

# Smart Export Guarantee (SEG) Terms and Conditions

From 1st January 2020 Feed in Tariffs will be replaced by Smart Export Tariffs following the introduction of the Smart Export Guarantee (SEG) Scheme.

## What is the SEG Scheme?

The SEG Scheme is an environmental scheme introduced by the Government and managed by individual SEG licensees. It promotes small-scale renewable and low-carbon electricity export by individuals, businesses and communities with eligible Generation Units.

Under the SEG Scheme, an export payment is made for electricity produced by registered Generation Units and exported back to the Electricity Network.

OVO is a licensed SEG supplier, and we administer the SEG Scheme under guidance set by Ofgem.

To learn all about our SEG plan and how to sign up, see [www.ovoenergy.com/help/seg](http://www.ovoenergy.com/help/seg)

## 1. Definitions

**Accreditation** - For solar, wind and micro CHP Generation Units up to 50kW this can be through:

- Microgeneration Certification Scheme (MCS) certification; or
- Another certification scheme/body recognised by us.

For all other Generation Units, you will need to demonstrate the Generation Unit is suitably certified under the scheme accredited in accordance with EN 45011 or EN ISO/IEC 17065:2012

Accreditation applies to any variation of the Generation Unit, such as an Extension.

**Approved Meter** - means a meter capable of measuring export at half-hourly intervals and that complies with the requirements of section 3.2.

**Balancing and Settlement Code** contains the governance arrangements for electricity Balancing and Settlement in Great Britain

**CFD (Contracts for Difference)** – is defined in the Energy Act 2013 (as amended) and any regulations made under it.

**Commissioned** – means the completion of the usual, industry standard steps for

commissioning a generating station in order to prove that it's commercially operational. This includes a qualified person having carried out the necessary tests and procedures to make sure your Generation Unit(s) can run at its 'Declared Net Capacity' (assuming that the relevant eligible low carbon energy source was available to it without interruption or limitation).

**Default SEG Plan** means the plan you will automatically be placed on if you do not agree a new SEG Plan with us or switch to a new SEG Licensee before the end of your Initial Term.

**Electricity Network** – the local electricity distribution network, run by a licensed distribution network operator (DNO).

**Eligibility Date** – the date the Generation Unit becomes eligible for SEG Payments.

**Export Payment** - what we pay you for the electricity you export to the Electricity Network in a quarterly (three-month) period. We work this out based on the Export Tariff and Meter Reading from your Export Meter

**Export Payment Rate** - the rate we pay per kWh of electricity your Generation Unit exports to the Electricity Network.

**FIT Payment** – a Generation Payment and/or an Export Payment (if applicable).

**FIT Scheme** – a Government scheme to pay householders, communities and businesses for small-scale, low carbon electricity generation. The FIT Scheme is set out in the Feed-In Tariffs Order 2012, our electricity supply licence and other laws. The scheme closed to new applicants on 1 April 2019.

**Generation Unit(s)** means a unit which meets the criteria set out in section 3.

**Generation Payment** - A payment made to you as part of the FIT scheme for the electricity generated by the installation.

**Initial Term** has the meaning given in section 2.

**MCS (Microgeneration Certification Scheme)** – the scheme that certifies microgeneration products and installers in accordance with standards or schemes accredited under EN 45011.

**Meter Reading** – a meter reading from your Approved Meter.

**Non-Fossil Fuel Obligation (NFFO) Arrangement** – is defined in the Renewables Obligation Order 2009 and the Renewables Obligation (Scotland) Order 2009 (including any amendments to them).

**Nominated Recipient** – means a person you appoint to receive SEG Payments in respect of your Generation Unit and recorded on OVO's database.

**Ofgem** – The Gas and Electricity Markets Authority, including the Office of Gas and Electricity Markets.

**ROC** – is defined in the Renewables Obligation Order 2009 and the Renewables Obligation (Scotland) Order 2009 (including any amendments to them).

**SEG - Smart Export Guarantee.** The SEG scheme is set out in The Smart Export Guarantee Order 2019, our electricity supply licence and other laws.

**SEG Plan** – this is the section in your welcome letter which sets out the terms of the agreement specific to you and your Generation Unit.

