



POWER YOUR FUTURE WITH ONGEN

Industry Updates, New Customers and Exciting Opportunities

Welcome to OnGen's 11th newsletter. Renewable and low-carbon energy remains a fast-growing industry as the UK pushes towards a Net Zero future. BEIS statistics for 2019 showed that grid supplied electricity generated from renewable sources was 31.8% of the fuel mix, a new record and this trend is expected to continue. Onsite renewables with storage are one of the best ways to help reach this target, whilst also generating long-term energy cost savings.

The Smart Export Guarantee: An Update

The Smart Export Guarantee (SEG) replaced the Feed In Tariff (FiT) on the 1st of January 2020 as the government's latest green incentive plan for low-carbon electricity generation. This new scheme offers financial gain for exported energy that is generated by solar PV (with and without a battery), wind, hydro and anaerobic digestion (for a capacity of up to 5 MW) and micro-CHP (up to 50 kW capacity). The payment received depends on the export tariff supplier. It should be noted that the grid energy supplier and smart export tariff provider do not need to be the same company.



As the price per kWh was only required to be over 0p, the export tariff price per kWh ranges from 0.5p to 5.5p depending on the supplier. The lowest rate announced came from Shell, which originally promised the measly rate of 0.001p per kWh. However, shortly after SEG scheme began, Shell increased its price to 3.5p per kWh, placing Shell's export price in the middle of the range with EDF and SSE. The array of prices highlighted that the big six are falling behind and that smaller companies including Octopus are leading the way with 5.5p per kWh.

To receive export payments, the installer must be suitability (MCS) certified and a smart meter needs to be fitted. While SEG payments are not as generous as the combined generation and export Feed-in-Tariff, the avoidance of high non-commodity and commodity costs coupled with lower capital costs make it the ideal time to invest in onsite renewables.

Targeted Charging Review

In December 2019, Ofgem published their final decision on the controversial Targeted Charging Review. It has been decided that the residual element of network charges (c.80% of the transmission charge and up to 50% of distribution charge) will be levied by implementing fixed charges for all businesses and households. These charges will now be applied from April 2022.

There have also been changes for suppliers, as they will no longer be able to reduce their liability for balancing service charges by being able to contract with small distributed generators. Instead, these charges will be recovered by suppliers based on their gross consumption at grid supply points.

A positive adjustment for small distributed generators is that they will no longer pay for balancing service charges. This specific change is going to be assessed by a Balancing Services Changes Taskforce.

New Customers

We are delighted to welcome some more valued customers to the OnGen client base. They cover a range of public and private sectors and include Aqua Consultants, ESS Utility, British Independent Utilities, The London Borough of Tower Hamlets amongst many others.



Please contact sales@ongen.co.uk for any enquiries.



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What does Ofgem’s Decarbonisation Plan Mean for Renewables?

In February 2020, Ofgem released a nine-step decarbonisation plan highlighting how the UK could achieve net-zero emissions by 2050. One of the planned steps is to reduce energy demand during peak periods by promoting peak shaving. Peak shaving normally involves the deployment of a battery, which would be charged when grid electricity prices are low or there is excess onsite generation and then discharged during peak energy demand periods. Interested in seeing if a battery is feasible for your site? Try the OnGen Expert to see if a battery is right for you.

Aside from an increase in battery use, Ofgem aims to help the UK increase the volume of renewable energy generated. The Committee on Climate Change suggests that a yearly increase of 6-10 GW of low-carbon energy is needed to meet the Net Zero target. Ofgem aims to help reach this target by increasing offshore wind installation and ensuring that the grid is prepared for an increase in intermittent generation. It is hoped that Ofgem’s aims can be met to help facilitate an increase in renewable energy generated in the UK. However, more emphasis is needed in supporting onsite renewables. Onsite renewables can help regulate the grid by reducing grid demand and further increase the generation of green energy.

Contracts for Difference – Including Onshore Wind

Contracts for Difference (CfD) is a government incentive that supports new low-carbon energy generation projects in the UK. The CfD allows for different types of renewable energy technologies to compete in government bids for these contracts. In return, the government provides grants for capital expenditure and agrees on a fixed strike price for the energy generation. Previously, onshore wind has not been able to take part in the CfD scheme, while offshore wind, PV solar and hydroelectric power were. As a result, the rate of new onshore wind farms that are being built in the UK fell dramatically, with an 88% decrease between onshore wind farms opening in 2019 compared to the decade average. However, it has been announced this week that onshore can now compete in the CfD scheme, with the hope that onshore wind farm installation will increase.

Business Green Technology Festival

In December, Izzy attended the Business Green Technology Festival in London. This event was a great opportunity to hear the latest green industry and technology updates. Highlights of the day included a panel discussion regarding mainstreaming cleantech innovation and hearing pitches from other innovative start-ups.

We were also honoured to be nominated for the App of the Year as part of the Business Green Tech Awards 2019. The event was an unmissable day for learning and networking with like-minded companies.



Photos taken from Business Green Technology Festival

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OnGen Represented at EIE20

OnGen, represented by Izzy, is honoured to have been recognised as one of the 50 high-growth potential start-ups by being selected to join the EIE20 cohort. Being part of EIE20, Izzy will receive high-quality training, advice and networking opportunities. At the end of the training, Izzy will have the opportunity to pitch OnGen to UK and international investors at the EIE20 conference in McEwan Hall in April.

“It is an honour to be included in such a data-driven and innovate cohort. The training and events leading up to the final pitch have been invaluable and will carry OnGen beyond the EIE process. EIE will help propel OnGen into the start-up limelight and stimulate our next phase of growth” – Izzy Rich

The EIE20 Conference scheduled to take place on the 23rd of April 2020 has a new date, 14th October 2020. Don’t forget to buy your tickets on the EIE website; we look forward to seeing you there.



Photos taken from events in preparation of EIE20

Social Media

Follow our social media to be updated with the latest industry and OnGen news.



OnGen Ltd



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