query will be raised on the application and the applicant will be able to view this in their account on the Register. Accreditation will be granted once we are satisfied that all eligibility criteria have been met.

Prerequisite documentation

3.8. An application for preliminary accreditation must be accompanied by a number of documents or evidence that the document(s) is not required[58]:

- planning permission
- grid connection agreement
- relevant licensing and consents (hydro only)

3.9. Each of these documents must be issued on or before the date the application is submitted. Where a document is issued after the date of application, preliminary accreditation cannot be granted. This is a key consideration for prospective generators that wish to apply for preliminary accreditation.

Planning permission

3.10. An application for preliminary accreditation must be accompanied by a copy of the planning permission issued under the Town and Country Planning Act 1990, in relation to installations in England and Wales, or the Town and Country Planning (Scotland) Act 1997, in relation to installations in Scotland.

3.11. Where a planned installation does not require planning permission, satisfactory evidence must be provided in support of this. Such evidence could take the form of a Lawful Development Certificate, a Certificate of Lawful Use or Development from the Local Authority or a Prior Notification of Proposed Agricultural or Forestry Development agreement.

Grid connection agreement

[57] An application will not be received by Ofgem until all declarations are agreed and the application submitted
[58] Article 9(3)(3) The FIT Order 2012

On-grid

3.12. For installations which are to be grid connected, the applicant must provide evidence that a grid connection agreement is in place between them and the transmission or distribution network operator. At a minimum, that evidence should include:

- a copy of the grid connection offer letter
- a copy of the signed acceptance of that offer
- evidence that payment has been received by the relevant distribution or transmission network operator.

3.13. Where an installation does not require a grid connection agreement, supporting evidence must be supplied. Such evidence could take the form of a letter from the relevant transmission or distribution network operator confirming that no new agreement or amendment to an existing agreement is necessary to cater for the connection of the renewable installation.

Off-grid

3.14. Off-grid installations are not required to provide any documentation to meet this requirement. However please do note the 'Invalidating preliminary accreditation' section below.

Hydro Generating Station licenses and consents

3.15. If the planned installation is a Hydro Generating Station, it must be in receipt of the following licenses, consents and authorisations:

- For Hydro Generating Stations in England and Wales the following licenses, consents issued under the Water Resources Act 1991(a),
    - an abstraction license
    - an impounding license
    - works to structures in, over or under a main river.
- For Hydro Generating Stations in Scotland, an authorisation under the Water Environment (Controlled Activities) (Scotland) Regulations 2011(b) for,
    - abstraction
    - impounding works
    - any other engineering works required for the installation.

3.16. The planned installation must be in receipt of all licenses, consents and authorisations listed above relevant to the planned installation. Where a license, consent or authorisation is not required for the installation, supporting evidence should be supplied.

Granting preliminary accreditation

3.17. Where we are satisfied that the prerequisite documentation meets the requirements of the FIT Order and, were the installation to be commissioned, it could receive accreditation under the FIT scheme, we will grant preliminary accreditation. We will supply the applicant with a confirmation of preliminary accreditation letter containing the following information:

- the technology, TIC and location of the installation
- whether the installation is grid connected
- the dates on which the validity of the preliminary accreditation starts and ends
- the tariff date (see paragraph 3.20) which will apply to the installation if it is commissioned and applies to convert to full accreditation within the validity period
- a copy of the tariff table that was applicable on the tariff date
- the preliminary accreditation code (see paragraph 3.26 below)
- what constitutes a material change under the FIT scheme (see paragraph 3.29), and
- any general or specific conditions attached to the preliminary accreditation by the Authority.

3.18. The energy efficiency and multi installation requirements are not assessed as part of the preliminary accreditation process. As such, PV installations affected by these requirements could receive the higher, middle or lower tariff applicable on the tariff date.

3.19. Where preliminary accreditation is refused, the applicant will be informed in writing of the reasons for refusal.

The guaranteed tariff

3.20. Installations granted preliminary accreditation which successfully go on to receive full accreditation will have their tariff guaranteed at the "tariff date".

3.21. The tariff date is:

- for applications received from 1 April to 31 December, the date the application is received by the Authority, or
- for applications received between 1 January and 31 March, 1 April of that year.

3.22. The "eligibility period" – ie the duration of FIT support - will begin on the "eligibility date". The eligibility date is the later of the date the installation

commissioned and the date the application converting the preliminary accreditation to full accreditation was received by Ofgem (see paragraph 3.25).

3.23. If the proposed installation is commissioned and applies for full accreditation within the validity period, the installation will be entitled to receive the FIT tariff available on the tariff date. The tariff guarantee will be valid provided all eligibility requirements are met and the installation is not materially different to that which received preliminary accreditation (see paragraph 3.29).

3.24. The validity period of the preliminary accreditation tariff guarantee lasts for a fixed period of time beginning with the date of application for preliminary accreditation. The duration of validity is dependent on technology[59]:

- PV – 6 months
- AD and Wind – 1 year
- Hydro – 2 years

Examples

A. A prospective generator applies for preliminary accreditation for a PV installation on 1 June 2013. Preliminary accreditation is granted. The installation commissions and applies to convert to full accreditation on 30 November 2013. Full accreditation is granted and the tariff assigned to the installation is based on the tariffs available on 1 June 2013. The tariff lifetime is applicable from 30 November 2013.