**SEG Payment** - What we pay you for the electricity you export to the Electricity Network in a quarterly (three-month) period. This is based on the SEG plan you are signed up to and the meter reading from your Approved Meter.

**Site** – the premises where the Generation Unit is physically located as shown in your SEG Plan.

**Start Date** – the date that this contract begins as shown in your SEG Plan.

**Tariff Code** – the tariff code for your Generation Unit which is set out in your SEG Plan. This identifies the relevant tariff you are on.

**You/your** – the people named in your SEG Plan, who have entered into this contract with us.

**We/us/our** – OVO Electricity Limited (registered number 06858121), 1 Rivergate, Temple Quay, Bristol, BS1 6ED and our agents and subcontractors.

**Working Day** – any day except Saturdays, Sundays, Christmas Day, Good Friday or a day that is a bank holiday.

## 2. Your contract with us

These Terms along with your SEG Plan (which can be found in your welcome letter) forms your contract with us. This contract covers the terms on which you will sell the electricity to us and how we will pay you for it.

Your contract will start on the **Start Date** (this can be found in your SEG Plan) for an initial period of 12 months (**Initial Term**). If you want to leave before the end of the Initial Term, a £15 exit fee will apply which we may deduct from your final payment.

At the end of the 12 months, you may select another SEG Plan with us, or move to another SEG Licensees plan. If we do not hear from you, we will automatically roll you onto our Default SEG Plan. But before this happens, we will let you know. This Default SEG Plan may not have the same export payment rate as your original SEG Plan.

A cooling-off period automatically applies. You have 14 calendar days from the date you ask us to sign up to a SEG Plan to tell us that you want to cancel it. This is your 'cooling-off' period. This cooling-off period will expire after 14 calendar days.

This contract is entirely separate from any other supply contract for gas and electricity you may have with us and has no effect on your rights and obligations under those contracts.

This contract relates solely to the Generation Unit(s) specified in your SEG Plan.

### **3. Am I eligible for the SEG scheme?**

We won't pay you for exported electricity unless you satisfy the following eligibility Criteria:

#### **3.1 You generate your own electricity**

You must be the owner of an energy generating technology system (**Generation Unit**) which generates electricity wholly or mainly from one of the following energy sources; solar photovoltaic (PV), hydro, micro-combined heat and power (micro-CHP), wind, anaerobic digestion (AD) and that Generation Unit:

- is located in Great Britain;
- exports electricity to the Electricity Network;
- has a total installed capacity of 5MW or less (50kW or less if CHP);
- has the right Accreditation;
- is fully installed and Commissioned.

In all cases, we may request a declaration and/or evidence from you to confirm that suitable standards have been met (and we won't pay you for exported electricity unless you provide that evidence).

#### **3.2 You have the right type of meter**

Your Generation Unit has the correct metering arrangements as set out below:

- The meter used to measure the exported electricity from the Generation Unit is compliant with the metering legislation, including a meter that is capable of measuring export at half-hourly intervals and complies with meter legislation set out in schedule A, to Electricity Supplier License Condition 57.

- The meter used to measure the exported electricity from the Generation Unit has a dedicated export MPAN to manage exported electricity volumes and is registered under the Balancing and Settlement Code.
- Where your Generation Unit has both an export and an import meter, the import and export meters must have separate MPANs.

### 3.3 Other Eligibility Requirements

You must also:

- not be claiming FIT export payments (deemed or metered) at the same time as entering into this SEG contract. You may opt in or opt out of the claiming FIT export payments up to once every 12 months. You must notify us if there is a change to your FIT export status.
- not be registered to claim ROCs, be in a NFFO Arrangement or a CFD.
- not have received any public grants that would make you ineligible for the SEG Scheme. If you have, contact us as soon as possible because it may affect your application. If you proceed with your application, you're promising us that you've paid back all the funds.
- If your Generation Unit is over 3.68kW in capacity, the Generation Unit must be registered with your local Distribution Network Operator (DNO). You will need to provide us with the G59/G83/G98/G99 report or certificate that was submitted to your DNO.

