

Provision of Settlement data for validating Renewables Obligation (RO) submissions and Feed in Tariffs (FiTs)

Meeting Name	Panel
Meeting Date	12 December 2013
Purpose of paper	For Information
Summary	ELEXON has been asked to provide data on an ongoing basis to support Ofgem in its administration of Renewables programmes.

1. Ofgem E-Serve and the Renewables Obligation

- 1.1 Ofgem E-Serve is a function of Ofgem that delivers various activities including the oversight of a number of renewables and energy efficiency schemes, including the Renewables Obligation (RO) and Feed in Tariff (FiT).
- 1.2 The Renewables Obligations requires Suppliers to ensure a certain proportion of the energy they supply is sourced from renewables and to pay for any shortfall. DECC sets the obligation as a percentage of the total electricity supplied (in 2012-13 it was 15.8% in Great Britain).
- 1.3 To enable Ofgem to confirm their obligations all licensed electricity Suppliers in the UK have to provide the Authority with estimated electricity supply figures. Figures relating to the preceding period of 1 April to 31 March are required by 1 June and actual supply figures are required by 1 July. Supplier obligations stem from the Renewables Obligation Order 2009.
- 1.4 Since 2011 Ofgem guidance has recommended to Suppliers that electricity supply should be calculated using data from ELEXON (for GB) or Northern Ireland Electricity (NIE, for Northern Ireland).
- 1.5 The Feed-in-Tariff requires Suppliers to make payments to small-scale (mainly domestic) generators for the electricity they produce. The costs of the scheme are then shared across all Suppliers, again in proportion to their supply volume.

2. Comparison of Settlement data and RO submissions

- 2.1 During 2013 ELEXON has provided Settlement data to Ofgem, at its request¹, which Ofgem used to compare against the submissions made by Suppliers regarding their energy volumes calculated for reporting under the RO and FiT schemes.
- 2.2 Ofgem has found the data comparison work to be a valuable exercise which has led to a greater understanding of potential anomalies in reporting and work is underway to ensure guidance is refined to ensure even greater consistency of reporting.

¹ Ofgem may request data from ELEXON (as BSCCo) under the provisions of C3.6 of the BSC. The provision of historic data was noted in previous ELEXON reports to the Panel.

- 2.3 Ofgem expects that specifying the ELEXON data to be used for all supply and validating Suppliers' submissions using ELEXON data will improve the accuracy of Suppliers' obligations as confirmed by Ofgem, reduce the effort and risk for Suppliers and reduce the risk of data subsequently being found to be inaccurate (with the associated potential for enforcement action).
- 2.4 One large Supplier has encouraged Ofgem to work with ELEXON to produce standard supply reports using Settlement data. Their suggestion is that this could be used as the basis for a Supplier's RO and FIT submissions. In addition to reducing risks of future misreporting, the Supplier also observed that this would lower the barrier to entering the supply market for new and small Suppliers.

3. Ongoing request for data

- 3.1 ELEXON (and NIE) are requested to provide data to Ofgem that will represent the Suppliers' supply volumes for the period in question. This should include the breakdown between half-hourly, non half-hourly and directly connected customers, and be available for the settlement runs recommended by Ofgem for both the estimated and final supply submissions required under the RO and FIT. Potentially the same principles could be used to produce reports for use under the Energy Companies Obligation (ECO) scheme, which requires supply figures to be submitted in February relating to the previous calendar year.
- 3.2 Ofgem would issue these reports to Suppliers who could either accept the figures and report them back to Ofgem, or provide adjustments and explanations to Ofgem if they do not believe the figures from these reports to be correct.
- 3.3 Ofgem would address any discrepancies with Suppliers in the first instance (for example there may be 'supply' through a private network that Settlement would not have visibility of). However, ELEXON may be asked to investigate any unexplained differences as the data from our Settlement reports should match the reports used by Suppliers to calculate their volumes.
- 3.4 As part of a separate project, in future Ofgem may also be requesting output figures from generating stations for which ELEXON holds data. If it is decided to pursue this option, this will be handled in a separate request.
- 3.5 ELEXON anticipates the cost and effort of ongoing provision of this data to be minor. A script has already been drafted that allows for Supplier data to be extracted in a format which can be sent to Ofgem. Investigations into discrepancies by ELEXON are also likely to be limited, but where required, these may well be a mechanism through which we identify potential Settlement errors or BSC non compliances.
- 3.6 In accordance with Section C3.6.5 of the BSC, ELEXON considers this paper as notification to all Parties of Ofgem's request for the ongoing provision of Settlement data to validate RO submissions.

4. Recommendations

- 4.1 We invite you to:
 - a) **NOTE** the request for ELEXON to provide Ofgem Settlement data for validating Renewables Obligation submissions.



219/13

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