B. A prospective generator applies for preliminary accreditation for a hydro scheme on 1 February 2013. Preliminary accreditation is granted. The installation commissions and applies to convert to full accreditation on the 1 January 2015. Full accreditation is granted and the installation is assigned a tariff based on the tariffs available on 1 April 2013. The tariff lifetime is applicable from 1 January 2015.

Converting preliminary accreditation to full accreditation

3.25. In order to realise the benefits of preliminary accreditation, the installation must have been commissioned and the FIT Generator must have submitted an application to convert their preliminary accreditation to full accreditation within the validity period. Submitting such an application is done through the relevant generator account on the Register:

- Access your generator account on the Renewables and CHP Register.
- Click on the "Accreditation" tab.
- Click on "Convert preliminary accreditation to full accreditation"
- Select "view" next to the relevant installation.
- The application will automatically populate some of the answers to the questions based on the answers you provided in your application for preliminary accreditation.
- Review the previous answers and answer all new questions that are raised,
- Upload and submit any additional information as appropriate.

[59] Article 9(8) FIT Order

- Make the relevant declarations in advance of submitting an application[60].

3.26. The installation will then be assessed against all eligibility requirements of the FIT scheme. These are covered in Chapter 2 of this guidance document.

3.27. Where an installation fails to be commissioned or the FIT Generator fails to submit an application to convert to full accreditation within the validity period, they will lose their right to receive FIT support at the guaranteed tariff rate. A new application for ROO-FIT accreditation can be submitted and will be treated as being distinct from any earlier application.

Invalidating preliminary accreditation

3.28. The preliminary accreditation and tariff guarantee will be void in the following situations:

- the installation is materially different from the installation which was granted preliminary accreditation (see below)
- any condition attached to the preliminary accreditation has not been complied with, or
- the information on which the preliminary accreditation was granted was incorrect in such a way that, had the Authority known the true position, preliminary accreditation would have been refused.

3.29. An installation would be considered to be materially different from the installation which was granted preliminary accreditation in the following situations[61]:

- its site is different to that stated in the application
- it uses a different eligible low-carbon energy source
- the installation is either:
    - grid connected while the preliminary accreditation application stated off-grid
    - off-grid while the preliminary accreditation application stated grid connected.
- its TIC is greater than that stated in the preliminary accreditation application
- its TIC is less than that stated in the preliminary accreditation application such that the installation is subject to a different tariff band.

[60] An application will not be received by Ofgem until all declarations are agreed and the application submitted
[61] Article 10(4) FIT Order

4. Accreditation for FIT

Chapter summary

Explains the ROO-FIT accreditation process. It sets out how to apply for accreditation, how to appoint a FIT Licensee, the statement of FIT terms, the process for switching FIT Licensee, and FIT payments.

4.1. There are two routes of accreditation under the FIT scheme:

- Customers using solar PV or wind with a DNC of 50kW or less, or CHP up to a TIC of 2kW, must use MCS certified equipment installed by an MCS certified installer. Applicants should approach their electricity supplier for accreditation.
- All installations using a FIT-eligible technology with a DNC over 50kW up to a TIC of 5MW and AD and hydro installations of all capacities should apply to Ofgem for ROO-FIT accreditation.

4.2. The following guidance covers the ROO-FIT accreditation process only.

What the FIT Order says

4.3. The FIT Order[62] states that the Authority must accredit an Eligible Installation as an accredited FIT installation if it is satisfied that the installation would receive accreditation under the ROO, were an application to be made.

How to apply for accreditation

4.4. An application for FIT accreditation can be made by the owner of the installation only. The "super user" of the generator account set up on our Register should be a representative of the company that owns and operates the Eligible Installation.

4.5. An application for ROO-FIT accreditation is made via a generator account that has been set up on the Register[63]. An application for ROO-FIT accreditation can be made up to two months prior to commissioning.

4.6. The onus is on the generator to ensure that they are familiar with our Register and guidance documents in advance of setting up a generator account and using the functionality of that account. The installation owner will need to comply with the following steps:

[62] Article 5(2) - FIT Order
[63] www.renewablesandchp.ofgem.gov.uk

- create a generator account via the Register[64]
- complete an application for accreditation to Ofgem via their account, uploading or submitting any information as appropriate
- make the relevant declarations in advance of submitting an application[65]
- once the declarations have been made, submit the application to us and respond to any queries we may have on the application. Email notifications will be sent to alert generators when we raise queries on applications.

4.7. Each application goes through three stages of review. If we require further information, a query will be raised on the application and the applicant will be able to view this in their account on the Register. Accreditation will be granted under delegated Authority once we are satisfied that all eligibility criteria have been met.

4.8. New installations with a DNC over 50kW, and up to a TIC of 5MW, have the one-off choice of applying under the ROO or FIT schemes. Once accreditation has been granted, the installation cannot switch between schemes at any point. We would strongly advise generators to be sure as to which scheme they wish to apply under in advance of making an application to us.

4.9. It is important to stress that the rules of the FIT scheme are very clear with regard to Eligibility Date (see below). This applies from the later of the application date and the date on which the installation was commissioned. If an application was made under a different scheme in the first instance and then the applicant wished to switch the application to the FIT scheme during the accreditation process, the earliest the Eligibility Date would be the date of the ROO-FIT application, ie not the original application date.

