

Feed-in Tariff Annual Levelisation Process (2022-2023)

On 30 September 2023, the annual reconciliation process for the Feed-in Tariffs (FIT) scheme covering the period 1 April 2022 to 31 March 2023 was successfully completed. The annual process reconciled all payments made as part of the quarterly processes within the eleventh year of the FIT scheme.

A total of 255,850,068.250 MWh of electricity supplied was reported by Licensed Electricity suppliers during this annual period. This included a total claim of 31,872,015.000 MWh of green import exempt supply, although due to an annual cap of 14,380,210.614 MWh for the 2022-23 period, only the capped value was used. A total of 11,695,463.238 MWh was reported for Energy Intensive Industry exemption, with 9,660,605.031 MWh of this being claimed by Suppliers. As a result, the Total Relevant Electricity Supply was 231,809,252.605 MWh.

The total Levelisation Fund for the year was calculated at £1,452,953,030.365. This figure represents the cost of the scheme during the annual period, and consists of the Total Generation Payments (£1,634,270,417.060), Export (Deemed) Payments (£65,177,180.51), Export (Metered) Payments (£15,556,100.73) and Qualifying (administration) Costs (£17,482,195.00), minus the Value of Deemed Export to licensed electricity suppliers (£228,366,115.48) and minus the value of Metered Export to licensed electricity suppliers (£51,166,747.45).

A total of £1,715,003,698.30 was reported by FIT Licensees as having been made to installations registered under the scheme. This figure includes a total of £1,634,270,417.06 of Generation payments and £80,733,281.24 of Metered and Deemed Export payments.

In order to complete the annual reconciliation process, a total of £81,231,557.47 was due to be paid into the Levelisation Fund by licensed electricity suppliers. The annual levelisation fund

experienced no shortfall. A total of £81,288,264.53 (this included late periodic levelisation payment of £56,707.06) was paid out on 1 October 2023 with any variances being reviewed by the Authority and re-distributed in due course.

Background information:

1. The Feed-in Tariff scheme was introduced on 1 April 2010 to promote the uptake of small scale renewable electricity generation. It requires participating Licensed Electricity Suppliers (FIT Licensees) to pay tariffs to generators (installation owners) for electricity generated and exported.
2. FIT Licensees are responsible for registering eligible installations, processing generation data, and making payments, while all licensed electricity suppliers are required to participate in Ofgem's levelisation process.
3. The levelisation process is currently a quarterly procedure, with an annual reconciliation process at the end of each FIT year (1 April – 31 March).
4. During each levelisation process all licensed electricity suppliers are required to provide information to Ofgem on how much electricity they have supplied for the relevant period. FIT Licensees are also required to submit information on any FIT payments claimed by generators in this period. Using this data, along with any claimed qualifying (administration) costs, Ofgem calculates the amount owed by licensed electricity suppliers into the Levelisation Fund, based on the electricity supply market share of each supplier in Great Britain, after any relevant exemptions are applied. This allows for the scheme costs to be redistributed evenly among all Licensed Electricity Suppliers. The Levelisation Fund is then redistributed to FIT Licensees that have made more payments than they would be required to by their market share contribution.
5. More detailed information on the Feed-in Tariff scheme for the 2022-23 period will be available in the Year 13 Annual Report.

