

Information Note

4 OCTOBER 2012

THE RENEWABLES OBLIGATION BUY-OUT FUND 2011-12

Figures showing the total amount of Renewables Obligation Certificates (ROCs) presented to Ofgem and the size of the buy-out fund for the 2011-12 obligation period have been published today.

The total Renewables Obligation (RO) for electricity supplied to customers across the UK was 37,676,829 ROCs¹. The deadline for submission of ROCs for compliance was 1st September 2012 and for payments to the buy-out fund, 31st August 2012. Details of each of the obligation and total payments is shown in the table below.

Obligation	Total Obligation (ROCs)	ROCs produced by suppliers	Percentage of Obligation met by ROCs	Buy-out payments made by suppliers	Buy-out Redistributed
England & Wales (RO)	33,760,023	30,786,270	91.2%	£112,025,502.16	£108,757,262
Scotland (ROS)	3,472,355	3,271,635	94.2%	£7,615,816.98	£7,392,914
Northern Ireland (NIRO)	444,451	346,828	78.0%	£204,399.27	£198,566
Total	37,676,829	34,404,733	91.3%	£119,845,718.41	£116,348,742

Suppliers that presented ROCs towards the renewables obligation received a portion of the buy-out fund recycle payments on 28 September 2012. The total values of the buy-out funds redistributed, after removal of Ofgem's administration costs, were £108,757,262 for England and Wales, £7,392,914 for Scotland and £198,566 for Northern Ireland. **The amount paid to suppliers for each ROC presented was £3.38.** This is significantly lower than in previous years due to an increase in the overall number of ROCs presented for compliance in 2011/12. The buyout funds were recycled in the following proportions to each supplier:

Licence	% of total ROCs presented
Airtricity Energy Supply Limited	0.26%
British Energy Direct Limited	0.82%
British Gas Trading Limited	13.56%
E.ON Energy Limited	9.89%
E.ON UK Plc	8.05%
EDF Energy Customers Plc	15.65%
Electricity Plus Supply Limited	0.48%
ESB Independent Energy NI Limited	0.24%

¹The total RO is lower than the figure previously reported of 37,677,290 ROCs due to supply data for one supplier being amended following the findings of our supplier audit.

Garsington Energy Limited	<0.01%
Gazprom Marketing & Trading Retail Limited	0.53%
GDF Suez Marketing Limited	4.41%
Good Energy Limited	0.05%
Haven Power Limited	1.39%
IPM Energy Retail Limited	0.21%
MA Energy Limited	0.00%
Npower Direct Limited	0.71%
Npower Limited	11.66%
Npower Northern Supply Limited	2.57%
Npower Yorkshire Supply Limited	0.44%
Opus Energy (Corporate) Limited	0.45%
Opus Energy Limited	0.38%
Power NI Energy	0.30%
Quinn Energy Supply Limited	0.01%
Scottish Power Energy Retail Limited	7.92%
Smartest Energy Limited	1.09%
SSE Energy Supply Limited	17.23%
Statkraft Markets GmbH	<0.01%
The Co-operative Energy Limited	0.01%
The Renewable Energy Company Limited	0.10%
Total Gas & Power Limited	1.38%
Viridian Energy Supply Limited	0.19%

There was a total shortfall of £6,752,449 in the England & Wales, Scotland and Northern Ireland buy-out funds combined. This was due to four suppliers making their buyout payment after the 31 August deadline has elapsed (this payment was moved to the RO Late Buyout funds) and two suppliers that have not yet fully complied with their obligations. The two remaining suppliers opted to make late payments and will do so on or before 31 October 2012. The late payment funds are expected to be redistributed at the end of November 2012.

~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 each year in accordance with provisions in the Renewables Obligation Orders².
2. Ofgem are required to issue ROCs to accredited generating stations on eligible generation. The introduction of 'banding' in 2009 resulted in different support levels for different renewable technologies; consequently one ROC no longer necessarily represents one MWh of renewable generation.
3. Each supplier's obligation is calculated by multiplying their total annual supply to customers in the UK (MWh) by the level of the obligation (ROCs per MWh). Table 1 provides the obligation levels, buy-out price, total RO and amount of ROC recycle from 2009 to date.

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)	Recycle value per ROC	Total Obligation level in ROCs (England & Wales, Scotland and Northern Ireland combined)
2009-2010	£37.19	0.097	0.035	£15.17	30,101,092
2010-2011	£36.99	0.111	0.0427	£14.35	34,749,418
2011-2012	£38.69	0.124	0.055	£3.38	37,676,829
2012-2013	£40.71	0.158	0.081	-	-
2013-2014	-	0.206	0.097	-	-

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² The Renewables Obligation Order 2009 (as amended), Renewables Obligation (Scotland) 2009 (as amended) and Renewables Obligation (Northern Ireland) 2009 (as amended).