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Renewables Obligation: Annual report 2007-2008

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Target audience: Any parties with an interest in the Renewables Obligation.

Overview:

The Government has introduced a number of schemes to encourage the development of renewable generation in the UK.

In April 2002 the Renewables Obligation and the Renewables Obligation (Scotland) came into effect, with the Northern Ireland Renewables Obligation coming into effect on 1 April 2005. Ofgem administers these schemes on behalf of the Department of Energy and Climate Change, the Scottish Executive and the Department of Enterprise, Trade and Investment respectively.

This report provides information in respect of the 2007-08 obligation period. It includes information on how licensed electricity suppliers complied with their obligations in this period, the number of ROCs we issued and detail on generators we accredited for the schemes.

Contact name and details: Keith Duncan, Manager RO Supplier Compliance
Peter Collins, Assistant Manager RO Compliance

Tel: 020 7901 7404

Email: keith.duncan@ofgem.gov.uk, peter.collins@ofgem.gov.uk

Team: Environmental Programmes

Context

The Government's aim is that renewable energy will make an increasing contribution to energy supplies in the UK, with renewable energy playing a key role in the wider climate change programme.

The Renewables Obligation [RO], the Renewables Obligation (Scotland) [ROS] and the Northern Ireland Renewables Obligation [NIRO] are designed to incentivise renewable generation into the electricity generation market. These schemes were introduced by the Department of Trade and Industry (now the Department of Energy and Climate Change), the Scottish Government and the Department of Enterprise, Trade and Investment respectively and are administered by the Gas and Electricity Markets Authority (the Authority), whose day to day functions are performed by Ofgem. The schemes are provided for in secondary legislation.

The first Renewables Obligation Order came into force in April 2002, as did the first Renewables Obligation (Scotland) Order. These Orders were subject to review in 2004, 2005, 2006 and 2007. The first Renewables Obligation Order (Northern Ireland) came into force in April 2005. New Orders came into force on 1 April 2006 and 1 April 2007. The Renewables Obligation Order (Northern Ireland) 2007 was amended on 19 October 2007 to allow for its continued effective operation within the new Single Electricity Market arrangements for Ireland with effect from 1 November 2007.

These Orders place an obligation on licensed electricity suppliers in England and Wales, Scotland and Northern Ireland to source an increasing proportion of electricity from renewable sources. In 2007-08 it was 7.9 per cent in England and Wales and Scotland and 2.8 per cent in Northern Ireland. Suppliers meet their obligations by presenting sufficient Renewables Obligation Certificates (ROCs) to cover their obligations. Where suppliers do not have sufficient ROCs to meet their obligation, they must pay an equivalent amount into a fund known as buy-out, the proceeds of which are paid back on a pro-rated basis to those suppliers that have presented ROCs. The Government intends that suppliers will be subject to a renewables obligation until at least 31 March 2037.

Associated Documents

Readers may be interested in previous annual reports that are published on our website at www.ofgem.gov.uk.

We also have reports available on our Renewables & CHP Register website (www.renewablesandchp.ofgem.gov.uk) which provides information on:

- ➔ A list of stations accredited for the Renewables Obligations
- ➔ Details on the number of ROCs issued by technology, country and Order.
- ➔ A list of ROCs that have been revoked by us.

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Summary

Chapter Summary

This summary briefly provides the highlights for the 2007-08 obligation period.

Compliance by licensed electricity suppliers

1.1. Overall, the total Renewables Obligation across the UK for 2007-08 was 25,551,357 MWh, up from 21,629,676 MWh in 2006-07 (an increase of 18%). The percentage of the total obligations met by ROCs decreased slightly from around 68 per cent to 64 per cent. This increase in the obligation, coupled with the reduction in the share of the obligation complied with by ROCs, led to a significant increase in the total buy-out fund from £234,439,091 to £307,180,739.

1.2. The large increase in the size of the buy-out fund meant that a ROC was "worth" £52.95[1]. (This compares to a ROC being "worth" £42.54, 2 years ago). Based on this figure, the cost of CO2 saved under the scheme is £110 per tonne[2].

1.3. Although the proportion of ROCs presented against the total obligation decreased slightly (compared to the previous obligation period), the actual number of ROCs submitted increased from 14,612,654 to 16,466,751. These ROCs submitted in 2007-08 equate to a value of £871,914,465 (assuming a value of £52.95 per ROC).

1.4. Nearly a third of suppliers under the RO made maximum use of their allowable limit on co-firing ROCs, and actually have (or are very close to) exactly 10% of their obligation from co-fired ROCs.

1.5. All suppliers except one (BizzEnergy Ltd) complied with their 2007-08 obligations. BizzEnergy has shortfalls against its obligations of £5,665,228.10 for the RO and £271,793.20 for the ROS. This did not trigger mutualisation for the 2007-08 period. BizzEnergy Ltd is now in administrative receivership. We are in contact with their receivers regarding their outstanding amounts.

1.6. 4 out of 30 suppliers met their obligations entirely by ROCs under the RO (8 out of 24 for the ROS and 1 out of 6 for the NIRO). 9 out of 30 suppliers met their

[1] This assumes that the value of a ROC is made up of the buyout payment that is avoided by presenting the ROC, plus the portion of the buyout fund redistributed to the supplier that presented the ROC.
[2] This is based on a carbon coefficient of 0.48 kg CO2/kWh (Source: Fuel Mix Disclosure Data Table 1/4/2007 - 31/3/2008; DECC)

obligations entirely by buy-out payments under the RO (6 out of 24 for the ROS and 2 out of 6 for the NIRO). The remainder of suppliers provided a combination of ROCs and buy-out payments.

Renewables Obligation Certificates

1.7. The Authority issued 16,151,978 ROCs in total between 1 April 2007 and 31 March 2008. This total was made up of 10,059,951 ROCs, 5,660,975 SROCs and 431,052 NIROCs. The RO schemes have been successful in incentivising the generation of more renewable energy, with a resultant year-on-year increase since 2003.

1.8. For the first time in any obligation period, on-shore wind sites generated the largest number of ROCs. In each of the previous obligation periods, landfill gas sites had been the largest contributor.

Generators accredited for the Renewables Obligation

1.9. We accredited 1,042 generating stations during the 2007-08 obligation period. There were a total of 2,394 generating stations accredited for the RO as of 31 March 2008. This obligation period also saw the largest year-on-year increase in the total number of accredited generating stations, with an increase of more than 75%. This increase is mainly due to the introduction of agents in April 2007, which resulted in the number of small generators accredited under the RO increasing from 404 to 1,035 during the 2007-08 obligation period.

Implementation issues

1.10. Small generators account for approximately 50% of our costs[3] (and 75% of our administration time), and now make up around 2/3rds of the number of generators in the RO. However, they comprised of less than 0.2% of the generating capacity and less than 0.05% of ROCs issued in 2007-08.

1.11. The cost of administering these small generators was £650,000 in 2007-08, but only £400,000 of ROCs was issued for their generation (assuming a value of £52.95 per ROC). The value passed on to generators will be even less than this after the suppliers/agents account for their administration expenses.

1.12. We have introduced a new IT system (effective from 1 April 2008) which has automated, consolidated and streamlined many processes in order to reduce the administration cost per generator. DECC has also introduced provisions in the

[3] However, many of these costs are for the RO as a whole and would still exist if small generators were removed from the RO.

Renewables Obligation Order 2009 which will also improve the administration of small generators.

Changes in legislation

1.13. On 1 April 2007 the Orders were amended. The most significant change was allowing agents to act fully on behalf of small generators and to receive ROCs. The NIRO was also amended in October 2007 to take account of the introduction of the single electricity market.

1. Introduction

Status of this document

1.1. This annual report satisfies the requirements placed on the Authority under the Renewables Obligation Order 2006 [RO], Renewables Obligation (Scotland) Order 2007 [ROS] and Renewables Obligation Order (Northern Ireland) 2007 [NIRO]. Additional information which may be of interest to stakeholders is also provided.

1.2. Unless apparent from the context, where "RO" is used it denotes the RO, ROS and NIRO and where "ROC" is used it denotes ROCs, SROCs and NIROCs.

1.3. The use of 'Ofgem', 'us', 'our' and 'we' are used interchangeably when referring to the exercise of the Authority's powers and functions under the Orders.

Ofgem's responsibilities

1.4. The Renewables Obligation Order 2006 (RO) and the Renewables Obligation (Scotland) Order 2007 (ROS) detail Ofgem's powers and functions in respect of the Renewables Obligation in England and Wales and in Scotland, respectively. Those functions include:

- accrediting generating stations as being capable of generating electricity from eligible renewable energy sources
- issuing Renewable Obligation Certificates (ROCs) and Scottish Renewable Obligation Certificates (SROCs)
- establishing and maintaining a register of ROCs and SROCs
- publishing a list of accredited and pre-accredited generating stations
- revoking ROCs and SROCs where necessary
- monitoring compliance with the requirements of the Orders
- calculating annually the buy-out price and mutualisation ceiling resulting from the adjustments made to reflect changes in the RPI
- receiving buy-out payments and redistributing the buy-out fund, and
- receiving late payments and redistributing the late payment fund.

1.5. We administer the Northern Ireland Renewables Obligation (NIRO) on behalf of the Northern Ireland Authority for Utility Regulation (NIAUR) under an Agency Services Agreement. Under this agreement Ofgem is required to carry out the functions listed above in respect of Northern Ireland Renewables Obligation Certificates (NIROCs). However the NIAUR continues to retain legislative responsibility for administering the NIRO.

1.6. Ofgem's costs of exercising its functions under the Orders were £1,354,500 in 2007-08. These costs included:

- staffing costs

- IT system development costs
- technical, legal and IT support
- undertaking audits of generating stations
- undertaking audits of suppliers, and
- the maintenance of bank accounts.

1.7. The increase in Ofgem's costs for the 2007/08 obligation period was due to a major IT project, introducing the new Renewables and CHP Register. There was a clear need to make this investment as our previous IT systems had reached their operating limits. The new system also enables us to take on the increasing numbers of generators under our schemes with a minimal change in staff numbers. This should result in operating cost savings over the coming years, which will outweigh the upfront capital cost. Only part of the cost of developing the new Register has been accounted for under these RO administration costs, as the Register is also used for administering Climate Change Levy Exemption Certificates and Renewable Energy Guarantees of Origin

2. Compliance by licensed electricity suppliers

Chapter Summary

This chapter, when read with appendix 2, provides information on:

- ➔ How each licensed electricity supplier (supplier) complied with its obligation in terms of ROCs presented, buy-out and/or late payment made, or a combination of these
- ➔ The total number of ROCs correctly presented against each supplier's obligation
- ➔ The money each supplier received from the redistribution of the buy-out and/or late payment funds, and
- ➔ The total number of ROCs that remain on the ROC Register for use in the next obligation period (2008-09).

We are required to publish this information under the Orders.

Total Renewables Obligation for England & Wales, Scotland and Northern Ireland

2.1. The RO and ROS require each supplier to source a proportion of the electricity that it has supplied in Great Britain from eligible renewable sources[4]. The NIRO requires each supplier to source a proportion of the electricity that it has supplied in Northern Ireland from eligible renewable sources[5]. The proportion for the 2007-08 obligation period was 7.9 per cent in England & Wales and Scotland and 2.8 per cent in Northern Ireland. This proportion increases each year as set out in the Orders.

2.2. Suppliers can meet their obligation by presenting ROCs or making buy-out payments to cover any shortfall in the presentation of sufficient ROCs or by a combination of both.

Headline figures

2.3. The headline figures for supplier compliance in 2007-08 in England & Wales, Scotland and Northern Ireland are set out in Tables 1, 2 and 3 respectively. Further details can be found in Appendix 2.

2.4. In summary, 30 suppliers had an obligation under the RO, 24 had an obligation under the ROS, and six had an obligation under the NIRO.

[4] See Article 2(1) of the RO and ROS for the definition of eligible renewable sources.
[5] See Article 2(1) of the NIRO for the definition of eligible renewable sources.

2.5. 46 suppliers did not have an obligation under the RO, 52 did not have an obligation under the ROS, and 11 did not have an obligation under the NIRO. This was because they either had no sales to customers or all their sales were to transmission connected customers where exceptions apply[6].

2.6. For the 2007-08 obligation period, the total Renewables Obligation for electricity supplied to customers was 22,857,584 MWh in England and Wales, 2,456,391 MWh in Scotland and 237,382 MWh in Northern Ireland.

2.7. The buy-out price for the 2007-08 obligation period was £34.30.

2.8. The amount of buy-out paid per ROC presented for the 2007-08 obligation period was £18.65. The buy-out paid per ROC was equal across all three obligations due to the single recycling mechanism.[7]

2.9. The percentage of suppliers' obligations met by presenting ROCs decreased slightly during the 2007-08 obligation period in England & Wales, and Scotland. This, coupled with the increasing obligation level, has resulted in an increase in the total buy-out funds redistributed to suppliers from £234,439,091 to £307,180,739.

2.10. Although the proportion of ROCs presented against the total obligation decreased slightly (compared to the previous obligation period), the actual number of ROCs submitted increased from 14.6 million to almost 16.5 million.

2.11. A total of 185,372 ROCs issued during the 2007-08 obligation period were not presented back to us for compliance purposes. This number consisted of 61,843 ROCs, 122,822 SROCs and 707 NIROCs. These ROCs remain on the ROC Register for use in the 2008-09 obligation period.

2.12. Tables 1, 2 and 3 summarise the headline figures and make comparisons to earlier obligation periods.[8] Detailed information can be found in Appendix 2.

[6] Article 3(2) of the Energy Act 2004 (Commencement No 6) Order 2005 (SI 2965) refers.
[7] Further information about the single recycling mechanism can be found in our Guidance for licensed electricity suppliers.
[8] For 2002-03 & 2003-04 please see previous Renewables Obligation: Annual reports

Table 1: How suppliers complied with their obligations in England & Wales (2007-08)

	2004-05	2005-06	2006-07	2007-08
Total obligation (MWh)	14,315,784	16,175,906	19,390,016	22,857,584
Total number of ROCs presented	9,971,851	12,232,153	12,868,408	14,562,876
Number of GB ROCs presented (included in total above)	9,971,851	11,986,983	12,581,262	14,202,823
Total number of NIROCs presented (included in total above)	n/a	245,170	287,146	360,053
Percentage obligation met by ROCs	70%	76%	66%	64%
Total Buy-out paid	£135,657,001	£126,704,565	£216,778,249	£278,789,611
Total late payments paid[9]	n/a	£32.36	£0	£46,711.58
Shortfall in buy-out & late payment fund[10]	£699,055	£796,935	£0	£5,665,228.10
Total buy-out redistributed	£136,169,914	£127,167,900	£217,888,311	£280,171,493
Total late payments redistributed	n/a	£34	£2	£54,491
Buy-out paid per ROC produced[11]	£13.66	£10.21	£16.04	£18.65
What a ROC was "worth" to a supplier[12]	£45.05	£42.54	£49.28	£52.95

[9] If a supplier does not meet its obligation in full before 1 September, it can make a late payment up until 31 October. Late payments are subject to an interest charge in addition to the amount owed. Interest is charged at 5 percentage points above the Bank of England base rate as at the first day of the late payment period, i.e. 1 September.
[10] This figure is after late payments have been taken into account, and does not include interest.
[11] Buy out paid per ROC produced includes sums redistributed from the buy-out and late payment funds.
[12] When combined with the buy-out price that suppliers effectively avoid paying by presenting ROCs, a ROC produced against the RO was "worth" £52.95 to suppliers in 2007-08.

Table 2: How suppliers complied with their obligations in Scotland (2007-08)

	2004-05	2005-06	2006-07	2007-08
Total obligation (MWh)	1,445,283	1,648,679	2,022,791	2,456,391
Total number of ROCs presented	883,997	1,425,869	1,725,781	1,864,676
Number of GB ROCs presented (included in total above)	883,997	1,418,183	1,721,685	1,832,964
Total number of NIROCs presented (included in total above)	n/a	7,686	4,096	31,712
Percentage obligation met by ROCs	61%	86%	85%	76%
Total Buy-out paid	£17,602,787	£7,086,897	£9,613,938	£19,976,934
Total late payments paid	n/a	£114,766.78	£258,978.42	£47,450.93
Shortfall in buy-out and late payment fund	£15,067.20	£1,972	£0	£271,793.20
Total buy-out redistributed	£17,668,392	£7,112,617	£9,662,865	£20,072,617
Total late payments redistributed	n/a	£115,070	£259,815	£47,737
Buy-out paid per ROC produced	£19.99	£10.21	£16.04	£18.65
What a ROC was "worth" to a supplier	£51.38	£42.54	£49.28	£52.95

Table 3: How suppliers complied with their obligations in Northern Ireland (2007-08)[13]

	2005-06	2006-07	2007-08
Total obligation (MWh)	208,319	216,869	237,382
Total number of ROCs presented	41,295	18,465	39,199
Number of GB ROCs presented (included in total above)	20,868	12,039	4,523
Total number of NIROCs presented (included in total above)	20,427	6,426	34,676
Percentage obligation met by ROCs	20%	9%	17%
Total Buy-out paid	£5,354,332.86	£6,594,948	£5,927,828.90
Total late payments paid	£45,613.90	£0	£870,091.65
Shortfall in buy-out and late payment fund	£0	£0	£0
Total buy-out redistributed	£5,373,877	£6,628,093	£5,958,966
Total late payments redistributed	£45,697	£5	£875,435
Buy-out paid per ROC produced	£10.21	£16.04	£18.65
What a ROC was "worth" to a supplier	£42.54	£49.28	£52.95

Details about ROCs presented

2.13. Npower Limited (part of RWE Npower Group) had the largest obligation in England and Wales (4,042,763 MWh) followed by EDF Energy (part of EDF group) and SSE Energy Supply Limited with obligations of 4,006,094 MWh and 3,705,259 MWh respectively.

2.14. Scottish Power Energy Retail Limited had the largest obligation in Scotland (777,031 MWh) followed by SSE Energy Supply Limited and British Gas Trading Limited with obligations of 697,666 MWh and 283,075 MWh respectively.

2.15. Northern Ireland Electricity plc had the largest obligation in Northern Ireland (135,250 MWh) followed by Viridian Energy Supply Limited (Energia) and ESB Independent Energy with obligations of 48,098 MWh and 47,052 MWh respectively.

2.16. Figures 1, 2 and 3 show the breakdown of the total obligation by supplier group.

[13] The Northern Ireland Renewables Obligation came into effect on 1 April 2005.

