



# Small Scale Third Party Generating Plant Limit Review

**Meeting Name** Supplier Volume Allocation Group (SVG)

**Meeting Date** 1 March 2011

**Purpose of paper** For Decision

## Summary

We have reviewed the Small Scale Third Party Generating Plant Limit report that was presented to you at meeting 106 in December 2009. We have identified new information available following the introduction of Feed In Tariffs. Considering this information, there is no strong rationale to change the limit from 30kW whilst in its current generation capacity measure. The introduction of smart metering may enable an export measure to be introduced through BSC Modification in the future.

## 1. Background

1.1 The SVG set up the Small Scale Third Party Generating Plant Limit (SSTPGPL) review group in August 2009. A report from the review group was presented to the SVG at the December 2009 meeting (SVG106/03). The review group recommended:

- a) A Modification Proposal should be raised to change the definition of the SSTPGPL to relate to exported volume;
- b) Data should be collected to allow the appropriate level of a volume based limit to be assessed, and to inform any other decisions regarding Settlement of export; and
- c) The limit should remain at 30kW.

1.2 The SVG agreed no change to the 30kW limit. We agreed to review the report in January 2011 and inform the SVG of any changes.

1.3 We have asked the SSTPGPL review group members to consider what has changed over the last 12 months that may trigger a review. From the responses we identified four main themes:

- Interaction with Feed in Tariffs (FiTs);
- Availability of data;
- Impact on the accuracy of Settlement; and
- Smart Metering.



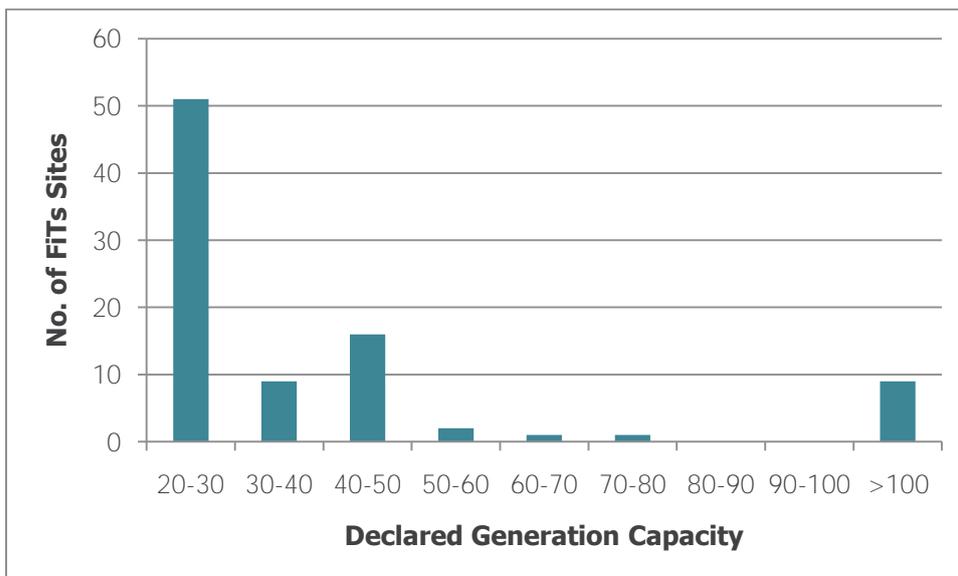
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## 2. Interaction with Feed in tariffs (FiTs)

- 2.1 Generally the group has focused on the impact of Feed in Tariffs with the number of small-scale low-carbon generators increasing significantly since the tariffs went live in April 2010. The latest information available (up to December 2010) shows that 17,557 sites have registered for FiTs which have a total declared generation capacity of 57.4MW. Only 39 of these FiT sites are over 30kW which would require Half Hourly (HH) metering due to the SSTPGPL (if they wished to settle their export).
- 2.2 The graph below shows the number of FiTs sites over 20kW and grouped in to 10kW bands. The HH ruling at 30kW capacity will incur HH metering costs to the FiTs sites that wish to register their export. The cost of HH metering may be seen as a barrier to new sites >30kW registering their export for Settlement. However, larger microgeneration sites are likely to be HH metered for commercial reasons rather than due to the SSTPGPL.



- 2.3 As discussed in the 2009 SSTPGPL review, the current capacity based limit is not the best rule for requiring HH metering on microgeneration. An export based limit would be more suitable.

## 3. Availability of data

### 3.1 Suppliers

- 3.1.1 We have requested energy volumes (import, export and deemed export), generation types and capacities, and import profile class data on FiTs sites from Suppliers. This was part of the work undertaken in the Profiling and Settlement Review to assess the potential impacts of FiTs on profiling and settlement. Unfortunately, to date we have not received any suitable data from Suppliers.

## 3.2 Feed in Tariffs

3.2.1 Ofgem has published a FIT Installation Report for the period April - December 2010. This shows that only 39 of the 17,557 installations are over the 30kW SSTPGPL. 13 of the installations are over 50kW.

