

Draft Order laid before the Scottish Parliament under section 32L(3) of the Electricity Act 1989 for approval by resolution of the Scottish Parliament.

DRAFT SCOTTISH STATUTORY INSTRUMENTS

2023 No.

ELECTRICITY

The Renewables Obligation (Scotland) Amendment Order 2023

Made - - - - 2023
Coming into force - - 31st March 2023

The Scottish Ministers make the following Order in exercise of the powers conferred by sections 32, 32A, 32G and 32K of the Electricity Act 1989(1) and all other powers enabling them to do so.

In accordance with section 32L(1)(2) of that Act the Scottish Ministers have consulted the Gas and Electricity Markets Authority, the National Association of Citizens Advice Bureaux, Consumer Scotland(3), electricity suppliers to whom this Order applies and such generators of electricity from renewable sources and other persons as the Scottish Ministers considered appropriate.

In accordance with section 32L(3) of that Act, a draft of this instrument has been laid before and approved by resolution of the Scottish Parliament.

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Renewables Obligation (Scotland) Amendment Order 2023 and comes into force on 31 March 2023.

(2) In this Order “the 2009 Order” means the Renewables Obligation (Scotland) Order 2009(4).

Amendment of the 2009 Order

2. The 2009 Order is amended in accordance with articles 3, 4 and 5.

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- (1) 1989 c. 29. Sections 32 and 32A were substituted by section 37 of the Energy Act 2008 (c. 32) (“the 2008 Act”). Sections 32G and 32K were inserted by said section 37. Section 32(2) contains a definition of “the relevant minister” relevant to the exercise of these powers.
- (2) Section 32L was inserted by section 37 of the 2008 Act and amended by S.I. 2014/631 and S.I. 2022/34.
- (3) Section 32L refers to “the Authority” which is defined in section 111(1) as the Gas and Electricity Markets Authority. That definition was inserted by paragraph 40(a) of schedule 6 of the Utilities Act 2000 (c. 27). Section 32L refers to “Citizens Advice” which is defined in said section 111(1) as the National Association of Citizens Advice Bureaux which definition was inserted by S.I. 2014/631. Section 32L also refers to “Consumer Scotland” which was inserted by paragraph 3(9) of schedule 1 of S.I. 2022/34.
- (4) S.S.I. 2009/140; relevant amending instruments are S.S.I. 2010/147, S.S.I. 2011/225, and S.S.I. 2014/94.

Amendment to article 48 (shortfall in the buy-out and late payment funds: the total mutualisation sum)

- 3.—(1) Article 48 is amended in accordance with paragraphs (2) and (3).
- (2) For paragraph (3) substitute—
- “(3) A shortfall in relation to a relevant period is a relevant shortfall if it is equal to, or in excess of, the mutualisation threshold for that period.”.
- (3) After paragraph (3) insert—
- “(3A) The mutualisation threshold for a relevant period is determined as 0.1% of A x B, rounded to the nearest £100,000 with £50,000 being rounded upwards, where—
- (a) A is the total obligation for the relevant period determined under article 11,
- (b) B is the buy-out price for the relevant period referred to in article 43(4).”.

Amendment to article 57 (functions of the Authority)

4. In article 57, after paragraph (1)(d), insert—
- “(da) calculating and publishing the mutualisation threshold (referred to in article 48(3A) for each obligation period—
- (i) in the case of the obligation period beginning on 1 April 2023, as soon as reasonably practicable after the date on which the Renewables Obligation (Scotland) Amendment Order 2023 comes into force,
- (ii) in the case of any subsequent obligation period, before the start of that obligation period;”.

Amendment to schedule 3 (amount of relevant shortfall for the relevant obligation period)

5. Omit schedule 3.

St Andrew’s House,
Edinburgh
Date

Name
A member of the Scottish Government

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Renewables Obligation (Scotland) Order 2009 (“the 2009 Order”). The 2009 Order has a mechanism known as mutualisation which provides for recovery by the Gas and Electricity Markets Authority of payments from suppliers if there is a payment default and the level of default is equal to or in excess of a threshold. This Order provides that the mutualisation threshold is updated each year and linked to the annual cost of the scheme to suppliers.

No business and regulatory impact assessment has been prepared for this Order as no impact upon business, charities or voluntary bodies is foreseen.