Figure 1: Proportion of the total size of the RO by supplier group[14]

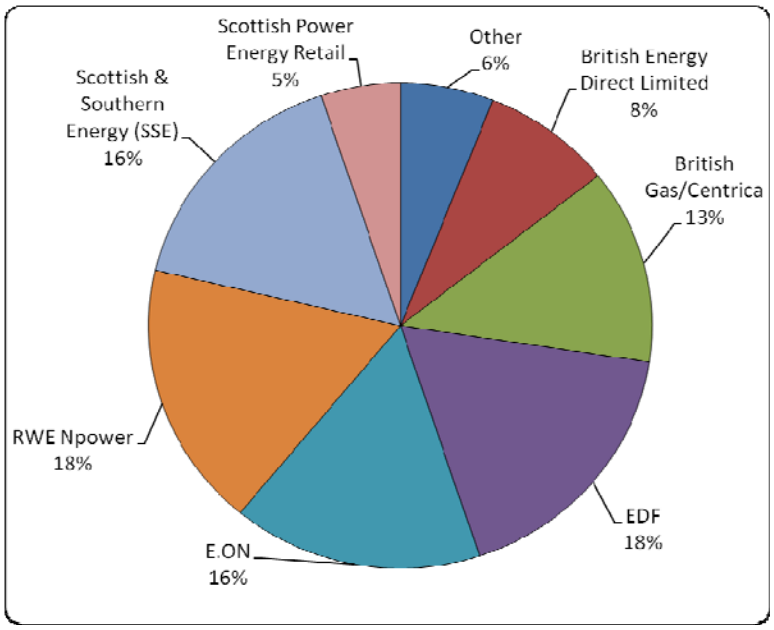
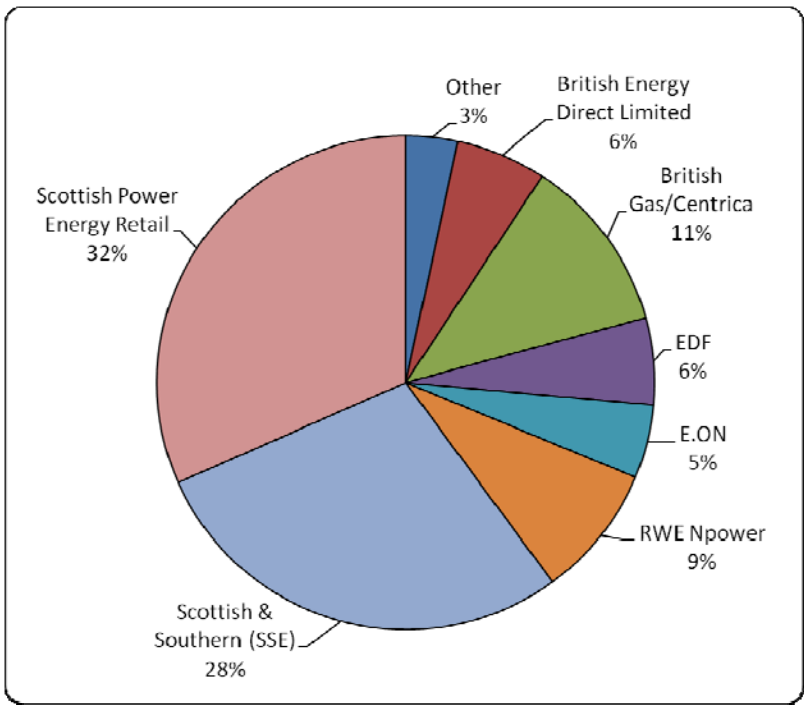
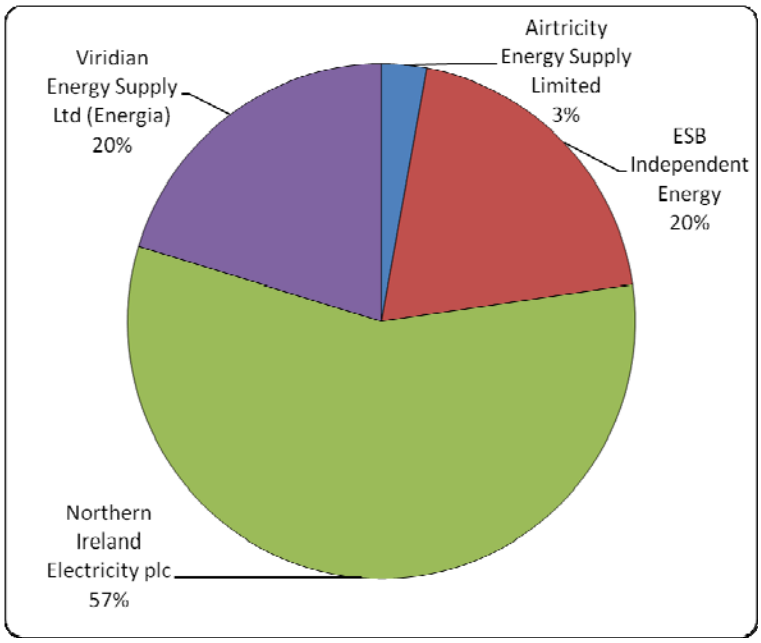


Figure 2: Proportion of the total size of the ROS by supplier group



[14] A list of supplier groups and their individual supply licences can be found in table A13 in Appendix 2.

Figure 3: Proportion of the total size of the NIRO by licensee[15]



2.17. Four suppliers (compared with six for the previous obligation period) fulfilled their obligations under the RO *entirely* by presenting ROCs. These were:

- Good Energy Ltd
- The Renewable Energy Company
- Slough Energy Supplies, and
- Tradelink Solutions Ltd.

2.18. Eight suppliers (compared with seven for the previous obligation period) fulfilled their obligations under the ROS *entirely* by presenting ROCs. These were:

- British Energy Direct Ltd
- Gaz de France Marketing Ltd
- Good Energy Ltd
- Opus Energy Ltd
- The Renewable Energy Company Ltd
- Scottish Power Energy Retail
- Smartest Energy, and
- Tradelink Solutions Ltd.

[15] Due to small number of suppliers in Northern Ireland, figure 3 is shown by licensee rather than supplier group. No 'other' category is shown as this represents less than half a percent of the NIRO.

2.19. One supplier fulfilled its obligations under the NIRO *entirely* by presenting ROCs. This was:

- Airtricity Energy Supply Ltd

2.20. In terms of the volume of ROCs presented, E.ON presented the most ROCs under the RO (2,692,287), which made up 73.2 per cent of its obligation.

2.21. Scottish Power Energy Retail Limited presented the most ROCs under the ROS (777,031). This made up 100 per cent of its obligation.

2.22. ESB Independent Energy presented the most ROCs under the NIRO (21,834). This made up 46.4 per cent of its obligation.

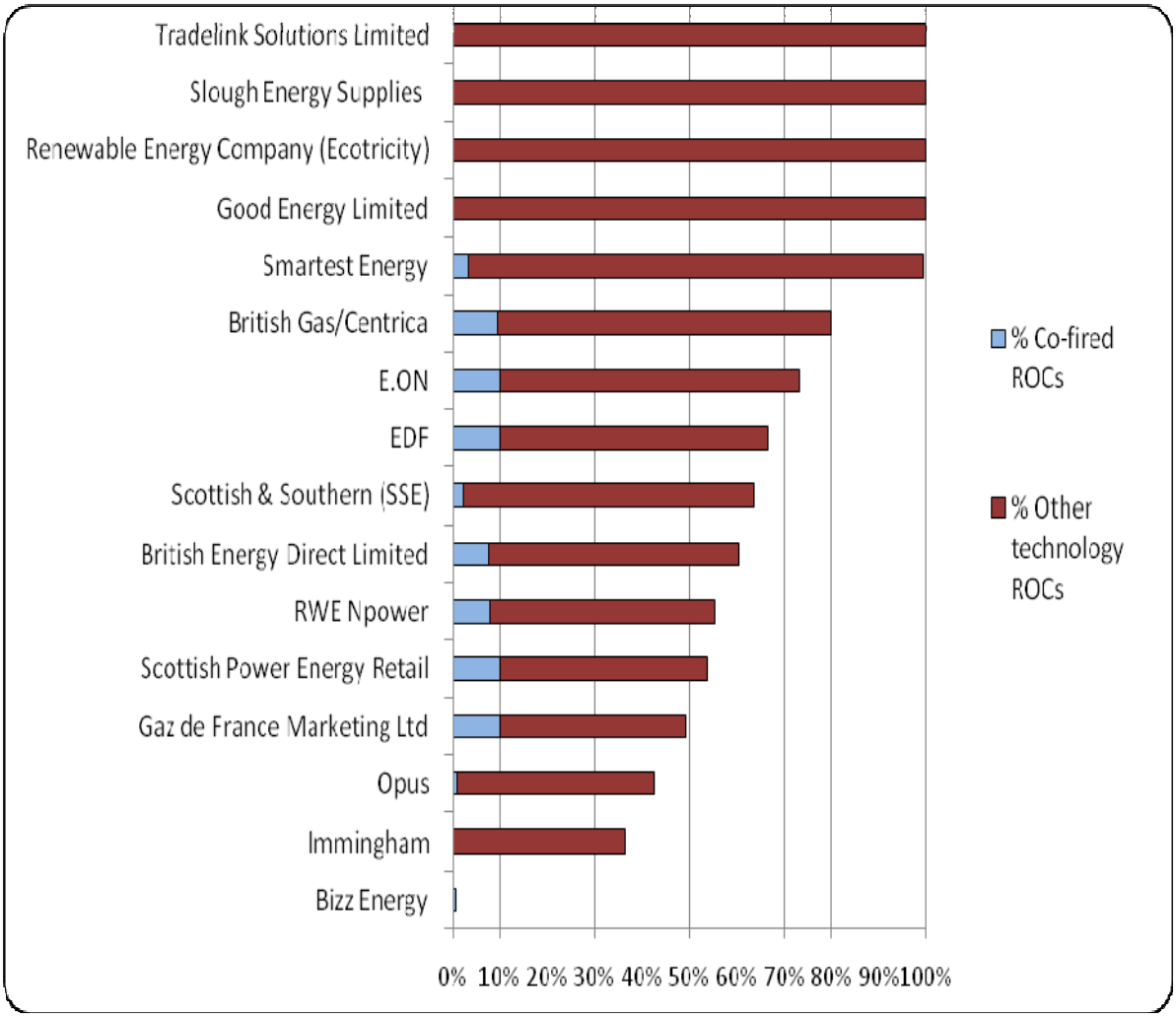
Co-fired ROCs

2.23. Under the Orders, each supplier is allowed to meet 10 per cent of its obligation by presenting ROCs that have been issued for co-firing of fossil fuels and biomass.

2.24. A number of suppliers made maximum use of their allowable limit on co-fired ROCs or used close to this limit.

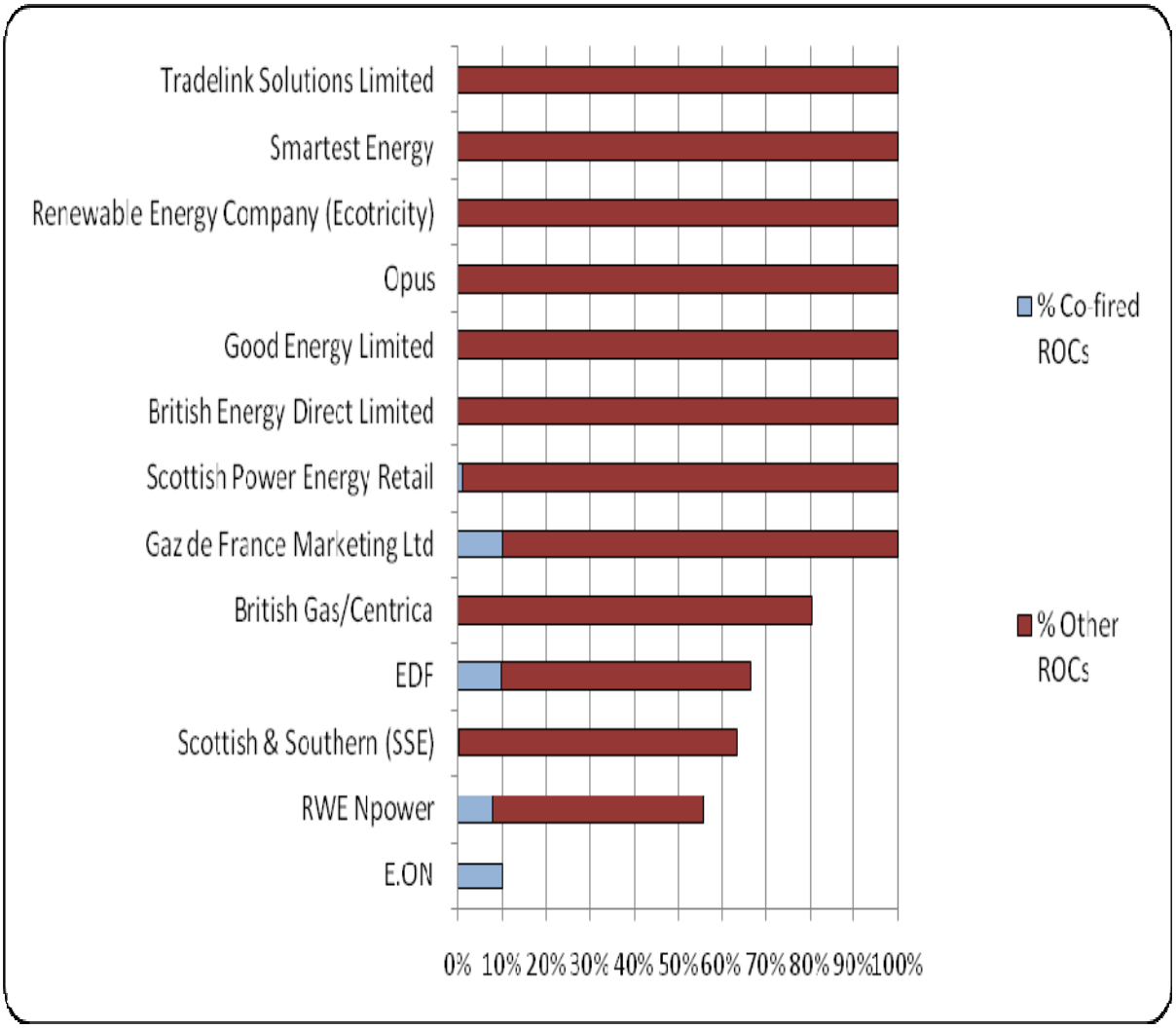
2.25. Figures 4, 5 and 6 compare the proportion of ROCs and co-fired ROCs presented by suppliers in meeting their obligations in England and Wales, Scotland and Northern Ireland respectively in 2007-08. Further detail can be found in Appendix 2.

Figure 4: Proportion of RO that was satisfied by co-fired ROCs and other ROCs[16]



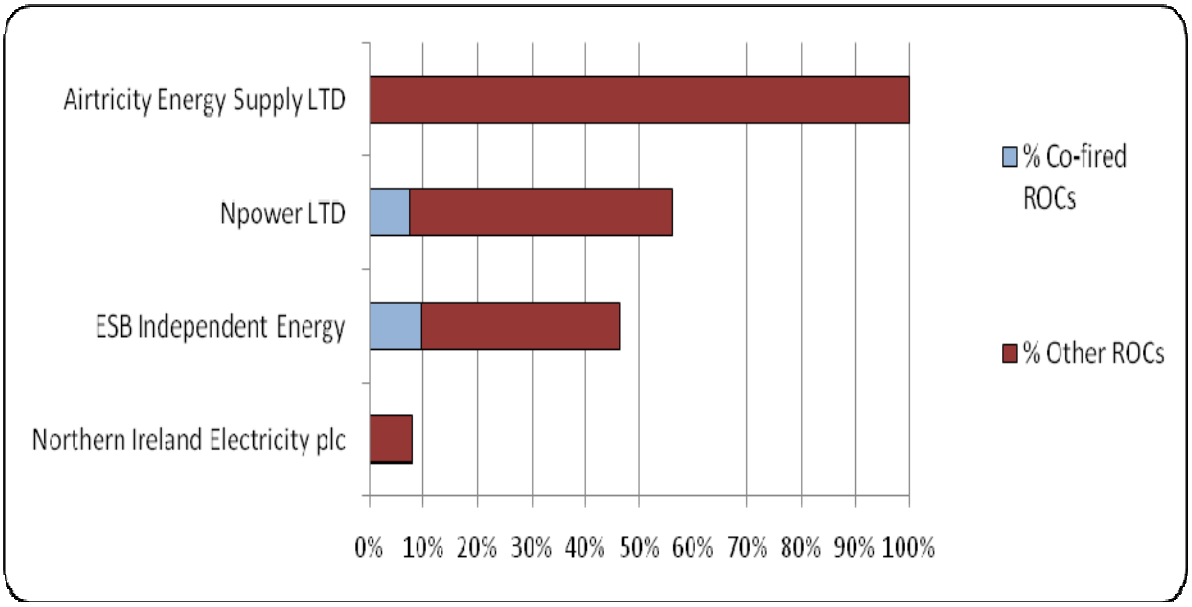
[16] A list of supplier groups and their individual supply licences can be found in table A13 in Appendix 2.

Figure 5: Proportion of ROS that was satisfied by co-fired ROCs and other ROCs[17]



[17] A list of supplier groups and their individual supply licences can be found in table A13 in Appendix 2.

Figure 6: Proportion of NIRO that was satisfied by co-fired ROCs and other ROCs



The buy-out and late payment funds and their redistribution

2.26. The buy-out funds and late payment funds, including any interest accrued, are recycled through the single recycling mechanism. The funds are redistributed to suppliers in proportion to the total number of ROCs that each has presented across the three obligations. For example, a supplier that presented ROCs representing 3 per cent of the total number of ROCs presented across all three obligations would get back 3 per cent of the total sum of the three buy-out funds and any late payment funds. That would still be the case if that supplier had only presented ROCs in respect of just one of the obligations.

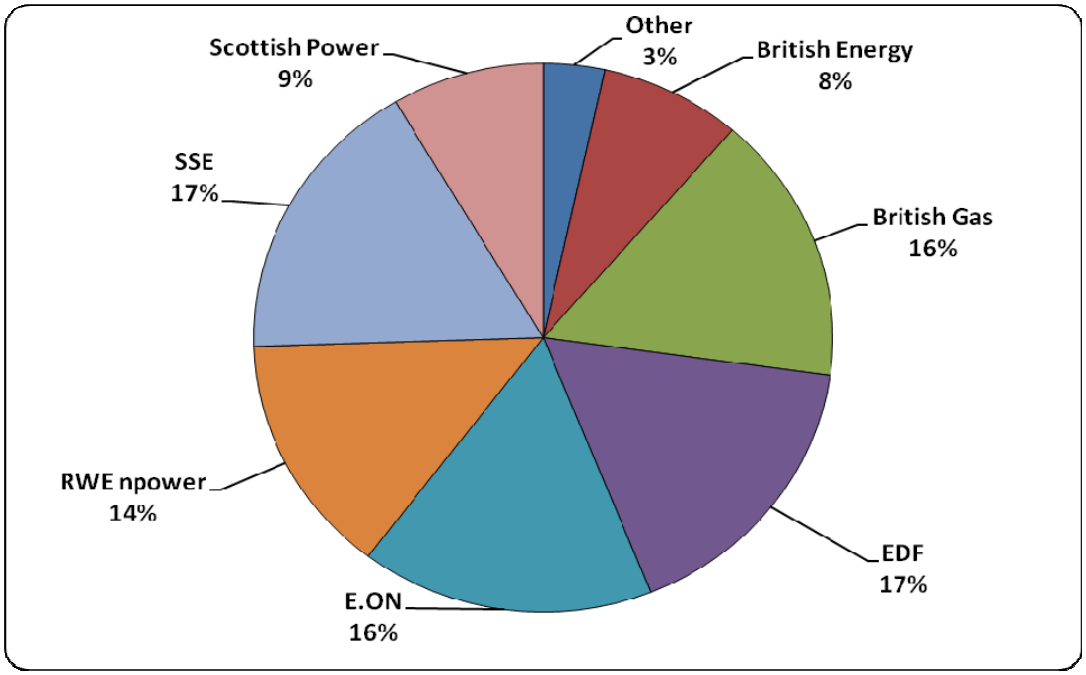
2.27. Figure 7 shows the proportion of the buy-out and late payment funds received by each supplier. The buy-out fund was re-distributed on 3 October 2008 and the late payment fund was redistributed on 20 November 2008.

Table 4: Proportion of total ROCs presented by each licensee across the three obligations[18]

Supplier	% of total number of ROCs presented
SSE Energy Supply Ltd	16.98%
EDF Energy Customers plc	16.74%
British Gas Trading Ltd	15.83%
E.ON Energy Ltd	14.18%
Npower Ltd	10.76%
Scottish Power Energy Retail Ltd	8.53%
British Energy Direct Ltd	7.91%
Gaz de France Marketing Ltd	2.33%
E.ON Ltd	2.24%
Npower Northern Ltd	1.68%
Npower Direct Ltd	0.98%
Npower Yorkshire Ltd	0.73%
Opus Energy Ltd	0.21%
Smartestenergy Ltd	0.19%
Electricity Plus Ltd	0.18%
ESB Independent Energy	0.13%
The Renewable Energy Company Ltd	0.10%
Slough Energy Supplies Ltd	0.07%
Northern Ireland Electricity plc	0.06%
Good Energy Ltd	0.05%
Immingham	0.05%
Airtricity Energy Supply Ltd	0.04%
Tradelink Solutions Ltd	0.02%
BizzEnergy Ltd	0.01%
	100.00%

[18] Rounded to two decimal places

Figure 7: Redistribution of buy-out and late payment funds (by supplier group)



2.28. Twenty-four supplier licences received a share of each of the buy-out funds and late payment funds. Of these, SSE Energy Supply Limited received the largest payments.

2.29. Table 5 shows the residual balances of the RO bank accounts after all funds were redistributed on 3 October 2008 and 20 November 2008. The balances are relatively high compared to previous obligation periods. This is because no buyout or late payment amounts were redistributed to Bizz Energy due to the company's non-compliance with its obligations. Had these payments been made then the balances would be very small and consistent with those previously.

Table 5: Residual balances

RO buy-out fund (as at 3/10/2008)	£25,075.22
ROS buy-out fund (as at 3/10/2008)	£1,804.59
NIRO buy-out fund (as at 3/10/2008)	£543.69
RO late payment fund (as at 20/11/2008)	£16.87
ROS late payment fund (as at: 20/11/2008)	£14.41
NIRO late payment fund (as at: 20/11/2008)	£91.71

Non-compliance by suppliers

2.30. The Orders place a number of obligations on suppliers including a requirement to:

- provide information to DECC (formerly BERR/DETI) by 1 June 2008
- provide us with a copy of the information provided to DECC by 1 June 2008
- provide us with information as to the amount of electricity that they have supplied during the obligation period and the level of their obligation by 1 July 2008
- present ROCs, make a buy-out payment, or a combination of both to meet their total obligations before 1 September 2008, and
- make a late payment, where required, to meet any outstanding obligation by 31 October 2008.

