



# The Smart Export Guarantee (SEG)

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## **WHAT IS THE SMART EXPORT GUARANTEE (SEG)**

The smart export guarantee (SEG) offers payment to small-scale renewable energy generators for excess electricity exported to the National Grid. The SEG came into effect on 1 January 2020, replacing the Feed-in Tariff (FiT) scheme.

## **WHO QUALIFIES FOR THE SEG?**

Customers who generate excess electricity using any of the following low-carbon generation technologies:

- Solar photovoltaic (solar PV)
- Wind
- Micro combined heat and power (CHP)
- Hydro
- Anaerobic digestion (AD)

To apply for the SEG, these technologies must be installed in Great Britain and not exceed a total installed capacity of 5MW.

## **HOW DOES THE SEG WORK?**

If you are a small-scale energy generator who fits the criteria for the SEG you must apply to an SEG Licensee who will determine the rate, contract length and other terms. There is no requirement for your energy supplier to be your SEG Licensee. In fact, Licensees tend to compete for supply, so we recommend shopping around for suppliers that offer the most attractive terms for your organisation.

SEG Licensees must calculate payments using actual meter readings, and while wholesale electricity prices can sometimes fall below zero, SEG Licensees must always offer a tariff remaining above zero.

## **WHAT DO I HAVE TO PROVIDE FOR THE SEG SCHEME?**

The clean energy generating customer must be able to demonstrate:

- An export meter and relevant MPAN, capable of taking HH data
- The meter is located at the point where the installation connects to the distribution network/the grid
- The installation and installer are MCS certified.<sup>1</sup>

## **HOW MUCH CAN I MAKE FROM THE SEG SCHEME?**

Whilst installing renewable energy technology and signing up to an SEG will save you money in the long term, it is unlikely you will see a large amount of savings right away. The Smart Export Guarantee scheme allows SEG Licensees (energy companies) to decide their own rates, as long as it's more than zero. This is why it is important to find an SEG Licensee with rates and terms that meet your business's needs.

Ultimately, how much money you make will depend on the following:

- The rates and terms negotiated with your SEG Licensee
- How much electricity you export to the grid
- The price you pay for electricity
- How much of the electricity you use yourself

Whilst the SEG is replacing the Feed-in Tariff, there are differences between the two schemes. The Feed-in Tariff included both

export and generation tariffs, but the SEG only provides the former. In other words, you will only be provided tariffs for the renewable energy you don't use.

The two most common types of SEG tariffs are fixed rate and flexible rate.

- Fixed rate SEGs pay a set amount per kilowatt hour of electricity exported to the grid.
- Flexible rate SEGs vary depending on how valuable the electricity is based on the time it is exported.

## HOW CAN WE HELP?

At Monarch, we provide clients with exceptional customer service and expert energy guidance. We support any initiative that incentivises clean energy generation and usage and we offer [sustainability simplification](#) across various sectors.

We know this is a busy time, but schemes like SEG can offer a worthwhile financial boost for your business. One of our energy experts can help guide you through the SEG application and streamline the entire process, saving you valuable time and money.

If you are interested in making your business a more sustainable one, [reach out to Monarch](#) today.



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