



Smart Export Guarantee: Update

February 2019

Minimum supplier size threshold

A key point of our discussion with stakeholders has been around the size and type of suppliers that should be mandated under the SEG mechanism.

The consultation proposes that larger electricity suppliers (those with greater than 250,000 domestic electricity supply customers) must offer small-scale generators a price per kWh for the electricity they export to the grid. It suggests that smaller suppliers may opt to voluntarily provide a SEG tariff but must adhere to the rules and guidance associated with the SEG.

Much of the feedback we have received from suppliers, generators and trade associations has suggested that the SEG obligation could usefully be extended to include a larger range of suppliers, for example by:

- Adopting a lower threshold of 150,000 domestic customers (in line with the obligations placed on suppliers in respect of other BEIS schemes such as the Energy Company Obligation scheme), or
- Not applying any minimum size threshold (so that all suppliers are included).

We have had suggestions that this approach is more equitable for suppliers, and that it would facilitate wider access to the SEG for eligible low carbon generators.

We are continuing to consider the size of the supplier threshold, and are keen to hear views on the appropriateness of the proposed level of 250,000 domestic customers, and any potential impacts of changing this level.

We would particularly like to hear the views of suppliers with fewer than 250,000 domestic customers, who may be included within the mandatory SEG mechanism if a lower threshold were to be adopted. Further information and a question about the proposed threshold are set out in the consultation document (from page 33).

Opportunities to discuss the policy

The team at BEIS will be happy to discuss this, or indeed any other aspect of the proposals – and would welcome discussions with affected parties. To contact the SEG team, e-mail futureofsmallscalesupport@beis.gov.uk.

We are also planning to hold a further workshop exploring the issues in the consultation, in London on **15 February 2019**. Again, please contact the SEG team if you would like further details.