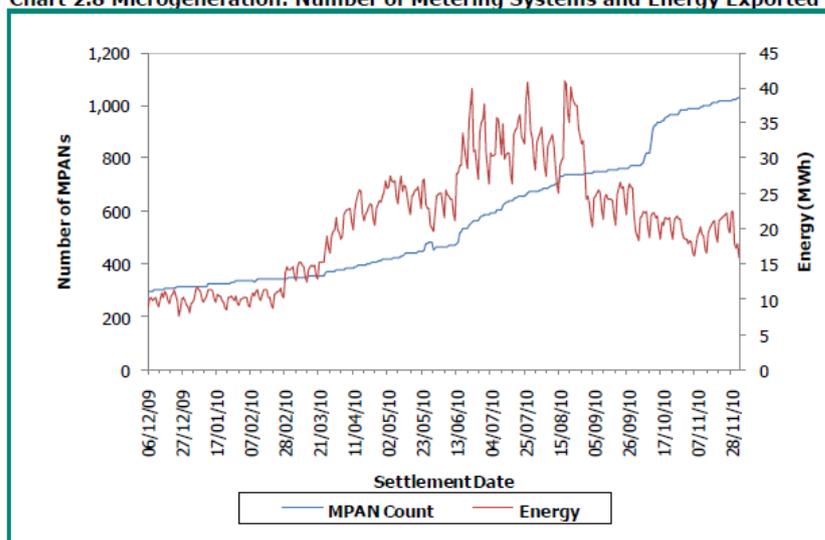
## 3.3 Settlement Data

3.3.1 There are now approximately 1,000 metered NHH export sites registered in Settlement. We have seen a peak of around 40MWh export in a single Settlement Day in August 2010.

3.3.2 This is reported in Chart 2.8 of the [Trading Operations Report](#). The chart shows the number of MPANs associated with microgeneration schemes registered in SVA settlements and the energy in MWh exported by these schemes into the Non Half Hourly Market.

3.3.3 The data is summed from the number of MPANs associated with Consumption Component Classes 32 and 33 (metered NHH Active Export) and the daily total energy that those MPANs export to the system (actual (33) and estimated (32)).

**Chart 2.8 Microgeneration: Number of Metering Systems and Energy Exported**



## 4. Impact on the accuracy of Settlement

4.1 As part of the Profiling and Settlement Review, we considered the impact of FITs on GSP Group Correction Factor. The analysis was based on the figures of the potential uptake of FITs from the 'DECC Lead Scenario'. Data was also used from previous analysis by ELEXON on creating NHH export SSCs and switching times (Deemed Clock Intervals For Export SSC's Relating To Small Scale Third Party Generating Plant, SVG41/10).

4.2 We found that:

- If the export of small scale generation resulting from FiTs is not registered in settlement (either NHH or HH) and therefore spilt, then GSP Group Correction Factors (GSPGCF) could change by approx. 0.03 in 2020 (see Graph A). This is based on the level of export from the DECC lead scenario; and
- To put this level of change in context of other changes in GSPGPF, issues with modelling of tele-switch switching, daily temperature variations and seasonal profile changes can cause step changes in GSPGCF in excess of +/-0.1.
- The latest FiTs data shows the majority of registered sites are photovoltaic (see table below). This suggests that the impact to Settlement will be experienced in the summer season as the sites reach maximum capacity.

	Declared Net Capacity kW	Number of Sites
<b>Hydro</b>	<b>4230</b>	<b>157</b>
Community	66	7
Domestic	1359	124
Non Domestic (Commercial)	2753	24
Non Domestic (Industrial)	52	2
<b>Micro CHP</b>	<b>18</b>	<b>18</b>
Domestic	18	18
<b>Photovoltaic</b>	<b>42429</b>	<b>16375</b>
Community	1247	175
Domestic	40204	16077
Non Domestic (Commercial)	923	117
Non Domestic (Industrial)	55	6
<b>Wind</b>	<b>10730</b>	<b>1007</b>
Community	1499	49
Domestic	5618	835
Non Domestic (Commercial)	3375	113
Non Domestic (Industrial)	238	10
<b>GRAND TOTAL</b>	<b>57407</b>	<b>17557</b>

## 5. Smart Metering

- 5.1 In the Government's Response to the summer 2009 FiTs Consultation it was noted that deeming of Export readings is only an interim measure and that these arrangements will only apply until the specifications for smart meters are finalised.
- 5.2 Once finalised significantly more data will be recorded. If access to the data is available it may be possible to amend the SSTPGPL away from a capacity towards an export measure. As identified in the 2009 SSTPGPL review, a Modification would need to be raised in order to change the BSC.

## 6. Conclusions

- 6.1 Based on the current information available and views of the SSTPGPL review group we recommend that:
1. The value of SSTPGPL remains at 30kW;
  2. ELEXON requests microgeneration data again from Suppliers to ascertain the impact on settlements and profiling of microgeneration and FiTs;
  3. **SSTPGPL is reviewed in a year's time in January 2012; and**
  4. ELEXON report back to SVG if there is any impact from the finalisation of the Smart Meter Specification expected in August 2011.

## 7. Recommendations

- 7.1 We invite you to:
- a) **NOTE** the information presented in this Paper;
  - b) **AGREE** that the SSTPGL should be reviewed in one year; and
  - c) **AGREE** that the SSTPGPL should remain at 30kW.