

# Renewables Obligation Annual Report

2012-13 Summary

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February 2014

- We issued 44.3 million Renewables Obligation Certificates (ROCs) and the output from stations accredited under the scheme was 35 TWh. This equates to 11.2% of electricity supplied in the UK during 2012-13.
- 892 new generating stations were accredited during 2012-13, with an overall capacity of approximately 2,400 MW.
- Approximately 17.3 million tonnes of greenhouse gas emissions, as equivalent carbon dioxide (CO<sub>2e</sub>), were avoided due to generation under the scheme this year.
- All suppliers complied with their obligations under the scheme.
- The value of the scheme in 2012-13 was £1.99 billion.



The Renewables Obligation (RO) is a government scheme designed to support the deployment of large renewable electricity generating stations in the UK. It came into effect in 2002 in England, Wales and Scotland, followed by Northern Ireland in 2005. It obliges UK electricity suppliers to source an increasing proportion of the electricity they supply from renewables. The level of this obligation is set annually by the UK and devolved governments.

ROCs are electronic certificates that we issue to operators of generating stations for the renewable electricity they produce. Each generating technology receives a different number of ROCs per MWh. Operators can trade ROCs with other parties. Suppliers ultimately use ROCs to demonstrate that they have met their obligation.

Where suppliers cannot present enough ROCs to cover their whole obligation, they must pay into a buy-out fund to cover the shortfall. The administration cost of the scheme is recovered from the fund and the rest is distributed back to suppliers in proportion to the number of ROCs they presented towards their individual obligations.

Ofgem is responsible for accrediting generating stations under the scheme, issuing and revoking ROCs, maintaining an online register of ROCs, monitoring suppliers' compliance with the scheme and receiving and redistributing payments.

## Generating stations accredited under the RO

Approximately 2,400 MW of new renewable capacity was accredited during 2012-13. This spanned 892 generating stations. Two-thirds (1,600 MW) of this capacity was from offshore and onshore wind generators. The year was also notable for the accreditation of more than 50 large solar photovoltaic (PV) stations in March 2013, shortly before the end of the obligation period. This was before the number of ROCs per MWh for solar PV stations was reduced from 1 April 2013.

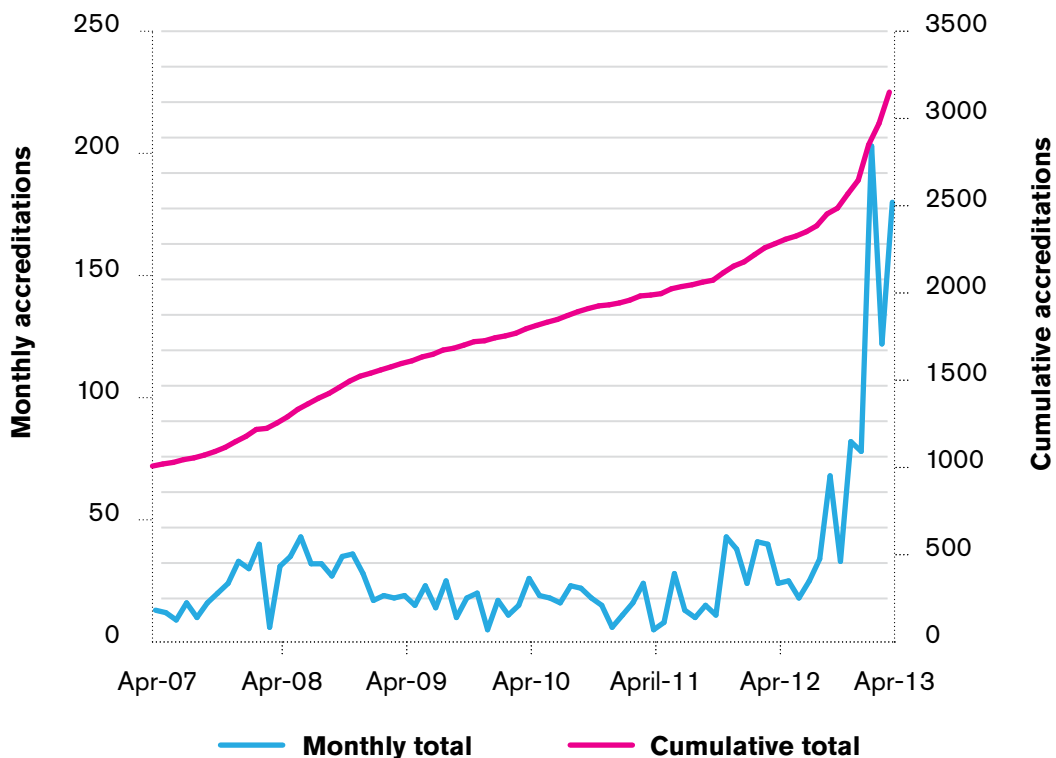
The two largest stations accredited in 2012-13 were both offshore wind farms: London Array (630 MW) and Lincs (249 MW). The former is currently the world's largest offshore wind farm. Accreditation was also granted to Wymeswold Solar Farm; at 26 MW, this is currently the UK's largest solar PV station.

