

R/8

1 February 2005

RENEWABLES OBLIGATION BUY-OUT PRICE PUBLISHED

Energy regulator Ofgem has announced today (Tuesday) that the buy-out price for the fourth year of the Renewables Obligation is £32.33 per MWh.

The new rate will apply for the obligation period 1 April 2005 to 31 March 2006.

The buy-out price allows electricity suppliers to make up any shortfall between the amount of their obligation and the number of Renewables Obligation Certificates (ROCs) presented.

The buy-out price is adjusted each year to reflect changes in the retail prices index. The Government set the buy-out price at £30/MWh for the first year of the Renewables Obligation (2002-2003), and for the second year (2003-2004), it was set at £30.51/MWh. Last year (2004-2005), it was set at £31.39 per MWh.

Ends

Notes to Editors

1. Ofgem has the responsibility for implementing the Government's Renewables Obligation, which started in April 2002. The obligation requires electricity suppliers to supply a certain proportion of their total sales in Great Britain from electricity generated from renewable sources. This proportion starts at three per cent in 2002 – 2003 and reaches 10.4 per cent in 2010 – 2011.
2. The new rate applies to both the Renewables Obligation and the Renewables Obligation Scotland. All references to the Renewables Obligation refer to the Renewables Obligation across Great Britain.
3. One Renewables Obligation Certificate (ROC) represents 1MWh of electricity generated from eligible renewable sources and supplied to customers in Great Britain. All references to Renewables Obligation Certificates refer to certificates issued under the Renewables Obligation across Great Britain.
4. 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.

For further press information contact:

Chris Lock 020 7901 7225

Mark Wiltsher 0207 901 7006

Out of hours 07766 511470