2.31. The Authority has the powers to take enforcement action against any supplier who fails to meet the requirements of the Orders.

2.32. During the compliance period, one supplier (Npower) discovered that ROCs that had already been submitted for compliance, had been issued in error (this was the first instance of its kind). Once Npower became aware of this they reported it to us, and worked with us to find a way to correct this error. Fortunately, the supplier was able to provide alternative ROCs to substitute them, and we revoked the erroneous ROCs. Thereby, any complications such as changes to the buy-out fund were avoided.

2.33. Five suppliers did not send us the relevant supply information by 1 July 2008. In all cases, this information has now been provided. Four out of the five suppliers confirmed that they did not supply any customers in the relevant obligation period. Of these suppliers, only Utilita Electricity Ltd had an obligation for this period.

2.34. In the case of one supplier (RS Energy Limited) it was necessary to take enforcement action to elicit the required sales information; the required data had not been provided by the end of the late payment period, despite a number of requests. A formal Information Request under Section 28 of the Electricity Act 1989 was sent to the supplier, and the data was subsequently provided.

2.35. In terms of meeting the 2007-08 obligation, there was one supplier (BizzEnergy Ltd) that failed to comply with its obligation. The Authority has since learnt that this supplier is in administrative receivership. BizzEnergy presented 1,473 ROCs against its England & Wales obligation and none against its Scotland obligation; it did not make any buyout or late payments. This left it with shortfalls of £5,665,228.10 for the RO and £271,793.20 for the ROS. This did not trigger mutualisation for the 2007-08 period. Bizz Energy also have an obligation for the 2008-09 period, which will be detailed in next year's Annual Report. We are in contact with BizzEnergy's receivers regarding their outstanding amounts, and will update suppliers if and when administrators are appointed and make payments against these obligations.

2.36. Since the end of the 2007-08 obligation period, another supplier (Electricity4Business) has gone into administration. We are discussing their 2008-09 obligation with their administrators, and will report on the outcomes of this in the 2008-09 Annual Report.

2.37. Given that compliance with the RO is a relevant requirement of the Electricity Supply Licence, the Authority may use its enforcement powers in the same way that it can in respect of breaches of other licence conditions. In some cases it is not necessary to take any formal enforcement action because the issues are resolved quickly. We make decisions on whether or not to take enforcement action on a case-by-case basis and are guided by our Enforcement Guidelines.

Mutualisation

2.38. In the event of a supplier being unable to meet its RO and/or ROS, for example if the supplier has gone into administration during the obligation period, there may be a shortfall in the buy-out fund. This means that the buy-out fund would be less than the total amount which would have been paid in if all suppliers had properly discharged their RO and/or ROS.

2.39. Where the shortfall reaches a certain level, known as the 'relevant shortfall' a mutualisation process applies where all suppliers who have met their obligations will be required to make additional payments to make up the relevant shortfall. In 2007-08 the relevant shortfall was £7,900,000 in England and Wales and £790,000 in Scotland.

2.40. These additional payments, known as the mutualisation fund are redistributed to suppliers in the same way as the buy-out and late payment funds. Additional payments were capped at £206,400,000 in England and Wales and £20,640,000 in Scotland for the 2007-08 obligation period. This cap is adjusted each year by RPI.

2.41. Mutualisation does not apply in Northern Ireland; however suppliers in Northern Ireland will receive a share of any mutualisation funds.

2.42. Although Bizz Energy owed £5,665,228.10 for the RO (England & Wales) and £271,793.20 for the ROS (Scotland), mutualisation provisions did not apply in the 2007-08 obligation period as the amounts did not meet the 'relevant shortfall'.

3. Renewables Obligation Certificates

Chapter summary

This chapter, together with Appendix 3, provides information on the number of Renewable Obligation Certificates (ROCs), Scottish Renewable Obligation Certificates (SROCs) and Northern Ireland Renewable Certificates (NIROCs) issued by Ofgem to generating stations in the 2007-08 obligation period (April 2007 to March 2008). It details information on:

- ➔ The total number of ROCs issued by Ofgem, and
- ➔ This total broken down by technology type.

We are required to publish this information under the Orders.

Information on the number of ROCs that have been issued since April 2007 can be found in the certificates report on our Renewables & CHP Register at www.renewablesandchp.ofgem.gov.uk

Renewable Obligation Certificates (ROCs)

3.1. The Orders require us to issue ROCs to accredited generating stations that have generated electricity from eligible renewable sources[19]. One ROC is issued for each MWh of electricity generated.

Headline figures

3.2. We issued 16,151,978 ROCs in total between 1 April 2007 and 31 March 2008. This total was made up of 10,059,951 (England & Wales) ROCs, 5,660,975 SROCs and 431,052 NIROCs.

3.3. There have been year-on-year increases in the total number of ROCs we have issued since the RO began, illustrated in Figures 8 and 9.

[19] See Article 2(1) of the Orders for the definition of eligible renewable sources.

Figure 8: Total number of ROCs issued since 2003[20]

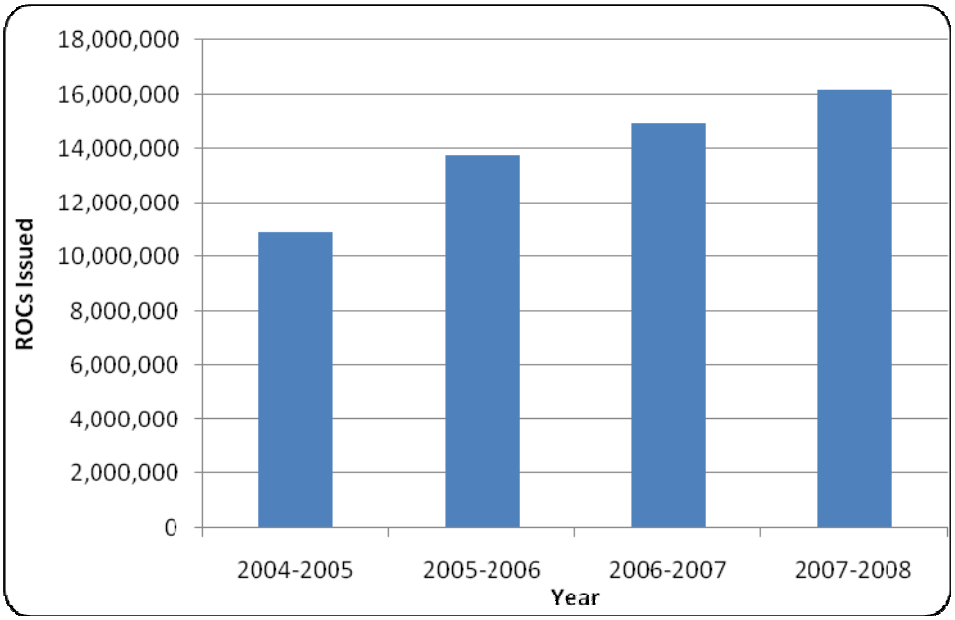
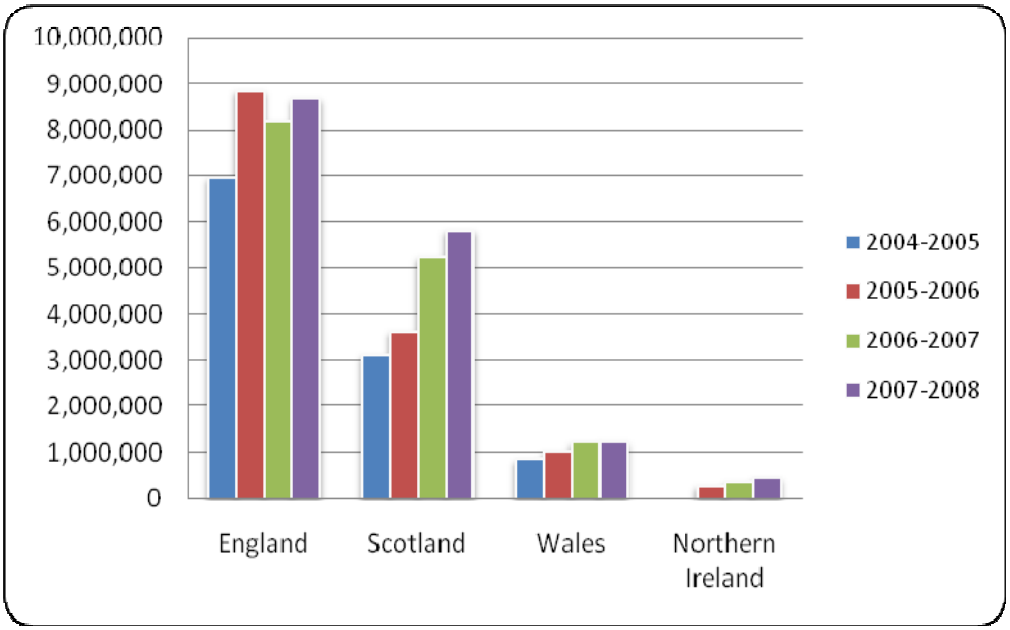


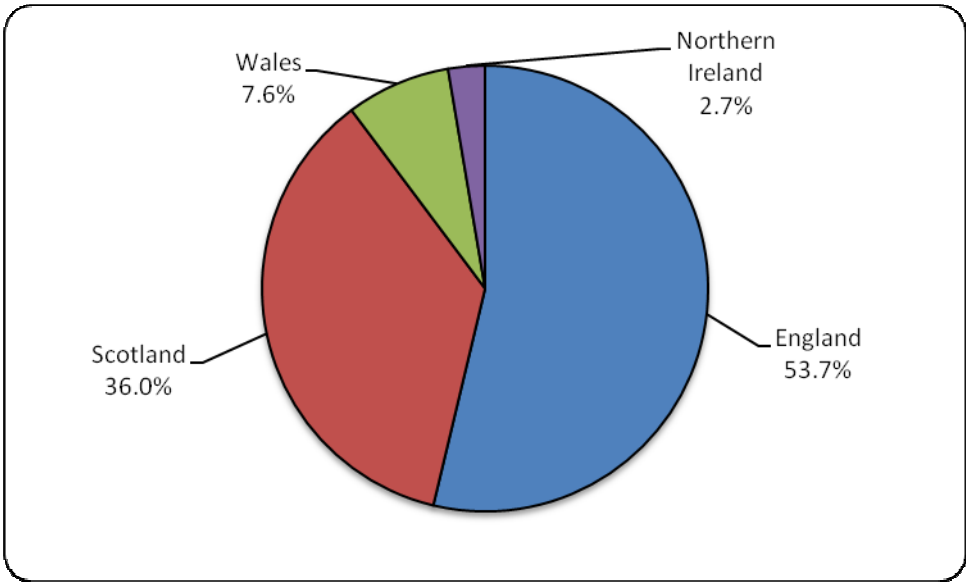
Figure 9: Total number of ROCs issued since 2004 by country[21]



[20] For ROCs issued in 2002-03 please see previous Renewables Obligation: Annual reports.
[21] For ROCs issued in 2002-03 and 2003-04 please see previous Renewables Obligation: Annual reports.

3.4. Renewable generating stations located in England received just over half of all ROCs issued in 2007-08. This compares to 36 percent of generating stations located in Scotland and just 7.6 per cent to generating stations located in Wales. Generating stations located in Northern Ireland received 2.7 per cent of the total number of ROCs issued in this period. This is illustrated in figure 10.

Figure 10: Comparison of the number of ROCs issued in each country in the 2007-08 obligation period



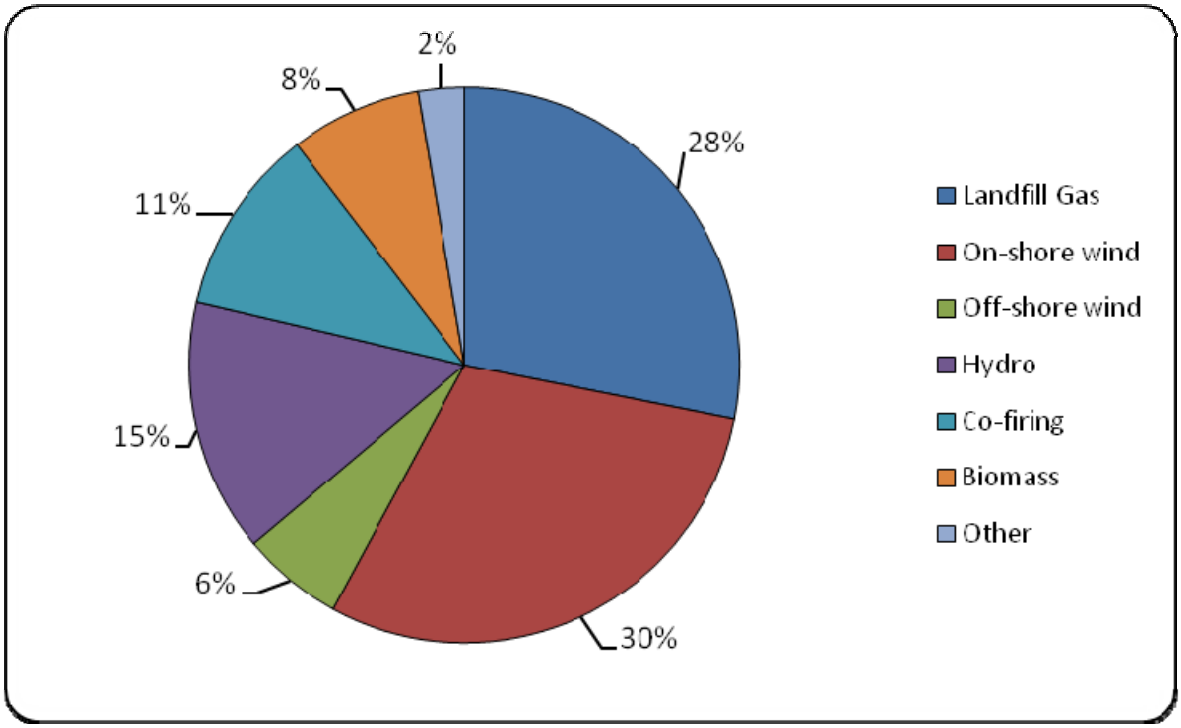
3.5. In 2007-08 the number of ROCs issued in England increased compared with the previous compliance period. In the 2006-07 compliance period the number of ROCs issued showed a decrease compared to the 2005-06 period (the decrease was due to the cap put on co-fired ROCs decreasing from 25% to 10%). The increased number of ROCs issued for the majority of technology types in England in 2007-08, now means that the total number is now back around the levels seen in 2005-06.

ROCs issued by technology type and country

3.6. On-shore wind sites received the largest number of ROCs in the 2007-08 obligation period (4,814,049), and overtook landfill gas sites which had been the largest contributor in previous obligation periods. In 2006-07, on-shore wind received 4,208,975 ROCs and in 2005-06 it received 2,595,267 ROCs. In terms of total ROCs issued the next biggest beneficiary was landfill gas, which received 4,541,070 ROCs. Hydro generating stations with a declared net capacity (DNC) less than 20 MW were issued a total of 2,377,821 ROCs in the period. Further detail on the spread of ROCs issued can be found in table B1 in Appendix 3.

3.7. Figure 11 shows the percentage breakdown of the total ROCs issued by technology type.

Figure 11: Breakdown of ROCs issued by technology type[22] [23]

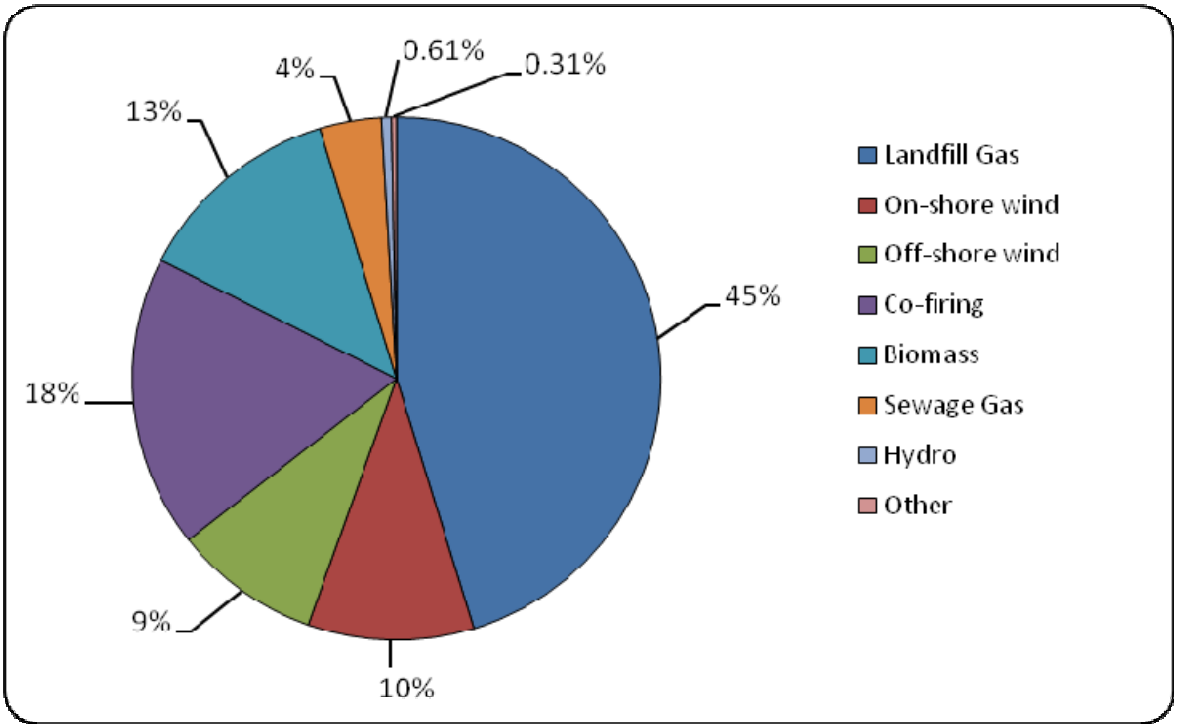


3.8. As can be seen from Figure 11, on-shore wind attracted 30 per cent of the total ROCs issued in 2007-08, and has shown a steady increase in its share over previous compliance periods of 2006-07 (28%) and 2005-2006 (19%); off-shore wind attracted a further 6% of total ROCs issued. Landfill gas received 28 per cent of total ROCs with hydro stations receiving 15 per cent. Figures 12, 13, 14 and 15 disaggregate this information by country.

