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STATUTORY INSTRUMENTS

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**2018 No. 896**

**The Renewables Obligation (Amendment) Order 2018**

**New Schedule 6 inserted**

**6. After Schedule 5 insert—**

“SCHEDULE 6

Article 28

Annual ROC cap applicable to electricity generated by certain fuelled generating capacity

**Interpretation**

**1. In this Schedule (including the modifications to this Order set out in paragraphs 8 to 18)—**

“2018/19 obligation period” means the obligation period starting on 1st April 2018;

“capped combustion unit” means a combustion unit of a relevant fossil fuel station other than any of the following—

- (a) an exempt combustion unit;
- (b) a combustion unit consisting entirely of generating capacity referred to in article 45(4)(a);
- (c) a combustion unit referred to in article 45(4)(d) or (e);

“capped generating station” means a relevant fossil fuel station that includes at least one capped combustion unit and no exempt combustion units;

“commencement day” means the day on which the Renewables Obligation (Amendment) Order 2018 comes into force;

“exempt combustion unit” is to be construed in accordance with paragraph 2;

“mixed generating station” means a relevant fossil fuel station that includes at least one capped combustion unit and at least one exempt combustion unit;

“qualification day” means—

- (a) in the 2018/19 obligation period, the later of 1st September 2018 and commencement day;
- (b) in any subsequent obligation period, 1st September;

“relevant day” means the first day of the second month after the month in which the Renewables Obligation (Amendment) Order 2018 comes into force;

“relevant electricity” means—

- (a) electricity to which article 36 applies;
- (b) electricity generated in any of the ways described in Schedule 5 as—
  - (i) “co-firing of regular bioliquid” (including “co-firing of regular bioliquid with CHP”);
  - (ii) “high-range co-firing” (including “high-range co-firing with CHP”);
  - (iii) “low-range co-firing” (including “low-range co-firing with CHP”);

- (iv) “mid-range co-firing” (including “mid-range co-firing with CHP”);
- (v) “station conversion” (including “station conversion with CHP”); or
- (vi) “unit conversion” (including “unit conversion with CHP”);

“relevant fossil fuel station” has the meaning given in Schedule 5, but does not include—

- (a) a generating station in relation to which ROCs have been issued in respect of electricity—
  - (i) generated before the date on which the generating station became a “relevant fossil fuel station” (as defined in Schedule 5); and
  - (ii) described as “dedicated biomass” (including “dedicated biomass with CHP”) in Schedule 2 to the Renewables Obligation Order 2009 or Schedule 5; or
- (b) a microgenerator.

#### **Meaning of “exempt combustion unit”**

2.—(1) Subject to sub-paragraphs (2) and (3), a combustion unit of a relevant fossil fuel station is an “exempt combustion unit” for the purposes of this Schedule if it is a combustion unit in relation to which ROCs were issued in respect of electricity—

- (a) generated before 12th December 2014; and
  - (b) described in Schedule 2 to the Renewables Obligation Order 2009 as “unit conversion” (including “unit conversion with CHP”) or “station conversion” (including “station conversion with CHP”).
- (2) The following are not “exempt combustion units”—
- (a) a combustion unit consisting entirely of generating capacity referred to in article 45(4)(a);
  - (b) a combustion unit referred to in article 45(4)(d) or (e).

(3) A combustion unit referred to in sub-paragraph (1) ceases to be an “exempt combustion unit” if, during any 6 month period since commencement day, it generates electricity from fossil fuel, where the energy content of the fossil fuel is more than 15% of the energy content of all of the energy sources used by the unit to generate electricity during that 6 month period.

(4) In sub-paragraph (3), “fossil fuel” does not include fossil fuel for permitted ancillary purposes.

#### **Capped generating stations in the 2018/19 obligation period**

3.—(1) This paragraph applies to a generating station that is a capped generating station on commencement day.

(2) No more than  $A \times 125,000$  ROCs may be issued in respect of relevant electricity generated by the generating station during the period starting on the relevant day and ending on 31st March 2019.

(3) In sub-paragraph (2),  $A$  is the number of capped combustion units included in the generating station on commencement day.

