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DRAFT SCOTTISH STATUTORY INSTRUMENTS

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**2007 No.**

**The Renewables Obligation (Scotland) Order 2007**

**PART 4**

**Alternative Ways of Discharging Renewables Obligation**

**Alternative way of discharging renewables obligation: payments**

**11.**—(1) Instead of producing certificates pursuant to article 3, a designated electricity supplier may discharge (in whole or in part) its renewables obligation in relation to a particular obligation period by making a payment to the Authority before the specified day relating to that obligation period.

(2) Subject to paragraphs (3) to (6), the payment to be made under paragraph (1) is £34.30 for each megawatt hour of electricity generated from eligible renewable sources for which the designated electricity supplier does not produce certificates pursuant to article 3, 13, 14 or NIROCs pursuant to article 12 (“the buy-out price”).

(3) If, in the case of the calendar year 2007 or any subsequent calendar year, the annual retail prices index for that year (“the later year”) is higher or lower than that for the previous year, the buy-out price relating to the obligation period beginning on the 1st April immediately following the later year shall be increased (if the index is higher) or decreased (if the index is lower) by the annual percentage inflation rate of the retail prices index for the later year.

(4) When the buy-out price is calculated under paragraph (3) the result shall be rounded to the nearest penny (with any exact half of a penny being rounded upwards).

(5) Where a designated electricity supplier does not produce certificates pursuant to articles 3, 13 or 14 as evidence that it or another electricity supplier has complied with the minimum wave requirement, if any, of its renewables obligation, the payment to be made under paragraph (1) is £175 for each megawatt hour of electricity for which no such certificate is produced (“the wave buy-out price”).

(6) Where a designated electricity supplier does not produce certificates pursuant to articles 3, 13 or 14 as evidence that it or another electricity supplier has complied with the minimum tidal requirement, if any, of its renewables obligation, the payment to be made under paragraph (1) is £105 for each megawatt hour of electricity for which no such certificate is produced (“the tidal buy-out price”).