

Draft Order laid before Parliament under section 32L(2) of the Electricity Act 1989, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2024 No. XXXX

ELECTRICITY, ENGLAND AND WALES

The Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2024

Made - - - - *****

Coming into force in accordance with article 1(1)

The Secretary of State makes this Order in exercise of the powers conferred by sections 32, 32A and 32K of the Electricity Act 1989(a).

The Secretary of State has consulted the Gas and Electricity Markets Authority, the National Association of Citizens Advice Bureaux, Consumer Scotland, the electricity suppliers to whom this Order applies and such generators of electricity from renewable sources and other persons as the Secretary of State considered appropriate in accordance with section 32L(1) of the Electricity Act 1989.

In accordance with section 32L(2) of the Electricity Act 1989, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation, commencement and extent

1.—(1) This Order may be cited as the Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2024 and comes into force on the day after the day on which it is made.

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

Amendments to the Renewables Obligation Order 2015

2.—(1) The Renewables Obligation Order 2015(b) is amended as follows.

(2) In article 7(2), for “13B” substitute “13C”.

(3) At the beginning of article 13A(3), insert “Subject to article 13C.”.

(4) At the beginning of article 13A(4), insert “Subject to article 13C.”.

(5) After article 13B, insert—

(a) 1989 c. 29. Sections 32 to 32M were substituted by section 37 of the Energy Act 2008 (c. 32). Section 32L(1) has been amended by S.I. 2014/631 and S.I. 2022/34. There are other amendments to sections 32 to 32M but none is relevant.

(b) S.I. 2015/1947, amended by S.I. 2017/1289; there are other amending instruments but none is relevant.

“Revision of the obligation level published on 27th September 2023 in respect of the 2024/25 obligation period

13C.—(1) The Secretary of State may revise the obligation level published(a) on 27th September 2023 in respect of the 2024/25 obligation period.

(2) The power conferred by paragraph (1) may only be exercised once and may not be exercised after 31st March 2024.

(3) Before exercising the power conferred by paragraph (1), the Secretary of State must estimate in megawatt hours the total amount of EII excluded electricity likely to be supplied to customers in Great Britain during the 2024/25 obligation period by—

- (a) designated electricity suppliers; and
- (b) electricity suppliers on whom the renewables obligation has been imposed by an order made under sections 32 to 32M of the Act by the Scottish Ministers.

(4) A revision of the obligation level for the 2024/25 obligation period is to be calculated as follows—

- (a) where the total obligation for the 2024/25 obligation period is calculation A, revision of that obligation level is, subject to sub-paragraph (c), to be calculated in accordance with article 13A(3);
- (b) where the total obligation for the 2024/25 obligation period is calculation B, revision of that obligation level is, subject to sub-paragraph (c), to be calculated in accordance with article 13A(4); and
- (c) in the formulae set out in article 13A(3) and 13A(4), “D” is to be treated as a reference to the amount estimated by the Secretary of State pursuant to paragraph (3).

(5) Where, in exercise of the power conferred by paragraph (1), the Secretary of State revises the obligation level in respect of the 2024/25 obligation period, the Secretary of State must publish the revised obligation level within the period of seven days beginning with the day on which that power is exercised.

(6) In exercising the power conferred by paragraph (1), the Secretary of State may provide that the obligation level published on 27th September 2023 applies for part of the 2024/25 obligation period, and the revised obligation level as calculated in accordance with paragraph (4) applies for the remainder of the 2024/25 obligation period.

(7) In this article—

“2024/25 obligation period” means the obligation period beginning on 1st April 2024; and

“obligation level” means the number of UK ROCs that a designated electricity supplier is required to produce in respect of each megawatt hour of relevant electricity that it supplies to customers in England and Wales during an obligation period in order to discharge its renewables obligation for that period as determined under article 13A(3) or (4).”.

Date _____
Name
Parliamentary Under Secretary of State
Department for Energy Security and Net Zero

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Renewables Obligation Order 2015 (S.I. 2015/1947) (the “2015 Order”).

(a) The publication is available at <https://www.gov.uk/government/publications/renewables-obligation-level-calculations-2024-to-2025/calculating-the-level-of-the-renewables-obligation-for-2024-to-2025>, or in hard copy upon request from the Department for Energy Security and Net Zero at 55 Whitehall, London SW1A 2HP.

The 2015 Order imposes an obligation (the “renewables obligation”), on all electricity suppliers licensed under the Electricity Act 1989 (c. 29) which supply electricity in England and Wales, to produce a certain number of renewables obligation certificates in respect of electricity they supply to customers in England and Wales during a specified period known as an “obligation period”. Each obligation period runs from 1st April to 31st March.

The renewables obligation is administered by the Gas and Electricity Markets Authority, which issues renewables obligation certificates to renewable electricity generators based on their renewable output. These certificates are sold to electricity suppliers with or without the associated renewable electricity.

Article 2(5) inserts a new article 13C which enables the Secretary of State to revise the renewables obligation for an obligation period after the number of renewables obligation certificates to be produced for that period has been published. A revision may only be made for the obligation period beginning on 1st April 2024. Articles 2(2) to 2(4) make consequential amendments to Part 2 of the 2015 Order.

A full impact assessment of the effect that this Order and the Electricity Supplier Obligations (Excluded Electricity) (Amendment) Regulations 2024 will have on the costs to business, the voluntary sector and the public sector is available upon request from the Department for Energy Security and Net Zero at 55 Whitehall, London SW1A 2HP and is published with an Explanatory Memorandum alongside this Order on legislation.gov.uk.

© Crown copyright 2024

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of His Majesty’s Stationery Office and King’s Printer of Acts of Parliament.

£5.78

<http://www.legislation.gov.uk/id/ukdsi/2024/9780348256765>

ISBN 978-0-34-825676-5



9 780348 256765