4.10. FIT payments cannot be issued prior to the Eligibility Date (see paragraph 4.12) nor can we backdate accreditation to before an application was first made.

4.11. Community energy installations and school installations will be asked to submit a unique reference number during the ROO-FIT application process. This will be provided in a separate communication from the Ofgem FIT Community team and will be dependent on whether they have met the eligibility requirements. See 'Feed-in Tariff: Guidance for community energy and school installations' for more information.

[64] www.renewablesandchp.ofgem.gov.uk
[65] An application will not be received by Ofgem until all declarations are agreed and the application submitted

The "Eligibility Date"

4.12. If all eligibility criteria have been met, ROO-FIT accreditation is effective from the "Eligibility Date"[66]. This is the later of:

- the date the application was received by us - ie the date that the application is submitted[67] via the Register - if the installation is already commissioned when we receive the application, or
- the date on which the installation is commissioned, if we receive the application for accreditation prior to the commissioning date, or
- 1 April 2010.

4.13. Where a FIT accredited installation is extended using the same technology, the eligibility date of the extension will be the date the extension was commissioned.

4.14. Exceptions to this rule relate to micro-hydro installations that apply for FIT accreditation before 1 December 2012. In this case, the Eligibility Date is the commissioned date. Furthermore, where community energy installations and school installations have been pre-registered and are subsequently accredited, their Eligibility Dates will be as follows[68]:

- for school installations it will be the date on which the application for pre-registration was received

- For community energy installations it will be the later of the date that the application for pre-registration was received or the commissioning date.

4.15. We recommend that a FIT Generator contact their chosen FIT Licensee prior to or upon making an application for FIT accreditation. The FIT Licensee will explain the process for submitting meter readings. If the installation has already commissioned, or if the application for accreditation is still being processed once the installation commissions, the FIT Generator should take meter readings from the Commissioning Date. Once accredited, FIT payments will be back dated to the Eligibility Date. FIT payments will be made based on these meter readings.

4.16. FIT Generators should note FIT payments will not be made for generation or export prior to the Eligibility Date. For example, if we receive an application for a commissioned installation on 17 July 2011 and a meter reading is provided from 1 July 2011, FIT payments cannot be made for generation that occurred prior to 17 July 2011.

[66] Article 2(1) - FIT Order and Schedule A to Standard Condition 33 of the Electricity Supply Licence
[67] An application is considered submitted once the application has been completed and all relevant declarations have been made by the super user of the generator account.
[68] See 'Feed-in tariff: Guidance for community energy and school installations' for more information.

Confirming accreditation

4.17. Where we are satisfied that the installation meets all eligibility requirements, we will confirm accreditation in writing to the FIT Generator. They should then take this confirmation to their FIT Licensee in order to commence arrangements to agree a statement of FIT terms.

4.18. The confirmation of accreditation will state:

- the FIT accreditation number
- the TIC of the installation
- the technology type
- the Eligibility Date
- whether or not the multi-installation threshold applies (PV only)
- whether or not the energy efficiency requirement has been met (PV only)
- whether the installation has been recognised as meeting the definition of community energy installation or school installation
- It will also specify any general and specific conditions attached to the accreditation.

Accreditation number

4.19. When an installation is granted ROO-FIT accreditation, we will issue a unique accreditation number. For example, for a wind installation in England, we would allocate a number such as F WD 00006 EN.

4.20. In this example:

- F signifies a FIT code
- WD is the ROO-FIT technology code for wind
- 00006 is the sequential installation number (in other words, this might be 00001 for the first installation of that technology type to be accredited, 00002 for the second installation of that technology type to be accredited etc), and
- EN is the code for England, the country in which the installation is located (SC would indicate that the installation is located in Scotland and WA in Wales).

Technology codes

4.21. A list of technology codes for all installation types accredited under the ROO-FIT is included below:

- PV – Photovoltaics
- WD – Wind
- HD – Hydro
- AD – Anaerobic digestion.

4.22. Preliminary accreditation codes will follow the same structure as stated in paragraphs 4.19-4.21 above but will begin with a "P" rather than an "F". Once the preliminary accreditation is converted to full accreditation, the "P" code will be retained.

Refusal to accredit

4.23. We will refuse to accredit an installation where we are not satisfied that it meets all of the eligibility requirements. We will also refuse to accredit an installation if the application has been made fraudulently or by a party not entitled to apply for accreditation.

Appointing a FIT Licensee

4.24. Once successfully accredited, in order to register to receive FIT payments, the FIT Generator must approach a FIT Licensee. The FIT Licensee will require the accreditation number in order to register the installation on the CFR. We recommend that the FIT Generator contact their chosen FIT Licensee prior to or upon making an application for FIT accreditation to discuss meter readings and FIT payments.

4.25. A list of FIT Licensees is available from our website. Table 4 provides more information on the types of installations Mandatory and Voluntary Licensees are required to support.

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

- its own electricity supply customers
- any electricity supply customers of a licensed electricity supplier who is not a Mandatory FIT Licensee, and
- the owner of an Eligible Installation on a Site which does not receive an electricity supply from the National Grid (ie "off grid" installations).

4.27. A Mandatory FIT Licensee is also free to register and make FIT payments to any FIT Generator or nominated recipient it chooses to offer FIT services.