### 3.4 Special requirements for anaerobic digestion (AD) Generation Units

If you have an AD Generation Unit you must be able to demonstrate to Ofgem how you will meet the SEG feedstock and sustainability requirements, see [Ofgem's guidance document](#) for more information. Once Ofgem are satisfied with the approach, they will provide you with confirmation of the AD Reporting Start Date - this will be your **Eligibility Date** for the purposes of this Agreement (the date that you become eligible for your SEG Payments). We will not make any SEG payments to you until we have received confirmation from Ofgem of the AD Reporting Start Date.

You will also have an obligation to provide ongoing reporting obligations to Ofgem to confirm that you are meeting these requirements, including submitting:

- a quarterly sustainability declaration;
- an annual feedstock declaration; and
- an annual sustainability audit report (where your Generation Unit has a total installed capacity (TIC) that is greater than or equal to 1MW).

## 5. How do I join the OVO SEG Scheme?

You don't have to be an existing OVO member to sign up to our SEG Tariff. You just need to complete the online application process. Please see our dedicated SEG [webpage](#) for details and an application form. You must ensure that all the information you provide is correct as it could delay your application or mean that it doesn't get approved.

You must provide us with any information, declarations or evidence that we ask for so that we can manage the SEG Scheme.

If the Generation Unit is on a Site that you don't own, we'll need evidence that you still own the Generation Unit. This will normally be in the form of a paid in full invoice which shows the cost of the Generation Unit and includes your name and the address where the Generation Unit is located.

You must also get the Site owner's agreement for us, or our subcontractors, to gain access to the Site. You must get the Site owner's agreement to share their contact details with us.

Once you're registered, and we've accepted your application, we'll send your SEG welcome letter to you as an attachment via email.

### **Can I be a member of the FIT and SEG schemes at the same time?**

You cannot receive payments for both the FIT and SEG Scheme export at the same time. If you join the SEG Scheme you will no longer be entitled to receive any FIT export payment only a Generation Payment. You will have to opt out of receiving FIT export payments from your current supplier.

### **If you are a member of a SEG or FIT scheme provided by another supplier**

If you have an existing SEG contract with another supplier, you must ensure that your existing SEG contract is cancelled before signing up to our SEG plan. If you have an existing FIT contract with another supplier you must ensure that you are no longer receiving FIT export payments from that supplier before you can sign up to our SEG plan.

### **If you are a member of OVO's FIT scheme**

If you are already on our FIT Tariff, you can switch to our SEG plans by opting out of getting FIT Export Payments, (see our FAQs for details of how to go about doing this), as long as it's at least one year since the date you started receiving FIT export payments from us.

We'll stop making export payments to you from the date you ask for, providing that it doesn't require us to act retrospectively. To make sure you're paid the right amount, you'll need to give us the relevant meter reading.

## Why might I have to send you supporting documents?

- OVO is required to undertake an identification check to ensure applicants to the SEG scheme are genuine. Examples of identification are a photocopy of: passport, driving licence or equivalent identification document issued by a recognised official body
- OVO is required to take proof of address where OVO is not the supplier of the gas and/or electricity at the property. Examples of proof of address are a photocopy of: utility bills, bank statements, council tax bills or equivalent documents

## 6. Payments

### How much will I be paid for the electricity I export?

#### Your Export Payment Rate

When you sign up, your SEG Plan will contain your **export payment rate** which is the amount we will pay you per kWh of electricity your Generation Unit exports to the Electricity Network. This export payment rate will remain the same for the Initial Term of your contract.

So that we know the right amount to pay you, you will need to provide us with a meter reading at least each quarter, see **'Meter Readings'** below. We will use this reading to calculate the amount of kWhs that your Generation Unit has exported back to the grid and therefore how much we should pay you based on your export payment rate.

#### Meter Readings

Unless we tell you otherwise, you will be required to provide us with a meter reading from your Approved Meter at least each quarter (in March, June, September and December). We may also ask you for (and you agree to give) meter readings more often if there's a reason that we need them. You agree to take a valid Meter Readings and provide this to us within 7 calendar days of us asking you for one.