#### **Capped generating stations in the 2019/20 obligation period and subsequent obligation periods**

4.—(1) This paragraph applies to a generating station that is a capped generating station on qualification day in any obligation period (the “previous obligation period”) beginning with the 2018/19 obligation period.

(2) No more than  $A \times 125,000$  ROCs may be issued in respect of relevant electricity generated by the generating station during the next obligation period after the previous obligation period.

(3) In sub-paragraph (2),  $A$  is the number of capped combustion units included in the generating station on qualification day in the previous obligation period.

#### **Mixed generating stations in the 2018/19 obligation period**

5.—(1) This paragraph applies to a generating station that is a mixed generating station on commencement day.

(2) By the day one month after commencement day, the Secretary of State must publish an estimate (the “exempt combustion unit estimate”) of the number of ROCs which are likely to be issued in respect of relevant electricity generated by the generating station’s relevant exempt combustion units during the 2018/19 obligation period.

(3) In making the estimate referred to in sub-paragraph (2), the Secretary of State must rely on the same information used to calculate the figure referred to in article 11(2) in respect of the 2018/19 obligation period.

(4) Sub-paragraph (5) applies where the number of ROCs issued in respect of relevant electricity generated by the generating station during the 2018/19 obligation period has reached the mixed generating station estimate.

(5) Where the number of ROCs issued in respect of relevant electricity generated by the generating station’s relevant capped combustion units during the relevant period exceeds the capped combustion unit allowance, no more ROCs may be issued in respect of relevant electricity generated by the generating station during the relevant period.

(6) In this paragraph—

“capped combustion unit allowance” means  $A \times 125,000$  ROCs, where  $A$  is the number of the generating station’s relevant capped combustion units;

“mixed generating station estimate” means a number of ROCs equal to the sum of—

- (a) the capped combustion unit allowance, and
- (b) the exempt combustion unit estimate;

“relevant capped combustion unit” means a capped combustion unit included in the generating station on commencement day;

“relevant exempt combustion unit” means an exempt combustion unit included in the generating station on commencement day;

“relevant period” means the period starting on the relevant day and ending on 31st March 2019.

#### **Mixed generating stations in the 2019/20 obligation period and subsequent obligation periods**

6.—(1) This paragraph applies to a generating station that is a mixed generating station on qualification day in any obligation period (the “previous obligation period”) beginning with the 2018/19 obligation period.

(2) By publication day in the previous obligation period, the Secretary of State must publish an estimate (the “exempt combustion unit estimate”) of the number of ROCs which are likely to be issued in respect of relevant electricity generated by the generating station’s relevant exempt combustion units during the next obligation period (the “relevant obligation period”) after the previous obligation period.

(3) Where publication day in the 2018/19 obligation period occurs after 1st October 2018, in making the exempt combustion unit estimate for the obligation period starting on 1st April 2019, the Secretary of State must rely on the same information used to calculate the figure referred to in article 11(2) in respect of that obligation period.

(4) Sub-paragraph (5) applies where the number of ROCs issued in respect of relevant electricity generated by the generating station during the relevant obligation period has reached the mixed generating station estimate.

(5) Where the number of ROCs issued in respect of relevant electricity generated by the generating station's relevant capped combustion units during the relevant obligation period exceeds the capped combustion unit allowance, no more ROCs may be issued in respect of relevant electricity generated by the generating station during the relevant obligation period.

(6) In this paragraph—

“capped combustion unit allowance” means  $A \times 125,000$  ROCs, where A is the number of the generating station's relevant capped combustion units;

“mixed generating station estimate” means a number of ROCs equal to the sum of—

- (a) the capped combustion unit allowance, and
- (b) the exempt combustion unit estimate;

“publication day” means—

- (a) in the 2018/19 obligation period, the later of 1st October 2018 and the day that occurs one month after commencement day;
- (b) in any subsequent obligation period, 1st October.

“relevant capped combustion unit” means a capped combustion unit included in the generating station on qualification day;

“relevant exempt combustion unit” means an exempt combustion unit included in the generating station on qualification day.

