

Ofgem E-Serve response to stakeholder feedback on the draft 'Renewables Obligation (RO): Guidance on the transition period'

On 16 July 2014 Ofgem published a draft of the 'Renewables Obligation (RO): Guidance on the transition period'. The purpose of publishing the guidance in draft form was to seek views from stakeholders on our proposed administration of the RO during the transition period, ie from 16 October, when the Contracts for Difference (CFD) scheme opens to 31 March 2017 when the RO and Renewables Obligation Scotland (ROS) schemes close to new capacity.

The stakeholder feedback period closed on 12 September 2014. We have reviewed all responses and, where appropriate, have updated the guidance document accordingly. The final version of the guidance document was published on 16 October 2014.

Overview of the responses received

We would like to thank all stakeholders who provided a response on the draft guidance document. We received seven responses. Overall the feedback we received was positive as to how we intend to administer the RO during the transition period. We received a number of responses relating to the policy intent behind the transition period. The Department of Energy and Climate Change (DECC) is responsible for setting the policy related to the RO scheme and so Ofgem, as the administrators of the scheme, cannot provide feedback on policy queries. We have forwarded these responses to DECC for their information. The remainder of the responses focussed on specific areas recommending that further information or clarification be provided. Where this feedback has led to changes to the guidance document, this has been listed below along with the section number.

How we have addressed the responses we received

Section/chapter number in the final guidance document	What has changed?
Title of the document	The title has been updated to 'RO: Guidance on the transition period and closure of the RO' as it includes information on the grace periods that will be available at RO closure.
1.3, 2.2 & 3.1	References to additional capacity 'greater than 5MW' (>5MW) have been updated to 'greater than and equal to 5MW' (≥5MW) as confirmed in the Contracts for Difference (Definition of Eligible Generator) Regulations 2014.
1.7-1.8	The RO Closure Order is now in force and the 'enabling financial decisions' grace period is being administered by Ofgem, as of 9 September. This section has been updated to reflect this.
1.9	A new paragraph has been inserted on the recent decisions DECC has made for solar PV generating stations and the associated grace periods.
1.15-1.19	The contact details for making queries to Ofgem have been updated. Contact details have been provided for queries relating to CFD.
2.3	A sentence has been included to confirm that if a CFD application is withdrawn by the applicant the applicant will no longer be able to apply for the RO.

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2.4	A sentence has been included to confirm that where an operator that has been granted RO preliminary accreditation is successful in applying for a CFD, we will withdraw the preliminary accreditation application.
2.6 & 2.11	These sections have been updated to make the 'choice of scheme' arrangements clearer.
2.8 & 2.12	Additional confirmation has been included to make clear that CFD applicants that voluntarily withdraw their CFD application will have made their 'choice of scheme' and can no longer apply for the RO.
2.17-2.18	A new section has been inserted to make clear that applicants that are granted a grace period under the RO have not made a 'choice of scheme', ie applicants can apply for the CFD scheme even if they have applied for, or been granted, a grace period.
3.12	This is a new section explaining the circumstances relating to RO-accredited offshore wind generating stations that register turbines after the 31 March 2017 date, which has been included for clarity.
3.13-3.15	This section has been updated to confirm the approach for dual scheme facilities (DSF) wishing to claim LECs and REGO on their RO <i>and</i> CFD capacity.
4.4	This paragraph includes additional information on how queries relating to the grace period applications will be handled.
4.6-4.7	Additional information has been provided for the 'enabling financial decisions' grace period and the 'Scottish offshore wind' grace period. (Interested stakeholders should refer to the relevant guidance documents, as noted in the document, for further details regarding these grace periods).
4.8-4.9	Information on the additional grace periods for solar PV generating stations has been provided, including that additional guidance will be provided on these grace periods as necessary.
Chapter 4	<p>We received two responses that questioned why the 'grid connection and radar delay' grace periods described in the guidance could only be applied for once a delay has actually occurred. The concern being that this would affect certainty among generators as to whether they have the additional time to apply for the RO or not.</p> <p>We have not altered our approach to this for the following reasons:</p> <ul style="list-style-type: none"> • The purpose of these grace periods is to allow stations that expect to commission before 31 March 2017, but fail to do so for reasons beyond their control, to apply for the RO beyond the 31 March 2017 closure date. These specific circumstances have been confirmed by DECC in the RO Closure Order. Offering an earlier grace period application process would therefore assume that a generator expects to experience a delay and therefore does not expect to commission before 31 March 2017 which is not the purpose of this grace period. • The legislation has been drafted such that the grace period evidence requirements cannot be provided until a delay has occurred, e.g. the declaration required from the operator. • Gaining a grace period does not guarantee entry to the RO, therefore an application earlier than 31 March 2017 would not provide any more certainty on whether a project will be successful in its RO application. A station must meet all RO eligibility criteria, must commission and must have applied for accreditation.