As at 31 March 2013, the total capacity of all accredited stations was approximately 16,300 MW. Onshore wind (40%), fuelled<sup>1</sup> (25%) and offshore wind (22%) stations comprise most of this total.

**Figure 1** shows the monthly and cumulative number of stations accredited since 2007-08. Note that the cumulative total does not include small capacity stations that were migrated to the Feed-in Tariff scheme when it was introduced in April 2010.



**Figure 1: Number of generating stations accredited since 2007-08**



<sup>1</sup> Fuelled technology refers to stations generating from eligible biomass, bioliquid, energy crops or waste.

## Trends in ROCs issued and generation

During 2012-13 we issued 44.3 million ROCs and the total output from accredited stations was 35 TWh. Renewable generation contributed 11.2% to the total electricity supplied in the UK (314 TWh).

Across the UK, the most prevalent technology in terms of ROCs issued was offshore wind which received 15.7 million ROCs. This was followed by onshore wind (12.2 million) and fuelled stations (8.7 million). However, when considering electricity generation, onshore wind was the dominant technology. It generated 12.1 TWh, followed by offshore wind (8.8 TWh) and fuelled stations (6.3 TWh).

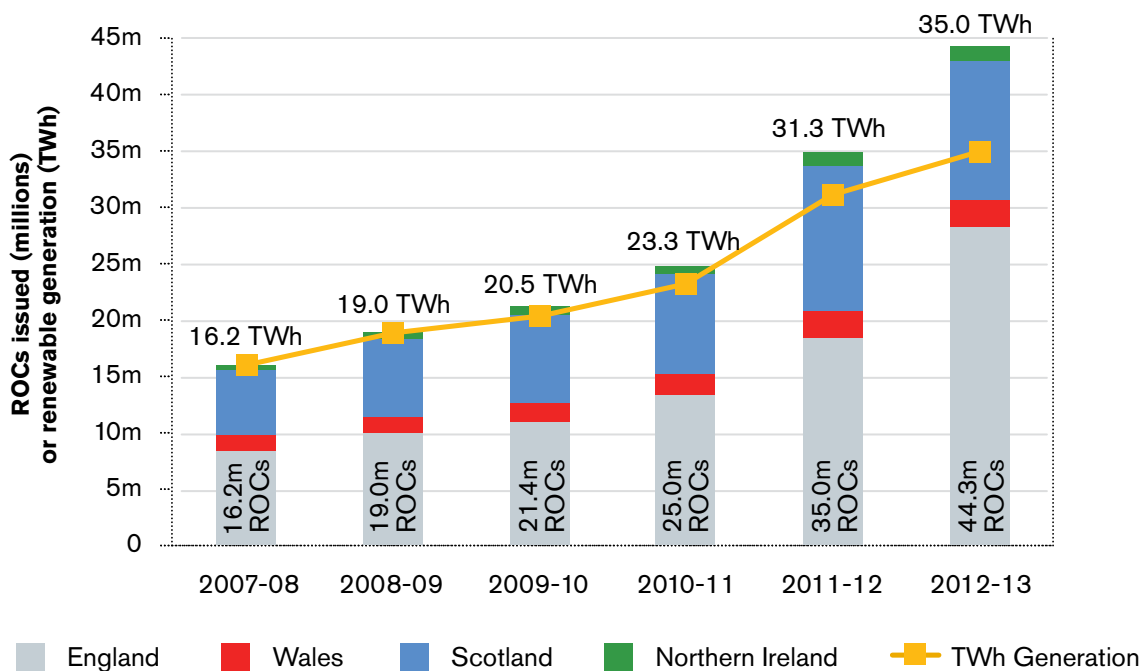
This was the first year when the technology with the highest