Table 4: Mandatory and voluntary FIT Licensees

	FIT Licensees		
	Mandatory	Voluntary	Other
Obligation to take on (if requested)	•own customers •customers of non Mandatory suppliers •off-grid customers	•own customers <=50kw	None – but must give information on how to find FITs Licensee
Optional to take on	Any other FITs Generator	Any other FITs Generator	None

4.28. A Voluntary FIT Licensee is obliged to register and make FIT payments when requested by one of its own customers who own an installation with a DNC of 50kW or below.

4.29. A Voluntary FIT Licensee is also free to register and make FIT payments to any FIT Generator or nominated recipient it chooses to offer FIT services.

4.30. Where an Eligible Installation is installed on a Site that is not receiving a supply of electricity (ie neither the installation nor the Site on which the installation resides), the FIT Generator may request FIT payments from any FIT Licensee. Installations that are not grid connected can receive FIT payments from any Mandatory FIT Licensee and that licensee will be obligated to make payments.

4.31. If the property on which the installation is located receives a supply but the installation owner is not the electricity supply customer (eg rent-a-roof installations), the FIT Generator may request FIT payments from any FIT Licensee but no FIT licensee will be obligated to make payments to that FIT Generator.

4.32. Further information on the roles and responsibilities of FIT Licensees is provided in the Feed-in Tariff supplier guidance[69].

Statement of FIT terms

4.33. Once a FIT Licensee has been appointed by the FIT Generator, a Statement of FIT Terms must be agreed before FIT payments can begin.

[69] www.ofgem.gov.uk/FITs

4.34. The Statement of FIT terms must be made in writing and include the Principal Generator Terms[70] as follows:

- obligations relevant to FIT Payments, including:

  (a) Tariff Code

  (b) Confirmation Date

  (c) Eligibility Date and Eligibility Period

  (d) Tariff Date

  (e) the Generation Tariff applying at the Confirmation Date

  (f) the Export Tariff applying at the Confirmation Date (where applicable) and how to elect to receive Export Payments

  (g) frequency of FIT Payment

  (h) data on which calculation of FIT Payments shall be based and the process by which such data is to be provided

  (i) the consequences of ceasing to be eligible for FIT Payments

  (j) and any other term that may reasonably be considered to significantly affect the evaluation by the FIT Generator of the arrangement under which FIT Payments shall be made by the Mandatory FIT Licensee, and

- 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 FIT Scheme

  (b) a duty not to discriminate without objective justification in terms of changing Relevant Electricity Supplier 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 FIT Scheme

  (e) a duty to fulfil obligations under the FIT Scheme efficiently and expeditiously

[70] Schedule A to Standard Licence Condition 33, Section B (6)

(f) a term setting out the termination rights which permit the FIT Generator to withdraw from the FIT 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.

4.35. The Principal FIT Licensee Terms shall include:

- a term explaining that FIT Payments shall be made by reference to data in the Central FIT Register
- 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 FIT Scheme
- 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
- 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
- a term setting out the circumstances and procedures for changing the Nominated Recipient on the Central FIT Register
- a term explaining meter ownership and responsibilities, including 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.

4.36. In the event the Central FIT Register is amended by the Authority to correct an error or 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

4.37. 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.

4.38. 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 FIT scheme;

- when providing information to a FIT Generator in relation to the FIT Scheme, the Mandatory FIT Licensee shall take all reasonable steps to ensure it:

  (a) is complete and accurate

  (b) is capable of being easily understood by the FIT Generator

  (c) does not mislead the FIT Generator, and

  (d) is otherwise fair, transparent, appropriate and delivered in a professional manner both in terms of content and in terms of how it is presented (with more important information being given appropriate prominence).

4.39. 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 the FIT 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.

4.40. 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;

4.41. 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.

4.42. In addition, the Statement of FIT Terms must include 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 FITs by the FIT Licensee and Ofgem

- which, specifically for Eligible Installations installed off-grid, requires them to make the following declaration:

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

- which require 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

- requiring the FIT Generator to make a declaration that the information they provide is complete and accurate

- 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, and

- requiring a declaration to be made by the FIT Generator to confirm that they are not in receipt of any grants which may make their installation ineligible for the FIT scheme.

You must inform your FIT Licensee if you become the owner/nominated recipient or are a connected person of 25 or more FIT installations.

Switching FIT Licensee

4.43. If a FIT Generator wishes to switch FIT Licensees, they should approach the new FIT Licensee. The new FIT Licensee will request the switch from the original FIT Licensee and, if the original FIT Licensee consents, a switch date will be agreed. Both FIT Licensees must notify Ofgem of the switch and the date on which it is proposed to take effect Ofgem will then update the Central FIT Register to record the switch. Both FIT Licensees and the FIT Generator will be notified once the switch is complete. The FIT Generator will then agree a new Statement of FIT Terms with the new FIT Licensee, which Ofgem must be notified in respect of.

4.44. When a FIT Generator decides to switch to a new FIT Licensee, all installations sharing the same meter must be switched to the same FIT Licensee.

4.45. The new FIT Licensee will be obliged to pay all FIT payments from the switch date.

4.46. The old FIT licensee will be obliged to pay all FIT payments due to the FIT Generator up to the switch date.

4.47. FIT Generators should ensure that the closing generation meter read and, where relevant, export meter read with the existing FIT Licensee matches the opening meter read(s) with the new FIT Licensee.

