Technical Note for the Green Deal Supply Chain

Feed In Tariffs and the Green Deal Advice Report

DECC is issuing further technical guidance about the way in the which the Standard Assessment Procedure (SAP) calculates savings attributable to measures which are eligible for Feed-In Tariffs.

The Green Deal Advice Report (GDAR) has also been revised to provide more up to date information about FiTs and to make communication clearer to consumers. The GDAR update was implemented in England & Wales on 22nd October 2015. The GDAR update in Scotland is currently planned for 1st November 2015.

The changes being made today only affect the presentation of the information on the Green Deal Advice Report; the figures produced by approved software are not being changed.

Savings for these measures are calculated by SAP for display on the Green Deal Advice Report. Where generation measures are installed, the calculation of "*Typical annual savings*" and "*Your household's estimated annual savings*" uses the GDSAP methodology which takes account of two factors from the underpinning SAP methodology.

Firstly, SAP estimates the total amount of electricity likely to be generated by the measure using a number of specific assumptions including geographic location, overshading factor, pitch and peak power rating of the system that is going to be installed. It then estimates the value to the consumer of using a proportion of this generated electricity to displace electricity that would otherwise be purchased from the grid. Secondly, the SAP calculation assumes that the consumer receives income from exporting surplus electricity to the grid. The proportions assumed to be exported to the grid are for each measure; Solar PV - 50%; Wind Turbines - 30%; Micro-CHP - 60% exported.

Currently, the price value assumed for both components is taken from the current PCDB file fuel prices. If the actual electricity tariff for the household is available this is used instead to calculate '*Your household's estimated annual savings*' for the saving due to avoided electricity importation, but the standard PCDB tariff is still used for exported electricity. However, the savings assumed for the Golden Rule are always based on PCDB fuel prices.

As the only way it is currently possible to receive an income from a generation measure is through the FiT regime, consumers should be advised that if they want to gain an idea of their likely benefit from a generation measure, they should use the calculations referred to in the footnotes on the Green Deal Advice report relevant to their generation measures rather than the savings numbers themselves.

The updated version of the Green Deal Advice Report includes further footnotes to explain these assumptions when FIT eligible measures are recommended. The updated version also provides further information regarding recent announcements regarding the consultation on changes to FITS.

Notes

1. A specimen version of the new Green Deal Advice Report is attached to this email.
2. The Green Deal methodology can be found here: https://www.bre.co.uk/sap2012/page.jsp?id=3330