[22] "Other" technologies include sewage gas, microhydro, ACT, co-firing energy crops, wave and PV

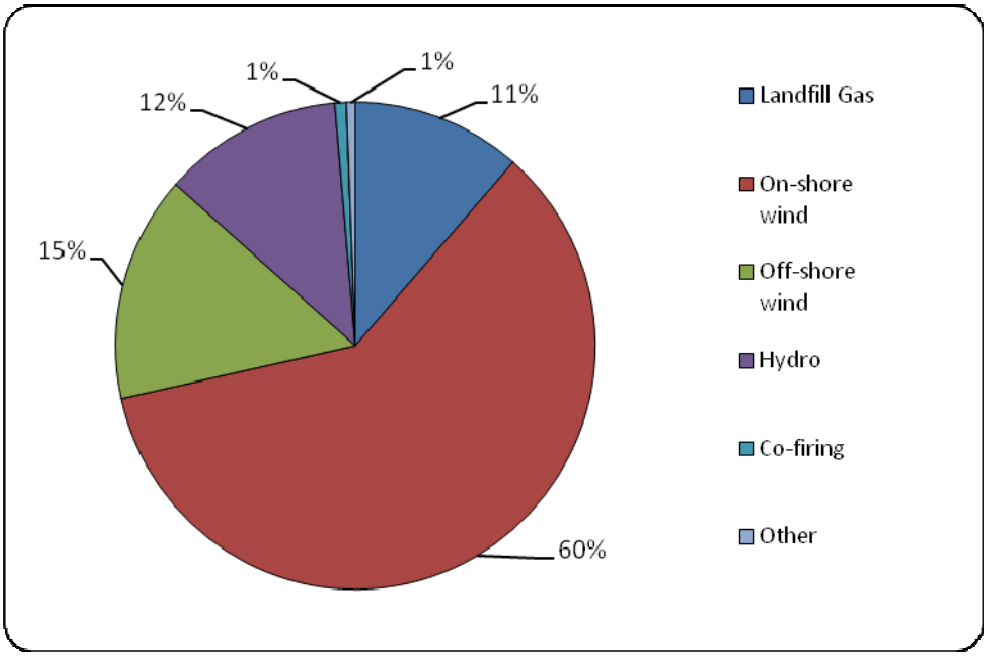
[23] Hydro includes Hydro < 20MW DNC & Hydro < 50kW DNC; On-shore Wind includes Wind < 50kW; PV includes PV < 50kW

Figure 12: Breakdown of ROCs issued by technology type in England



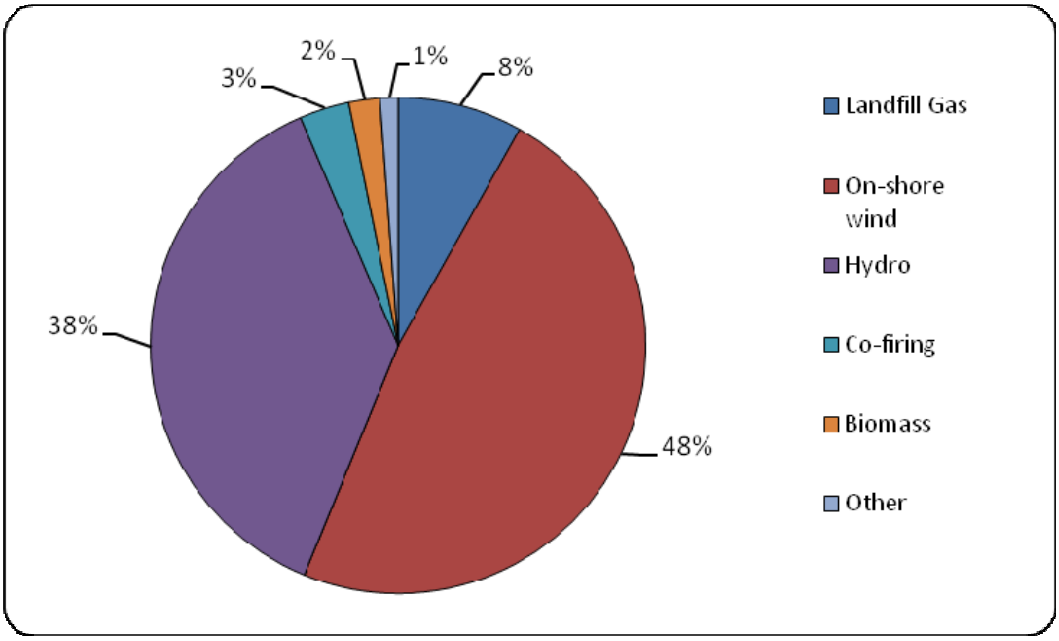
3.9. The majority of ROCs issued in England went to landfill gas and generating stations co-firing biomass with fossil fuel. Biomass stations were also issued a significant number of ROCs.

Figure 13: Breakdown of ROCs issued by technology type in Wales



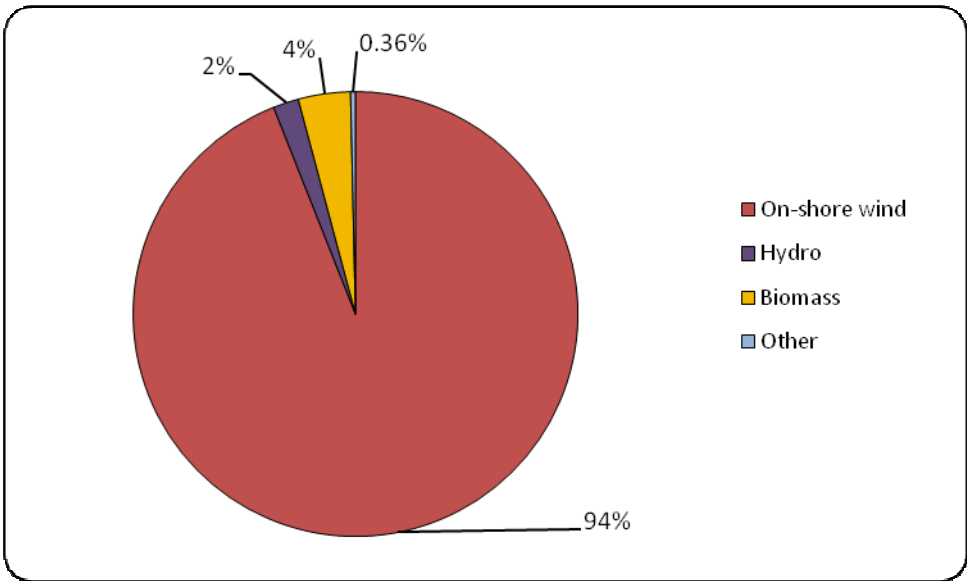
3.10. The majority of ROCs issued in Wales went to on-shore wind generating stations. Off-shore wind, hydro stations and landfill gas generating stations received the bulk of the remaining ROCs issued in Wales.

Figure 14: Breakdown of ROCs issued by technology type in Scotland



3.11. The majority of ROCs issued in Scotland went to on-shore wind generating stations and hydro stations.

Figure 15: Breakdown of ROCs issued by technology type in Northern Ireland



3.12. The vast majority of ROCs issued in Northern Ireland went to on-shore wind generating stations.

ROCs issued per month

3.13. Ordinarily, we issue ROCs to generating stations on a monthly basis. However, small generators (i.e. those with a DNC of 50kW and under) can opt to receive ROCs annually. Typically, domestic-scale generators choose this option (often in conjunction with using agents) to minimise the administrative burden they face when claiming ROCs.

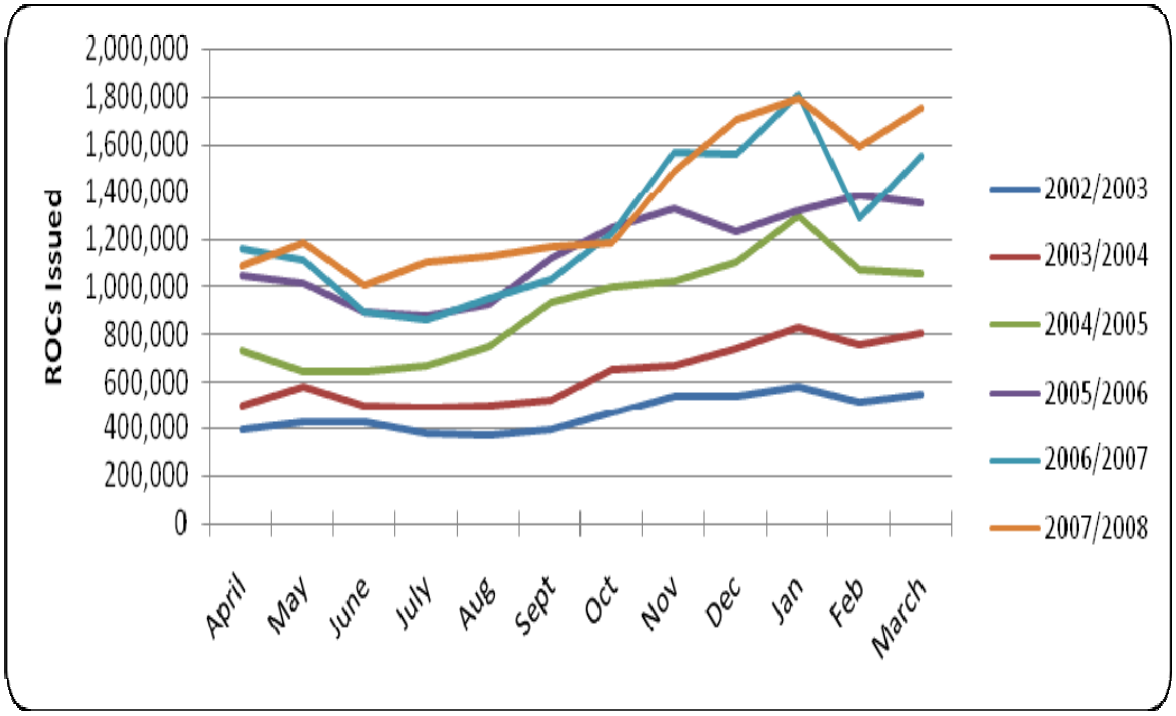
3.14. ROCs issued on a monthly basis are done so two and a half months after the month of generation. ROCs issued on an annual basis are issued two and a half months after the end of the obligation year. This lag reflects the legislative timeframe for the provision of data to us, i.e. the two-month[24] window, and also our data processing time.

[24] Generating stations have two months from the month of generation to provide us with their metered monthly output. We then have a further one month in which to issue ROCs. (Article 18(3)(a) of the Orders).

3.15. Figure 16 demonstrates the trend in ROCs issue each year since 2002-03. Figure 17 compares the ROCs issued by technology type per month in the obligation periods.

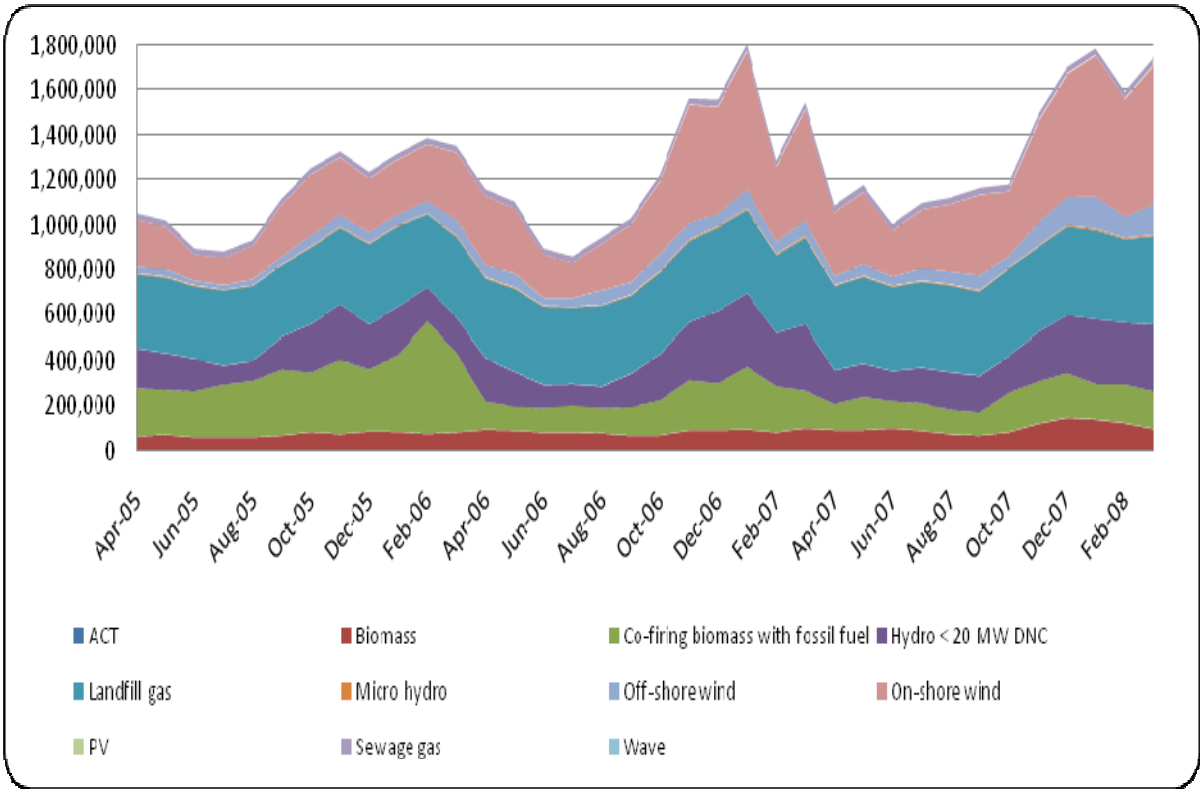
3.16. There is a clear trend across the periods of more ROCs being issued in winter months. This could be a result of a number of factors, including favourable weather conditions for some technology types.

Figure 16: ROCs issued per month[25]



[25] For the 2007-08 compliance period the 5978 ROCs issued on an annual basis (mainly covering agents/small generators) are not included in the figures

Figure 17: ROCs issued by technology type per month[26] [27]



ROC revocation and replacement

3.17. We revoked 119,489 ROCs, SROCs and NIROCs in the 2007-08 obligation period. Further detail on ROC revocation by technology can be found in table B18 of Appendix 3.

[26] For the 2007-08 compliance period the 5,978 ROCs issued on an annual basis (mainly covering agents/small generators) are not included in the figures

[27] For ROCs issued in 2002-03, 2003-04 and 2004-05 please see previous Renewables Obligation: Annual Reports

4. Generators accredited for the Renewables Obligation

Chapter summary

This chapter, together with Appendix 4, provides information on the number and type of generating stations accredited under the Renewables Obligations.

We are required to publish this information under the Orders.

A detailed list of all stations accredited under the Orders can be found in the accredited stations report on our Renewables & CHP Register at www.renewablesandchp.ofgem.gov.uk

Accreditation of generating stations

4.1. The Orders require us to accredit eligible renewable generating stations for the RO. We have put in place appropriate application forms and guidance to assist us to carry out this function.

Headline figures

4.2. We accredited 1,042 generating stations during the 2007-08 obligation period and 441 accredited stations were commissioned during this period. Seven generating stations decommissioned or ceased generating from renewable sources during the 2007-08 obligation period. This meant there were an additional 1,035 generating stations in the obligation period, and overall 2,394 generating stations accredited for the RO as of 31 March 2008 (after taking stations no longer generating or decommissioned into account)

4.3. Figures 18 and 19 illustrate the stations accredited in the 2007-08 obligation period.

4.4. At the end of the 2003-04 obligation period, we had accredited 616 generating stations, with that number increasing to 787 at the end of the 2004-05 obligation period, to 980 at the end of the 2005-06 obligation period, and to 1,359 at the end of the 2006-07 period.[28]

4.5. The capacity accredited in kW during the 2007-08 obligation period was 877,228. This gave a total accredited capacity of 5,380,964 as of 31 March 2008.

[28] This figure differs by a small amount to that shown in the last annual report as generators are accredited from the date we receive their application form. It is possible that we received generators applications in the 2006-07 period but did not confirm their accreditation until after the last annual report was published.

4.6. The number of generating stations accredited during this obligation period is more than double that accredited in the 2006-07 obligation period. This obligation period has also seen the largest year-on-year increase in the total number of accredited generating stations, with an increase of over 75% in this obligation period. This increase is mainly due to the introduction of agents in April 2007, which made the process of accreditation and receipt of ROCs much easier for small generators.

Figure 18: Comparison of the number of generating stations accredited under the RO, ROS and NIRO by location in 2007-08 obligation period

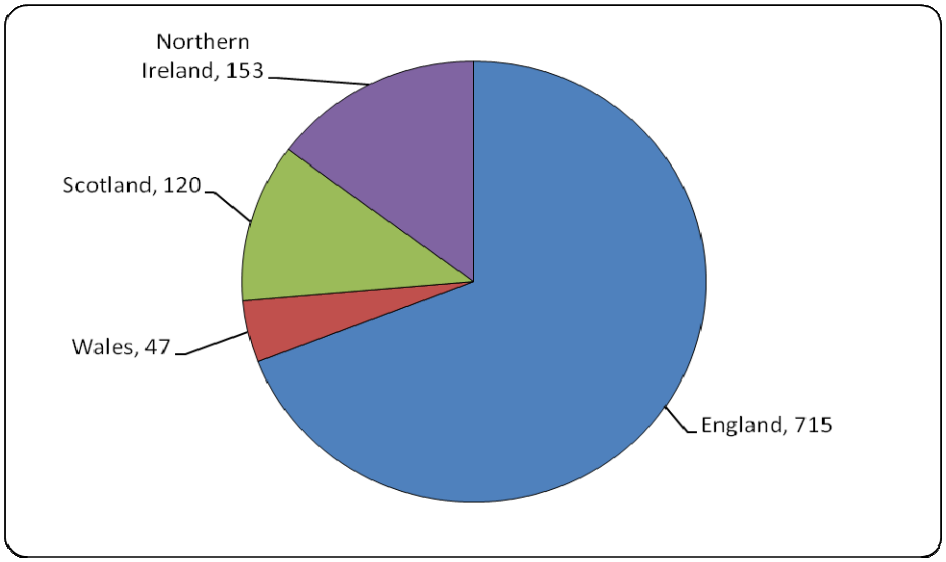
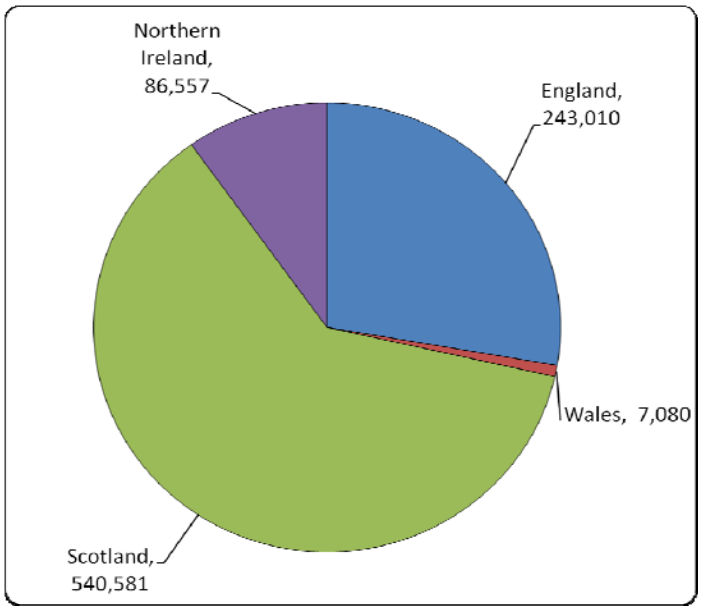


Figure 19: Comparison of capacity (kW) of generating stations accredited under the RO, ROS and NIRO by location in 2007-08 obligation period



Accreditations by country

4.7. England accounts for around 67 per cent of the total number of stations accredited for the RO in the United Kingdom, which equates to around 45 per cent of the total eligible generating capacity. This compares with Scotland, which has 16 per cent of the total number of stations and around 42 per cent of the total generating capacity, and Wales, which has just over 6 per cent of the number of generators and just over 8 per cent of the total generating capacity.

4.8. Generating stations located in Northern Ireland account for around 10 per cent of the total number of eligible generators accredited for the RO in the United Kingdom, accounting for just over 3 per cent of total generating capacity.

4.9. Further detail can be found in tables C1 and C2 of Appendix 4.

NFFO and SRO generating stations

4.10. Under the Electricity Act 1989, Orders were introduced in England and Wales, Scotland and Northern Ireland requiring the Regional Electricity Companies to contract for certain amounts of electricity generating capacity from renewable sources. These Orders are known as Non-Fossil Fuel Obligations (NFFO and NI NFFO) and the Scottish Renewables Obligation (SRO)[29]. Article 6 of the Orders sets out specific eligibility requirements in respect of generating stations situated at locations where a NFFO, SRO or NI NFFO contract (known as "qualifying arrangements" in the legislation) exists.

4.11. We did not accredit any generating stations, that receive support under the any of the three schemes (NFFO, SFO & NI NFFO), in 2007-08.

4.12. NFFO generating stations made up around 27 per cent of the accredited RO capacity in England and Wales. NI NFFO generating stations made up around 18 per cent of the accredited RO capacity in Northern Ireland. SRO generating stations made up around 9 per cent of the accredited RO capacity in Scotland.

4.13. Further detailed information can be found in table C7 of Appendix 4.

[29] See the Electricity (Non-Fossil Fuel Sources) (England & Wales) Order 1994, the Electricity (Non-Fossil Fuel Sources) (Northern Ireland) Order 1996 and the Electricity (Non-Fossil Fuel Sources) (Scotland) Order 1994 and subsequent orders.