If you have a smart Approved Meter and it's working and communicating correctly with our systems, we may use your smart Approved Meter to manage your export remotely. That could include reading the amount of kWhs that your Generation Unit has exported back to the grid. If you have a smart Approved Meter, you agree to enable your smart Approved Meter to send us readings until the date on which you switch to another SEG Licensee. Our privacy policy describes how we'll use the information received from your Approved Meter

Here are a few things to remember about meter readings:

- You must supply a meter reading when requested and this reading will be checked against the expected generation capability of the Generation Unit, together with other tolerances and factors such as time of year, electricity exported in the past and other information
- If you don't give us meter readings in time, or if we can't validate them, we won't be able to pay you. Your SEG Payments for that quarter will be carried over to the next quarter for which we receive fully updated, valid meter readings within the required timescales. We cannot accept any estimated readings.
- We may ask you to (and you agree) to send photos of your meter readings, including showing the meter serial number and export reading.
- If, in our reasonable opinion, the meter reading you've given isn't accurate, we won't use it. We'll try to contact you and get a new meter reading instead.
- All Approved Meters must be accessible so we can take meter readings, and check any meter readings you send us. You agree to allow us, our agents and subcontractors and Ofgem safe and reasonable access to the Site to carry out services in connection with this contract. If we are unable to gain safe and reasonable access to the Site and Approved Meters, we may stop your SEG Payments.
- You agree that we (or our agents or subcontractors) can check your Generation Unit and Approved Meter if required. If the information you've provided is wrong, we have the right to end this contract.
- If we think your Approved Meter is faulty, we may need to arrange for it to be tested. If the test confirms your Approved Meter isn't working properly you must agree an appointment for the meter to be replaced as soon as reasonably possible. We may withhold your SEG Payments until the test is completed. You will not qualify for any more SEG Payments until the faulty meter has been replaced.
- You must ensure that We (or Our representatives) have safe and reasonable access to your Approved Export Meter(s) on request for inspection, testing, maintenance and replacement.

### **When will I start being paid for the electricity I provide?**

You will be eligible to receive SEG Payments from your **Eligibility Date**, this is the date we receive your first meter reading and they have been validated in accordance with the section above. Payments will usually be made at the end of the month following the month you submitted your meter reading for that quarter (for example if you submitted your quarterly meter reading in March your payment will be made at the end of April).



## **How will I receive payments for the electricity I provide?**

We will pay you directly into your nominated bank account using the account details you have provided on your application form.

## **Will I have to pay VAT?**

For domestic customers and organisations that are VAT exempt, VAT won't be payable.

If you're a business that is VAT registered, VAT will be added at the appropriate rate to your SEG Payments. You need to provide us with your VAT registration number and company number. You agree to accept self-billing of your output tax. We'll provide details of output tax due by you on your Self Billing Invoice. You're responsible for declaring the output tax on the SEG.

## **What if I increase the capacity of my Generation Unit?**

If you add extend or add additional capacity to your Generation Unit, for example increasing the number of solar panels, you agree to sell any additional electricity produced to us. You must inform us as soon as any changes have been made to the Generation Unit and we will ask you for additional documentation evidencing the additional capacity or extension to check eligibility. See '**Changes to your Generation Unit**'.

If you have an extension, both your FIT export and your FIT extension will be able to register for SEG, however, you will need to relinquish your existing FIT export payments as this will transfer as part of the SEG agreement.

We will not make payments for any exported electricity from installed additional capacity, where a Generation Unit has been extended such that the combined total installed capacity (TIC) exceeds 5MW (or 50kW for micro-combined heat and power (micro-CHP)).

If a new SEG Plan is required following an update to your Generation Unit, you may be required to sign and return a new SEG Plan before your Export Payments will recommence.

## **What if I think my payments are wrong?**

If you don't think a payment statement is right, please contact us immediately and we'll investigate. If we think we have underpaid you this amount will be added to your next payment and we will send you an amended statement. If we have overpaid you (including if we or Ofgem have made a mistake in relation to the SEG Scheme, or if we or Ofgem identify an abuse of the scheme) we may reduce or withhold your next SEG Payment or ask you to repay us the amount within a specific period.

We also reserve the right to reduce, withhold or recover SEG Payments if an error has been made or if we reasonably believe you may be abusing the SEG scheme, have provided incorrect information or we've been unable to inspect your Approved Meter.

## 7. Changes to your Generation Unit

### Selling your Generation Unit

If you're planning to transfer ownership of the Generation Unit (for example if you move house), you must contact us to let us know at least 28 days before your planned change of ownership. You must also give us a final meter reading on the date ownership changes so that we can pay you any final amount we might owe you (this will normally be paid at the end of the following month).