### **Order applies with modifications to determine whether ROCs are to be issued to mixed generating stations**

7. For the purpose of determining whether ROCs are to be issued in respect of electricity generated by a mixed generating station during the relevant period referred to in paragraph 5 or during any relevant obligation period referred to in paragraph 6—

- (a) this Order has effect with the modifications set out in paragraphs 8 to 18;
- (b) any notification made by the operator of a mixed generating station under article 81 must be disregarded.

### **Article 2 modified (interpretation)**

8.—(1) Article 2 has effect with the following modifications.

(2) In paragraph (1)—

(a) for the definition of “RO capacity” substitute—

““RO capacity”, in relation to a generating station or a combustion unit, means the generating capacity of the station or the unit other than excluded capacity;”;

(b) for the definition of “RO input electricity” substitute—

““RO input electricity”—

- (a) in relation to a generating station, has the meaning given in article 26;

- (b) in relation to a combustion unit, has the meaning given in article 26A;”;
- (c) for the definition of “total installed capacity” substitute—  
““total installed capacity”, in relation to a generating station, a combustion unit or generating capacity of any description, means the maximum capacity at which that generating station, combustion unit or generating capacity could be operated for a sustained period without causing damage to it (assuming the source of power used by it to generate electricity was available to it without interruption);”;
- (d) for the definition of “total output electricity” substitute—  
““total output electricity”, in relation to a generating station or a combustion unit, means the total amount of electricity generated by that station or unit;”.

**New article 26A inserted**

9. This Order has effect as if it were modified by inserting the following article after article 26—

**“Meaning of RO input electricity: combustion units**

**26A.—**(1) This article applies for the purposes of this Part.

(2) In any month where the total installed capacity of a capped or exempt combustion unit of a mixed generating station does not include any excluded capacity, the “RO input electricity” of the unit is equal to—

$$A \times B / C$$

where—

- (a) A is the RO input electricity of the mixed generating station during that month (calculated in accordance with article 26);
- (b) B is the total output electricity of the unit during that month; and
- (c) C is the sum of the RO output electricity of each capped combustion unit and each exempt combustion unit of the mixed generating station during that month.

(3) In any month where the total installed capacity of a capped or exempt combustion unit of a mixed generating station includes excluded capacity, the “RO input electricity” of the unit is equal to—

$$A \times B / C \times D / E$$

where—

- (a) A, B and C have the meanings given in paragraph (2);
- (b) D is the total installed capacity of the RO capacity of the unit; and
- (c) E is the total installed capacity of the unit.”.

**Article 27 modified (meaning of RO output electricity)**

10.—(1) Article 27 has effect with the following modifications.

(2) In paragraph (2)—

- (a) for “generating station” substitute “capped or exempt combustion unit of a mixed generating station”;
- (b) for “station” both times it appears substitute “unit”.

- (3) In paragraph (3)—
  - (a) for “generating station” substitute “capped or exempt combustion unit of a mixed generating station”;
  - (b) for “station” each time it appears substitute “unit”.
- (4) In paragraph (4)—
  - (a) for “generating station” substitute “capped or exempt combustion unit of a mixed generating station”;
  - (b) for “station” each time it appears substitute “unit”.

**Article 28 modified (ROCs to be issued by the Authority in respect of a generating station’s RO eligible renewable output)**

- 11.—(1) Article 28 has effect with the following modifications.
  - (2) In paragraph (1)(a) for “in respect of a generating station’s RO eligible renewable output in a month” substitute “in respect of the RO eligible renewable output in a month of each capped combustion unit and each exempt combustion unit of a mixed generating station”.
  - (3) For paragraph (4) substitute—
    - “(4) When issuing ROCs in respect of electricity generated in a month by a mixed generating station, the Authority must—
      - (a) determine the RO eligible renewable output of each capped combustion unit and each exempt combustion unit of the generating station in that month in accordance with article 29 or 30 (whichever is applicable); and
      - (b) issue ROCs in respect of each such unit’s RO eligible renewable output, the amount of electricity to be stated in each ROC being determined in accordance with articles 31 to 41.”.

