Department of Energy & Climate Change

FEED IN TARIFFS: DEGRESSION STATISTICS GUIDANCE NOTE (MCS & ROOFIT STATISTICS)

The Feed in Tariff MCS & ROOFIT Statistics table are used to determine the tariffs for the next period via the degression mechanism.

Degression is a periodic reduction in tariffs, the size of which is dependent on the amount of deployment in the preceding period. Further information on the degression mechanism can be found on the Feed-in Tariff policy webpage on the DECC website, https://www.gov.uk/government/policies/increasing-the-use-of-low-carbon-technologies/supporting-pages/feed-in-tariffs-scheme

Collection and Processing Data for Degression Statistics

Sub50kW Photovoltaic and Wind Installations[1]

Data are extracted from the Microgeneration Certificate Scheme (MCS) database at the start of the month and sent to DECC by Gemserv shortly after, showing all sub50kW PV and wind schemes registered on the MCS databases since the start of January 2012[2]. The data provided shows the capacity (Declared Net Capacity), date the installation was first registered on the MCS database, and the postcode where available.

The MCS data are used in the degression statistics as these provide the most timely indication of the number/capacity of schemes deployed. MCS registration is the first step towards registering for the Feed in Tariff scheme, it is possible that not all schemes recorded on the MCS will eventually appear on Ofgems Central FIT Register, which is the final stage of the registration process.

Once received, the data are prepared[3] to process through a statistical software package where it is checked and quality assured.

There are three key steps for checking through and processing the data:

- The DNC data are checked. Common issues with this data item include: instances where the DNC are outside of the range we would normally expect i.e. >50kW, no DNC has been reported or DNC has been recorded in another unit. This typically affects 1% of both PV and wind installations each month. The small percentage of incorrect values are adjusted so that the installations can be included with the statistics:
  - PV, the DNC is set to 3.3kW[4] if there no DNC is reported; or it has a value of '0'; or is between 50.1 to 100kW; or between 50,001 through to the highest. If the

[1] Data are also collected on MicroCHP schemes but this technology is not subject to the degression mechanism
[2] Although the FIT scheme started in April 2010, Gemserv first started to record the date of registration from January 2012.
[3] The FIT scheme only covers GB, however, there are installations registered on the MCS located in Northern Ireland, therefore DECC need to check through the postcode data so these installations can be removed at a later stage during the process.
[4] The average installed capacity of a sub-50kW PV installation.

reported DNC is between 100 and 50,000kW, the DNC is divided by 1,000, since it is assumed that the DNC has been reported in the wrong units.

- Wind, if the DNC is >50kW then it is divided by 1,000; and if >50,000 then it is set to 50kW.

The corrected DNC data is then grouped into the three small scale PV bands 0-4kW, 4-10kW & 10-50kW.

- The MCS database contains registered installations in Northern Ireland. Since the FIT scheme covers GB only, DECC remove these installations from the count using the postcode data provided in the extract.
- The degression statistics are counted based on the date the installation was first registered on the MCS, therefore, we filter out installations outside of the degression period.

The final output is then aggregated to the statistics shown in the 'MCS' worksheet of the degression table. The statistics are shown as an in-month total for each month. Of the installations presented in this table, some will have been confirmed on Ofgems Central FiTs Register (CFR) but others will not.

>50kW Photovoltaic, Wind & all Anaerobic Digestion Installations & all Hydro

Data are collected and sent to DECC by Ofgem shortly after the month end, showing all >50kW installations (and all hydro schemes under 50kW) granted accreditation under the FIT scheme that are recorded on the ROOFIT database for the previous month.

The data provided shows the capacity (Total Installed Capacity), date the installation was granted accreditation and type of accreditation granted i.e. full, preliminary, or converting from preliminary to full, extension reference where applicable and technology type.

Again, like the MCS statistics, once received, the data is prepared[5] to process through a statistical software package where it is checked and quality assured.

