

Feed-in Tariffs (FIT) FAQ v5

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What is the Feed-in Tariffs scheme?

The Feed-in Tariffs (FIT) scheme is a government programme to encourage uptake of small-scale renewable and low carbon electricity generation technologies.

The scheme requires FIT licensees to make fixed tariff payments for electricity generated and exported to the National Grid.

To find out more about renewable electricity generation and how to join the FIT scheme, your initial point of contact should be the Energy Saving Trust.

What is Ofgem's role?

The FIT scheme policy and tariff rates are set by the Department for Business, Energy and Industrial Strategy (BEIS). The Gas and Electricity Markets Authority (the Authority) administers the FIT scheme. Ofgem is the office of the Authority, and we undertake the Authority's day to day functions.

One of our roles is to maintain the Central FIT Register (CFR), which is a database of accredited installations. We are also responsible for ensuring suppliers comply with the FIT scheme requirements and administer the levelisation process, along with monitoring deployment caps and processing ROO-FIT applications.

We are unable to comment on future policy amendments or on speculative applications.

What technologies are eligible under FITs?

There are five technologies eligible under the FIT scheme. These are:

 Solar photovoltaic (PV) – Up to 5MW Total Installed Capacity (TIC)

- Wind Up to 5MW TIC
- Hydro Up to 5MW TIC
- Anaerobic digestion Up to 5MW TIC
- Micro combined heat and power (CHP) – Up to 2kW TIC

However if you have an extension to an existing FIT installation that was commissioned on or after 15 January 2016, then it will not be eligible for FIT payments.

What is an MCS certificate and when do I need one?

The Microgeneration Certification Scheme (MCS) certifies microgeneration products used to produce electricity and heat from renewable sources and also certifies installation companies.

Solar PV and wind installations with a DNC of 50kW or less and micro CHP installations must be commissioned by an MCS-certified installer using an MCS-certified product.

A valid MCS certificate issued to an installation is proof that the installation is MCS-certified. These should only be issued once the installation is fully installed and commissioned. Do not accept MCS certificates that are issued before completion as these are ineligible and will make your installation ineligible for the scheme.

More information on MCS products and installers can be found on the MCS website.

Who do I apply to?

If the installation is a PV or wind installation which has a Declared Net Capacity (DNC) up to and including 50kW or a micro CHP installation with a DNC up to and including 2kW, applications should be submitted to a FIT licensee.

These must be installed by a Microgeneration Certification Scheme-certified (MCS) installer.

For PV and wind installations which have a DNC greater than 50kW and up to and including 5MW, and all anaerobic digestion and hydro up to and including 5MW, applications should be submitted to us for ROO-FIT accreditation.

Community organisations and education providers who wish to receive the additional benefits available should visit our <u>website</u> for further details and guidance.

Who are FIT licensees?

The FIT licensees are licensed electricity suppliers registered with the FIT scheme. They will process your application, if it requires an MCS certificate, and make the FIT payments for the electricity you generate and export.

A full list of FIT licensees is on our website.

What does the closure of the FITs scheme mean for me?

For installations that have already applied for or received accreditation under the scheme, the closure will have no effect.

For new applicants, no applications will be eligible for accreditation to the scheme from 1 April 2019, subject to the following exceptions:

- ROO-FIT installations which applied for pre-accreditation before 31 March 2019 retain their regular validity period in which to apply, including community energy installations.
- MCS installations which commissioned and have an MCS issue date before 31 March 2019 can apply until 31 March 2020.
- MCS school and community installations that applied for preregistration before 31 March 2019 receive the standard validity period in which to apply.
- ROO-FIT preliminary accreditations that have been delayed in converting to full accreditation due

to grid connection problems beyond their control can apply for a 12month grace period.

For full details of scheme closure, please see our 'Feed-in Tariffs: Essential guide to closure of the scheme'

What is the Eligibility Date of my installation and how long will I be eligible for?

For applications made on or after 8 February 2016 the Eligibility Date will be the later of:

- The application date to the FIT licensee (for MCS-FIT applications) or Ofgem (for ROO-FIT applications);
- The start date of the tariff period that the installation falls into.

The length of time you can receive FIT payments for your installation varies dependent on the technology type and Commissioning Date. Please see our guidance for further details.

What tariff rate will I get?

The tariff rate is determined by the following factors:

- Eligibility and Tariff dates
- Technology type
- Capacity
- Energy efficiency requirement (EER)
- Multi-site generator
- Deployment cap your installation qualifies for

Tariff tables can be found on <u>our website</u>.

What are deployment caps?

