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TUESDAY OCTOBER 7 2008

THE RENEWABLES OBLIGATION BUY-OUT FUND (2007-2008)

Figures showing the total amount of Renewables Obligation Certificates (ROCs) presented to Ofgem and the size of the buy-out fund for the 2007-08 obligation period have been published today (Monday).

For this sixth year of the scheme, the total Renewables Obligation (RO) for electricity supplied to customers across the UK was 25,551,357 megawatt hours (MWh).

- The total RO in England and Wales was 22,857,584 MWh
- The total Renewables Obligation (Scotland) (ROS) was 2,456,391 MWh.
- The total Renewables Obligation (Northern Ireland) (NIRO) was 237,382 MWh.

A total of 16,466,751 ROCs were correctly submitted by suppliers to Ofgem for the RO before the 1 September 2008 statutory deadline. Suppliers correctly submitted 14,562,876 ROCs for the RO, 1,864,676 ROCs for the ROS and 39,199 ROCs for the NIRO.

The total value of RO buy-out payments correctly received before 1 September 2008 was £278,789,611.10 for England and Wales, £19,976,934.04 for Scotland and £5,927,828.90 for Northern Ireland. The total values of the RO buy-out funds (including interest) due to be redistributed are £280,171,493 for England and Wales, £20,072,617 for Scotland and £5,958,966 for Northern Ireland. Suppliers that have fully complied with their renewables obligation received their buy-out redistribution payments on 3 October 2008.

The amount paid to suppliers from the buy-out fund on 3 October 2008 for each ROC they presented was £18.59.

There was a shortfall of £6,907,611.76 in the three buy-out funds as not all suppliers fully complied with their obligations. A supplier has the opportunity to make a late payment by 31 October 2008 to fully discharge its renewables obligation under Article 30(2) of the Order. Late payments for the Renewables Obligation (including interest) are expected to be redistributed in early November 2008.

Ends

Notes to Editors

1. Ofgem has responsibility for administering the Government's Renewables Obligation, which started in April 2002 (April 2005 in Northern Ireland). The Obligation sets a level for electricity suppliers to source at least part of their electricity from renewable generators. In England & Wales and Scotland, this level started at 3 per cent of electricity supplied in 2002-2003. The level for 2007-2008 is 7.9 per cent and for 2008-09 it is 9.1 per cent. The level reaches 15.4 per cent in 2015-2016 and remains at this level until 2026/2027. In Northern Ireland, the level for 2007-2008 is 2.8 per cent and for 2008-09 it is 3 per cent. The level reaches 6.3 per cent in 2012-2013 and remains at this level until 2026-2027.

2. All renewable generators apply to Ofgem for accreditation that their electricity is generated from eligible renewable sources. These generators are issued with Renewables Obligation Certificates (ROCs) for their qualifying output. Each ROC represents one megawatt hour of electricity. The renewable generator can sell ROCs either with or separately from the electricity generated.
3. To meet the levels, suppliers can present Ofgem with enough ROCs or use a buy-out clause to make up the difference. They can also use a combination of ROCs and buy-out to meet the obligation. The buy-out price per megawatt hour of electricity is calculated by Ofgem each year by adjustment to reflect changes in the Retail Prices Index. The buy-out price for 2007-08 obligation period was £34.30.
4. The buy-out fund and the late payment funds are redistributed using the single recycling mechanism. The buy-out funds have been redistributed to suppliers in proportion to the total number of ROCs that each has presented across the three obligations.
5. The three buy-out funds and late payment funds have been recycled to suppliers in the following way:

Supplier	Percentage of each buy-out fund
Airtricity Energy Supply Limited	0.0412892622230%
BizzEnergy Limited	0.0089452983166%
British Energy Direct Limited	7.9090222473152%
British Gas Trading Limited	15.8349330721039%
EDF Energy Customers PLC	16.7401753995066%
Electricity Plus Ltd	0.1845658563732%
E.ON Energy Limited	14.1794698905692%
E.ON Ltd	2.2422030915510%
ESB Independent Energy	0.1325944626235%
Gaz de France Marketing Ltd	2.3267188530391%
Good Energy Limited	0.0547831202403%
Immingham	0.0450179880658%
Opus Energy Ltd	0.2085171507118%
Northern Ireland Electricity plc	0.0640259878831%
Npower Direct Ltd	0.9809767573458%
Npower Ltd	10.7563902557341%
Npower Northern Ltd	1.6794569857770%
Npower Yorkshire Ltd	0.7319173041482%
Scottish Power Energy Retail Limited	8.5253976330850%
Slough Energy Supplies Limited	0.0714409296649%
Smartestenergy Limited	0.1864788020418%
SSE Energy Supply Ltd	16.9757106304698%
The Renewable Energy Company Limited	0.1048962239121%

Tradelink Solutions Limited	0.0150727972992%
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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. The Authority's functions are set out mainly in the Gas Act 1986, the Electricity Act 1989, the Competition Act 1998 and the Utilities Act 2000. In this note, the functions of the Authority under all the relevant Acts are, for simplicity, described as the functions of Ofgem.

For further press information contact:

Chris Lock: 0207 901 7225 or 07766 511470
Mark Wiltsher: 020 7901 7006 or 07774 728971