

## DECC/OFGEM Monthly FITs meeting – 6 October 2011

### Attendants

### Absent

### Agenda

#### 1. FIT Fast-Track Review

##### a) AD tariffs

- EC decision expected to be imminent
- Ofgem will rearrange the register changes from next weeks build to the next available date

ACTION: Ofgem to find out what the latest notification required for scheduling register changes.

ACTION: Ofgem to inform suppliers

##### b) Extensions implementation

###### DECC:

- 3<sup>rd</sup> Amendment laid 27 September 2011. Changes to come into force from 18 October 2011.
- DECC aware of a potential JR

###### OFGEM:

- Impact assessment should be completed this week after which a change request will be submitted for funding required for IT changes
- Suppliers will be unable to add extensions from midnight on 17 October until the system change is in place

#### 2. Comprehensive Review Part 1 (CR1) – DECC update

a) A formal write around will be sent to all government departments next week setting out the broad suggestions as follow:

- i. Tariff for all PV <50kW to change to 19p from 1 April 2012.
  - This is estimated to provide a return of 4% which is in line with market rates. This would apply to all installations with an eligibility date after the consultation reference date. The reference date may be the consultation launch date or a specified date after.
  - Possible transitional period for installations already under contract and deposit paid. Risk of rush. Estimated 4-6 weeks from the date of deposit to commissioning. Ofgem concern over who will be responsible and costs of checking contracts signed and deposits paid.

- Ofgem comment – single tariff for all installations up to 50kW creates significant variation in the payback at either end of the banding.
- Has been suggested that the tariffs for other technologies should be changed at the same time.
- Ofgem concern with known process delays in issuing MCS certificates
- ii. Energy Efficiency
  - Popular with Ministers. Possible arrangement similar to the tariff changes with impacting those installations with an eligibility date on or after the reference date with changes to the legislation being enacted from April 2012.
  - Risk with bringing in before this now as EPC levels have not been fully understood and an appropriate level requirement was not known. Still concerns over access to the EPC register, particularly in Scotland, for checking purposes.
  - Another possible option is a declaration similar to RHPP that loft and cavity wall insulation has been installed to set levels.
- iii. Likely to extend ROO-FIT accreditation of hydro in Phase 1 beyond 1 April 2012.
- iv. Risk with suppliers
  - Many have invested in administrative staff and training and IT systems recently.
  - DECC to speak to suppliers before consultation. Risk of competitive advantage as many suppliers also have an interest in installations.

### 3. Comprehensive Review Part 2 (CR2)– DECC update

- a) DECC are unlikely to complete the second part of the comprehensive review until July or October 2012.
- b) There is an issue with the disparity between the micro wind and micro hydro tariffs that may need addressing before CR2, possibly as part of CR1.

### 4. DECC Internal - FIT team to be increased for to manage changes for the next 2-3months. Possible support from the communications team.

### 5. AOB

- a) Audits – Fraud Activity Report. Ofgem propose a more detailed fraud prevention strategy which will be submitted annually with changes as necessary.
  - Ofgem currently has limited powers to act on instances of fraud
  - Possibly align with similar powers as under RHI in Phase 2

ACTION – Ofgem to send details of the RHI powers

- b) Letter – Ofgem received request for further definition of "site" and threat of court action.