

Information Note

10 DECEMBER 2012

THE RENEWABLES OBLIGATION LATE PAYMENT FUND (2011-2012)

Figures showing the total amounts redistributed to electricity suppliers from the Renewables Obligation (RO) late payment funds for the 2011-12 obligation period have been published by Ofgem today.

This provides an update to our information note of 4 October 2012 'The Renewables Obligation buy-out fund 2011-12'.

The three main buy-out funds were redistributed on 28 September 2012 and three late payment funds were redistributed on 28 November 2012. The amounts (including interest) redistributed from the late payment funds totalled £6,768,030. The funds were redistributed to all suppliers that had presented ROCs and complied with their Renewables Obligation.

Details of each of the obligations, and of the late and total payments are shown in the table below.

	Total obligation (ROCs) ¹	ROCs produced by suppliers	Percentage of Obligation met by ROCs	Late payments made and redistributed (incl. Interest)	Total of Buy out and late payments redistributed
England and Wales (RO)	33,760,023	30,786,270	91.2%	£3,039,529	£111,796,791
Scotland (ROS)	3,472,355	3,271,635	94.2%	£151,442	£7,544,356
Northern Ireland (NIRO)	444,451	346,828	78.0%	£3,577,059	£3,775,625
Total	37,676,829	34,404,733	91.3%	£6,768,030	£123,116,772

The total amount (after removal of costs and accrual of interest) redistributed to suppliers for 2011-12 from the buy-out and late payment funds combined was, £123,116,772. The total number of ROCs presented for this compliance round was 34,404,733. **Hence the total amount paid to suppliers for each ROC presented was £3.58.** 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 and late payment funds were recycled in the following proportions to each supplier:

¹ The 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.

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%
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	<0.01%
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%

Ends

Notes

1. The payments into the late-payment funds were due as a result of three suppliers making their main buyout payments after the 31 August 2012 deadline had elapsed (not four suppliers, as advised in our Information Note of 4 October 2012). These were moved to the RO late payment funds. In addition, three suppliers opted to make late payments (not two, as previously advised).
2. 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.
3. 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.
4. 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 N. Ireland (ROCs per MWh of electricity supplied)	Recycle value per ROC	Total Obligation level in ROCs (England & Wales, Scotland and N. 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	£3.58	37,676,829
2012-2013	£40.71	0.158	0.081	-	-
2013-2014	-	0.206	0.097	-	-

For press information contact: Rory Edwards 020 7901 7246

Non-press enquiries contact: Mark Downham 020 7901 1885

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