There are a number of steps for checking through and processing the data:

- Like with the MCS data, the ROOFIT statistics are counted based on the date the installation was granted accreditation (full or preliminary), therefore, we filter out installations outside of the degression period.
- Original installations i.e. not extensions should have a total installed capacity of >50kW.
- Only installations going through the ROOFIT process are permitted to apply for preliminary accreditation.
- If an installation has previously been granted preliminary accreditation, and subsequently re-applies for accreditation since the tariff guarantee period[6] has lapsed then the installation will not been counted again within the degression

[5] The FIT scheme only covers GB, however, there are installations registered on the MCS located in Northern Ireland, therefore DECC need to check through the postcode data so these installations can be removed at a later stage during the process.

[6] Tariff guarantees will apply for a fixed period from application for preliminary accreditation. These will be 6 months for Photovoltaic; 1 year for Anaerobic Digestion and Wind; and 2 years for Hydro.

statistics. These installations are reported to us by Ofgem to ensure they are not counted towards degression twice.

- DECC will filter out installations that have previously been granted preliminary accreditation and have subsequently converted to become fully accredited. Like re-applications, they have already been counted once, and will not be counted again.
- Installations applying for an extension to an existing installation are counted as a new installation.
- DECC ensures extensions which are granted full accreditation, are allocated to the correct degression band. The correct degression band is based on the total installed capacity of the original installation, and the total installed capacity of all the associated extensions. DECC works this out by using both information from the ROOFIT dataset and the Central FITs Register.
- Extensions are not allowed to apply for preliminary accreditation.

The final output is then aggregated to the statistics shown in the 'ROOFIT' worksheet of the degression table. The statistics are shown as an in-month total for each month. Of the installations presented in this table, some will have been confirmed on Ofgems Central FiTs Register (CFR) but others will not.

Quarterly Photovoltaic Degression Statistics

The first quarterly PV degression statistics were published at the end of August 2012 and were related to the capacity registered under the MCS and accredited under ROOFIT between May and July 2012. These were then measured against the PV degression thresholds (Table A) to determine the percentage to degress the tariffs for the three PV degression bands[7], which would then have been applied to any installations that have an eligibility date under the FIT scheme between 1st November 2012 and 31st January 2013. Ofgem published the new tariffs on 1st September 2012, two months ahead of when they became effective.

Table A

Degression Point	Max deployment in 3-month period (kW)			Degression *(%)*
	0-10kW	>10 – 50kW	band >50kW and stand-alone	
Point 1	100,000	50,000	50,000	0%
Point 2	200,000	100,000	100,000	3.5%
Point 3	250,000	150,000	150,000	7%
Point 4	300,000	200,000	200,000	14%
Point 5	>300,000	>200,000	>200,000	28%

All except one degression period was based on three month quarterly period. For each of the three bands, the total capacity deployed in February and March 2013 was used by Ofgem to determine the tariffs from 1st July 2013 to 30th September 2013. This date was changed from 1st August 2013 to 1st July 2013 so that the timing of the PV degression will

[7] Ofgem use DECC degression statistics to calculate the new tariffs which they publish on their website https://www.ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme/tariff-tables

be brought in line with Non-PV degression[8]. To achieve this, DECC had a one 2 month period in which the thresholds were 2/3 of a normal degression trigger level. From then on, quarterly statistics for each of the three photovoltaic degression bands, 0-10kW, 10-50kW & >50kW (incl. standalones) are published at the end of the month following the quarter i.e. January, April, July, October. The tariffs are then calculated and published by Ofgem at the start of February, May, August and November of each year and apply to eligible installations two months later. For example, the tariffs set on 1st February will apply to all installations that have an eligibility date from 1st April to 30th June.

If the capacity in any of the degression bands during each quarterly period is greater than the maximum threshold for each band then the tariffs for that band will degress. However, if the capacity is less than the maximum threshold, then degression will be skipped, but only for two consecutive quarters, on the third quarter a mandatory 3.5 per cent degression will apply.

The 2014 quarterly degression figures can be found in 'PV Degression 2014' of the degression tables and 'PV Degression Pre 2014' for earlier periods. For a monthly time series of the degression statistics, refer to 'Summary – PV only'.

Once deployment for a full quarter has been published and have been used to determine the tariff reduction levels, DECC will not make revisions to the quarterly statistics. Revisions may be made to the monthly totals before the latest quarterly totals are published.