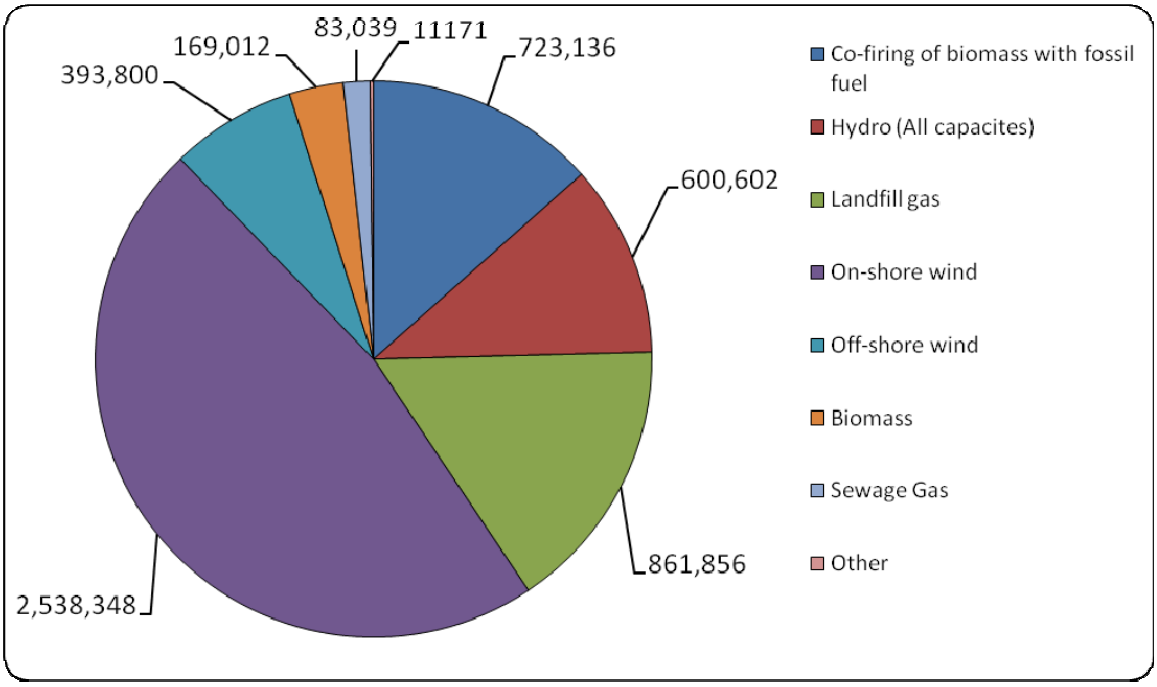
Types of generating station we accredited

4.14. When the RO was first introduced, the most prevalent technology type (in terms of the number of accredited generating stations) was landfill gas with 202 stations accredited at 1 April 2002. In 2007-08 we accredited 12 landfill gas generating stations.

4.15. The most prevalent technology in the 2007-08 obligation period in terms of the number of stations becoming accredited was photovoltaic with 662 stations being accredited. The most prevalent technology in terms of capacity becoming accredited in this period was on-shore wind with 664,531 kW becoming accredited.

4.16. On-shore wind stations made up approximately 47 per cent of the total renewable capacity installed and accredited under the RO as of 31 March 2008. The total installed capacity for each technology is shown in Figure 20. Further detail can be found in Appendix 4.

Figure 20: Total capacity (kW) accredited for the RO, ROS and NIRO by technology as at 31 March 2008



Our audit process

4.17. We expect the operators of generating stations applying for accreditation to give us complete and accurate information. They should also tell us about any subsequent changes that might affect their accredited status. This helps us to ensure that accreditation remains valid, and to make certain that we issue the correct number of ROCs. A programme of audits gives us assurance of compliance with the Orders.

4.18. During the 2007-08 obligation period, we carried out 17 technical audits and 13 fuel measurement and sampling audits of accredited generating stations across England and Wales, Scotland and Northern Ireland. Similar issues were identified in all three countries. Most of the findings were satisfactory, but some revealed irregularities that called into question the number of ROCs that the operator received, departures from agreed procedures for fuel measurement and sampling or failures to report modifications at the generating station. The following tables summarise the audit results.

Table 6: Summary of technical audit results

Generating technology	No. of stations audited	Types of irregularity detected
Hydro	3	DNC exceeded the 20 MW limit. Issues with the measurement and reporting of 'input electricity'. Minor inconsistencies on the schematic diagram submitted.
Landfill gas	7	Station modifications not reported Estimation of 'input electricity' not agreed with Ofgem. Minor inconsistencies with the schematic diagram submitted. Issues with the measurement and reporting of 'input electricity'.
Off-shore wind	2	Discrepancies in output data submitted. Minor inconsistencies with the schematic diagram submitted.
On-shore wind	2	Inadequate metering (no meter seal). Minor inconsistencies with the schematic diagram submitted.
Sewage gas	3	Inadequate schematic diagram submitted. Discrepancies in output data submitted. Issues with the measurement and reporting of 'input electricity'. Station modifications not reported.

Table 7: Summary of fuel measurement and sampling (FMS) audit results

Generating technology	No. of stations audited	Types of irregularity detected
Biomass	3	Inconsistencies between FMS practices at site and agreed FMS procedures submitted. Frequency of sampling is not representative. Flow meters not calibrated. Issues with the measurement and reporting of 'input electricity'. Net calorific value (NCV) instead of gross calorific value (GCV) used to determine heat contribution. Heat content from the combustion of sewage gas and gas oil overestimated. Type and model of output meter unavailable.
Co-fired of Biomass	8	Inconsistencies between practices at site and agreed FMS procedures submitted. Different procedures used for taking fuel samples at site. Frequency of sampling is not representative. FMS procedures not agreed for every fuel burned at site. Station modifications not reported. Issues with the measurement and sampling of carried over fuel. Meter calibration certificates unavailable. Dip testing procedures not included in FMS procedures submitted. Fuel contracts unavailable.
Co-fired Sewage gas	2	Issues with the measurement and reporting of 'input electricity'. FMS procedures not formally agreed with Ofgem. Output metering not compliant with Schedule 7 of the electricity Act 1989. Inconsistencies between practices at site and agreed FMS procedures submitted. Frequency of sampling is not representative. Discrepancies in output data submitted.

4.19. The audits identified an issue that called into question the validity of accreditation, where a hydro station operated above the 20MW DNC limit[30] for continuous periods of time. However, we were unable to establish whether the

[30] Article 5(2)(a) of the Renewable Obligation Order 2006 (as amended) and Article 6(2)(a) of the Renewables Obligation (Scotland) Order 2007 excludes large hydro stations. The definitions of "large hydro generating station" (DNC of 20MW or above) and "declared net capacity" are provided in article 2(1) of the Orders.

station could operate above 20MW indefinitely without damaging the plant.[31] We have therefore decided to closely monitor the output at this station and review the station's eligibility on an annual basis.

4.20. The most common audit findings were in relation to the accuracy of the information submitted for ROC claims because of issues with measuring and reporting of 'input electricity', the measurement and sampling of fuel used for biomass/co-fired stations or the incorrect reporting of data. We notified each operator of the issues identified by the audit and requested that the operator provide assurances that the issues would be rectified. We are also carrying out a follow-up exercise to ensure that the issues have been addressed.

4.21. In relation to 'input electricity', there were some cases where the electrical meter was not installed or electricity was not apportioned appropriately between stations (e.g. Landfill sites that shared the same gas boosters) to accurately measure this electricity. In these cases, operators were required to rectify the situation by installing approved meters or agreeing a method for apportioning the shared electricity. In a number of other cases, station operators were not correctly reporting data taking account of electricity or fuel used as an input to the generation process. We took appropriate remedial action in these instances.

4.22. In September 2008, we published a consultation document on the approach Ofgem intends to take with respect the use of bio-diesel. This consultation was in response to the 2006-07 audit findings in relation to the issue raised about molecules of fossil fuel origin found in bio-diesel. We plan to publish our decision document before 1 April 2009.

4.23. We have decided to conduct the fuel measurement and sampling audits as part of our technical audits for 2008-09. A dedicated audit was no longer suitable, as we have audited the majority of biomass and co-fired stations accredited.

4.24. We have introduced two other audit programmes, the audit of agents and small generators, aimed at securing assurance of compliance with the RO and to reduce the risk of fraud. The first round of agent and small generator audits are being conducted in the 2008-09 obligation period and the results will be reported in the next annual report.

[31] The definition of "declared net capacity" refers to the highest level of generation that "can be maintained indefinitely without causing damage to the plant."

5. Implementation Issues

Chapter summary

This chapter sets out the issues that arose in the 2007-08 obligation period.

It also looks at the issues that have come up in 2008-09 obligation period that are ongoing at the time this report was published.

Our 2006-07 Annual Report sets out some of the issues that came up prior to April 2007.

2007-08 Obligation period

Small Generators and Agents: Volume of Applications

5.1. From April 2007, agents have been able to represent small generators and amalgamate their output for the purposes of claiming ROCs. As a result, we have seen a significant increase in the number of small generators applying for accreditation. As at April 2007, we had accredited around 407 small generators[32]. This had increased to 1366 by March 2008 and at the time of this report is 1970. This has had implications for our workload. There is a large administrative burden for small generators which make up a small proportion of renewable generation.

5.2. Small generators account for approximately 50 per cent of our costs[33] (and 75 per cent of our administration time), and now make up around 2/3rds of the number of generators in the RO. However, they comprise less than 0.2 per cent of the generating capacity and less than 0.05 per cent of ROCs issued in 2007-08.

5.3. The cost of administering these small generators was £650,000 in 2007-08, but only £400,000 of ROCs were issued for their generation (assuming a value of £52.95 per ROC). The value passed on to generators will be even less than this after the suppliers/agents account for their administration expenses.

5.4. Several changes have been (or will shortly be) introduced to reduce the administrative burden for both Ofgem and small generators. We introduced a new IT system (effective from 1 April 2008) which has automated, consolidated and streamlined many processes. This includes an on-line accreditation process, which only asks questions relevant to the type of generation and capacity, and on-line data submissions.

[32] This figure includes stations which had applied for accreditation prior to 1 April 2007, but which were granted accreditation after this date.
[33] However, many of these costs are for the RO as a whole and would still exist if small generators were removed from the RO.

5.5. DECC/SE/DETI will be introducing the 2 month meter reading window arrangement in the Renewables Obligation Order 2009, which is due to take effect in 2010. They will also be introducing provisions allowing agents to send the agent appointment form directly to Ofgem (although small generators must still sign these).

5.6. We have worked with DECC to consult on a proposal for agent accreditation and agents accrediting small generators. However, given that feed-in tariffs are expected to be introduced, during 2010-11, we do not intend to develop this proposal any further. In the meantime, though, we expect small generator numbers under the RO to continue to increase at a similar rate to that in 2007-08.

Fuel measurement and sampling of waste

5.7. During the 2007/08 obligation period there has been some progress in issues concerning the measurement and sampling of waste.

5.8. The legislation that governed the issue of ROCs in this obligation period continued to place the same requirements for fuel measurement and sampling on waste generators and biomass generators. This continued to create difficulties given the nature of waste fuels and the difficulties with measuring and sampling waste in the way that biomass is measured and sampled.

5.9. However, some progress has been made in developing possible approaches to the agreement of effective fuel measurement and sampling procedures for waste generators by liaising with industry. These developments, coupled with the introduction of the Renewables Obligations Order 2009, should improve accessibility to the RO for waste generators, particularly those seeking to claim ROCs according to the declared renewable content of their fuel.

5.10. Ofgem will continue to work with policy makers and industry to ensure that there is continued progress concerning this issue.

5.11. We hope that from 1 April 2009 this will allow eligible stations wishing to use waste fuels to be able to produce robust measurement methodologies that we will be able to agree to, where we would previously have had to refuse them.

5.12. This flexibility would seem to extend to alternative and indirect methods to determine the renewable content of their fuel (including Carbon 14 analysis). However, generators will need to prove to us that any method they propose to use will produce the same results as the direct measurement of energy content.

5.13. As detailed in our guidance notes we need to agree a Fuel Measurement and Sampling regime for any new fuels that are intended to be used to generate electricity. We would recommend that the methodology is submitted by generating stations as soon as possible to ensure that agreement is reached before the fuel is burnt. A trial burn that produces electricity will affect the fuel mix. Without an

agreed Fuel Measurement and Sampling Procedure this change in fuel mix could prevent us from issuing ROCs for the month that any trial occurs in.

2008-09 Obligation period

Current IT system

5.14. The Ofgem Renewables and CHP Register, which we now use to administer the RO scheme, went into operation on the 1 April 2008. The new system was introduced to make the RO process more automated and more flexible, as well as accommodating changes in legislation.

5.15. The Register is an electronic, web-based system used to manage the renewables and CHP schemes that Ofgem administers on behalf of the Government, namely the Renewables Obligation (RO), the Climate Change Levy (CCL) exemptions for Renewables and CHP and the Renewable Energy Guarantees of Origin (REGO).

5.16. The Register will allow generators that wish to participate in any of the renewable schemes to apply for accreditation, manage output in respect of renewable electricity produced, receive certificates (ROCs) and submit annual declarations. The register also allows generators, suppliers and participants to transfer certificates and access reports.

5.17. The Register has, by and large, made it easier for generators to apply for accreditation and for all participants to manage their certificates. However, as with any new IT system there have been teething issues, which we have been working hard to resolve.

5.18. Examples of some of the problems experienced with the Renewables & CHP Register are set out below:

- public reports being unavailable
- issues with editing output
- issues with some suppliers submitting compliance reports
- Email notification and communication of system changes.

5.19. Suppliers worked with us to resolve the Compliance report issues and fortunately it was not necessary to implement contingency plans. We are grateful to them for their co-operation. We have been working hard to resolve other issues and improve our service delivery. This has included fixing issues as they arise and releasing additional functionality throughout 2008. There is a planned additional release of functionality in March 2009, and on April 2009 we will be releasing modifications to take into account changes to the RO described in Chapter 6.

6. Changes in legislation

Changes to the Renewables Obligation introduced from 1 April 2007.

UK wide changes

6.1. The Renewables Obligation Order 2006 (Amendment) Order 2007, the Renewables Obligation (Scotland) Order 2007 and the Renewables Obligation Order (Northern Ireland) 2007 came into force on 1 April 2007. This legislation introduced a number of changes to the Orders including:

- allowing agents to act on behalf of small generators and to receive ROCs
- allowing agents to amalgamate output for the purposes of ROC claims where they are representing two or more small generators
- allowing ROCs to be issued for electricity consumed by the generator without the need for "sell-and-buy-back" contracts[34]
- the removal of the notice period small generators were required to give before claiming ROCs on an annual basis
- the introduction of Article 16(9A) that requires all meters, on which ROCs are to be claimed, to meet the requirements of paragraph 2 of Schedule 7 to the Act
- a minor amendment to the definition of biomass to include fuel treated as biomass, and
- a minor amendment to the definition of energy crops to include short rotation coppice poplar, short rotation coppice willow and miscanthus giganteus.

Marine Supply Obligation - Scotland only

6.2. The Marine Supply Obligation (MSO) was introduced under the Renewables Obligation (Scotland) Order 2007 (ROS) with effect from 1 April 2007. It is a mechanism which requires suppliers with an obligation under the ROS to meet a proportion of that obligation by producing as evidence ROCs awarded to eligible wave or tidal generation in Scottish waters, or by paying a higher buy-out price.

6.3. For the obligation period 1 April 2007 to 31 March 2008, both the wave and tidal requirements were set to zero. Subsequently the Scottish Government has also set the wave and tidal requirements for the period 1 April 2008 to 31 March 2009 to zero. Suppliers are required to comply with the MSO only when the level goes above zero.

[34] Under these contracts, generators sell their electricity to a licensed supply and then purchase it back for their own consumption.

Changes to the Renewables Obligation from 1 April 2009

6.4. The Renewables Obligation Order 2009, the Renewables Obligation (Scotland) Order 2009 and the Renewables Obligation Order (Northern Ireland) 2009 are expected to come into force on 1 April 2009. This legislation will introduce a number of changes to the Orders including:

- banding the RO so that different levels of support are provided to different technologies. Established technologies will receive fewer ROCs per MWh (e.g. 0.25 ROCs per MWh for landfill gas) and emerging technologies will receive more ROCs per MWh (e.g. 2-5 ROCs per MWh for wave technology).
- in association with the banding structure, grandfathering rights have been introduced; these cover exceptions to banding based on commission and accreditation dates for some technologies.
- introducing 5 yearly reviews of the banding levels from 2013, and emergency reviews if needed.
- in conjunction with the banding structure, the obligation will change from an obligation to source a certain percentage of a supplier's sales to an obligation to present a number of ROCs per 100 MWh of a supplier's sales
- extending obligation levels up to 20 per cent on a "guaranteed headroom" basis (8 per cent "buffer" between number of ROCs and the target).
- microgenerators will be able to take annual meter readings up to 2 months following the end of the obligation period (from 2010-11), as long as they provide this data to Ofgem within this timeframe
- Ofgem's costs of administering the RO will be recovered from the buy-out funds and late payment funds from 2010-11
- if the late payment fund is less than £50,000 then it will be rolled over and re-distributed in the following year's obligation period, from 2010-11
- a change to the treatment of generators supplying through private wire networks
- publishing annual sustainability reporting for Biomass
- allowing energy from waste to be deemed at 50 per cent renewable content and allowing a higher percentage where adequate sampling procedures are in place, and
- the cap on suppliers meeting their obligation from co-fired power stations will be raised 10 per cent to 12.5 per cent from 2010-11.

6.5. We expect our Renewable & CHP Register to be amended to accommodate the changes by the time they come into force. We will also be publishing updated guidance documents shortly before 1 April 2009.

Future Changes to the Renewables Obligation

6.6. DECC has announced that it intends to introduce a feed in tariff scheme for generators up to 5 MW in size, and has taken powers to do so in the Energy Act 2008. The details of this scheme are yet to be confirmed, although it is expected that this may have implications for the eligibility of these generators under the RO.

6.7. DECC has also taken powers to introduce a Renewable Heat Incentive scheme. The details of this scheme are also yet to be confirmed, but may have implications for CHP schemes under the RO.

6.8. DECC has announced that it intends to extend the RO to at least 2037. It is also considering increasing the level of the obligation, to assist with meeting the UK's renewables targets under the EU renewables directives.

6.9. Following on from the experiences with Bizz Energy and Electricity4Business, we intend to discuss with DECC the need for strengthening the legislation in circumstances where a supplier has gone into administration.

Appendices

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Appendix 1 – The Authority's Powers and Duties

1.1. Ofgem is the Office of Gas and Electricity Markets which supports the Gas and Electricity Markets Authority ("the Authority"), the regulator of the gas and electricity industries in Great Britain. This Appendix summarises the primary powers and duties of the Authority. It is not comprehensive and is not a substitute to reference to the relevant legal instruments (including, but not limited to, those referred to below).

1.2. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002 and the Energy Act 2008, as well as arising from directly effective European Community legislation. References to the Gas Act and the Electricity Act in this Appendix are to Part 1 of each of those Acts.[35]

1.3. Duties and functions relating to gas are set out in the Gas Act and those relating to electricity are set out in the Electricity Act. This Appendix must be read accordingly[36].

1.4. The Authority's principal objective when carrying out certain of its functions under each of the Gas Act and the Electricity Act is to protect the interests of consumers, present and future, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas conveyed through pipes, and the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors.

1.5. The Authority must when carrying out those functions have regard to:

- The need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met;
- The need to secure that all reasonable demands for electricity are met;
- The need to contribute to the achievement of sustainable development;
- The need to secure that licence holders are able to finance the activities which are the subject of obligations on them[37]; and
- The interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.[38]

[35] entitled "Gas Supply" and "Electricity Supply" respectively.
[36] However, in exercising a function under the Electricity Act the Authority may have regard to the interests of consumers in relation to gas conveyed through pipes and vice versa in the case of it exercising a function under the Gas Act.
[37] under the Gas Act and the Utilities Act, in the case of Gas Act functions, or the Electricity Act, the Utilities Act and certain parts of the Energy Act in the case of Electricity Act functions.
[38] The Authority may have regard to other descriptions of consumers.

1.6. Subject to the above, the Authority is required to carry out the functions referred to in the manner which it considers is best calculated to:

- Promote efficiency and economy on the part of those licensed[39] under the relevant Act and the efficient use of gas conveyed through pipes and electricity conveyed by distribution systems or transmission systems;
- Protect the public from dangers arising from the conveyance of gas through pipes or the use of gas conveyed through pipes and from the generation, transmission, distribution or supply of electricity;
- Secure a diverse and viable long-term energy supply.

1.7. In carrying out the functions referred to, the Authority must also have regard, to:

- The effect on the environment of activities connected with the conveyance of gas through pipes or with the generation, transmission, distribution or supply of electricity;
- The principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed and any other principles that appear to it to represent the best regulatory practice; and
- Certain statutory guidance on social and environmental matters issued by the Secretary of State.

1.8. The Authority has powers under the Competition Act to investigate suspected anti-competitive activity and take action for breaches of the prohibitions in the legislation in respect of the gas and electricity sectors in Great Britain and is a designated National Competition Authority under the EC Modernisation Regulation40 and therefore part of the European Competition Network. The Authority also has concurrent powers with the Office of Fair Trading in respect of market investigation references to the Competition Commission.

