

Information Note

3 August 2012

Renewables Obligation - Total Obligation Level for 2011-12

Ofgem has today announced the amount of the total Renewables Obligation (in ROCs) for the 2011-12 obligation period.

The Renewables Obligation is an obligation on electricity suppliers to source a proportion of the electricity they supply to UK customers from renewable sources. The obligation levels for 2011-12 are:

- 12.4 ROCs per 100 MWh of electricity supplied to customers in England & Wales and Scotland
- 5.5 ROCs per 100 MWh of electricity supplied to customers in Northern Ireland

Using these obligation levels and multiplying by the total electricity supplied (MWh) to UK customers during the obligation period, Ofgem has determined that the total **Renewables Obligation for 2011-12 is 37,677,290 ROCs**. Split down for each obligation this is:

- 33,760,466 ROCs in England & Wales
- 3,472,373 ROCs in Scotland
- 444,451 ROCs in Northern Ireland

Licensed electricity suppliers must meet their Renewables Obligations for 2011-2012 by 1 September 2012. They can do this by:

- presenting Ofgem with Renewables Obligation Certificates (ROCs) to the full value of their obligation;
- making a buy-out payment of £38.69 per ROC for any shortfall; or
- using a combination of ROCs and buy-out payment.

- Ends -

Notes

1. Ofgem is responsible for administering the Renewables Obligation (RO), which started in April 2002 (April 2005 in Northern Ireland). The obligation is on electricity suppliers to source a proportion of their electricity from renewable generation. The Department of Energy and Climate Change (DECC) set the level of the obligation in accordance with provisions in the Renewables Obligation Orders¹.
2. Each supplier's obligation is calculated by multiplying their total annual supply to customers (MWh) by the level of the obligation (ROCs per MWh). Table (1) provides the obligation levels, buy-out price and total RO for the last three years.

Table (1)

Obligation period (1st April - 31st March)	Buy-out price	Obligation for England & Wales and Scotland (ROCs per MWh of electricity supplied)	Obligation for Northern Ireland (ROCs per MWh of electricity supplied)	Total Obligation level in ROCs (England & Wales, Scotland and Northern Ireland combined)
2009-2010	£37.19	0.097	0.035	30,101,092
2010-2011	£36.99	0.111	0.0427	34,749,418
2011-2012	£38.69	0.124	0.055	37,677,290
2012-2013	£40.71	0.158	0.081	

3. All licensed electricity suppliers have now submitted their supply data and calculated obligation for 2011-12, the deadline for provision of these was 1 July 2012. If a supplier fails to provide this information or later meet its obligation, either through not producing sufficient ROCs or not making the correct buy-out payments, it will be in breach of the Electricity Act 1989 and liable to enforcement action.

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¹ The Renewables Obligation Order 2009 (as amended), Renewables Obligation (Scotland) 2009 (as amended) and Renewables Obligation (Northern Ireland) 2009 (as amended).