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THE RENEWABLES OBLIGATION BUY-OUT FUND 2012-13

This document records the total amount of Renewables Obligation Certificates (ROCs) presented to Ofgem and the size of the buy-out fund for the 2012-13 obligation period.

The total Renewables Obligation (RO) for electricity suppliers in the UK was 48,915,432 ROCs. Suppliers were able to meet their obligations through presenting ROCs, through making buy-out payments at £40.71 per ROC, or through a combination of both. The deadlines for submission were 1 September 2013 to present ROCs for compliance and 31 August 2013 to make payments to the buy-out fund. Details of the obligations and total payments for each RO scheme are shown in the table below.

Table 1

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)	43,734,836	39,946,901	91.3%	£151,112,031.12	£147,244,671
Scotland (ROS)	4,519,357	4,338,265	96.0%	£7,286,723.61	£7,100,140
Northern Ireland (NIRO)	661,239	488,333	73.9%	£6,710,758.53	£6,539,110
Total	48,915,432	44,773,499	91.5%	£165,109,513.26	£160,883,921

Suppliers that presented ROCs towards the Renewables Obligation received buy-out fund recycle payments on 30 September 2013, as shown in the far-right column in Table 1. These values are reached after Ofgem and UREGNI's administration costs have been withdrawn, interest paid has been added, and the figures rounded down to the nearest whole pound. **The amount paid to suppliers for each ROC presented was approximately £3.59¹.** The buy-out funds were recycled to the licensees in the proportions shown in Table 2:

¹ Actual figure £3.593284523

Table 2

Licence	Percentage Of Total ROCs Presented (All Schemes)
Airtricity Energy Supply Limited	0.39%
British Energy Direct Limited	1.27%
British Gas Trading Limited	13.49%
Co-operative Energy Limited	0.09%
E.ON Energy Limited	8.78%
E.ON UK Plc	6.95%
EDF Energy Customers Plc	16.93%
Electricity Plus Supply Limited	0.60%
ESB Independent Energy NI Limited	0.25%
Garsington Energy Limited	0.02%
Gazprom Marketing & Trading Retail Limited	0.56%
GDF Suez Marketing Limited	4.75%
Good Energy Limited	0.06%
Haven Power Limited	1.92%
Npower Direct Limited	0.82%
Npower Limited	11.92%
Npower Northern Supply Limited	2.96%
Npower Yorkshire Supply Limited	0.46%
Opus Energy (Corporate) Limited	0.57%
Opus Energy Limited	0.46%
Power NI	0.25%
Power4All Limited	0.21%
Scottish Power Energy Retail Limited	7.72%
SmartestEnergy Limited	1.61%
SSE Energy Supply Limited	15.30%
The Renewable Energy Company Limited	0.10%
Total Gas & Power Limited	1.33%
Viridian Energy Supply Limited	0.20%

There was a shortfall of £3,508,579.17 in the England & Wales, Scotland and Northern Ireland buy-out funds combined. This was due to twelve suppliers not meeting their total obligations by the above deadlines and therefore owing late payments. The late payment funds are expected to be redistributed in late November 2013 and will include interest paid by the suppliers at an annualised rate of 5.5% (5% + Bank of England base rate) as well as interest earned on the funds while held by Ofgem.

Notes

1. Ofgem is responsible for administering the Renewables Obligation England and Wales (RO) and Renewables Obligation Scotland (ROS), while also administering the Northern Ireland Renewables Obligation (NIRO) on behalf of the Utility Regulator of Northern Ireland (UREGNI). The RO and ROS started in April 2002, with the NIRO commencing in April 2005. The obligation is on electricity suppliers to source a proportion of their electricity from renewable generation. The Department of Energy and Climate Change (DECC) sets the level of the obligation each year in accordance with provisions in the Renewables Obligation Orders².
2. 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 3 provides the obligation levels, buy-out price, total RO and amount of ROC recycle from 2009 to date.

Table 3

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)	Recycle value per ROC*
2009-2010	£37.19	0.097	0.035	30,101,092	£15.15
2010-2011	£36.99	0.111	0.0427	34,749,418	£14.32
2011-2012	£38.69	0.124	0.055	37,676,829	£3.38
2012-2013	£40.71	0.158	0.081	48,915,432	£3.59
2013-2014	£42.02	0.206	0.097	-	-

**These are the recycle values after the redistribution of the initial buy-out fund and do not include any extra value accrued after redistribution of the late payment fund.*

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