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SCOTTISH STATUTORY INSTRUMENTS

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**2007 No. 267**

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

**PART 6**

**Payments out of the Buy-Out Funds**

**Administrative division of payments made under article 11**

**26.**—(1) For the purpose of making allocations under this Part, the Authority shall divide the amounts which it receives under article 11 in accordance with this article.

(2) The amount determined in accordance with the following formula in respect of an obligation period (“the relevant obligation period”) is referred to as “the wave buy-out fund”–

$$A - (B \times C)$$

where–

A equals the total amount received by the Authority under article 11(5) in respect of the relevant obligation period (together with any interest thereon received by the Authority);

B equals the total amount of megawatt hours of electricity in respect of which a payment was made under article 11(5) in respect of the relevant obligation period; and

C equals the buy-out price under article 11(2) (adjusted if appropriate for the relevant obligation period in accordance with article 11(3) and (4)).

(3) The amount determined in accordance with the following formula in respect of the relevant obligation period is referred to as “the tidal buy-out fund”–

$$D - (E \times C)$$

where–

D equals the total amount received by the Authority under article 11(6) in respect of the relevant obligation period (together with any interest thereon received by the Authority);

E equals the total amount of megawatt hours of electricity in respect of which a payment was made under article 11(6) in respect of the relevant obligation period; and

C equals the buy-out price under article 11(2) (adjusted if appropriate for the relevant obligation period in accordance with article 11(3) and (4)).

(4) The aggregate of the amounts received by the Authority under article 11 in respect of the relevant obligation period (together with any interest thereon received by the Authority) less the amounts which constitute the wave buy-out fund and tidal buy-out fund is referred to as “the buy out fund”.

**Allocation of the buy-out fund**

27.—(1) The Authority shall pay out the buy-out fund, by the 1st November immediately following the relevant obligation period in accordance with the system of allocation specified in paragraphs (2) to (6).

(2) The buy-out fund relating to a relevant obligation period shall be divided amongst the United Kingdom suppliers who meet one or more of the applicable conditions referred to in paragraphs (3), (4) and (5) so that each such United Kingdom supplier receives a proportion of the buy-out fund calculated in accordance with paragraph (6).

(3) The applicable condition for a designated electricity supplier is that, in respect of the relevant obligation period, it has complied (in whole or in part) with its renewables obligation by producing qualifying certificates to the Authority.

(4) The applicable condition for an electricity supplier supplying electricity in England and Wales is that, in respect of a period contemporaneous with the relevant obligation period, it has complied (in whole or in part) with any renewables obligation imposed on it in accordance with section 32(1) of the Act by producing qualifying certificates to the Authority.

(5) The applicable condition for a Northern Ireland supplier is that, in respect of a period contemporaneous with the relevant obligation period, it has complied (in whole or in part) with any renewables obligation imposed on it in accordance with article 52 of the Northern Ireland Energy Order by producing qualifying certificates to the Northern Ireland Authority.

(6) The proportion of the buy-out fund which each United Kingdom supplier is entitled to receive under paragraph (2) is equal to the proportion which the amount of the electricity covered by all of the qualifying certificates it has produced as mentioned in paragraph (3), (4) or (5) bears to the total amount of the electricity covered by all of the qualifying certificates produced to the Authority or to the Northern Ireland Authority in respect of the relevant obligation period or any period contemporaneous with the relevant obligation period, in discharge of any renewables obligation imposed in accordance with section 32(1) of the Act or article 52 of the Northern Ireland Energy Order.

**Allocation of the wave buy-out fund**

28.—(1) The Authority shall pay out the wave buy-out fund, by the 1st November immediately following the relevant obligation period in accordance with the system of allocation specified in paragraphs (2) to (4).

(2) The wave buy-out fund relating to a relevant obligation period shall be divided amongst the designated electricity suppliers who meet the condition referred to in paragraph (3) so that each such supplier receives a proportion of the wave buy-out fund calculated in accordance with paragraph (4).

(3) The condition for a designated electricity supplier is that, in respect of the relevant obligation period, it has produced certificates to the Authority in compliance with its renewables obligation which meet (in whole or in part) the minimum wave requirement.

(4) The proportion of the wave buy-out fund which each designated electricity supplier is entitled to receive under paragraph (2) is equal to the proportion which the amount of electricity covered by all of the certificates it has produced as mentioned in paragraph (3) up to a maximum amount equal to the supplier's minimum wave requirement bears to the total amount of electricity covered by all such certificates produced to the Authority in respect of the relevant obligation period.

(5) If, in the relevant obligation period, there are no designated electricity suppliers who meet the condition referred to in paragraph (3), the Authority shall refund payments made under article 11(5) net of the buy-out price under article 11(2).

### **Allocation of the tidal buy-out fund**

**29.**—(1) The Authority shall pay out the tidal buy-out fund, by the 1st November immediately following the relevant obligation period in accordance with the system of allocation specified in paragraphs (2) to (4).

(2) The tidal buy-out fund relating to a relevant obligation period shall be divided amongst the designated electricity suppliers who meet the condition referred to in paragraph (3) so that each such supplier receives a proportion of the tidal buy-out fund calculated in accordance with paragraph (4).

(3) The condition for a designated electricity supplier is that, in respect of the relevant obligation period, it has produced certificates to the Authority in compliance with its renewables obligation which meet (in whole or in part) the minimum tidal requirement.

(4) The proportion of the tidal buy-out fund which each designated electricity supplier is entitled to receive under paragraph (2) is equal to the proportion which the amount of electricity covered by all of the certificates it has produced as mentioned in paragraph (3) up to a maximum amount equal to the supplier's minimum tidal requirement bears to the total amount of electricity covered by all such certificates produced to the Authority in respect of the relevant obligation period.

(5) If, in the relevant obligation period, there are no designated electricity suppliers who meet the condition referred to in paragraph (3), the Authority shall refund payments made under article 11(6) net of the buy-out price under article 11(2).