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SECOND RENEWABLES OBLIGATION ANNUAL REPORT PUBLISHED

- 616 generating stations now accredited by Ofgem under the Renewables Obligation (RO) and the Renewables Obligation Scotland (ROS)
- 7.5 million* Renewables Obligation Certificates (ROCs) and Scottish Renewables Obligation Certificates (SROCs) issued in the second year
- Total amount of electricity generated from renewable sources and supplied to customers was 13.6 million* MWh
- 42 per cent of all ROCs and SROCs issued were for electricity from landfill gas, with hydro accounting for 17 per cent and onshore wind accounting for 16 per cent.
- £175 million* redistributed to suppliers.

The second annual report for the Renewables Obligation (RO) April 2003 to March 2004 has been published today by energy regulator Ofgem.

It shows an increase in the amount of electricity supplied to customers from renewable sources.

The RO requires electricity suppliers to supply a certain proportion of their total sales in Great Britain from electricity generated from renewable sources.

The report for the second year shows that the total RO for electricity supplied to customers in Britain was 13.6 million* MWh compared with 9.3 million* MWh in 2002-2003.

In 2003-2004, a total of 7.5 million* Renewables Obligation Certificates (ROCs) and Scottish Renewables Obligation Certificates (SROCs) were issued compared with 5.6 million* in 2002-2003.

The report also details the technologies for which ROCs and SROCs were issued. Landfill gas was the dominant technology in England whereas hydro generation was the main contributor for Scotland. Onshore wind was the main provider for Wales.

The amount of buy-out distributed for the second year also increased. In 2003-2004, 23 licensed suppliers in England and Wales received buy-out distribution totalling £158 million* and 22 Scottish suppliers received £16 million.*

* See Notes to Editors for full figures relating to the RO 2003-2004.

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Notes to Editors

1. Copies of The Renewables Obligation Annual Report 2003-2004 can be downloaded at www.ofgem.gov.uk. Hard copies are also available by contacting the Ofgem Distribution Centre via email distribution@ofgem.gov.uk or by telephoning 020 7901 7116.

2. * Renewables Obligation 2003-2004 key facts:

- 616 generating stations now accredited
- 7,546,787 ROCs and SROCs issued
- Total Renewables Obligation across Great Britain was 13,627,412 MWh
- Buy-out distribution for the 23 licensed suppliers under the RO totalled £158,462,320
- Buy-out distribution for the 22 suppliers totalled £16,488,755 under the ROS.

* Renewables Obligation 2002-2003 key facts:

- 505 generating stations had been accredited by the end of March 2003.
- 5,562,699 ROCs and SROCs issued
- Total Renewables Obligation across Great Britain was 9,261,568 MWh
- Buy-out distribution for the 23 licensed suppliers totalled £79,251,930 under the RO
- Buy-out distribution for the 19 suppliers totalled £11,267,124 under the ROS.

A fact sheet on the Renewables Obligation 2003-2004 will be available to download from the press centre at www.ofgem.gov.uk. More information is also available on the Renewables Obligation information site at www.ofgem.gov.uk

3 Ofgem has the responsibility for implementing the Government's Renewables Obligation, which started in April 2002. The obligation is a key piece of Government policy which will help the UK meet its targets for generation of electricity from renewables. It requires suppliers to source a certain proportion of their total sales in Great Britain from electricity generated from renewable sources as follows:

Obligation Period	Percentage of total supplies
April 2002 - March 2003	3.0
April 2003 – March 2004	4.3
April 2004 – March 2005	4.9
April 2005 – March 2006	5.5
April 2006 – March 2007	6.7
April 2007 – March 2008	7.9
April 2008 – March 2009	9.1
April 2009 – March 2010	9.7
April 2010 – March 2011	10.4

3. Electricity generators can apply to Ofgem for accreditation to prove their generation comes from eligible renewable sources. Ofgem then issues generators with Renewables Obligation Certificates (ROCs) and Scottish Renewables Obligation Certificates (SROCs) for their qualifying output, with each ROC representing one megawatt hour of renewable electricity generated. ROCs may be sold to suppliers (or third parties) either with or separately from the electricity generated.
4. In order to meet the targets, suppliers can present Ofgem with enough ROCs or use a buy-out clause to make up the shortfall. They can also use a combination of ROCs and buy-out to meet the obligation.
5. Proceeds from the buy-out fund are paid back to suppliers in accordance with how many ROCs they have presented, compared to the total number of ROCs presented for the obligation period.
6. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986 and the Electricity Act 1989, as amended by the Utilities Act 2000 as well as under the Competition Act 1998 and the Enterprise Act 2002.

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