**Article 29 modified (calculating a generating station’s RO eligible renewable output)**

- 12.—(1) Article 29 has effect with the following modifications.
  - (2) In paragraph (1) for “generating station” substitute “capped or exempt combustion unit of a mixed generating station”.
  - (3) In paragraph (2) for “station” each time it appears substitute “unit”.
  - (4) In paragraph (3) for “generating station” substitute “capped or exempt combustion unit of a mixed generating station”.
  - (5) In paragraph (4)—
    - (a) for “station” each time it appears substitute “unit”;
    - (b) in sub-paragraph (e) for “station’s” substitute “unit’s”.
  - (6) In paragraph (5) for “generating station” substitute “capped or exempt combustion unit of a mixed generating station”.

**Article 30 modified (calculating the RO eligible renewable output of a qualifying CHP station)**

- 13.—(1) Article 30 has effect with the following modifications.
  - (2) For paragraph (1) substitute—
    - “(1) This article applies to a capped or exempt combustion unit of a mixed generating station that is a qualifying CHP station in any month during which the unit generates electricity from

waste (other than waste which constitutes biomass, is used by the unit for permitted ancillary purposes, is an advanced fuel or is in the form of a liquid or gaseous fuel produced by means of anaerobic digestion).”.

(3) In paragraph (2) for “generating station” substitute “combustion unit”.

(4) In paragraph (3)(b) for “the station” substitute “the mixed generating station that includes the combustion unit”.

**Article 31 modified (calculating the amount of electricity generated by a particular category of generating capacity)**

14.—(1) Article 31 has effect with the following modifications.

(2) In paragraph (3)—

(a) for “generating station” substitute “capped or exempt combustion unit of a mixed generating station”;

(b) for “station’s” substitute “unit’s”.

(3) In paragraph (4) for “station” each time it appears substitute “unit”.

**Article 32 modified (calculating the amount of electricity generated in a particular way)**

15.—(1) Article 32 has effect with the following modifications.

(2) In paragraph (3)—

(a) for “generating station” substitute “capped or exempt combustion unit of a mixed generating station”;

(b) for “station’s” substitute “unit’s”.

(3) In paragraph (4)—

(a) for “station” each time it appears substitute “unit”;

(b) for “station’s” each time it appears substitute “unit’s”.

**Article 43 modified (generating stations not compliant with accreditation or metering requirements)**

16.—(1) Article 43 has effect with the following modifications.

(2) After paragraph (2) insert—

“(3) ROCs are not to be issued in respect of any electricity generated by a mixed generating station unless—

(a) the electricity generated by each capped combustion unit and each exempt combustion unit of the station is measured separately using a meter referred to in paragraph (2)(a); or

(b) the Authority has agreed that estimates may be provided instead of separate measurements.”.

**Article 80 modified (provision of information to determine whether a ROC is to be, or should have been, issued)**

17.—(1) Article 80 has effect with the following modifications.

(2) In paragraph (2)—

(a) for “generating station” substitute “mixed generating station”;

- (b) in sub-paragraph (b) for “of the station” substitute “of each capped combustion unit and each exempt combustion unit of the station”.

**Schedule 5 modified (electricity to be stated in ROCs)**

- 18.**—(1) Schedule 5 has effect with the following modifications.
- (2) In paragraph 1(1) of Part 1—
    - (a) omit the definition of “station conversion”;
    - (b) omit the definition of “station conversion with CHP”;
    - (c) in the definition of “unit conversion” omit paragraph (b) (and the “and” that precedes it);
    - (d) in the definition of “unit conversion with CHP” omit paragraph (b) (and the “and” that precedes it).
  - (3) In Part 2 in the table omit the whole row whose first entry is “station conversion”.
  - (4) In Part 3 in the table omit the whole row whose first entry is “station conversion”.
  - (5) In Part 5 in the table omit the whole row whose first entry is “station conversion with CHP”.
  - (6) In Part 6 in the table omit the whole row whose first entry is “station conversion with CHP”.
  - (7) In Part 7 in the table omit the whole row whose first entry is “station conversion with CHP”.