FIT payments

4.48. FIT payments can be broken down into two main components:

- FIT Generation Payment - a fixed payment made by the FIT Licensee to the FIT Generator or Nominated Recipient for every kWh generated by the

Eligible Installation. The level of the generation tariff is based on the technology, the TIC and Eligibility Date of the installation[71].

- FIT Export Payment - a fixed payment made by the FIT Licensee to the FIT Generator or Nominated Recipient for every kWh exported to the national grid.

4.49. FIT payments are made at the rates set out on our website[72]. Annually, Ofgem will publish tariff tables adjusted 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. Additionally PV tariff rates will be subject to possible further reduction from 1 November 2012 (taking account of PV deployment in the preceding months) as part of the degression mechanism for new PV installations.

4.50. A process of annual degression of generation tariffs is being introduced for non-PV technologies. The degression mechanism will be administered by Ofgem from 1 December 2012; however the first degression of tariffs will not take place until 1 April 2014. See Appendix 4 for more information.

4.51. Updated tariff rates will be published on the Ofgem website at least two months prior to their effective date. Similar reductions in tariff rates for generating technologies that do not use solar PV are intended to take effect from 1 April 2014 onwards and are described in Appendix 4. The tariff bands are also subject to periodic review by DECC.

Reducing, recouping and withholding FIT Payments

4.52. FIT Payments may be reduced, recouped or withheld by the FIT Licensee if:

- an error has been made by the FIT Licensee, Ofgem or the FIT Generator as a result of which a FIT Generator or nominated recipient has received a payment to which it is not entitled, or
- Ofgem notifies the relevant FIT Licensee that it has good reason to believe that a FIT Payment should not have been made.

4.53. All FIT Licensees have an obligation to take all reasonable steps to ensure all FIT Payments are those to which a FIT Generator or nominated recipient is entitled.

4.54. If a FIT Licensee believes that in making a FIT Payment to a FIT Generator or Nominated Recipient it would contravene their obligations, it is required to notify Ofgem immediately. If Ofgem determines that a FIT Payment could result in the improper administration of the FIT scheme, it may suspend the relevant Eligible Installation(s) from the Central FIT Register.

[71] The FIT Payment Rate Table is available from our website: www.ofgem.gov.uk/FITs
[72] See Footnote 74

4.55. If instructed to withhold payments, the FIT Licensee will 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.

4.56. If we discover an error in the Central FIT Register we will:

- correct the error
- if the correction affects the entitlement to FIT payments, we will notify the FIT Licensee responsible for making the payments.

Ofgem powers

4.57. Under powers granted by the Feed-in Tariffs Order 2012, Ofgem may, in certain specified situations:

- withdraw accreditation
- suspend accreditation
- change the tariff code
- attach conditions on the accreditation
- amend conditions of accreditation.

4.58. Those specified situations are:

- where the decision to grant accreditation or preliminary accreditation was based on information which was incorrect in a material particular
- where any condition attached to an accreditation has not been complied with
- where an installation has been extended or modified in such a way that it would not be entitled to accreditation, or
- where Ofgem is notified by a relevant public authority that the construction or operation of an installation is in breach of legislation, a licence or a consent (eg a planning authority notifies Ofgem that an installation has not been granted planning permission).

4.59. Where Ofgem takes any of the above actions, we will notify the FIT generator and the FIT Licensee explaining why the action was taken and from what date.

Suspension and removal from the Central FIT Register

4.60. FIT Generators and Eligible Installations may be suspended from the Central FIT Register in the circumstances identified at paragraphs 4.23 and 4.57 above, and in circumstances that could include the following:

- a change is made to an Installation which makes it ineligible
- fraud or abuse of the FIT scheme is suspected
- conditions included within a Statement of FIT Terms have been breached, or
- Ofgem have good reason to believe that a FIT Payment should not have been made

4.61. FIT Licensees must not make any FIT Payments to a FIT Generator or Nominated Recipient if Ofgem informs the FIT Licensee that payments are to be suspended, and / or that a FIT Generator or Eligible Installation has been suspended or removed from the Central FIT Register. Suspending an Eligible Installation should not affect FIT Payments due to a FIT Generator or Nominated Recipient for other Eligible Installations.

4.62. If Ofgem suspends or removes a FIT Generator or Eligible Installation from the Central FIT Register, we 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.

4.63. FIT Licensees are required to promptly inform Ofgem's Central FIT Register and Fraud Prevention Manager when they have reason to believe an error has occurred in relation to a FIT Generator or FIT Installation's eligibility, or that there is the possibility of fraud or abuse of the FIT scheme. Where possible, this should be done before the next FIT Payment is due. FIT Licensees should seek to remedy any error before the next FIT Payment is due. If appropriate, Ofgem may suspend the relevant entry on the Central FIT Register until the error has been corrected or any investigation into suspected fraud or abuse has been concluded.

