



INFORMATION NOTE

Subject: FEED-IN TARIFF SCHEME (FIT)

Number: 01/12

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Date of issue:
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Contact if different from above Sponsor:

Who Should Read this: Heads of Establishments, MOD Contract Managers including PFIs, Maintenance Management Organisations, DDs Estate Management in Great Britain.

When it takes effect: Immediately

When it is due to expire: when rescinded

Estate Management

Document aim:

This Information Note provides details on Feed-in Tariffs (FITs) which have been introduced in Great Britain to encourage deployment of additional small-scale low-carbon electricity generation. In Northern Ireland financial incentives for small-scale low-carbon electricity generation are provided through Renewable Obligation Certificates.

FEED-IN TARIFF SCHEME – Application on the Defence Estate

The Feed-in Tariff (FIT) Scheme

1. The [Feed-in Tariffs \(FITs\)](#) scheme was introduced on 1 Apr 2010, under powers in the Energy Act 2008 and applies to Great Britain.
2. The scheme requires Licensed Electricity Suppliers (FIT Licensees) to pay a generation tariff to small-scale low-carbon electricity generators and an export tariff where electricity is exported to the national grid.
3. FITs work alongside the [Renewables Obligation \(RO\)](#) – which is the primary mechanism to support deployment of large-scale renewable electricity generation – and the [Renewable Heat Incentive \(RHI\)](#) which supports generation of heat from renewable sources at all scales.

Benefits of FITs

4. There are three financial benefits from installing FIT qualifying technologies:
 - a. Generation tariff – the electricity supplier of choice will pay for each kWh of electricity generated. See [table of tariffs \[External link\]](#).
 - b. Export tariff – if electricity is generated that is not used on site, it can be exported back to the grid. MOD will be paid for exporting electricity as an additional payment (on top of the generation tariff)
 - c. Energy bill savings – on-site generation reduces the amount of electricity imported from licensed suppliers

Receiving FIT Payments

5. There are four steps to receiving FIT payments:

Step 1 - Check eligibility.

Step 2 - Make an application for accreditation.

Step 3 - Appoint a FIT Licensee.

Step 4 - Provide meter readings.

Step 1 – Eligibility

6. If the installation generates renewable electricity using solar photovoltaic's (PV), wind, hydro or anaerobic digestion (AD) and has a Total Installed Capacity (TIC) of up to 5MW or is a fossil fuel derived Combined Heat and Power(CHP) with a TIC up to 2kW, it may be able to receive FIT payments. In order to qualify for the scheme, the equipment must have been installed after July 2009, and must be suitably accredited.

Step 2 - Make an application for accreditation

7. Where MOD is the 'owner' of the installation (essentially, MOD-funded installations) and entitled to receive FIT payments, all applications for accreditation must be routed through the DIO Utilities Team. Applications for accreditation are made through one of two routes:-
 - a. **Accreditation through the establishment electricity supplier.** Solar PV or wind with a Declared Net Capacity (DNC) up to 50kW, or micro Combined Heat and Power (mCHP) up to a TIC of 2kW, [Microgeneration Certification Scheme](#) (MCS) certified equipment installed by an MCS certified installer.
 - b. **Accreditation through Ofgem.** Solar PV, wind and hydro installations with a DNC over 50kW up to a TIC of 5MW and AD or hydro installations of any capacity up to 5MW. Plus hydro installations of all sizes until 31 March 2012. (This is an interim arrangement, pending the outcome of DECC's comprehensive review of FITs).
8. The Project Manager for the installation should contact the DIO Utilities Team to agree who will make the initial application for accreditation. For applications through the electricity supplier the nominated person should complete the supplier's application form. For applications through Ofgem the nominated person should initiate an application using the "Apply for new accreditation" function under the "Accreditation" tab on the MOD account in the Ofgem Renewables and CHP Register and follow the instructions which include:
 - a. Providing full and accurate answers to the questions asked
 - b. Uploading, posting or faxing documentation as requested
 - c. Sending the application to the account holder (DIO Utilities Team) so they can make the relevant declarations.

9. "Site" is defined by reference to the relevant Meter Point Administration Number (MPAN) for electricity supply, address, OS grid reference and any other factors which the Ofgem at its discretion views as relevant.
10. For installations located on a MOD private wire network, the point where the private wire network connects to the grid will be considered the import/export point of the site. All installations linked to the same import/export point will be considered to be located on the same site. Only electricity which enters the national grid system is eligible to receive FIT export payments.
11. Ofgem will review the application, seek further information if required and confirm FIT accreditation by email if all eligibility criteria have been met. The confirmation of accreditation will confirm:
 - a. The FIT accreditation number.
 - b. The total installed capacity of the installation.
 - c. The technology type.
 - d. The eligibility date.
 - e. Any general and specific conditions attached to the accreditation.
12. Where MOD is not the owner of the installation (eg privately owned systems installed on MOD land or buildings leased to third parties), the Department will not be entitled to receive FIT payments. These will instead be claimed by the owning third party. However, DIO Utilities Team must be informed of the arrangements proposed in order to ensure that the electricity generated is properly accounted for and taken off the MOD's own supply. The MOD cannot make use of renewable energy generated by third parties operating on leased MOD land or buildings unless both the opportunity to lease the land/building and supply the electricity has been competed in accordance with Public Procurement Regulations.