[39] or persons authorised by exemptions to carry on any activity.
[40] Council Regulation (EC) 1/2003

Appendix 2 – Compliance by licensed electricity suppliers

Table A1: 2007-08 supplier compliance with the RO

Licence	RO (MWh)	Total GB ROCs presented	Total NIROCs presented	Total ROCs presented	Money paid into buy-out fund (£)	Money paid into late payment fund (£)
BizzEnergy Ltd	166,640	1,473	0	1,473	0.00	0.00
BP Power Trading Ltd	80	0	0	0	2,744.00	0.00
British Energy Direct Ltd	1,916,508	1,158,411	0	1,158,411	26,002,727.10	0.00
British Gas Trading Ltd	2,971,867	2,378,570	1,451	2,380,021	20,300,317.80	0.00
EDF Energy Customers plc	4,006,094	2,663,513	0	2,663,513	46,050,528.30	0.00
Electricity for Business	74,904	0	0	0	2,569,207.20	0.00
Energy Data Company	106	0	0	0	3,635.80	0.00
E.ON Energy Ltd	2,329,889	2,297,584	30,447	2,328,031	63,729.40	0.00
E.ON Ltd	1,345,635	364,256	0	364,256	33,661,299.70	0.00
First Utility Ltd	1,063	0	0	0	36,460.90	0.00
Gaz de France Marketing Ltd	704,098	309,839	35,856	345,695	12,293,222.90	0.00
Good Energy Ltd	8,642	8,642	0	8,642	0.00	0.00
Haven Power Ltd	4,717	0	0	0	161,793.10	0.00
Immingham	20,367	7,413	0	7,413	444,322.20	0.00
Opus Energy Ltd	62,538	26,657	0	26,657	1,230,718.30	0.00
The Renewable Energy Company Ltd	16,257	16,257	0	16,257	0.00	0.00
Electricity Plus Ltd	51,148	28,552	0	28,552	775,042.80	0.00
Npower Cogen Trading Ltd	28,274	0	0	0	969,798.20	0.00
Npower Direct Ltd	275,625	153,862	0	153,862	4,176,470.00	0.00
Npower Ltd	2,989,556	1,668,858	0	1,668,858	45,299,941.40	0.00
Npower Northern Ltd	482,316	269,243	0	269,243	7,308,403.90	0.00
Npower Yorkshire Ltd	215,844	120,490	0	120,490	3,270,642.20	0.00
SSE Energy Supply Ltd	3,705,259	2,298,069	54,105	2,352,174	46,410,815.50	0.00

Licence	RO (MWh)	Total GB ROCs presented	Total NIROCs presented	Total ROCs presented	Money paid into buy-out fund (£)	Money paid into late payment fund (£)
Scottish Power Energy Retail Ltd	1,167,956	388,631	238,194	626,825	18,560,793.30	0.00
Wilton Energy Ltd	1,357	0	0	0	46,545.10	0.00
Slough Energy Supplies Ltd	11,764	11,764	0	11,764	0.00	0.00
Smartestenergy Ltd	30,939	30,706	0	30,706	7,991.90	0.00
Total Gas & Power Ltd	266,544	0	0	0	9,142,459.20	0.00
Tradelink Solutions Ltd	33	33	0	33	0.00	0.00
Utilita Electricity Ltd	1,564	0	0	0	0.00	54,291.88

Table A2: 2007-08 supplier compliance with the ROS

Licence Name	ROS (MWh)	Total GB ROCs presented	Total NIROCs presented	Total ROCs presented	Money paid into buy-out fund (£)	Money paid into late payment fund (£)
BizzEnergy Ltd	7,924	0	0	0	0.00	0.00
British Energy Direct Ltd	143,948	143,948	0	143,948	0.00	0.00
British Gas Trading Ltd	283,075	226,856	622	227,478	1,906,977.10	0.00
EDF Energy Customers PLC	139,962	93,050	0	93,050	1,609,081.60	0.00
Electricity for Business	5,374	0	0	0	184,328.20	0.00
E.ON Energy Ltd	68,677	6,867	0	6,867	2,120,083.00	0.00
E.ON Ltd	49,626	4,962	0	4,962	1,531,975.20	0.00
First Utility Ltd	23	0	0	0	788.90	0.00
Gaz de France Marketing Ltd	37,440	10,668	26,772	37,440	0.00	0.00
Good Energy Ltd	379	379	0	379	0.00	0.00
Opus Energy Ltd	7,679	7,679	0	7,679	0.00	0.00
Power 4 All Ltd	1,199	0	0	0	0.00	41,407.38
The Renewable Energy Company Ltd	1,016	1,016	0	1,016	0.00	0.00

Licence Name	ROS (MWh)	Total GB ROCs presented	Total NIROCs presented	Total ROCs presented	Money paid into buy-out fund (£)	Money paid into late payment fund (£)
Electricity Plus Ltd	3,297	1,840	0	1,840	49,975.10	0.00
Npower Direct Ltd	13,745	7,673	0	7,673	208,269.60	0.00
Npower Ltd	183,342	102,347	0	102,347	2,778,128.50	0.00
Npower Northern Ltd	13,093	7,309	0	7,309	198,391.20	0.00
Npower Yorkshire Ltd	60	33	0	33	926.10	0.00
SSE Energy Supply Ltd	697,666	438,888	4,286	443,174	8,729,075.60	0.00
Scottish Power Energy Retail Ltd	777,031	777,031	0	777,031	0.00	0.00
Smartestenergy Ltd	1	1	0	1	0.00	0.00
Total Gas & Power Ltd	19,211	0	0	0	658,933.94	3.40
Tradelink Solutions Ltd	2,449	2,417	32	2,449	0.00	0.00
Utilita Electricity Ltd	174	0	0	0	0.00	6,040.15

Table A3: 2007-08 supplier compliance with the NIRO

Licence	NIRO (MWh)	Total GB ROCs presented	Total NIROCs presented	Total ROCs presented	Money paid into buy-out fund (£)	Money paid into late payment fund (£)
Airtricity Energy Supply Ltd	6,799	0	6,799	6,799	0.00	0.00
Bord Gais Eireann	142	0	0	0	0.00	4,877.27
ESB Independent Energy	47,052	4,500	17,334	21,834	0.00	865,214.40
Northern Ireland Electricity plc	135,250	0	10,543	10,543	4,277,450.10	0.00
Npower Ltd	41	23		23	617.40	0.00
Viridian Energy Supply Ltd (Energia)	48,098	0	0	0	1,649,761.40	0.00

Table A4: ROCs presented in England and Wales

Supplier	E & W (MWh) RO calculated by us	Eligible ROCs Produced	Co-fired ROCs produced	2006/07 ROCs produced	Other ROCs presented (not including co-fired or banked ROCs)	% RO met by co-fired ROCs	%RO met by 2006-07 ROCs	% RO met by other ROCs
BizzEnergy Ltd	166,640	1,473	1,473	1,473	0	0.88%	0.88%	0.00%
BP Power Trading Ltd	80	0	0	0	0	0.00%	0.00%	0.00%
British Energy Direct Ltd	1,916,508	1,158,411	145,106	0	1,013,305	7.57%	0.00%	52.87%
British Gas Trading Ltd	2,971,867	2,380,021	279,413	44,516	2,099,348	9.40%	1.50%	70.64%
EDF Energy Customers plc	4,006,094	2,663,513	397,230	19	2,266,264	9.92%	0.00%	56.57%
Electricity for Business	74,904	0	0	0	0	0.00%	0.00%	0.00%
Energy Data Company	106	0	0	0	0	0.00%	0.00%	0.00%
E.ON Energy Ltd	2,329,889	2,328,031	232,988	53,699	2,094,884	10.00%	2.30%	89.91%
E.ON Ltd	1,345,635	364,256	134,463	0	229,793	9.99%	0.00%	17.08%
First Utility Ltd	1,063	0	0	0	0	0.00%	0.00%	0.00%
Gaz de France Marketing Ltd	704,098	345,695	70,409	53,781	229,287	10.00%	7.64%	32.56%
Good Energy Ltd	8,642	8,642	0	278	8,364	0.00%	3.22%	96.78%
Haven Power Ltd	4,717	0	0	0	0	0.00%	0.00%	0.00%
Immingham	20,367	7,413	0	0	7,413	0.00%	0.00%	36.40%
Opus Energy Ltd	62,538	26,657	685	683	25,291	1.10%	1.09%	40.44%
The Renewable Energy Company Ltd	16,257	16,257	0	5	16,252	0.00%	0.03%	99.97%
Electricity Plus Ltd	51,148	28,552	4,000	0	24,552	7.82%	0.00%	48.00%
Npower Cogen Trading Ltd	28,274	0	0	0	0	0.00%	0.00%	0.00%
Npower Direct Ltd	275,625	153,862	21,556	0	132,306	7.82%	0.00%	48.00%
Npower Ltd	2,989,556	1,668,858	233,802	712	1,434,532	7.82%	0.02%	47.98%
Npower Northern Ltd	482,316	269,243	37,720	0	231,523	7.82%	0.00%	48.00%
Npower Yorkshire Ltd	215,844	120,490	16,880	0	103,610	7.82%	0.00%	48.00%

Supplier	E & W (MWh) RO calculated by us	Eligible ROCs Produced	Co-fired ROCs produced	2006/07 ROCs produced	Other ROCs presented (not including co-fired or banked ROCs)	% RO met by co-fired ROCs	%RO met by 2006-07 ROCs	% RO met by other ROCs
SSE Energy Supply Ltd	3,705,259	2,352,174	86,971	273,398	2,065,168	2.35%	7.38%	55.74%
Scottish Power Energy Retail Ltd	1,167,956	626,825	116,660	16,242	496,188	9.99%	1.39%	42.48%
Wilton Energy Ltd	1,357	0	0	0	0	0.00%	0.00%	0.00%
Slough Energy Supplies Ltd	11,764	11,764	0	0	11,764	0.00%	0.00%	100.00%
Smartestenergy Ltd	30,939	30,706	983	6,440	23,283	3.18%	20.82%	75.25%
Total Gas & Power Ltd	266,544	0	0	0	0	0.00%	0.00%	0.00%
Tradelink Solutions Ltd	33	33	0	3	30	0.00%	9.09%	90.91%
Utilita Electricity Ltd	1,564	0	0	0	0	0.00%	0.00%	0.00%

Table A5: ROCs presented in Scotland

Supplier	Scotland (MWh) ROS calculated by us	Eligible ROCs Produced Scotland	Eligible Co-fired ROCs produced	Eligible 2006/07 ROCs produced	Other ROCs presented (not including co-fired or banked ROCs)	% RO met by co-fired ROCs	%RO met by 2006-07 ROCs	% ROS met by other ROCs
BizzEnergy Ltd	7,924	0	0	0	0	0.00%	0.00%	0.00%
British Energy Direct Ltd	143,948	143,948	0	0	143,948	0.00%	0.00%	100.00%
British Gas Trading Ltd	283,075	227,478	0	0	227,478	0.00%	0.00%	80.36%
EDF Energy Customers	139,962	93,050	13,913	0	79,137	9.94%	0.00%	56.54%
Electricity for Business	5,374	0	0	0	0	0.00%	0.00%	0.00%
E.ON Energy Ltd	68,677	6,867	6,867	0	0	10.00%	0.00%	0.00%

Supplier	Scotland (MWh) ROS calculated by us	Eligible ROCs Produced Scotland	Eligible Co-fired ROCs produced	Eligible 2006/07 ROCs produced	Other ROCs presented (not including co-fired or banked ROCs)	% RO met by co-fired ROCs	%RO met by 2006-07 ROCs	% ROS met by other ROCs
E.ON Ltd	49,626	4,962	4,962	0	0	10.00%	0.00%	0.00%
First Utility Ltd	23	0	0	0	0	0.00%	0.00%	0.00%
Gaz de France Marketing Ltd	37,440	37,440	3,744	1,578	32,118	10.00%	4.21%	85.79%
Good Energy Ltd	379	379	0	0	379	0.00%	0.00%	100.00%
Opus Energy Ltd	7,679	7,679	0	4	7,675	0.00%	0.05%	99.95%
Power 4 All Ltd	1,199	0	0	0	0	0.00%	0.00%	0.00%
The Renewable Energy Company Ltd	1,016	1,016	0	0	1,016	0.00%	0.00%	100.00%
Electricity Plus Ltd	3,297	1,840	258	0	1,582	7.83%	0.00%	47.98%
Npower Direct Ltd	13,745	7,673	1,075	0	6,598	7.82%	0.00%	48.00%
Npower Ltd	183,342	102,347	14,338	0	88,009	7.82%	0.00%	48.00%
Npower Northern Ltd	13,093	7,309	1,024	0	6,285	7.82%	0.00%	48.00%
Npower Yorkshire Ltd	60	33	4	0	29	6.67%	0.00%	48.33%
SSE Energy Supply Ltd	697,666	443,174	2,442	0	440,732	0.35%	0.00%	63.17%
Scottish Power Energy Retail Ltd	777,031	777,031	7,703	46,867	722,461	0.99%	6.03%	92.98%
Smartestenergy Ltd	1	1	0	0	1	0.00%	0.00%	100.00%
Total Gas & Power Ltd	19,211	0	0	0	0	0.00%	0.00%	0.00%
Tradelink Solutions Ltd	2,449	2,449	0	0	2,449	0.00%	0.00%	100.00%
Utilita Electricity Ltd	174	0	0	0	0	0.00%	0.00%	0.00%

Table A6: ROCs presented in Northern Ireland

Supplier	NI (MWh)	Eligible ROCs Produced NI	Co-fired ROCs produced	2006/07 ROCs produced	Other ROCs presented (not including co-fired or banked ROCs)	% NIRO met by co-fired ROCs	% NIRO met by 2006-07 ROCs	% NIRO met by other ROCs
Airtricity Energy Supply Ltd	6,799	6,799	0	0	6,799	0.00%	0.00%	100.00%
Bord Gais Eireann	142	0	0	0	0	0.00%	0.00%	0.00%
ESB Independent Energy	47,052	21,834	4,500	0	17,334	9.56%	0.00%	36.84%
Northern Ireland Electricity plc	135,250	10,543	0	406	10,137	0.00%	0.30%	7.50%
Npower LTD	41	23	3	0	20	7.32%	0.00%	48.78%
Viridian Energy Supply Ltd (Energia)	48,098	0	0	0	0	0.00%	0.00%	0.00%

Table A7: Total number of GB ROCs and NIROCs presented under each obligation

Obligation	GB ROCs	NIROCs	Total
Renewables Obligation	14,202,823	360,053	14,562,876
Renewables Obligation (Scotland)	1,832,964	31,712	1,864,676
Northern Ireland Renewables Obligation	4,523	34,676	39,199
Total	16,040,310	426,441	16,466,751

Table A8: Late payments and interest

Licence	Obligation	Outstanding buyout required	Days to receipt from start of late payment period (including 1st Sept and date of payment)	Interest Due	Late payment due	Late payment received
Utilita Electricity Ltd	RO	£53,645.20	44	£646.68	£54,291.88	£54,291.88
Power 4 All Ltd	ROS	£41,125.70	25	£281.68	£41,407.38	£41,407.38
Total Gas & Power Ltd	ROS	£3.36	37	£0.04	£3.40	£3.40
Utilita Electricity Ltd	ROS	£5,968.20	44	£71.95	£6,040.15	£6,040.15
Bord Gais Eireann	NIRO	£4,870.60	5	£6.67	£4,877.27	£4,877.27
ESB Independent Energy	NIRO	£864,977.40	1	£237.00	£865,214.40	£865,214.40
Total		£970,590.46		£1,244.02	£971,834.48	£971,834.48

Table A9: Distribution of England and Wales buyout and late payment to suppliers[41] [42]

Licensed Electricity supplier	Amount of buy-out fund due for redistribution	Amount of late payment fund due for redistribution	Total Redistributed
Airtricity Energy Supply Ltd	£115,680	£22	£115,702
BizzEnergy Ltd[43]	£25,062	£4	£0
British Energy Direct Ltd	£22,158,826	£4,310	£22,163,136
British Gas Trading Ltd	£44,364,970	£8,630	£44,373,600
ESB Independent Energy	£371,491	£72	£371,563
EDF Energy Customers plc	£46,901,201	£9,124	£46,910,325
Gaz de France Marketing Ltd	£6,518,803	£1,268	£6,520,071
Good Energy Ltd	£153,486	£29	£153,515
Immingham	£126,127	£24	£126,151
Opus Energy Ltd	£584,205	£113	£584,318
E.ON Energy Ltd	£39,726,834	£7,728	£39,734,562
E.ON Ltd	£6,282,014	£1,222	£6,283,236
The Renewable Energy Company Ltd	£293,889	£57	£293,946
Electricity Plus Ltd	£517,100	£100	£517,200
Northern Ireland Electricity plc	£179,382	£34	£179,416
Npower Direct Ltd	£2,748,417	£534	£2,748,951
Npower Ltd	£30,136,340	£5,862	£30,142,202
Npower Northern Ltd	£4,705,359	£915	£4,706,274

[41] The buy-out and late payment funds were redistributed on 3 October and 20 November 2008, respectively. No payments were made into the late payment fund after this date.
[42] The payments redistributed to suppliers are based on the number of ROCs originally presented for compliance
[43] No buy-out or late payments were made to Bizz Energy Ltd. This is because they did not comply with the 2007/08 obligations

Licensed Electricity supplier	Amount of buy-out fund due for redistribution	Amount of late payment fund due for redistribution	Total Redistributed
Npower Yorkshire Ltd	£2,050,623	£398	£2,051,021
SSE Energy Supply Ltd	£47,561,104	£9,252	£47,570,356
Scottish Power Energy Retail Ltd	£23,885,734	£4,646	£23,890,380
Slough Energy Supplies Ltd	£200,157	£38	£200,195
Smartestenergy Ltd	£522,460	£101	£522,561
Tradelink Solutions Ltd	£42,229	£8	£42,237
Totals	£280,171,493	£54,491	£280,200,918

Table A10: Distribution of Scotland buyout and late payment funds to suppliers

Licensed Electricity Supplier	Amount of buy-out fund due for redistribution	Amount of late payment fund due for redistribution	Total Redistributed
Airtricity Energy Supply Ltd	£8,287	£19	£8,306
BizzEnergy Ltd	£1,795	£4	£0
British Energy Direct Ltd	£1,587,548	£3,776	£1,591,324
British Gas Trading Ltd	£3,178,486	£7,560	£3,186,046
ESB Independent Energy	£26,615	£63	£26,678
EDF Energy Customers plc	£3,360,192	£7,993	£3,368,185
Gaz de France Marketing Ltd	£467,033	£1,110	£468,143
Good Energy Ltd	£10,996	£26	£11,022
Immingham	£9,036	£21	£9,057
Opus Energy Ltd	£41,854	£99	£41,953
E.ON Energy Ltd	£2,846,192	£6,770	£2,852,962
E.ON Ltd	£450,069	£1,070	£451,139
The Renewable Energy Company Ltd	£21,055	£50	£21,105
Electricity Plus Ltd	£37,047	£88	£37,135
Northern Ireland Electricity plc	£12,851	£30	£12,881
Npower Direct Ltd	£196,907	£468	£197,375
Npower Ltd	£2,159,090	£5,135	£2,164,225
Npower Northern Ltd	£337,111	£801	£337,912
Npower Yorkshire Ltd	£146,915	£349	£147,264
SSE Energy Supply Ltd	£3,407,471	£8,105	£3,415,576
Scottish Power Energy Retail Ltd	£1,711,271	£4,070	£1,715,341
Slough Energy Supplies Ltd	£14,340	£34	£14,374

Licensed Electricity Supplier	Amount of buy-out fund due for redistribution	Amount of late payment fund due for redistribution	Total Redistributed
Smartestenergy Ltd	£37,431	£89	£37,520
Tradelink Solutions Ltd	£3,025	£7	£3,032
Total	£20,072,617	£47,737	£20,118,555

Table A11: Distribution of Northern Ireland buyout and late payment funds to suppliers