Appendices

Index

Appendix 1 - Glossary

A

AD
Anaerobic Digestion

AEEM
Active Electrical Energy Meters

C

CFR
Central FIT Register

CHP
Combined Heat and Power

Community Organisation
A community interest company; or a community benefit society or co-operative society, other than such a company or society with more than 50 employees

Community energy installation
An Eligible Installation which is wired to provide electricity to a building which is not a dwelling; and in relation to which the FIT Generator is a community

D

DCLG
Department for Communities and Local Government

DEC

Display Energy Certificate

DECC
Department of Energy and Climate Change

DNC
Declared Net Capacity

E

Education Provider
The owner of a building used as the premises of a qualifying educational institution; or a person or body responsible for the management of such an institution

Eligibility Date

The date as regards to a particular Eligible Installation from which eligibility for FIT Payments commences which, unless the FIT Order provides otherwise, shall be the later of:
(a) the date, as applicable, of
(i) receipt by the Authority of a FIT Generator's written request for ROO-FIT Accreditation in a form acceptable to the Authority; or
(ii) receipt by a FIT Licensee of a FIT Generator's written request for MCS-certified Registration, accompanied by an MCS Certificate for the installation; or
(b) the date on which the installation is Commissioned; or
(c) 1st April 2010

Eligibility period
The maximum period during which a FIT Generator can receive FIT Payments for a particular Eligible Installation, as set out in the table at Annex 1 of Schedule A to Standard Condition 33 of the Electricity Supply Licence

Eligible Installation
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

EPBD
Energy Performance of Buildings Directive

EPC
Energy Performance Certificate

F

FIT
Feed-in Tariff

FIT Order
An order made in accordance with sections 43(3) and 41(1) EA08

M

MCS
Microgeneration Certification Scheme operated by Gemserv

Micro installation
Term for an installation with a declared net capacity of 50kW or less

MPAN
Meter Point Administration Number

N

NFFO
Non-Fossil Fuel Obligation

NMO
National Measurement Office

O

OS grid reference
Ordnance survey grid reference

P

PPA
Power Purchase Agreement

Preliminary accreditation
Mechanism for prospective FIT Generators, giving increased security with regard to tariff rates and eligibility prior to commissioning

R

RO
Renewables Obligation

ROO
Renewables Obligation Order

RPI
Retail Price Index

S

School installation
An Eligible Installation which is wired to provide electricity to a building which is used as the premises of a qualifying educational institution; and in relation to which the FIT Generator is the Education Provider which owns that building or is responsible for the management of that institution

Small installations
Term for an installation with a capacity over 50kW up to the Specified Maximum Capacity of 5MW TIC

SLC
Supplier Licence Conditions

SRO
Scottish Renewables Obligation

T

Tariff Date
In relation to an Eligible Installation for which the method of determining the Tariff Date is specified in the FIT Order, means the date determined in accordance with the FIT Order, and in relation to any other Eligible Installation means the Eligibility Date

TIC

Total Installed Capacity

Appendix 2 -Solar PV (declarations for installations and extensions)

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

All applications for accreditation of 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 licensees/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 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. **(This includes community energy or school installations)**

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 wired to provide electricity to a "relevant building"[73] (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)

☐ The energy efficiency requirement does apply and an Energy Performance Certificate (EPC) rating of level G or above *has* been achieved (complete declaration 4) **Community energy and school installations ONLY**

Multi-installation declaration

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

☐ The "FIT Generator"[74] or "nominated recipient"[75] owns or will receive FIT payments from 25 or more other eligible solar PV installations (complete declaration 5)

☐ Neither the FIT Generator or nominated recipient owns or will receive FIT payments from 25 or more other eligible solar PV installations (complete declaration 6)

[73] "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;

[74] "FIT Generator" means in relation to an Accredited FIT Installation, the person identified as the Owner in the Central FIT Register; and in relation to any other Eligible Installation, the Owner,
Whether or not that person is also operating or intending to operate the Eligible Installation

[75] "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 Central FIT Register

Energy Efficiency declarations
(sign one declaration only from declarations 1-4)

Declaration 1

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

a. the eligible PV installation is wired to provide electricity to one or more relevant buildings;

b. a valid energy performance certificate is enclosed in respect of the building (or one of the buildings) to which the PV installation is 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 level D or above;

Signed _____

Dated _____

Declaration 2

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

I have enclosed evidence supporting this declaration that the eligible PV installation is not 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_____

Declaration 4

I _____ certify in respect of this application for accreditation of a community energy/school installation[76] on behalf of (name of community organisation or education provider) _____ _____ that all of the following are applicable:

a. the eligible PV community energy/school installation is wired to provide electricity to one or more relevant buildings[1] at the address below;

Address of the building to which the installation is wired:_____ _____ _____ _____

b. a valid energy performance certificate is enclosed in respect of the building (or one of the buildings, which is not a dwelling) to which the PV installation is 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 level G or above;

Signed _____

Dated _____

[76] As defined in the FIT Order

Multi-installation declarations

(sign one declaration only from declarations 5-6, 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 5

I _____ ("the FIT Generator") (and[77] 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"[78] 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

[77] Only to be completed where there is a nominated recipient

[78] 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 6

I _____ ("the FIT Generator") (and[79] 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

[79] Only to be completed where there is a nominated recipient

Appendix 3 -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"[80] or "nominated recipient"[81] 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")

[80] "FIT Generator" means (a) in relation to an Accredited FIT Installation, the person identified as the Owner in the Central FIT Register; and (b) in relation to any other Eligible Installation, the Owner, whether or not that person is also operating or intending to operate the Eligible Installation;

[81] "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") (and[82]/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"[83] 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

[82] Only to be completed where there is a nominated recipient

[83] 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") (and[84]/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"[85] in relation to them.

