



EPPS
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Bringing in the Incentive Money

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What is TradeLink Solutions?

- Family owned Renewable Energy Company established in 1997 .
- 3 separate business activities
 - TLS Hydro Ltd
 - » the asset business where we develop , own and operate hydro generating stations. Currently 7 with 4 in development.
 - Tradelink Solutions Ltd
 - » the service side of the business
 - » electricity and Renewable Trading
 - » Licensed Electricity Supplier
 - » Voluntary FiT Licensee
 - » consulting on major energy projects
 - » Run Electricity and Gas Training courses
 - LoCO2 Energy Ltd
 - » Green and low carbon electricity supplier to Domestic and SME market

What are the revenue streams available?

- Government Incentives:
 - Depends on the technology and capacity of the project
 - *Renewable Obligation Certificates (ROCs)*
 - *Feed in Tariffs (FiT's)*
 - *Renewable Heat Incentive (RHI)*
- Electricity Sales
 - Sell to the “Grid” i.e. electricity supplier
 - Self supply
 - Supply to a third part via private wire

What are the revenue streams available?

- Levy Exemption Certificates (LECs) and Renewable Energy Guarantee of Origin Certificates (REGO's)
- Embedded Benefits (only for larger projects)
 - *Triad*
 - *BSUoS*
 - *GDUoS*
- RHI
 - Tariffs if generator produces Heat or Steam

Feed in Tariffs

- Feed in Tariffs – focus on Micro generation (50kW and below)
 - Wind / solar PV / Hydro /Anaerobic Digestion
 - Up to 5MW capacity
- Generation Tariff p/kWh
 - Tariffs vary for technology and size
- Export Tariff 3.1p/kWh for 2011-12 for both metered export and “Deemed” export
- Tariffs increased/decrease each year with RPI
- Set for 20 years (wind/hydro/AD) 25 years for PV

Accessing FiT Tariffs

- Must be done through a FiT Licensee – Mandatory or Voluntary
- For 50kW and under generation must be installed by an MCS qualified installer
- 50kW and over capacities must go through the standard Ofgem “Accreditation “ procedure not MCS
- Generation meter must be Ofgem approved meter – check the Ofgem approved meter list

www.ofgem.gov.uk

Accessing FiT Tariffs

- MCS certificate must be sent to FiT Licensee to be registered in Ofgem Central Register
- Generator must sign FiT Licensee FiT Terms and Conditions.
- Generator must provide at minimum quarterly generation meter reads to FiT Licensee
- Have within the year to put in meter reads – June, September, December and March
- Miss March NO meter read NO money !

Issues with FiTs

- Correct metering whether Generation meter or Export meter
- Who is going to read Generation meter?
- If large volume of installations look at remote metering (there is a cost)
- Get help and advice from Tradelink

Payment cycle with FiTs

- FiT Licensee receives payment from Ofgem within 5 weeks of end of quarterly meter read submission
- That submission will include Generation meter read and Deemed export tariff NOT electricity sold to a Supplier at above the Export tariff rate
- Generator should receive payment from FiT Licensee within 5 days of Ofgem payment
- Check everything - both Ofgem and the FiT Licensee get Tariff payments wrong!

Electricity and LEC sales

- Ensure site is accredited for LECs and REGOs
- Sold with Electricity for additional revenue
- Have to submit monthly meter reads to Ofgem for LECs – admin intensive
- Most suppliers want REGOs not LECs
- Ensure get LEC value (£4.85) for REGOs
- For larger capacity sites can sell export on a Power Purchase Agreement to Supplier at above Export Tariff rate.
- Look at smaller “Green” Suppliers for best value

Renewable Obligation Certificates

- Larger technologies 5MW and over
- Technologies not covered under FiT's
 - Solid Biomass
 - Liquid Biomass
- Must undergo “Accreditation” and Fuel Measuring and Sampling Procedure with Ofgem
- Accredited for ROCs, LECs and REGOs
- Generator or their Agent must submit Monthly meter reads and if necessary monthly fuel analysis to Ofgem
- Can get complicated – speak to Tradelink

Sale of Renewable Benefits

- ROCs can be traded separately to electricity
 - Tradelink Monthly ROC auction
 - Eroc auction
- LECs and REGOs must be sold with electricity
- Depending on financing may have to sell all as a “bundled” product to a credit worthy Supplier
- Best value is to trade elements separately
- Best value for electricity is to sell on a “private wire” to third party
 - Avoid transmission and distribution charges
 - Sell electricity at wholesale price

Plan, Plan , Plan

- No need to rush
- Plan carefully
- Get informed
- Identify and manage risks
- Keep it simple
- Work with people who can ease the burden and know what they are doing

Web Sites

- www.Ofgem.gov.uk
- www.decc.gov.uk
- www.tradelinksolutions.com

Thank You

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