Supplier	Amount of buy-out fund due for redistribution	Amount of late payment fund due for redistribution	Total Redistributed
Airtricity Energy Supply Ltd	£2,460	£361	£2,821
BizzEnergy Ltd	£533	£78	£0
British Energy Direct Ltd	£471,296	£69,239	£540,535
British Gas Trading Ltd	£943,599	£138,626	£1,082,225
ESB Independent Energy	£7,901	£1,160	£9,061
EDF Energy Customers plc	£997,543	£146,551	£1,144,094
Gaz de France Marketing Ltd	£138,648	£20,369	£159,017
Good Energy Ltd	£3,264	£479	£3,743
Immingham	£2,682	£394	£3,076
Opus Energy Ltd	£12,425	£1,825	£14,250
E.ON Energy Ltd	£844,951	£124,133	£969,084
E.ON Ltd	£133,612	£19,629	£153,241
The Renewable Energy Company Ltd	£6,250	£918	£7,168
Electricity Plus Ltd	£10,998	£1,615	£12,613
Northern Ireland Electricity plc	£3,815	£560	£4,375
Npower Direct Ltd	£58,456	£8,587	£67,043
Npower Ltd	£640,970	£94,166	£735,136
Npower Northern Ltd	£100,078	£14,702	£114,780
Npower Yorkshire Ltd	£43,614	£6,407	£50,021
SSE Energy Supply Ltd	£1,011,578	£148,613	£1,160,191
Scottish Power Energy Retail Ltd	£508,026	£74,635	£582,661
Slough Energy Supplies Ltd	£4,257	£625	£4,882
Smartestenergy Ltd	£11,112	£1,632	£12,744
Tradelink Solutions Ltd	£898	£131	£1,029
Totals	£5,958,966	£875,435	£6,833,790

Table A12: Suppliers with no obligation

No RO	No ROS	No NIRO
AES Energy Ltd	AES Energy Ltd	Lowland Health and Energy
BizzEnergy@home	BizzEnergy@home	Nigen Now AES Kilroot
Blizzard Utilities Ltd	Blizzard Utilities Ltd	E.ON UK plc
Electricity Direct Ltd	BP Power Trading Ltd	Power & Gas Ventures Ltd
Caboodle	Electricity Direct Ltd	Premier Power Ltd
Cinergy Global Trading Ltd	Caboodle	Quinn Energy
Corona Energy Retail 4 Ltd	Cinergy Global Trading Ltd	Regent Electricity Ltd
Seeboard Energy Ltd	Corona Energy Retail 4 Ltd	Scottish Power Energy Retail Ltd
SWEB Energy Ltd	Seeboard Energy Ltd	SSE Energy Supply Ltd
EDF Trading Ltd	SWEB Energy Ltd	SSE (Ireland) Ltd
Energy Co2 Ltd	EDF Trading Ltd	Tradelink Solutions Ltd
Energy 4 Sale Ltd	Energy Co2 Ltd	
Energy Co-op Ltd	Energy Data Company	
Essential Power Ltd	Energy 4 Sale Ltd	
Fellside Heat & Power Ltd	Energy Co-op Ltd	
Fortum Direct Ltd	Essential Power Ltd	
Ineos Chlor Energy Ltd	Fellside Heat & Power Ltd	
International Power Plc	Fortum Direct Ltd	
International Power Retail Supply Company Ltd	Haven Power Ltd	
Nuclear Decommissioning Authority	Immingham	
Morgan Stanley Capital Group Inc	Ineos Chlor Energy Ltd	
Cherwell Energy Ltd	International Power Plc	
Power 4 All Ltd	International Power Retail Supply Company Ltd	

No RO	No ROS
Star Energy Oil and Gas Ltd	Nuclear Decommissioning Authority
Economy Power	Morgan Stanley Capital Group Inc
Citigen London Ltd	Cherwell Energy Ltd
Powerrelate	Star Energy Oil and Gas Ltd
Primary Connections Ltd	Economy Power
R S Energy Ltd	Citigen London Ltd
Gas Plus Supply Ltd	Powerrelate
Npower Commercial Gas Ltd	Primary Connections Ltd
Npower Northern Supply Ltd	R S Energy Ltd
Npower Yorkshire Supply Ltd	Gas Plus Supply Ltd
South Wales Electricity Ltd	Npower Cogen Trading Ltd
SSE Energy Ltd	Npower Commercial Gas Ltd
Sempra	Npower Northern Supply Ltd
Team GE Ltd	Npower Yorkshire Supply Ltd
Telecom Plus plc	South Wales Electricity Ltd
The Royal Bank of Scotland plc	SSE Energy Ltd
Spark Energy Supply Ltd	Wilton Energy Ltd
Crowthorne Electricity Supply Ltd	Sempra
Affinity Power Ltd	Slough Energy Supplies Ltd
730 Energy Ltd	Team GE Ltd
SME Energy Ltd	Telecom Plus plc
Pan-Utility Ltd	The Royal Bank of Scotland plc
Utilitease Ltd	Spark Energy Supply Ltd
	Crowthorne Electricity Supply Ltd
	Affinity Power Ltd
	730 Energy Ltd

No ROS
SME Energy Ltd
Pan-Utility Ltd
Utilitease Ltd

Table A13: A list of supplier groups and their supply licences

Group	Supply Licences
Bizz Energy	BizzEnergy Ltd
	BizzEnergy@home
British Gas/Centrica	British Gas Trading Ltd
	Electricity Direct Ltd
EDF	EDF Energy Customers plc
	Seeboard Energy Ltd
	SWEB Energy Ltd
Opus Energy Ltd	Opus Energy Ltd
	Cherwell Energy Ltd
E.ON	E.ON Energy Ltd
	Economy Power
	E.ON Ltd
	Citigen London Ltd
RWE Npower	Electricity Plus Ltd
	Gas Plus Supply Ltd
	Npower Cogen Trading Ltd
	Npower Commercial Gas Ltd
	Npower Direct Ltd
	Npower Ltd
	Npower Northern Ltd
	Npower Northern Supply Ltd
	Npower Yorkshire Ltd
	Npower Yorkshire Supply Ltd

Group	Supply Licences
Scottish & Southern Energy (SSE)	South Wales Electricity Ltd
	SSE Energy Ltd
	SSE Energy Supply Ltd
Utilita Electricity Ltd	Utilita Electricity Ltd
	Spark Energy Supply Ltd
	Crowthorne Electricity Supply Ltd

Appendix 3 - Renewables Obligation certificates: Detailed information

Table B1: 2007-08 ROCs, SROCs and NIROCs issued by generation technology type

Technology Type	ROCs	SROCs	NIROCs	Total
Biomass	1,113,212	118,019	16,339	1,247,570
Biomass using an Advanced Conversion Technology	13,938	2,737	0	16,675
Co-firing of Biomass with Fossil Fuel	1,576,014	189,046	0	1,765,060
Co-firing of Energy Crops	5,906	0	0	5,906
Hydro 20MW DNC or less	206,492	2,163,454	7,875	2,377,821
Hydro 50kW DNC or less	2,346	1,447	306	4,099
Micro Hydro	11,484	48,185	1,402	61,071
Landfill Gas	4,085,912	455,158	0	4,541,070
Off-shore Wind	963,200	0	0	963,200
On-shore Wind	1,744,736	2,664,950	404,363	4,814,049
Photovoltaic > 50kW DNC	210	0	0	210
Photovoltaic 50kW DNC or less	1,062	28	130	1,220
Sewage Gas	332,356	17,464	0	349,820
Waste using an Advanced Conversion Technology	1,891	0	0	1,891
Wave Power	0	22	0	22
Wind 50kW DNC or less	1,192	465	637	2,294
Total	10,059,951	5,660,975	431,052	16,151,978

Table B2: 2007-08 ROCs, SROCs and NIROCs issued by month of generation

Month	ROCs	SROCS	NIROCs	Total
Apr-07	688,594	373,347	23,258	1,085,199
May-07	777,064	374,389	26,875	1,178,328
Jun-07	688,553	293,172	21,015	1,002,740
Jul-07	756,980	322,271	17,346	1,096,597
Aug-07	713,178	385,516	23,172	1,121,866
Sep-07	719,538	420,519	24,457	1,164,514
Oct-07	756,730	396,312	27,707	1,180,749
Nov-07	914,080	530,439	40,068	1,484,587
Dec-07	1,033,822	611,544	56,191	1,701,557
Jan-08	1,076,366	658,835	54,212	1,789,413
Feb-08	910,242	628,841	52,231	1,591,314
Mar-08	1,021,300	664,232	63,604	1,749,136
Annually	3,504	1,558	916	5,978
Total	10,059,951	5,660,975	431,052	16,151,978

Table B3: 2007-08 ROCs, SROCs and NIROCs issued by generation technology type and month

Month	Biomass	Biomass using ATC	Co-firing of biomass with fossil fuel	Co-firing of energy crops	Hydro <20 MW DNC	Hydro <50kW DNC	Micro Hydro	Landfill gas
Apr-07	93,621	1,717	114,924	260	148,703	97	3,687	367,157
May-07	94,150	1,430	147,371	577	146,577	109	4,258	378,850
Jun-07	102,466	1,216	119,298	963	132,802	123	3,810	367,068
Jul-07	90,984	1,383	122,197	240	156,714	136	5,021	374,522
Aug-07	75,219	1,412	108,679	638	165,260	119	5,185	378,515
Sep-07	69,579	1,419	101,290	316	162,007	77	4,611	367,436
Oct-07	84,420	1,495	174,924	533	161,723	81	3,678	382,250
Nov-07	122,268	1,341	186,300	241	212,474	117	4,907	376,163
Dec-07	149,683	1,314	197,643	471	250,392	137	6,265	393,583
Jan-08	141,577	1,293	155,250	804	282,944	134	7,204	394,241
Feb-08	125,281	1,276	171,100	863	267,860	100	5,761	368,413
Mar-08	98,322	1,379	166,084	0	290,365	276	6,684	392,872
Agents	0	0	0	0	0	2,593	0	0
Total	1,247,570	16,675	1,765,060	5,906	2,377,821	4,099	61,071	4,541,070

Table B3 (continued): 2007-08 ROCs, SROCs and NIROCs issued by generation technology type and month

Month	Off-shore wind	On-shore wind	PV > 50 kW DNC	PV with DNC < 50kW	Sewage Gas	Waste Using ATC	Wave	Wind <50kW DNC	Total
Apr-07	40,272	284,754	13	2	29,982	0	1	9	1,085,199
May-07	52,174	321,057	34	7	31,557	171	2	4	1,178,328
Jun-07	40,424	205,072	25	8	29,214	247	0	4	1,002,740
Jul-07	55,223	261,590	24	11	28,348	199	0	5	1,096,597
Aug-07	55,343	302,591	23	7	28,627	244	0	4	1,121,866
Sep-07	66,865	361,127	19	6	29,582	175	1	4	1,164,514
Oct-07	50,142	289,989	16	4	31,270	218	1	5	1,180,749
Nov-07	103,571	450,057	9	2	26,951	174	1	11	1,484,587
Dec-07	124,951	549,420	9	0	27,501	182	3	3	1,701,557
Jan-08	142,569	635,753	5	0	27,595	35	5	4	1,789,413
Feb-08	94,474	528,175	17	4	27,967	15	4	4	1,591,314
Mar-08	137,192	624,456	16	23	31,226	231	4	6	1,749,136
Annually	0	8	0	1,146	0	0	0	2,231	5,978
Total	963,200	4,814,049	210	1,220	349,820	1,891	22	2,294	16,151,978

Table B4: 2007-08 ROCs issued by generation technology type and month (in England and Wales)

Month	Biomass	Biomass using ATC	Co-firing of biomass with fossil fuel	Co-firing of energy crops	Hydro <20 MW DNC	Hydro <50kW DNC	Landfill gas	Micro Hydro
Apr-07	86,787	1,701	100,117	260	8,347	68	329,280	613
May-07	87,914	1,374	128,622	577	8,323	89	338,993	699
Jun-07	95,491	1,176	108,001	963	10,683	95	329,246	584
Jul-07	87,299	1,339	105,794	240	24,079	103	334,885	1,158
Aug-07	70,888	1,294	95,885	638	15,016	94	340,573	826
Sep-07	67,870	1,272	85,885	316	13,967	64	333,475	813
Oct-07	82,417	215	160,912	533	11,586	70	343,318	569
Nov-07	110,215	1,122	166,535	241	12,828	88	337,054	966
Dec-07	119,052	1,062	177,350	471	21,648	92	354,869	1,262
Jan-08	112,414	1,093	139,180	804	32,106	93	339,895	1,511
Feb-08	100,099	1,098	155,254	863	18,427	60	330,882	1,156
Mar-08	92,766	1,192	152,479	0	20,337	87	353,174	1,327
Annually	0	0	0	0	0	1,343	0	0
Total	1,113,212	13,938	1,576,014	5,906	197,347	2,346	4,065,644	11,484

Table B4 (continued): 2007-08 ROCs issued by generation technology type and month (in England and Wales)

Month	Off-shore wind	On-shore wind	PV	PV with DNC < 50kW	Sewage Gas	Waste Using ATC	Wind <50kW DNC	Total
Apr-07	40,272	80,888	13	2	28,880	0	1	677,229
May-07	52,174	118,093	34	7	29,864	171	2	766,936
Jun-07	40,424	67,809	25	8	27,617	247	1	682,370
Jul-07	55,223	110,845	24	11	27,104	199	2	748,305
Aug-07	55,343	93,475	23	7	27,433	244	1	701,740
Sep-07	66,865	107,278	19	6	27,971	175	1	705,977
Oct-07	50,142	67,608	16	4	29,778	218	1	747,387
Nov-07	103,571	142,680	9	2	25,430	174	2	900,917
Dec-07	124,951	193,500	9	0	26,113	182	1	1,020,562
Jan-08	142,569	250,369	5	0	26,218	35	2	1,046,294
Feb-08	94,474	165,340	17	4	26,556	15	2	894,247
Mar-08	137,192	216,430	16	22	29,392	231	4	1,004,649
Annually	0	0	0	989	0	0	1,159	3,491
Total	963,200	1,614,315	210	1,062	332,356	1,891	1,179	9,900,104

Table B5: 2007-08 ROCs issued by generation technology type and month (in Scotland)

Month	Hydro <20 MW DNC	Landfill Gas	On-shore wind	Wind <50kW DNC	Total
Apr-07	516	0	10,849	0	11,365
May-07	699	369	9,060	0	10,128
Jun-07	493	541	5,149	0	6,183
Jul-07	609	594	7,472	0	8,675
Aug-07	749	654	10,035	0	11,438
Sep-07	720	644	12,197	0	13,561
Oct-07	637	663	8,043	0	9,343
Nov-07	890	634	11,639	0	13,163
Dec-07	890	573	11,797	0	13,260
Jan-08	1,117	14,159	14,796	0	30,072
Feb-08	862	697	14,436	0	15,995
Mar-08	963	740	14,948	0	16,651
Annually	0	0		13	13
Total	9,145	20,268	130,421	13	159,847

Table B6: 2007-2008 SROCs issued by generation technology type and month (in Scotland)[44]

Month	Biomass	Biomass using ATC	Co-firing of biomass with fossil fuel	Hydro <20 MW DNC	Hydro < 50 kW DNC	Landfill gas	Micro Hydro	On-shore Wind	PV with DNC < 50 kW	Sewage Gas	Wave	Wind <50kW DNC	Total
Apr-07	5,384	16	14,807	139,403	19	37,877	2,874	171,864	0	1,102	1	0	373,347
May-07	4,726	56	18,749	137,315	13	39,488	3,365	168,982	0	1,693	2	0	374,389
Jun-07	5,958	40	11,297	121,093	19	37,281	2,971	112,916	0	1,597	0	0	293,172
Jul-07	2,544	44	16,403	131,252	21	39,043	3,770	127,950	0	1,244	0	0	322,271
Aug-07	2,540	118	12,794	148,730	15	37,288	4,280	178,557	0	1,194	0	0	385,516
Sep-07	84	147	15,405	146,745	13	33,317	3,767	219,429	0	1,611	1	0	420,519
Oct-07	926	1,280	14,012	149,049	11	38,269	3,083	188,189	0	1,492	1	0	396,312
Nov-07	10,352	219	19,765	198,075	23	38,475	3,843	258,165	0	1,521	1	0	530,439
Dec-07	29,075	252	20,293	227,058	38	38,141	4,925	290,371	0	1,388	3	0	611,544
Jan-08	27,900	200	16,070	248,779	35	40,187	5,569	318,713	0	1,377	5	0	658,835
Feb-08	24,195	178	15,846	247,840	32	36,834	4,511	297,990	0	1,411	4	0	628,841
Mar-08	4,335	187	13,605	268,115	143	38,958	5,227	331,824	0	1,834	4	0	664,232
Annually	0	0	0	0	405	0	0	0	12	0	0	87	504
Total	118,019	2,737	189,046	2,163,454	787	455,158	48,185	2,664,950	12	17,464	22	87	5,659,921

[44] SROCs that were previously incorrectly allocated to England for Cockenzie power station have now been correctly allocated to Scotland. This has means that some of the figures for co-firing SROCs will show slight differences from previous annual reports

Table B7: 2007-08 SROCs issued by generation technology type and month (England and Wales)

Month	Hydro < 50kW DNC	PV with DNC < 50kW	Wind < 50kW DNC	Total
Annually	660	16	378	1,054
Total	660	16	378	1,054

Table B8: 2007-2008 NIROCs issued by generation technology type and month (in Northern Ireland)

Month	Biomass	Hydro < 20 MW DNC	Hydro < 50kW DNC	Micro hydro	On-shore Wind	PV with DNC < 50kW	Wind < 50kW	Total
Apr-07	1,450	437	10	200	21,153	0	8	23,258
May-07	1,510	240	7	194	24,922	0	2	26,875
Jun-07	1,017	533	9	255	19,198	0	3	21,015
Jul-07	1,141	774	12	93	15,323	0	3	17,346
Aug-07	1,791	765	10	79	20,524	0	3	23,172
Sep-07	1,625	575	0	31	22,223	0	3	24,457
Oct-07	1,077	451	0	26	26,149	0	4	27,707
Nov-07	1,701	681	6	98	37,573	0	9	40,068
Dec-07	1,556	796	7	78	53,752	0	2	56,191
Jan-08	1,263	942	6	124	51,875	0	2	54,212
Feb-08	987	731	8	94	50,409	0	2	52,231
Mar-08	1,221	950	46	130	61,254	1	2	63,604
Annually	0	0	0	0	8	129	590	727
Total	16,339	7,875	121	1,402	404,363	130	633	430,863

Table B9: 2007-2008 NIROCs issued by generation technology type and month (in England and Wales)

Month	Hydro < 50kW DNC	Wind < 50kW DNC	Total
Annually	185	4	189
Total	185	4	189

Table B10: 2007-08 ROCs, SROCs and NIROCs issued by location and month

Month	England	Wales	Scotland	Northern Ireland	Total
Apr-07	615,040	62,189	384,712	23,258	1,085,199
May-07	679,706	87,230	384,517	26,875	1,178,328
Jun-07	623,393	58,977	299,355	21,015	1,002,740
Jul-07	651,014	97,291	330,946	17,346	1,096,597
Aug-07	625,612	76,128	396,954	23,172	1,121,866
Sep-07	623,805	82,172	434,080	24,457	1,164,514
Oct-07	684,426	62,961	405,655	27,707	1,180,749
Nov-07	793,430	107,487	543,602	40,068	1,484,587
Dec-07	869,063	151,499	624,804	56,191	1,701,557
Jan-08	878,078	168,216	688,907	54,212	1,789,413
Feb-08	774,495	119,752	644,836	52,231	1,591,314
Mar-08	857,142	147,507	680,883	63,604	1,749,136
Annually	4,587	147	517	727	5,978
Total	8,679,791	1,221,556	5,819,768	430,863	16,151,978

Table B11: 2007-08 ROCs, SROCs and NIROCs issued by location and generation technology type

Technology type	England	Wales	Scotland	Northern Ireland	Total
Co-firing energy crops	5,906	0	0	0	5,906
Biomass	1,113,212	0	118,019	16,339	1,247,570
Biomass & Waste using ACT	15,829	0	2,737	0	18,566
Co-firing biomass	1,565,984	9,526	189,550	0	1,765,060
Hydro	52,633	147,905	2,173,386	7,996	2,381,920
Landfill Gas	3,926,052	139,592	475,426	0	4,541,070
Micro Hydro	9,635	1,849	48,185	1,402	61,071
Off-shore Wind	779,904	183,296	0	0	963,200
On-shore Wind	881,932	733,944	2,795,471	404,996	4,816,343
PV	1,277	11	12	130	1,430
Sewage Gas	326,923	5,433	17,464	0	349,820
Wave	0	0	22	0	22
Total	8,679,287	1,221,556	5,820,272	430,863	16,151,978

Table B12: 2007-08 ROCs issued by location and month

Month	England	Wales	Scotland	Northern Ireland	Total
Apr-07	615,040	62,189	11,365	0	688,594
May-07	679,706	87,230	10,128	0	777,064
Jun-07	623,393	58,977	6,183	0	688,553
Jul-07	651,014	97,291	8,675	0	756,980
Aug-07	625,612	76,128	11,438	0	713,178
Sep-07	623,805	82,172	13,561	0	719,538
Oct-07	684,426	62,961	9,343	0	756,730
Nov-07	793,430	107,487	13,163	0	914,080
Dec-07	869,063	151,499	13,260	0	1,033,822
Jan-08	878,078	168,216	30,072	0	1,076,366
Feb-08	774,495	119,752	15,995	0	910,242
Mar-08	857,142	147,507	16,651	0	1,021,300
Annually	3,344	147	13	0	3,504
Total	8,678,548	1,221,556	159,847	0	10,059,951