Signed FIT Generator: _____

Signed Nominated recipient*: _____

Dated:_____

*where applicable

[84] Only to be completed where there is a nominated recipient

Appendix 4 - Degression

This appendix summarises the degression mechanisms in effect for all FIT eligible technologies (except microCHP) based on deployment of new installation generating capacity.

Degression Mechanism for Solar PV

A. The degression mechanism for solar PV has been administered by Ofgem since 1 August 2012. Degression for solar PV tariffs takes place on a quarterly basis, with generation tariffs changing on the first day of the first month of each quarter for new installations and extensions with an eligibility date on or after that date.

B. From 1 December 2012-31 January 2013, payments will be made under the table published in August 2012 for installations and extensions with an eligibility date between 1 November 2012 and 31 January 2013. From 1 February 2013 – 30 April 2013, payments will be made under the table published in November 2012 for installations and extensions with an Eligibility Date between 1 February 2013 – 30 April 2013.

C. Thereafter, tariffs will be published on 1 March 2013 for installations with Eligibility dates between 1 May 2013 – 30 June 2013. Subsequently, from 1 July 2013 the four degression quarters will be 1 July – 30 September, 1 October – 31 December, 1 January – 31 March, and 1 April – 30 June.

D. Tariffs will be published at least two months before the start of the quarter in which they will be applicable on the Ofgem website[86], and will be based on deployment of new PV generating capacity in the previous quarter, which will be published by DECC on their website[87].

E. 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).

F. Degression will be nil 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 for every solar PV tariff every 9 months.

G. Deployment statistics will be published on a monthly basis by DECC on their website 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.

[86] www.ofgem.gov.uk/FITs
[87] www.gov.uk/decc

H. 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.

I. 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 - ie 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 Total Installed 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 F.

J. The schedule for publication of the degression tariff table will be published on the Ofgem website.[88]

[88] www.ofgem.gov.uk/FITs

Degression Mechanism for all other eligible technologies

K. A process of annual degression of generation tariffs is being introduced for non-PV technologies. The degression mechanism will be administered by Ofgem; however the first degression of tariffs will not take place until 1 April 2014. Annual degression will apply to all hydro, wind and anaerobic digestion tariffs but will not include microCHP. Generation tariffs will change on 1 April each year for new installations and extensions with an eligibility date on or after that date.

L. Furthermore, in exceptional circumstances where there has been markedly high deployment of new generation capacity during the first six months of a calendar year tariffs may undergo a contingent degression. This would occur on 1 October of each year if deployment in the first six months (1 January - 30 June) significantly exceeded expected deployment levels (see paragraph 1.21).

M. Tariffs will be published at least two months before the start of the FIT year, or in the case of contingent degression by 1 August, that they will be applicable. They will be based on deployment of new generating capacity in the previous calendar year, or first 6 months of the current calendar year for contingent degression, which will be published by DECC on their website. For example, the generation tariff rates for installations with an eligibility date between 1 April 2014 and 31 March 2015 inclusive will be published on the Ofgem website by 1 February 2014 and be based on the level of deployment between 1 January and 31 December 2013.

N. The expected annual degression rate for all relevant technologies will be 5%,however this will vary depending on the deployed capacity of each technology in the previous calendar year and can range from 0% up to a maximum of 20%. (See Tables 2-5 below).

O. Deployment statistics will be published on a monthly basis by DECC, with an additional aggregated data release covering a full calendar year being published in January 2014. Tariffs for all relevant technologies with an eligibility date on or after 1 April of the following FIT year will be determined using only this aggregated release and will be published by 1 February each year on Ofgem's website.

P. In a similar way to solar PV, the degression mechanism for wind and AD will operate independently for each degression band, with separate deployment thresholds. This means that tariffs can degress at different rates for different installed TICs of installations.

Q. The degression thresholds for new wind installations are provided in Table 2 below:-

Table 2. Degression thresholds for new wind installations

Aggregate Declared Net Capacity of relevant deployment of wind installations with a Declared Net Capacity of up to 50kW in preceding calendar year	*Degression rate*	*Aggregate Total Installed Capacity of relevant deployment of wind installations with a Total Installed Capacity of greater than 50kW but not exceeding 100kW in preceding calendar year*	*Degression rate*	*Aggregate Total Installed Capacity of relevant deployment of wind installations with a Total Installed Capacity of more than 100kW in preceding calendar year*	*Degression rate*
Not more than 3.3MW	2.5%	Not more than 3.3MW	2.5%		n/a
More than 3.3MW but not more than 6.5MW	5.0%	More than 3.3MW but not more than 6.5MW	5.0%	Not more than 36.7MW	5.0%
More than 6.5MW but not more than 13.1MW	10.0%	More than 6.5MW but not more than 13.1MW	10.0%	More than 36.7MW but not more than 73.4MW	10.0%
More than 13.1MW	20.0%	More than 13.1MW	20.0%	More than 73.4MW	20.0%
NB: Where relevant deployment in the preceding calendar year has not exceeded 36.7MW AND has not exceeded 36.7MW in any preceding calendar year, the degression rate for wind installations with a Total Installed Capacity greater than 1.5MW will be nil.					