### Changing who receives the SEG Payments

If you want to nominate someone else to get your SEG payments (a 'Nominated Recipient'), you will need to complete an 'Adding a Nominated Recipient' form. You'll still be responsible for giving us meter readings so the Nominated Recipient can get their regular SEG Payments.

To remove a Nominated Recipient from your SEG account, you must tell us before you submit your meter reading for the next quarter or the Nominated Recipient will continue to receive the SEG payment in that quarter.

### Making changes to your Generation Unit

You must tell us if you make any changes to the Generation Unit, such as but not limited to installing additional capacity, for example removing panels or adding panels if you have a solar Generation Unit as this could affect your SEG Payments.

If you don't tell us and we find out about it later we may withhold, adjust and/or recoup SEG Payments so that you've had the right amount paid to you. If we have overpaid you, any money you owe us must be paid within 30 days of the date we tell you it is owed. We can also terminate your contract in these circumstances - see "**Ending this contract**" below.

## 8. Ending this contract

### When we can end it

We can end this contract at any time immediately if you:

- breach any of the terms of this contract;

- no longer meet any of the eligibility criteria set out above, including if you fail to advise of us of any changes to your Generation Unit which may make you ineligible for the SEG Scheme;
- If we reasonably believe you have claimed payments dishonestly or fraudulently such as tampering with your meter or giving us a deliberately misleading meter reading; or
- If you fail to tell us that you are already receiving a FIT Export Payment from another supplier or you sign up to receive a FIT Export Payment from another Supplier whilst you are receiving SEG Payments from us.

We can also end this contract for any other reason at any time by giving you 28 days' notice.

### **When you can end it**

You can end this contract at any time by providing 28 days' notice but you will have to pay a £15 exit fee if it is within the first 12 months of your contract start date. (Although you don't have to pay this exit fee if you cancel in your cooling off period).

We will ask you to submit a final meter reading to us at the end of the 28 days and your final SEG payment will be made at the end of the following month.

We will only be liable for SEG Export Payments up until the date on which you switch to another SEG Licensee.

## **9. Changes to these Terms**

We can make changes to your contract anytime. If we make changes, we'll make a copy of any new terms and conditions available on our website. Please check this page regularly to review updated terms. The date these terms were last updated is at the bottom of this page. Any changes will take effect from the date that we publish them on our website. If you don't have access to our website you can ask for a copy of our latest terms by getting in touch.

If we make changes to your contract which put you at a disadvantage, then we'll give you reasonable notice in an appropriate form to let you know about the change (reasonable notice being enough time for you to avoid the proposed change if you want to).

If you don't agree with the changes we're making, you can switch to another SEG licensee as long as you notify us within 20 days working days of the change coming into effect. You won't have to pay an exit fee for switching to another SEG licensee in this scenario.

If you switch to another SEG licensee following a detrimental change to our terms, but still owe us money, we can object to the switch. If you want to switch away, you must pay all the money you owe.

## 10. Data Protection

We and Ofgem will use information we have about you, your Generation Unit and any Nominated Recipient to administer your participation in the SEG Scheme. This includes reporting and auditing. Please see our privacy policy at [www.ovoenergy.com/privacy-policy](http://www.ovoenergy.com/privacy-policy) for a full statement on how we'll use your personal data.

## 11. Our liability to you

We don't limit or exclude liability for death or personal injury caused by our negligence, or for fraud.

We'll only be liable for loss or damage which is a reasonably foreseeable consequence of our breach of this contract up to a maximum liability of £100,000 in any calendar year.

Neither you nor we will be liable to the other for any loss or damage which is indirect, consequential, economic or financial, including loss of profit, revenue, goodwill, business, contract or wasted expenses.

## 12. Complaints

We hope that you're always happy with the service you receive from us, but if you're not and you want to make a complaint, you can follow our complaints procedure [here](#) or call 0330 303 5063 if you'd like us to send you a copy.

## 13. General Terms

This contract is governed by the laws of England and Wales if your Generation Unit is located in England and Wales, and by the laws of Scotland for your Generation Unit is located in Scotland. Nothing in it affects your statutory rights.

This contract is completely separate from any supply agreement you might have with us, and any charges for your electricity supply.

23rd December 2019