

Non-Tariff Guarantee Extension Applications – Notes on Draft Ofgem Guidance

The Association for Renewable Energy & Clean Technologies (REA) is pleased to submit this response to the above draft Ofgem guidance. The REA represents a wide variety of organisations, including generators, project developers, fuel and power suppliers, investors, equipment producers and service providers. Members range in size from major multinationals to sole traders. There are over 500 corporate members of the REA, making it the largest renewable energy trade association in the UK.

General Comments

As expressed in our response to BEIS, the REA are very supportive of the provisions to allow delayed non-domestic RHI projects, which do not qualify for tariff guarantees, an extended commissioning period. Overall, we believe the draft guidance provided by Ofgem is clear, although we raise a few issues below where guidance could be expanded to address common issues applicants come across and help ensure high-quality applications are submitted within the limited application window.

We also stress that, while the guidance is strong, it cannot be expected to cover all possible circumstances that applicants may face when completing an extension application. As such, we stress the importance of Ofgem maintaining strong communication helplines, either via phone or email, to answer applicant questions during the application window. This will be particularly important for smaller-scale independent applicants who may lack the experience or personnel to easily complete a properly made application, and where assistance may be crucial in seeing them complete an application in time.

The REA are also happy to assist, where appropriate, in helping Ofgem disseminate information to its members, such as answers to frequently asked questions or other scheme developments during March.

Specific Issues Raised Concerning the Draft Guidance.

- ***Greater clarity on evidence requirements for dates and signatures.***

Paragraphs 6.3 and 6.7 read “All primary [or secondary] evidence must be dated on or before 17 August 2020. This means evidence must be both signed and dated on or before 17 August 2020.”

The repetition of the date in these statements makes it unclear as to whether the signature itself must be dated. Suitable and qualifying evidence may have both a date and a signature, but the actual signature may not itself be dated on the page. This should not be a reason for rejecting suitable evidence. It should be made clear that the intention is that a document is dated before the 17th August and, as stipulated by the criteria in Figures 1-4 within the guidance, some evidence will also need to be signed for authenticity.

- ***Discrepancies in project details between evidence and applications***

Some members have raised concerns that they expect there could be discrepancies in their application between a project’s details in their evidence and the details they provide in the RHI extension application. Details in the design of the project may have changed since the original evidence was produced, for example, developers since the 17th August may have decided to change the capacity or scheme design to simplify it as a response to Covid delays. The guidance should

make clear that applicants must be able to demonstrate that the evidence provided does relate to the project for which the extension application is being sought, but that the final project details will be taken as what is stated within the extension application and not what is described in the evidence provided. It is then understood that the final commissioned project must meet what was described in the extension application, within the allowed variances provided by the legislation.

- ***Communications should reiterate that those who can commission by the end of March 2021 should do so to protect the extension budget.***

It is recognised that the budget for extension applications is limited. Efforts should be made to actively encourage those who can commission in March 2021 to do so to avoid budget being reserved where it is not needed. To do so, Ofgem should reiterate in the guidance that it remains possible for projects to complete a full application right up until the 31st March 2021 and that Ofgem has the separate resources to deal with these applications. This will help make clear that in such a situation there is no need to then apply for an extension application.

- ***Clear timelines of granting extension applications and submission of a full application.***

The guidance should provide indicative timescales for receiving confirmation of being granted an extension application. There is concern that where an extension application has been applied for, and not yet confirmed, that a project could be delayed in submitting a full application in the weeks following the 31st March. For example, given applications are expected to be dealt with in the order they are received to the queue, there is concern that any delays in the queue may delay a project from receiving a green light on their extension application and stop them from submitting a full application if ready to do so by mid-May 2021. Where possible sites who have applied for an extension application should be enabled to submit a full commissioned application as soon as they can after the 31st March.

- ***Planning Permission and Environmental Permits only required for the full application.***

Delays relating to receiving planning permissions and environmental permits from the relevant authorities have been a major reason why extension applications are required, as these authorities have also been adversely affected by Covid-19 delays. Both these items are required criteria for a full application under the Non-Domestic RHI. The extension application guidance should make clear that planning permission and relevant environmental permits are not required at the point of getting an extension application but will be required to submit a full application.

- ***Guidance to include applicant's ability to withdraw an incorrect application.***

The guidance should expand 6.11 to inform applicants of their ability to withdraw an application where an error has been made and then submit a new application during the March 2021 application window. It should be made clear how this will affect that applicants position in the queue and how Ofgem will then review the new application. Also, the guidance should aim to reassure others that applicants doing this will not result in the budget being reserved for withdrawn applications.

- ***Make HC 120 questions available in advance of the 1st March 2021***

In the annexe of the extension application guidance, Ofgem should include the exact questions that the online form will include in section HC120, relating to the extension application. This will allow applicants to draft their responses in advance of the application window opening and enable applicants to get their applications submitted as early as possible.