
STATUTORY INSTRUMENTS

2006 No. 2388

ELECTRICITY

The Electricity from Non-Fossil Fuel Sources
Arrangements (England and Wales) Order 2006

<i>Made</i>	- - - -	<i>5th September 2006</i>
<i>Laid before Parliament</i>		<i>8th September 2006</i>
<i>Coming into force</i>	- -	<i>1st October 2006</i>

The Secretary of State, in exercise of the powers conferred by section 67(1)(c) of the Utilities Act 2000⁽¹⁾, makes the following Order:—

Citation, commencement and extent

1.—(1) This Order may be cited as the Electricity from Non-Fossil Fuel Sources Arrangements (England and Wales) Order 2006 and shall come into force on 1st October 2006.

(2) This Order extends to England and Wales only.

Interpretation

2. In this Order—

“generator” has the meaning given to that term by the NFFO Savings Order;

“new arrangements” has the meaning given to that term by the NFFO Savings Order;

“NFFO 4 Order” means the Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1997⁽²⁾;

“NFFO 5 Order” means the Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1998⁽³⁾;

“NFFO Savings Order” means the Electricity from Non-Fossil Fuel Sources Saving Arrangements Order 2000⁽⁴⁾;

“nominated person” has the meaning given to that term by the NFFO Savings Order; and

(1) [2000 c.27](#).

(2) [S.I. 1997/248](#).

(3) [S.I. 1998/2353](#).

(4) [S.I. 2000/2727](#), as amended by [S.I. 2001/3268](#).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

“relevant contracts” means the replacement power purchase agreements which constitute part of the new arrangements made by the nominated person pursuant to the NFFO Savings Order with a generator of a non-fossil fuel generating station described in Part V of Schedule 1 to the NFFO 4 Order or in Part III of Schedule 1 to the NFFO 5 Order and which are described further in the Schedule.

Contracts

3. With effect from the coming into force of this Order, clause 14.2 of each of the relevant contracts shall be amended by deleting the final sentence of clause 14.2 and substituting the following—

“If the Seller is not entitled to the Premium Price the price for Relevant Metered Output for the relevant Period of the Order shall be the lower of the Premium Price and the Reference Price within the meaning of the following sentence. For the purposes of this clause 14.2 “Reference Price” shall mean “Reference Price” as defined in clause 1.1 except that the reference to the “NFFO Contracts” in paragraph (A)(i) of that definition shall be a reference only to those NFFO Contracts within the Relevant Technology Band.”.

5th September 2006

Maragaret Hodge
Minister for Industry and the Regions
Department of Trade and Industry

SCHEDULE

Article 2

Relevant contracts

	<i>Contract</i>	<i>Date entered into</i>	<i>Facility</i>		<i>Generator</i>	
1.	Renewables NFFO 4 Replacement Power Purchase Agreement non BSC Party Contract	08.03.2001	Edmonton	B	London Waste Limited	CHP Plant
2.	Renewables NFFO 4 Replacement Power Purchase Agreement non BSC Party Contract	08.03.2001	City CHP	Energy	Dreh Limited	Resources
3.	Renewables NFFO 4 Replacement Power Purchase Agreement non BSC Party Contract	08.03.2001	City Portsmouth CHP	Energy	Dreh Limited	Resources
4.	Renewables NFFO 4 Replacement Power Purchase Agreement BSC Exemptible Contract	08.03.2001	Start Regen		Heron Trust Limited	
5.	Renewables NFFO 4 Replacement Power Purchase Agreement non BSC Party Contract	08.03.2001	City Sheffield	Energy CHP	Dreh Limited	Resources
6.	Renewables NFFO 4 Replacement Power Purchase Agreement non BSC Party Contract	08.03.2001	Coventry to Energy Plant	Waste	Coventry and Solihull Waste Disposal Company Limited	
7.	Renewables NFFO 4 Replacement Power Purchase Agreement non BSC Party Contract	08.03.2001	Raikes CHP	Lane	Greater Manchester Waste Limited	
8.	Renewables NFFO 4 Replacement Power Purchase Agreement BSC Exemptible Contract	08.03.2001	Fibrepower (Slough)		Fibrepower (Slough) Limited	
9.	Renewables NFFO 4 Replacement Power Purchase Agreement non BSC Party Contract	04.03.2002	Huddersfield Waste to Energy Facility		SITA Kirklees Limited	
10.	Renewables NFFO 5 Replacement Power Purchase Agreement non BSC Party Contract	08.03.2001	Eastcroft		WasteNotts (Reclamation) Limited	
11.	Renewables NFFO 5 Replacement Power Purchase Agreement BSC Exemptible Party Contract	08.03.2001	Nine Elms CHP		Gent Fairhead Environmental Services Limited	
12.	Renewables NFFO 5 Replacement Power Purchase Agreement BSC Exemptible Contract	08.03.2001	Acorn Supplies	Energy	Acorn Energy Supplies Limited	
13.	Renewables NFFO 5 Replacement Power Purchase Agreement non BSC Party Contract	08.03.2001	Philadelphia Power Project		Compact Power Limited	

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<i>Contract</i>	<i>Date entered into</i>	<i>Facility</i>	<i>Generator</i>
14. Renewables NFFO 5 Replacement Power Purchase Agreement non BSC Party Contract	08.03.2001	Chapel Renewable Energy Centre	Veolia es Aurora Limited
15. Renewables NFFO 5 Replacement Power Purchase Agreement BSC Exemptible Contract	08.03.2001	Windwhistle Energy Project	Atlantic Limited Energy
16. Renewables NFFO 5 Replacement Power Purchase Agreement BSC Exemptible Contract	08.03.2001	Dolcoath Energy	Atlantic Limited Energy

EXPLANATORY NOTE

(This note is not part of the Order)

This Order modifies certain contracts between certain generators of electricity and the Non-Fossil Purchasing Agency Limited (“the NFPA”). Under the contracts in question, the intention was that, if the generators met certain requirements in terms of supplying heat, they would be paid a ‘premium’ price for the electricity which they generated by the NFPA. If they failed to meet those requirements, then they would receive from the NFPA a ‘reference’ price, fixed at a level below the premium price. Unfortunately, it has since emerged that the way in which the two prices are calculated results in the reference price being higher than the premium price, which has removed the intended financial incentive for generators to meet the requirements placed upon them in relation to supplying heat. The amendment to be made to the contracts in question by this Order will correct this anomaly.