

---

DRAFT STATUTORY INSTRUMENTS

---

**2006 No.**

**The Renewables Obligation Order 2006**

**PART 7**

**Additional Payments**

**Mutualisation: Payments In**

**24.**—(1) As soon as reasonably practicable after the end of the late payment period in relation to an obligation period, the Authority shall—

- (a) determine whether a relevant shortfall has occurred in relation to the obligation period; and
- (b) where a relevant shortfall has occurred, notify each relevant supplier of—
  - (i) the amount of the shortfall;
  - (ii) the amount to be recovered from all relevant suppliers in accordance with paragraph (3); and
  - (iii) the amount of the payment that the relevant supplier is required to make under paragraph (4).

(2) Where the Authority notifies relevant suppliers under paragraph (1)(b) it shall publish a notice stating—

- (a) the amount of the shortfall; and
- (b) the amount to be recovered from all relevant suppliers in accordance with paragraph (3).

(3) Where a relevant shortfall has occurred, the specified amount shall be recovered from all relevant suppliers in accordance with paragraph (4).

(4) A relevant supplier shall make a payment to the Authority which is the same proportion of the sum to be recovered under paragraph (3) as the proportion which that supplier's renewables obligation for the shortfall period bears to the total of the renewables obligations of all the relevant suppliers for that shortfall period.

(5) When calculating the amount to be recovered from all relevant suppliers in accordance with paragraph (3), the Authority shall, where a non-compliant United Kingdom supplier has complied in part with any renewables obligation imposed on that supplier in accordance with section 32(1) of the Act or article 52 of the Northern Ireland Energy Order by producing qualifying certificates to the Authority or to the Northern Ireland Authority in respect of a shortfall period or any period contemporaneous with the shortfall period, reduce the specified amount in accordance with paragraph (6).

(6) Where paragraph (5) applies, the specified amount shall be reduced by a proportion which is equal to the proportion which the amount of the electricity covered by all the qualifying certificates produced by the non-compliant United Kingdom supplier as mentioned in paragraph (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 that shortfall period or any period contemporaneous with that shortfall 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.

(7) Subject to article 26(3) and (4), a payment required under paragraph (4) shall be paid in the following instalments—

- (a) 25 per cent of the total payment required shall be paid to the Authority before the 1st September in the mutualisation period;
- (b) 25 per cent of the total payment required shall be paid to the Authority before the 1st December in the mutualisation period;
- (c) 25 per cent of the total payment required shall be paid to the Authority before the 1st March in the mutualisation period; and
- (d) 25 per cent of the total payment required shall be paid to the Authority before the 1st June in the obligation period immediately following the mutualisation period.

(8) Where a person required to make a payment under paragraph (4)—

- (a) fails to make payment in full in accordance with that paragraph, and
- (b) at any time during or after the end of the shortfall period in question, ceases to hold a licence to supply electricity under section 6(1) of the Act,

sections 25 to 28 of the Act shall apply in respect of that person in respect of the obligations imposed by this article, as if that person still held a licence to supply electricity.