

DECC/OFGEM Monthly FITs meeting - 7 June 2011

Attendants

Absent

Agenda

**1. FIT Fast-Track Review (FTR) – DECC update on progress**

- Results of the FTR to be published on Thursday 9 June on receipt of the cabinet committee.
- DECC confirmed the rules surrounding RPI to be the same as with digression.
- Extensions – current regulations not to be amended as no consultation has been carried out. The potential of this issue has been acknowledged and will be looked at in the comprehensive review. Changes to the Order and Licence conditions possible from April 2012. Issue will not be addressed in the published FTR decision.
- JR – permission has been granted with the focus currently on whether the FTR was pre-determined rather than the FTR process. The potential outcome of this is not currently clear.
- Transitional Arrangements – a number of options have been proposed by stakeholders. No transitional arrangements will be pursued at this stage.
- State Aid approval for amended AD tariffs – DECC expect to make their notification to the commission on Thursday 9 June. The pre-notification process for existing installations to be confirmed and designed to be simple.

ACTION: DECC to provide Q&A and media handling guidance.

ACTION: to provide JR lines from briefing pack

ACTION: DECC to provide date for State Aid approval as soon as possible.

**2. Ofgem update on large PV applications and audits**

- 1 x 5MW accreditation application currently received and an additional 5 expected to be received and commissioned before 1 Aug 2011.
- Auditors - Ofgem to recruit technical auditors for site visits on all 5MW sites and any which raise concerns. Findings will also assist in responding to future challenges on the issue.
- Definition of commissioned – currently an issue with off-grid sites. Ofgem are using the definition of commissioned from the ROO which includes the term

'capable of commercial operation'. Off-grid installations will have to show how they are using the power and that they are operating commercially.

ACTION – to send script to DECC on issues surrounding large PV installations.

ACTION – to send fortnightly update on numbers of large PV installations.

### **3. Comprehensive Review – DECC update**

- The core review will be looking at the tariff rates.
- Timings - DECC are currently re-tendering for consultants to complete the tariff modelling. The tender was initiated last week. This will delay the planned consultation start date until Sept 2011. Decisions still officially planned for Dec 2011 but likely to be Jan 2012.
- Discussion document – as a precursor to the formal consultation, a discussion document will be published to give an insight into the planned scope of the review. Early discussions will be valuable in formulating the consultation. Stakeholder engagement is expected to start at the end of July.
- 2 part consultation – still a possible option.

ACTION: DECC to share the results of the consultation with Ofgem in advance to allow for internal scoping and testing to be completed in time for any changes.

### **4. Generator guidance and 'generating equipment' consultation**

- Ofgem intend to publish generator guidance in the next 8 weeks.
- Definition of 'Generating Equipment' – 12 week consultation on the definition of this term to be completed.

### **5. Supplier guidance**

- In progress
- Supplier consultation (metering, balancing & settlement, frequency of levelisation) – results to be published in July. Will not cover the obligation of FIT licensees to generators as this is not within the powers of Ofgem to investigate.

### **6. MCS changes to installer guidance**

- Ofgem advised of recent changes to the MCS certificate (DNC and meter information) by supplier (EDF). There appears to have been no discussion or notification of the change and potential impact. Process needed for MCS when considering and actioning changes. EDF are pursuing with MCS in the first instance. Steering group to be looked into.

ACTION: to raise as an issue with the governance of MCS

- Verification of meters – MCS accredited installers are currently obliged to make a customer aware of the need to use an approved meter but only advised within guidance to install an approved meter as part of an installation. In addition the MCS certification does not provide for mandatory meter details (make, model, serial number).

It is necessary under the licensee conditions for a supplier to ensure the meter is approved. However, some have assumed that this was a precursor for MCS certification and/or are unable to check as details not mandatory on the MCS certificates they receive. Checks have been carried out and this does not yet appear to be a significant problem however it does need addressing.

ACTION: to pursue verification of meters issue with MCS

## **7. Export metering and deeming**

- Some suppliers have been found to be deeming export where an export meter is in place but not registered with the BSC. Conflicting statements in the licence conditions and order about whether BSC registration is required for export meters.  
required.
- Deeming was intended as a holding position until Smart metering is introduced. DECC confirmed there is a possibility of looking at this issue in the comprehensive review.
- Ofgem have asked suppliers to consider options for the alternative meter verification over the next 6 months.
- Pre-payment meters – issues raised by social housing providers wanting to install PV on tenanted sites. Issues with loss of grid connection when credit expires or property vacant. Discussed with Ofgem Social Affairs team. Not a FIT issue. Requires a technical solution. No further action required.

ACTION: DECC to consider addressing the 'deeming' issue above in the comprehensive review.

## **8. AOB**

- Hydro – BIS independent internal review commissioned by Greg Barker over concerns about MCS complaints on Hydro certification. Recommendation was to detach hydro from MCS. Only alternative is ROO-FIT which may be complicated. The Microgeneration Strategy may suggest this is an area to be covered by the comprehensive review. DECC intend to send a letter to Ofgem about the possibility of removing micro-hydro from the MCS route of accreditation and including them in ROO-FIT.

- HMRC published document looking at the tax issues surrounding FIT and RHI - Review of capital allowances for FIT/RHI expenditure: [view the consultation document](#)
- DECC published [Control Framework for DECC levy-funded spending Q&A](#) – 6 JUN 11
- MCS Equivalent – DECC continuing to look at the issue of MCS equivalence with UKAS.  
ACTION – DECC to formulate and provide process of approving MCS alternatives.
- Frequency of meetings – fortnightly requested by SP in the run up to 1 Aug changes.  
ACTION – to put forward suggested dates.
- A letter will be sent to DECC over the coming week setting out areas of concern for the comprehensive review. This letter follows up on the issues discussed at our meeting of 13 April 2011.