R. Generation tariffs for new wind installations with a TIC of greater than 100kW cannot be greater than the tariffs paid to installations with a TIC greater than 15kW but not exceeding 100kW. Should this situation occur following a degression change generation tariffs for those tariff bands for installations with a TIC of greater than 100kW will be pegged to the generation tariff payable for the greater than 15kW but not exceeding 100kW tariff band.

S. The degression thresholds for new AD installations are provided in Table 3 below:-

Table 3. Degression thresholds for new AD installations

Aggregate Total Installed Capacity of relevant deployment of AD installations with a Total Installed Capacity of 500kW or less in previous calendar year	*Degression rate*	*Aggregate Total Installed Capacity of relevant deployment of AD installations with a Total Installed Capacity of more than 500kW in previous calendar year*	*Degression rate*
Not more than 2.3MW	2.5%	Not more than 19.2MW	2.5%
More than 2.3MW but not more than 4.5MW	5.0%	More than 19.2MW but not more than 38.4MW	5.0%
More than 4.5MW but not more than 9.0MW	10.0%	More than 38.4MW but not more than 76.9MW	10.0%
More than 9.0MW	20.0%	More than 76.9MW	20.0%
NB: Where relevant deployment in the preceding calendar year has not exceeded 36.7MW AND has not exceeded 36.7MW in any preceding calendar year, the degression rate for wind installations with a Total Installed Capacity greater than 1.5MW is nil.			

T. Generation tariffs for new AD installations with a TIC of greater than 500kW cannot be greater than the tariff rate for those installations with a TIC greater than 250kW but not exceeding 500kW. Should this situation occur, generation tariffs for those installations with a TIC greater than 500kW will be pegged to those tariff rates applicable for installations with a TIC greater than 250kW but not exceeding 500kW.

U. In addition to linking the tariffs payable to the largest AD installations to those in the greater than 250 kW but not exceeding 500kW tariff band, there are further restrictions on tariff values for larger AD installations. Generation tariffs for new AD installations with a TIC of greater than 500kW cannot exceed the maximum tariffs specified in Table 5, adjusted by the Retail Price Index (RPI) over the period beginning on 1 January and ending on 31 December immediately before the commencement of the relevant FIT Year:

Table 4. Maximum tariffs for anaerobic digestion installations with a TIC of greater than 500kW

Relevant FIT Year	*Maximum Generation Tariff (p/kWh)*
FIT Year 6 (1 April 2015-31 March 2016)	8.51
FIT Year 7 and subsequent FIT Years	8.06

V. Degression does not apply to microCHP installations. Therefore, generation tariffs are unchanged each year with the exception of adjustment for RPI.

W. The degression thresholds for new hydro installations are provided in Table 5 below:-

Table 5. Degression thresholds for new hydro installations

Aggregate Total Installed Capacity of relevant deployment of Hydro Generating Stations in preceding calendar year	*Degression rate*
Not more than 12.5MW	2.5%
More than 12.5MW but not more than 25MW	5.0%
More than 25MW but not more than 50.1MW	10.0%
More than 50.1MW	20.0%
NB: Where relevant deployment in the preceding calendar year has not exceeded 25MW AND has not exceeded 25MW in any preceding calendar year, the degression rate for hydro installations with a Total Installed Capacity greater than 2MW will be nil.	

Contingent (six-monthly) Degression

X. Contingent degression would take place on 1 October and would apply only to those technologies or tariff bands where deployment between 1 January

and 30 June that year had exceeded published thresholds (see Tables 6 - 8). If this were to take place, new installations and extensions (of the affected technology/tariff band) with an eligibility date on or after 1 October would be affected.

Y. In addition to deployment statistics being published by DECC on a monthly basis an additional aggregated data release covering the first six months of the calendar year will be published during July. Only this aggregated release would be used to determine whether contingent degression should take place. Any tariff changes that would be required would be published on the Ofgem website no later than 1 August.

Table 6. Mid-year degression thresholds for new hydro installations

Aggregate capacity of relevant half-year deployment of Hydro Generating Stations	*Degression rate*
More than 16.5MW but not more than 33.1MW	5.0%
More than 33.1MW	10.0%

Table 7. Mid-year degression thresholds for new wind installations

Aggregate capacity of relevant half-year deployment of wind installations with a declared net capacity of 100kW or less	*Degression rate*	*Aggregate capacity of relevant half-year deployment of wind installations with a declared net capacity of more than 100kW*	*Degression rate*
More than 4.3MW but not more than 8.6MW	5.0%	More than 24.2MW but not more than 48.5MW	5.0%
More than 8.6MW	10.0%	More than 48.5MW	10.0%

Table 8. Mid-year degression thresholds for new anaerobic digestion installations

Aggregate capacity of relevant half-year deployment of anaerobic digestion installations with a declared net capacity of 500kW or less	*Degression rate*	*Aggregate capacity of relevant half-year deployment of anaerobic digestion installations with a declared net capacity of more than 500kW*	*Degression rate*
More than 3.0MW but not more than 5.9MW	5.0%	More than 25.4MW but not more than 50.7MW	5.0%
More than 5.9MW	10.0%	More than 50.7MW	10.0%

Z. The schedule for publication of the degression tariff table will be published on the Ofgem website.[89]

[89] www.ofgem.gov.uk/FITs