
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Renewables Obligation Order 2009 (“the 2009 Order”) and makes transitional provision.

The 2009 Order imposes an obligation (“the renewables obligation”) on all electricity suppliers which supply electricity in England and Wales. Suppliers must produce, by a specified day, a certain number of renewables obligation certificates (ROCs) in respect of each megawatt hour of electricity that each supplies during a specified period known as an obligation period (article 5 of the 2009 Order). The renewables obligation is administered by the Gas and Electricity Markets Authority (“the Authority”) who issue ROCs to renewable electricity generators in respect of their renewable output. These certificates are sold to electricity suppliers with or without the associated renewable electricity.

The number of ROCs to be produced by a supplier (per megawatt hour of electricity supplied) is determined by the Secretary of State by reference to three calculations as set out in Part 2 of the 2009 Order. Articles 3 to 7 of this Order remove one of those calculations (calculation C) and amend calculation B.

Article 8 inserts provisions specifying additional situations in which ROCs are not to be issued by the Authority. New article 17A introduces a 20 year limit on support. Articles 17B to 17E specify when ROCs are not to be issued in light of the Secretary of State exercising the power in section 41(1) of the Energy Act 2008 (power to amend licence conditions etc: feed-in tariffs) to make a financial scheme.

Article 9 inserts new article 30A into the 2009 Order which gives an increase in support where an offshore wind generating station uses relevant wind turbines.

Articles 10 and 11 amend article 41 and insert new article 41A into the 2009 Order. Article 41A requires the Authority, in certain circumstances, to refuse to issue further ROCs to a generator.

Article 12 inserts new paragraph (6A) into article 44 of the 2009 Order which clarifies the existing legal position in relation to the late payment period (defined in Article 42 of the 2009 Order).

Article 13 modifies article 54(1)(a) of the 2009 Order to exclude landfill gas and sewage gas from the sustainability reporting requirements in article 54 of the 2009 Order.

Article 14 is a consequential amendment to article 58(2)(a) of the 2009 Order to reflect the insertion of new article 17B into the 2009 Order by article 8 of this Order.

Article 15 amends Schedule 1 to the 2009 Order to extend the renewables obligation to 31st March 2037. Article 17 similarly extends the operation of Schedule 3 to the 2009 Order.

Article 16 inserts definitions into Part 1 of Schedule 2 to the 2009 Order for “dedicated biomass with CHP” and “dedicated energy crops with CHP”. Article 18 removes the references to the Northern Ireland Authority in Schedule 4 to the 2009 Order.

Article 19 makes transitional provision in respect of the obligation period ending on 31st March 2010.

A full regulatory impact assessment of the effect that this Order will have on the costs of business and the voluntary sector is available from the Renewables Obligation Team, Department of Energy and Climate Change, 3 Whitehall Place, London, SW1A 2AW and is annexed to the Explanatory Memorandum which is available alongside this Order on the OPSI website.