Step 3 - Appointing a FIT Licensee

13. In order to receive FIT payments a FIT Licensee must be appointed. For MOD owned installations the FIT Licensee will be the current electricity supplier for the site. MOD electricity supply contracts will include a requirement for the supplier to take on new and existing installations and transfer them to the new supplier on change of contract.
14. The MOD authorised contact for the installation should contact the energy supplier prior to or upon making an application for both supplier and Ofgem accreditation to discuss metering, meter readings and FIT payments. Other than for very small installations, renewable energy systems should be metered for both MOD reporting requirements and to claim FIT payments.
15. A Statement of FIT Terms must be agreed before FIT payments can begin. A standard set of terms will be agreed through the contract with the MOD electricity supplier. The terms will require all payments to be credited against the bill for the establishment which hosts the installation. For off-grid installations the payments will be credited against the parent establishment or other nominated site.

Step 4 – Provide meter readings

16. FIT payments are made based on generation and export meter readings. All metering used for FIT claim purposes must be approved to set standards. The amount of exported electricity can be deemed for installations with a TIC of 30kW or less where no export meter exists. For all other installations, an approved export meter is required in order to receive FIT export payments.

17. FIT payments are accrued from the Eligibility Date, the start meter reading provided as part of the FIT application should be taken on the Eligibility Date. Quarterly or monthly meter readings will be required from the total generation meter and export meter where fitted.
18. The eligibility date is the later of:
 - a. The date the application was received by Ofgem or
 - b. The date on which the installation is commissioned if the application for accreditation is received prior to the commissioning date.

FIT payments

19. FIT payments can be broken down into two main components:
 - a. 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
 - b. FIT Export Payment - A fixed payment made by the FIT Licensee to the FIT Generator or Nominated Recipient for every kWh exported to the transmission or distribution network.
20. FIT payments are made at the rates set out on the Ofgem website. Ofgem will publish annually the tariff table 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. The tariff bands are also subject to periodic review by DECC.
21. Any installation which receives FIT accreditation will receive the rate set out in the tariff table for the relevant year in which it receives accreditation (subject to the Secretary of State substituting a new FIT payment rate table in Schedule A to Standard Licence Condition 33). This tariff rate will be assigned for the duration of FIT support (subject to RPI adjustments).
22. The FIT Export Tariff is currently set at a standard rate of 3.1p per kWh for all technology types. The export rate is also subject to annual RPI adjustments. MOD has the option to opt out of the FIT Export Tariff and negotiate an export contract directly with an energy supplier. This decision can only be changed once a year and will be made by the DIO Utilities Team.
23. If MOD has negotiated additional payments in excess of the tariff rates set out in the tariff table, this is a commercial matter outside of the FIT scheme. Any such payments will be identified separately (e.g. itemised separately within their bill).

Further Guidance

24. Further guidance can be found in OFGEM document [Feed-in Tariffs: Guidance for renewable installations V2](#) on the FIT application process, and at the [OwnEnergy](#) website.
25. The DIO Utilities Team can be contacted on:

Phone: 030 6770 1247/96770 1247

Fax: 01264385621/94391 5621

Email: LF-Dinfra-SpUtilities-Mailbox@mod.uk

Address:

MOD FIT Installations, Defence Infrastructure Organisation, IDL 416, First Floor Zone 2, Ramillies Bldg, Marlborough Lines, Monxton Rd, Andover, Hants, SP11 8HJ

APPENDIX 1 – Documentation Checklist

To complete the registration documentation, the following will be required:

- The address and postcode of the site/location where the equipment is installed (note that the organisation details must be given as DIO Andover at the address above).
- The MPAN and account number supplying the site or location where equipment is installed.
- The make, model, and manufacturer of the renewable energy system, as listed in the MCS register.
- A copy of the MCS Installer certificate (see example below).
- The rated output of the system.
- The installation date.
- The meter make, model, manufacturer, serial number, and initial meter reading.

These details can be supplied by the installer, other than the MPAN and account number, which are held by the DIO Utilities Team.

Example of a MCS Installer Certificate



MCS Installer Certificate No.

MCS-00043132-F

INSTALLER DETAILS

MCS Certificated Installation Company Name:

Southern Electric Contracting

MCS Certificated Installation Company Number: MCS 1063

MCS Certificated Installer Name: Southern Electric Contracting

PRODUCT DETAILS

MCS Certificated Product Name: YL235P-29b-1

MCS Certificated Product Manufacturer: Yingli Energy (China) Company Limited

MCS Certificated Product Number: MCS PV0022/32

Technology Type: SOLAR PHOTOVOLTAIC

Estimated Annual Generation: 3134.00 kW

Declared Net Capacity: 3.76

INSTALLATION ADDRESS DETAILS

Address: Interserve (Defence) Ltd
Building 3
Burgoyne Barracks
Shorncliffe
Kent
CT20 3HG
England

Supply MPAN:

Installation Type: Non-Standalone

Commissioning Date: 18/03/2011

GENERATION METER DETAILS

Generation Meter Serial Number (MSN): 11012561

Generation Meter Reading: 0
(at commissioning date)