
EXPLANATORY NOTE

(This note is not part of the Regulations)

This Order is made under sections 32-32C of the Electricity Act 1989 and imposes an obligation (“the renewables obligation”) on all electricity suppliers, which are licensed under that Act and which supply electricity in Scotland, to supply to customers in Great Britain specified amounts of electricity generated by using renewable sources. As alternatives, in respect of all or part of an electricity supplier’s renewables obligation, an electricity supplier is permitted to provide evidence that other licensed electricity suppliers have supplied electricity generated using renewable sources instead of it, or to make a payment to the Gas and Electricity Markets Authority (“the Authority”). Renewable sources include sources of energy such as wind, water, solar and biomass.

The Order revokes, and replaces, with amendments, the Renewables Obligation (Scotland) Order 2002 (“the 2002 Order”). The provisions of this Order are very similar to the 2002 Order, the main amendments applying to article 2 (extending eligibility to smaller generators) and articles 3 and 8 (extension of deadlines for eligibility of co-firing plant). There are a large number of smaller technical amendments.

Article 3 imposes the renewables obligation on electricity suppliers. The renewables obligation requires the electricity supplier to produce evidence of the supply of electricity generated from renewable sources to the Authority. The evidence required is certificates issued by the Authority. Those certificates issued under this Order are referred to as “SROCs”.

Article 4 and Schedule 2 provide for the issue of SROCs by the Authority and the maintenance by it of a register of SROCs.

Article 5 provides for the revocation of SROCs in specified circumstances.

Article 6 and Schedule 1 provide for how the amount of an electricity supplier’s renewables obligation is to be determined.

Article 7 provides that, instead of producing certificates to the Authority, an electricity supplier may discharge (in whole or part) its renewables obligation by making a payment to the Authority.

Articles 8, 9 and 10 determine what types of electricity generated from renewable sources are eligible to satisfy an electricity supplier’s renewables obligation.

Article 11 provides for the Authority to obtain information to enable it to carry out its functions under the Order.

Article 12 provides how payments (including late payments) made to the Authority by electricity suppliers under article 7 are to be divided amongst licensed electricity suppliers.

Article 13 makes provision relating to the functions of the Authority under the Order.

Article 14 revokes the 2002 Order, but also provides for savings provisions in respect of the obligations of each electricity supplier to produce evidence and other information in respect of the renewables obligation, or to make payments to the Authority, and to furnish information to the DTI, in respect of periods prior to the coming into force of the Order.

A regulatory impact assessment is available and can be obtained from the Energy Policy Division, Scottish Executive Enterprise Transport and Lifelong Learning Department, Meridian Court, Cadogan Street, Glasgow.

The address of the Department of Trade and Industry website referred to in Article 6(3) is www.dti.gov.uk