Table B13: 2007-08 ROCs issued by location and generation technology type

Technology	England	Wales	Scotland	Northern Ireland	Total
Biomass	1,113,212	0	0	0	1,113,212
Biomass using ACT	13,938	0	0	0	13,938
Co-firing energy crops	5,906	0	0	0	5,906
Co-firing of biomass with fossil fuel	1,566,488	9,526	0	0	1,576,014
Hydro < 20 MW DNC	50,108	147,239	9,145		206,492
Hydro < 50 KW DNC	1,680	666	0	0	2,346
Landfill gas	3,926,052	139,592	20,268	0	4,085,912
Micro Hydro	9,635	1,849	0	0	11,484
Off-shore wind	779,904	183,296	0	0	963,200
On-shore Wind	880,402	733,913	130,421	0	1,744,736
PV	1,261	11	0	0	1,272
Sewage Gas	326,923	5,433	0	0	332,356
Waste using ACT	1,891	0	0	0	1,891
Wind < 50kW DNC	1,148	31	13	0	1,192
Total	8,678,548	1,221,556	159,847	0	10,059,951

Table B14: 2007-08 SROCs issued by location and month

Month	England	Wales	Scotland	Northern Ireland	Total
Apr-07	0	0	373,347	0	373,347
May-07	0	0	374,389	0	374,389
Jun-07	0	0	293,172	0	293,172
Jul-07	0	0	322,271	0	322,271
Aug-07	0	0	385,516	0	385,516
Sep-07	0	0	420,519	0	420,519
Oct-07	0	0	396,312	0	396,312
Nov-07	0	0	530,439	0	530,439
Dec-07	0	0	611,544	0	611,544
Jan-08	0	0	658,835	0	658,835
Feb-08	0	0	628,841	0	628,841
Mar-08	0	0	664,232	0	664,232
Annually	1,054	0	504	0	1,558
Total	1,054	0	5,659,921	0	5,660,975

Table B15: 2007-08 SROCs issued by location and generating technology type

Technology	England	Wales	Scotland	Northern Ireland	Total
Biomass	0	0	118,019	0	118,019
Biomass using ACT	0	0	2,737	0	2,737
Co-firing of biomass	0	0	189,046	0	189,046
Hydro <20 MW DNC	0	0	2,163,454	0	2,163,454
Hydro <50 kW DNC	660	0	787	0	1,447
Micro Hydro	0	0	48,185	0	48,185
Landfill gas	0	0	455,158	0	455,158
On-shore wind	0	0	2,664,950	0	2,664,950
PV	0	0	0	0	0
PV <50kW DNC	16	0	12	0	28
Sewage Gas	0	0	17,464	0	17,464
Wave	0	0	22	0	22
Wind <50kW DNC	378	0	87	0	465
Total	1,054	0	5,659,921	0	5,660,975

Table B16: 2007-08 NIROCs issued by location and month

Month	England	Wales	Scotland	Northern Ireland	Total
Apr-07	0	0	0	23,258	23,258
May-07	0	0	0	26,875	26,875
Jun-07	0	0	0	21,015	21,015
Jul-07	0	0	0	17,346	17,346
Aug-07	0	0	0	23,172	23,172
Sep-07	0	0	0	24,457	24,457
Oct-07	0	0	0	27,707	27,707
Nov-07	0	0	0	40,068	40,068
Dec-07	0	0	0	56,191	56,191
Jan-08	0	0	0	54,212	54,212
Feb-08	0	0	0	52,231	52,231
Mar-08	0	0	0	63,604	63,604
Annually	189	0	0	727	916
Total	189	0	0	430,863	431,052

Table B17: 2007-08 NIROCs issued by location and generation technology type

Technology	England	Wales	Scotland	Northern Ireland	Total
Biomass	0	0	0	16,339	16,339
Hydro < 20 MW DNC	0	0	0	7,875	7,875
Hydro < 50 kW DNC	185	0	0	121	306
Micro Hydro	0	0	0	1,402	1,402
PV < 50 kW DNC	0	0	0	130	130
On-shore wind	0	0	0	404,363	404,363
Wind< 50 kW	4			633	637
Total	189	0	0	430,863	431,052

Table B18: Revoked 2007-08 ROCs by technology and Order

Technology Type	Total number of revoked ROCs	Total number of revoked SROCs	Total number of revoked NIROCs
Biomass	1,461	0	0
Co-firing of biomass with fossil fuel	94,369	0	0
Hydro DNC of 20Mw or less	490	8,201	0
Hydro < 50kW DNC	7	0	0
Micro Hydro	0	330	0
Landfill gas	1,374	0	0
On-shore Wind	226	283	9,605
PV < 50kW DNC	1	1	0
Sewage Gas	3,140	0	0
Wind < 50kW DNC	0	1	0
Total	101,068	8,816	9,605

Appendix 4 - Accredited generating stations - Detailed information

Table C1: Comparison of the number of accredited stations by generation technology type and location (all capacities)[45]

Technology Type	England	Wales	Scotland	Northern Ireland	Total
Biomass using ACT	5	0	2	0	7
Biomass / Co-firing of biomass with fossil fuel (Dual accreditation)	13	0	1	0	14
Biomass/ Biomass using ACT (Dual accreditation)	1	0	0	0	1
Biomass	18	0	3	1	22
Co-firing of biomass with fossil fuel	23	1	1	1	26
Hydro (All capacities)	87	40	155	19	301
Landfill gas	333	15	32	0	380
On-shore wind	293	58	157	117	625
Off-shore wind	6	1	0	0	7
PV	706	34	34	105	879
Sewage Gas	114	9	4	0	127
Sewage Gas/ Co-firing using biomass (Dual accreditation)	1	0	0	0	1
Wave	0	0	2	0	2

[45] These figures are after taking into account the stations that ceased generating from renewable sources or were decommissioned during the 2007-08 period.

Technology Type	England	Wales	Scotland	Northern Ireland	Total
Waste using ACT	0	0	2	0	2
TOTAL	1,600	158	393	243	2,394

Table C1a: Comparison of the number of accredited stations with a capacity of over 50kW by generation technology type and location

Technology Type	England	Wales	Scotland	Northern Ireland	Total
Biomass using ACT	5	0	2	0	7
Biomass/ Co-firing of biomass with fossil fuel (Dual accreditation)	13	0	1	0	14
Biomass/ Biomass using ACT (Dual accreditation)	1	0	0	0	1
Biomass	17	0	3	1	21
Co-firing of biomass with fossil fuel	23	1	1	1	26
Hydro (all capacities)	50	27	131	15	223
Landfill gas	333	15	32	0	380
On-shore wind	89	31	64	25	209
Off-shore wind	6	1	0	0	7
PV	11	0	0	0	11
Sewage Gas	113	9	4	0	126
Sewage Gas/ Co-firing using biomass (Dual accreditation)	1	0	0	0	1
Wave	0	0	2	0	2
Total	662	84	240	42	1,028

Table C1b: Comparison of the number of accredited stations with a capacity of 50kW and under by generation technology type and location

Technology Type	England	Wales	Scotland	Northern Ireland	Total
Biomass	1	0	0	0	1
Hydro	39	13	24	4	80
PV	695	34	34	105	868
On-shore wind	204	27	93	92	416
Sewage Gas	1	0	0	0	1
Total	940	74	151	201	1,366

Table C2: Comparison of the total installed generating capacity (in kW) of accredited generating stations by technology type and location (all capacities)[46]

Technology Type	England	Wales	Scotland	Northern Ireland	Total
Biomass using an Advanced Conversion Technology	4,081	0	577	0	4,658
Biomass/ Co-firing of Biomass using fossil fuel (Dual accreditation)	161,552	0	117	0	161,669
Biomass using ACT/ Co-firing using Biomass (Dual accreditation)	765	0	0	0	765
Biomass	111,682	0	54,880	2,450	169,012
Co-firing of biomass with fossil fuel	514,101	6,269	33,580	0	553,950
Hydro (All capacities)	22,813	67,274	507,433	3,082	600,602

[46] Co-firing capacity is an estimate of the renewable capacity and is based on the proportion of biomass used to feed the generating station in relation to the total generating station capacity

Technology Type	England	Wales	Scotland	Northern Ireland	Total
Landfill gas	745,513	32,475	83,868	0	861,856
On-shore wind	441,674	303,178	1,590,945	202,551	2,538,348
Off-shore wind	333,800	60,000	0	0	393,800
PV	3,036	107	96	365	3,604
Sewage Gas	76,537	2,309	4,193	0	83,039
Sewage Gas/ Co-firing of Biomass using fossil fuel (Dual accreditation)	6,752	0	0	0	6,752
Wave	1,250	0	0	0	1,250
Waste using ACT	1,659	0	0	0	1,659
TOTAL	2,425,215	471,612	2,275,689	208,448	5,380,964

Table C2a: Comparison of the total installed generating capacity (in kW) of accredited generating stations with a capacity of over 50kW by technology type and location

Technology Type	England	Wales	Scotland	Northern Ireland	Total
Biomass using ACT	4,081	0	577	0	4,658
Biomass / Co-firing of Biomass with fossil fuel (Dual Accreditation)	161,552	0	117	0	161,669
Biomass using ACT/ Co-firing using Biomass (Dual Accreditation)	765	0	0	0	765
Biomass	111,674		54,880	2,450	169,004
Co-firing of biomass with fossil fuel	514,101	6,269	33,580	0	553,950
Hydro	22,324	67,057	506,951	2,975	599,307
Landfill gas	745,513	32,475	83,868	0	861,856
On-shore wind	440,283	303,006	1,590,320	201,650	2,535,259

Technology Type	England	Wales	Scotland	Northern Ireland	Total
Off-shore wind	333,800	60,000	0	0	393,800
PV	796	0	0	0	796
Sewage Gas	76,507	2,309	4,193	0	83,009
Sewage Gas/ Co-firing using Biomass (Dual Accreditation)	6,752	0	0	0	6,752
Wave	1,250	0	0	0	1,250
Waste using ACT	1,659	0	0	0	1,659
TOTAL	2,421,057	471,116	2,274,486	207,075	5,373,734

Table C2b: Comparison of the total installed generating capacity (in kW) of accredited generating stations with a capacity of 50kW and under by technology type and location

Technology Type	England	Wales	Scotland	Northern Ireland	Total
Biomass	8	0	0	0	8
Hydro	0	50	0	0	50
Micro Hydro	489	167	482	107	1,245
On-shore wind	1,391	172	625	901	3,089
PV	2,240	107	96	365	2,808
Sewage Gas	30	0	0	0	30
TOTAL	4,158	496	1,203	1,373	7,230

Table C3: Comparison of generating stations accredited before 1st April 2007 and between 1st April 2007 and 31st March 2008 by technology type

Technology Type	No of generators accredited before 1st April 2007	No of generators accredited between 1st April 2007 and 31st March 2008	Capacity of generators accredited before 1st April 2007 (kW)	Capacity of generators accredited between 1st April 2007 and 31st March 2008 (kW)
Biomass using ACT	6	1	4,421	237
Waste using ACT	2	0	1,659	0
Co-firing of biomass with fossil fuel	26	0	553,950	0
Biomass	15	7	115,513	53,499
Biomass/ Co-firing of biomass with fossil fuel (Dual accreditation)	13	1	128,383	33,286
Biomass ACT/ Co-firing of biomass (Dual accreditation)	1	0	765	0
Hydro (All capacities)	263	38	595,903	4,699
Landfill gas	368	12	839,931	21,925
On-shore wind	325	300	1,873,817	664,531
Off-shore wind	6	1	303,800	90,000
PV	217	662	1,502	2,102
Sewage Gas	114	13	76,090	6,949
Sewage Gas/Co-fired (Dual accreditation)	1	0	6,752	0
Wave	2	0	1,250	0
TOTAL	1,359	1,035	4,503,736	877,228

Table C3a: Comparison of generating stations with a capacity of over 50kW accredited before 1st April 2007 and between 1st April 2007 and 31st March 2008 by technology type

Technology Type	No of generators accredited before 1st April 2007	No of generators accredited between 1st April 2007 and 31st March 2008	Capacity of generators accredited before 1st April 2007 (kW)	Capacity of generators accredited between 1st April 2007 and 31st March 2008 (kW)
Biomass using ACT	6	1	4,421	237
Waste using ACT	2	0	1,659	0
Co-firing of biomass with fossil fuel	26	0	553,950	0
Biomass	14	7	115,505	53,499
Biomass/ Co-firing of biomass with fossil fuel (Dual accreditation)	13	1	128,383	33,286
Biomass ACT/ Co-firing of biomass (Dual accreditation)	1	0	765	0
Hydro	211	10	594,979	4,328
Landfill gas	368	12	839,931	21,925
On-shore wind	180	29	1,872,410	662,849
Off-shore wind	6	1	303,800	90,000
PV	8	3	549	247
Sewage Gas	114	12	76,090	6,919
Sewage Gas/Co-fired	1	0	6,752	0
Wave	2	0	1,250	0
TOTAL	952	76	4,500,444	873,290

Table C3b: Comparison of generating stations with a capacity of 50kW and under accredited before 1st April 2007 and between 1st April 2007 and 31st March 2008 by technology type

Technology Type	No of generators accredited before 1st April 2007	No of generators accredited between 1st April 2007 and 31st March 2008	Capacity of generators accredited before 1st April 2007 (kW)	Capacity of generators accredited between 1st April 2007 and 31st March 2008 (kW)
Biomass	1	0	8	0
Hydro	52	28	924	371
PV	209	659	953	1855
On-shore wind	145	271	1407	1682
Sewage Gas	0	1	0	30
Total	407	959	3292	3938

Table C4: Comparison of generating stations commissioned before 1st April 2007 and between 1st April 2007 and 31st March 2008 by technology type

Technology Type	No of generators commissioned before 1st April 2007	No of generators commissioned between 1st April 2007 and 31st March 2008	Capacity of generators commissioned before 1st April 2007	Capacity of generators commissioned between 1st April 2007 and 31st March 2008
Biomass using ACT	7	0	4,658	0
Waste using ACT	2	0	1,659	0
Co-firing of Biomass with fossil fuel	26	0	553,950	0
Biomass	15	7	115,513	53,499
Biomass/ Co-firing of biomass with fossil fuel (Dual accreditation)	14	0	161,669	0
Biomass ACT/ Co-firing of biomass with fossil fuel (Dual accreditation)	1	0	765	0

Technology Type	No of generators commissioned before 1st April 2007	No of generators commissioned between 1st April 2007 and 31st March 2008	Capacity of generators commissioned before 1st April 2007	Capacity of generators commissioned between 1st April 2007 and 31st March 2008
Hydro (All capacities)	291	10	596,781	3,821
Landfill gas	369	11	841,267	20,589
On-shore wind	435	190	1,901,550	636,798
Off-shore wind	6	1	303,800	90,000
PV	667	212	2,849	755
Sewage Gas	117	10	77,651	5,388
Sewage Gas/Co-fired (Dual accreditation)	1	0	6,752	0
Wave	2	0	1,250	0
TOTAL	1,953	441	4,570,114	810,850

Table C5: Comparison of generating stations accredited before 1st April 2007 and between 1st April 2007 and 31st March 2008 by location

Country	No of generators accredited before 1st April 2007	No of generators accredited between 1st April 2007 and 31st March 2008	Capacity of generators accredited before 1st April 2007	Capacity of generators accredited between 1st April 2007 and 31st March 2008
England	887	715	2,180,955	243,010
Wales	111	47	464,532	7,080
Scotland	271	120	1,736,358	540,581
Northern Ireland	90	153	121,891	86,557
TOTAL	1,359	1,035	4,503,736	877,228

Table C5a: Comparison of generating stations over 50kW accredited before 1st April 2007 and between 1st April 2007 and 31st March 2008 by location

Country	No of generators accredited before 1st April 2007	No of generators accredited between 1st April 2007 and 31st March 2008	Capacity of generators accredited before 1st April 2007	Capacity of generators accredited between 1st April 2007 and 31st March 2008
England	619	43	2,179,250	240,557
Wales	79	5	464,224	6,892
Scotland	221	19	1,735,730	540,006
Northern Ireland	33	9	121,240	85,835
TOTAL	952	76	4,500,444	873,290

Table C5b: Comparison of generating stations 50kW or under accredited before 1st April 2007 and between 1st April 2007 and 31st March 2008 by location

Country	No of generators accredited before 1st April 2007	No of generators accredited between 1st April 2007 and 31st March 2008	Capacity of generators accredited before 1st April 2007	Capacity of generators accredited between 1st April 2007 and 31st March 2008
England	268	672	1,705	2,453
Wales	32	42	308	188
Scotland	50	101	628	575
Northern Ireland	57	144	651	722
TOTAL	407	959	3,292	3,938

Table C6: Comparison of generating stations commissioned before 1st April 2007 and between 1st April 2007 and 31st March 2008 by location

Country	No of generators commissioned before 1st April 2007	No of generators commissioned between 1st April 2007 and 31st March 2008	Capacity of generators commissioned before 1st April 2007	Capacity of generators commissioned between 1st April 2007 and 31st March 2008
England	1,321	281	2,218,792	205,173
Wales	136	22	464,634	6,978
Scotland	334	57	1,755,262	521,677
Northern Ireland	162	81	131,426	77,022
TOTAL	1,953	441	4,570,114	810,850

Table C7: Comparison of NFFO/SRO and non-NFFO/non-SRO generating stations accredited before and on or after 1st April 2007

	No of generators accredited before 1st April 2007	No of generators accredited between 1st April 2007 and 31st March 2008	Capacity of generators accredited before 1st April 2007	Capacity of generators accredited between 1st April 2007 and 31st March 2008
NFFO	236	0	785,420	0
NON-NFFO	762	762	1,860,067	250,090
SRO	42	0	196,104	0
NON-SRO	229	120	1,540,254	540,581
NI NFFO	17	0	39,210	0
NI non-NFFO	73	153	82,681	86,557
TOTAL	1,359	1,035	4,503,736	877,228

Appendix 5 - Glossary

A	
Act	Electricity Act 1989
ACT	Advanced Conversion Technology
B	
BERR	Department of Business, Enterprise and Regulatory Reform
D	
DECC	Department of Energy and Climate Change
DETI	Department of Enterprise, Trade and Investment
DNC	Declared net capacity
F	
FMS	Fuel Measurement and Sampling
G	
GB	Great Britain
GB ROCs	ROCs and SROCs
K	
kW	Kilowatt
kWh	Kilowatthour
M	
MSO	Marine Supply Obligation
MW	Megawatt
MWh	Megawatthour
N	
NI	Northern Ireland
NIAUR	Northern Ireland Authority for Utility Regulation
NIRO	Renewables Obligation Order (Northern Ireland) 2006
NIROC	Northern Ireland Renewables Obligation Certificates
NFFO	Non-Fossil Fuel Obligation
NFPA	Non-fossil Fuel Purchasing Agency
O	
Ofgem	Office of Gas and Electricity Markets
P	
PV	Photovoltaics
R	
RO	Renewables Obligation Order 2006
ROC	Renewable Obligation Certificate
ROS	Renewables Obligation (Scotland) Order 2006
RPI	Retail Price Index

S

SRO	Scottish Renewables Obligation
SROC	Scottish Renewable Obligation Certificate

Appendix 6 - Feedback form: Renewables Obligation Annual report 2007-2008

We would welcome your feedback on this report, including the length of the document and the content. Please address your feedback to keith.duncan@ofgem.gov.uk or peter.collins@ofgem.gov.uk. You may wish to respond to the following questions in giving your feedback.

Overall

Is the report too long, or too short?
Is the report easy to read and understand? If not, can you please tell us what you would like to change?
Is the report structured in a way that you can easily find what you are looking for. If not, what can we do to improve this?

Main document

What part of this report do you find most helpful?
What part of this report do you find least helpful?
Do you think the charts convey information clearly, or not? If not, what do you dislike about the charts? What can we do to improve our charts?

Appendices

We publish a number of tables in the appendices to this document. Do you think the appendices contain too much information, or too little?
If too much, which tables are least helpful?
If too little, what other information would you like to see contained in the appendices?

How we will deal with your feedback

This Annual Report is published under the requirements set out in the RO legislation. It contains information that we are required to publish. It also contains information that we believe stakeholders will find useful.

We will endeavour to incorporate all comments into the report. However, we must ensure the content of the report meets the requirements of the RO legislation. As such, we may not be able to incorporate all comments.

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