A deployment cap is a limit on the capacity that can receive a particular FIT tariff in each tariff period.

Separate deployment caps are available for each technology and tariff band and are set for a three-month period, with the exception of micro CHP which has deployment caps over six monthly periods.

If a cap is reached before the end of the tariff period, no more installations will be accredited during that period and the tariffs

in subsequent tariff periods will be subject to an additional reduction of 10%.

We regularly publish <u>reports</u> on our website showing deployment towards each cap. If a cap is reached, the website will be updated with the details shortly after this happens.

How will my place in a deployment cap be determined?

Under deployment caps, applications are received continuously and are allocated to a tariff period in the following way:

- For MCS-FIT (small-scale)
 installations those are ordered by
 - installations these are ordered by the date and time of the installation's MCS certificate.
 - For ROO-FIT (large-scale) installations – these are ordered by the date and time that the application was received by Ofgem.

Once a cap has been reached, any further applications will be queued for future caps. Once the final tariff period, beginning on 1 January 2019, has been exceeded, no further applications can be accredited under the FIT scheme.

If your MCS certificate issue date and time or ROO-FIT application date and time falls in a tariff period after a cap has been reached your installation cannot be accredited until the cap you qualify for opens.

For further information on deployment caps and how your installation may be affected, please see our guidance documents.

What is the energy efficiency requirement (EER) and how does it affect my tariff?

The EER applies to solar PV installations, with the exception of stand-alone, with a capacity up to 250kW and an Eligibility Date on or after 1 April 2012. These installations must demonstrate that the building which they are wired to provide electricity to has achieved an Energy Performance Certificate (EPC) rating of level D or above in order to receive the higher generation tariff rate.

An EPC is issued by a registered assessor which indicates how energy efficient a building is. A rating band will be given, from G (the lowest rating) to A (the highest).

A valid EPC must have been issued within the last ten years and before the commissioning date of the installation.

Some installations can be exempt from the EER.

If you think you are exempt from the EER, then you should complete and submit the declarations on our <u>website</u> as part of your application to the scheme. One of the declarations must be completed by a qualified EPC assessor and one by the FIT generator.

There is a list of EPC assessors on Landmark's website.

Why do the tariff rates change?

There are two reasons for tariff rate changes. These are:

- Retail Price Index (RPI) adjustments

 generation and export tariffs are adjusted every April by the RPI percentage increase or decrease over the previous calendar year. For all installations with an Eligibility Date in the latest quarter before 1 April each year the generation tariff will not be adjusted by RPI until the following year.
- Degression this is the reduction of tariff rates for new installations, based on the deployment levels of each technology. Tariff rates have been determined up to March 2019, which may degress by a further 10% if deployment caps have been reached.

When will my payments start and how often will I receive payments?

Payments will start from your Eligibility Date, as long as you have signed the statement of FIT terms and provided a start meter reading to your FIT licensee. If you can't submit a reading on the Eligibility Date then

payments will start from the next reading provided.

In order to receive payments, you must send your meter readings to your FIT licensee who will then calculate your FIT payments. You should receive this payment within 90 days of the date you provided the meter reading.

What FIT the Central is Register?

The CFR is the web-based system which holds information for the FIT scheme.

The CFR is administered by us and in conjunction with FIT licensees we are responsible for ensuring information is accurate and up to date.

The CFR can be accessed via our website.

Will my eligibility be affected by replacing repairing or equipment, and can I reuse my equipment?

This will depend on the changes that have been made to the installation and will be reviewed by your FIT licensee once the works are complete. You should therefore contact your FIT licensee and provide them as much information on replacement or repair of the equipment, who will then make a decision.

If any part of the generating equipment for the installation has previously been used as part of an installation accredited under FIT or the Renewables Obligation (RO), then it cannot be re-used for the FIT scheme.

How do I switch FIT licensees?

It is possible for generators to switch FIT licensees, who will facilitate a switch, provided that there are no objections.

If you wish to switch FIT licensees you should contact the new licensee who will start the process once it has been agreed with the previous licensee.

How do I make a complaint?

If you have a complaint about your FIT licensee, then you will need to follow the Dispute Resolution Process. Your first point of contact should be your FIT licensee, who will help resolve your complaint according to their complaints procedure. If an agreement has not been reached with the FIT licensee within eight weeks then you should contact the Energy Ombudsman.

If your complaint is about an installation company, you should contact Microgeneration Certificate Scheme (MCS) and Renewable Energy Consumer Code (RECC).

I More information

Please ensure you read our guidance and the information on our website before applying.

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Any queries should be directed to your FIT licensee