[8] Publication of non-PV statistics commenced at the end of January 2013. The first non-PV annual degression statistics were published at the end of January 2014.

Non-PV Annual Degression Statistics

Annual 2013

The first annual non-PV degression statistics were published at the end of January 2014 and were related to the capacity registered under the MCS and accredited under ROOFIT between January and December 2013. These were then measured against the non-PV degression thresholds (Table B) to determine the percentage to degress the tariffs for the non-PV degression bands[9], which would then have been applied to any installations that were eligible to apply under the FIT scheme between 1st April 2014 and 31st March 2015. Ofgem published the new tariffs on 1st February 2014, two months ahead of when they became effective.

Table B

			Degression points: Level of annual deployment (January-December) required to prompt degression			
Degression Band			**2.5%**	**5%**	**10%**	**20%**
Max deployment in 12-month period (kW)	**Hydro**	**All**	<=12,500	12,500 - 25,000	25,000 - 50,100	>50,100
	Wind	**0-100kW**	<=3,300	3,300 - 6,500	6,500 - 13,100	>13,100
		>100-5000kW	n/a	0 - 36,700	36,700 - 73,400	>73,400
	AD	**0-500kW**	<=2,300	2,300 - 4,500	4,500 - 9,000	>9,000
		>500-5000kW	<=19,200	19,200 - 38,400	38,400 - 76,900	>76,900

For installations within the largest tariff bands i.e. hydro 2-5MW, wind 1.5-5MW and anaerobic digestion 500kW-5MW, the tariffs are set at the Renewable Obligation equivalence level until the deployment during the 12 month period reaches the capacity to trigger a 10 per cent degression.

The 2013 annual non-PV degression figures can be found in 'Non-PV Degression 2013' of the degression tables. The latest figures for 2014 can be found in 'Non-PV Degression 2014' within the same table. For a monthly time series of the non-PV degression statistics, refer to 'Summary – non PV only'

Non-PV Six-monthly Degression Statistics

2014 is the first year in which deployment levels during the first six months of the year were measured against the six month degression thresholds (Table C), which allows for a mid-year degression to occur in October 2014. The 2014 mid-year degression statistics were published at the end of July 2014 and were related to the capacity registered under the MCS and accredited under ROOFIT between January and June 2014. Ofgem published the new

[9] Ofgem use DECC degression statistics to calculate the new tariffs which they publish on their website https://www.ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme/tariff-tables

tariffs[10] on 1st August 2014, two months ahead of when they became effective and will apply to any installations that are eligible to apply under the FIT scheme between 1st October 2014 and 31st March 2015.

Table C

		Degression points: Level of 6 calendar month deployment required to prompt degression		
Degression Band			**5%**	**10%**
Max deployment in 6-month period (kW)	**Hydro**	**All**	16,500 – 33,100	>33,100
	Wind	**0-100 kW**	4,300 – 8,600	>8,600
		>100-5000kW	24,200 – 48,500	>48,500
	AD	**0-500kW**	3,000 – 5,900	>5,900
		>500-5000kW	25,400 – 50,700	>50,700

To note that the larger degression bands for non-PV technologies are not subject to the same Renewable Obligation equivalence rule in the six-monthly degression as they are in the annual degression.

The 2014 mid-year non-PV degression figures can be found in 'Non-PV Mid-Year Degression 2014' of the degression tables. For a monthly time series of the non-PV degression statistics, refer to 'Summary – non PV only'.

Mid-year and annual degression rates are not cumulative. The annual degression rates based on 2014 deployment will be applied to the tariffs in place on 30th September 2014.

Other monthly Feed in tariff publications

DECC also produces a table looking the cumulative number of installations installed under the FIT scheme. The data source behind this publication is the same as that used in the degression statistics described above but this table is based on the date that the installations are commissioned as opposed to the date that they are registered/granted accreditation. This table can be found at the following link:

https://www.gov.uk/government/statistics/monthly-small-scale-renewable-deployment

[10] Ofgem use DECC degression statistics to calculate the new tariffs which they publish on their website https://www.ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme/tariff-tables