
DRAFT SCOTTISH STATUTORY INSTRUMENTS

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”).

Alternative way of discharging renewables obligation: NIROCs

12.—(1) Subject to article 15, instead of producing certificates pursuant to article 3, a designated electricity supplier may discharge (in whole, except to the extent of the minimum wave or tidal requirement, or in part) its renewables obligation in relation to a particular obligation period by producing to the Authority in accordance with this article eligible NIROCs issued in respect of electricity that has been supplied to customers during that obligation period.

(2) A NIROC referred to in paragraph (1) shall be regarded as produced to the Authority in respect of an obligation period where, before the specified day relating to that period, the Authority receives,

from the designated electricity supplier which is treated as holding the NIROC for the purposes of the NIRO Order under which it was issued, a notification in writing identifying the NIROC to be so produced and giving its NIROC identifier.

(3) Without prejudice to paragraph (2), the Authority may draw up procedural guidelines for the production of NIROCs under this article.

Alternative way of discharging renewables obligation: certificates certifying the matters in section 32B(2A) or (2AA) of the Act

13.—(1) Subject to article 15, 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 producing to the Authority in accordance with this article certificates issued by the Authority and certifying the matters in section 32B(2A) or (2AA) of the Act, provided that such certificates relate to electricity generated from eligible renewable sources.

(2) A certificate referred to in paragraph (1) shall be regarded as produced to the Authority in respect of an obligation period where, before the specified day relating to that period the Authority receives from the designated electricity supplier which holds the certificate, a notification in writing identifying the certificate to be produced for that purpose and, in the case of a SROC, the SROC identifier.

(3) Without prejudice to paragraph (2), the Authority may draw up procedural guidelines for the production of certificates under this article.

Alternative way of discharging renewables obligation: certificates certifying the matters in section 32B(2AB) or (2AC) of the Act

14.—(1) Subject to article 15, 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 producing to the Authority in accordance with this article certificates issued by the Authority and certifying the matters in section 32B(2AB) or (2AC) of the Act.

(2) A certificate referred to in paragraph (1) shall be regarded as produced to the Authority in respect of an obligation period where before the specified day relating to that period the Authority receives from the designated electricity supplier which holds the certificate a notification in writing identifying the certificate to be produced for that purpose and, in the case of a SROC, the SROC identifier.

(3) Without prejudice to paragraph (3), the Authority may draw up procedural guidelines for the production of certificates under this article.

(4) For the purposes of section 32B(2AB) and (2AC) of the Act, electricity generated by any generating station is used in a permitted way if it is used in one of the ways mentioned in section 32B(2AE) of the Act.

Further provision in relation to production of certificates and NIROCs

15.—(1) A designated electricity supplier may discharge up to 25 per cent of its renewables obligation in respect of an obligation period by producing to the Authority certificates issued by the Authority under section 32B of the Act and eligible NIROCs relating to electricity supplied in the immediately preceding obligation period.

(2) Subject to paragraph (3), in respect of any obligation period which falls—

- (a) from 1st April 2007 until 31st March 2011, no more than 10 per cent; and
- (b) from 1st April 2011 until 31st March 2016, no more than 5 per cent,

of a designated electricity supplier's renewables obligation may be satisfied by the production of certificates issued by the Authority under section 32B of the Act and eligible NIROCs issued in respect of generating stations which during the month to which a certificate or NIROC relates, have been fuelled partly by fossil fuel (as defined in article 9) and partly by biomass and by no other fuel.

(3) In the case of certificates or NIROCs issued in respect of a generating station which, during the month to which those certificates or NIROCs relate, has been fuelled partly by fossil fuel (as defined in article 9) and partly by biomass consisting in whole or in part of energy crops (and no other fuel), the limits set out in paragraph (2) shall not apply to the production of those certificates or NIROCs if and to the extent that they state the amount of electricity which is attributable to the energy crops.

(4) A designated electricity supplier shall not produce to the Authority a certificate issued under section 32B of the Act or a NIROC which has previously been or is simultaneously produced to the Northern Ireland Authority under a NIRO Order.