ROC issue was not also the technology with the highest electricity output. This was mainly due to the fast growth of offshore wind, in terms of capacity accredited, and the fact that it typically receives 2 ROCs per MWh. Onshore wind stations, on the other hand, receive only 1 ROC per MWh. Approximately 17.3 million tonnes (CO<sub>2e</sub>) of greenhouse gas emissions were avoided due to generation under the scheme in 2012-13.

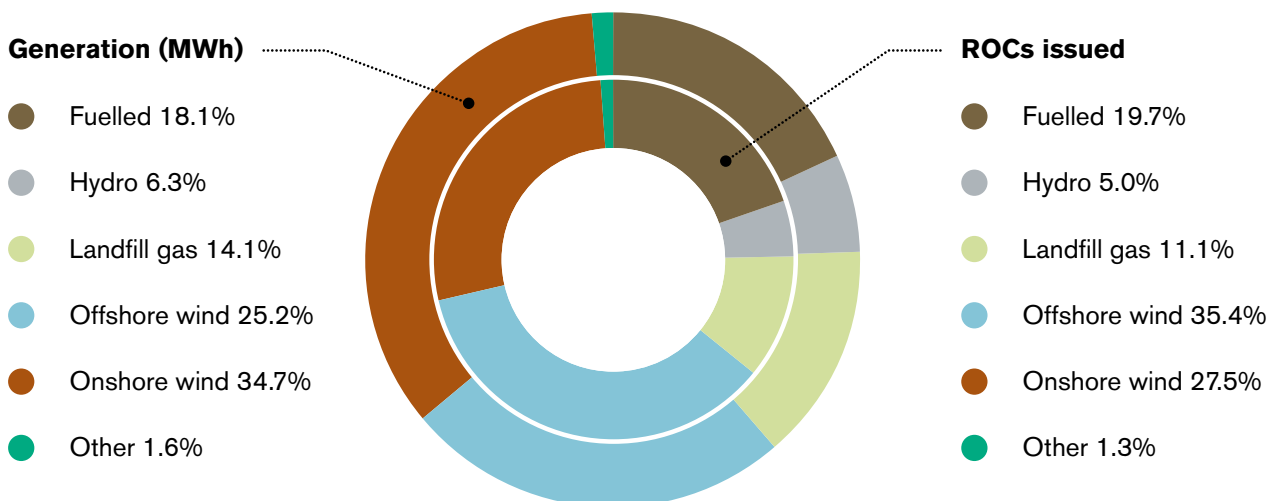
**Figure 2** shows the total ROCs issued and the associated generation per year since 2007-08.

**Figure 3** summarises the proportion of generation and ROCs issued across different technologies in the UK in 2012-13.

**Figure 2: ROCs issued and generation since 2007-08**



**Figure 3: ROCs issued and generation by technology type across the UK in 2012-13**



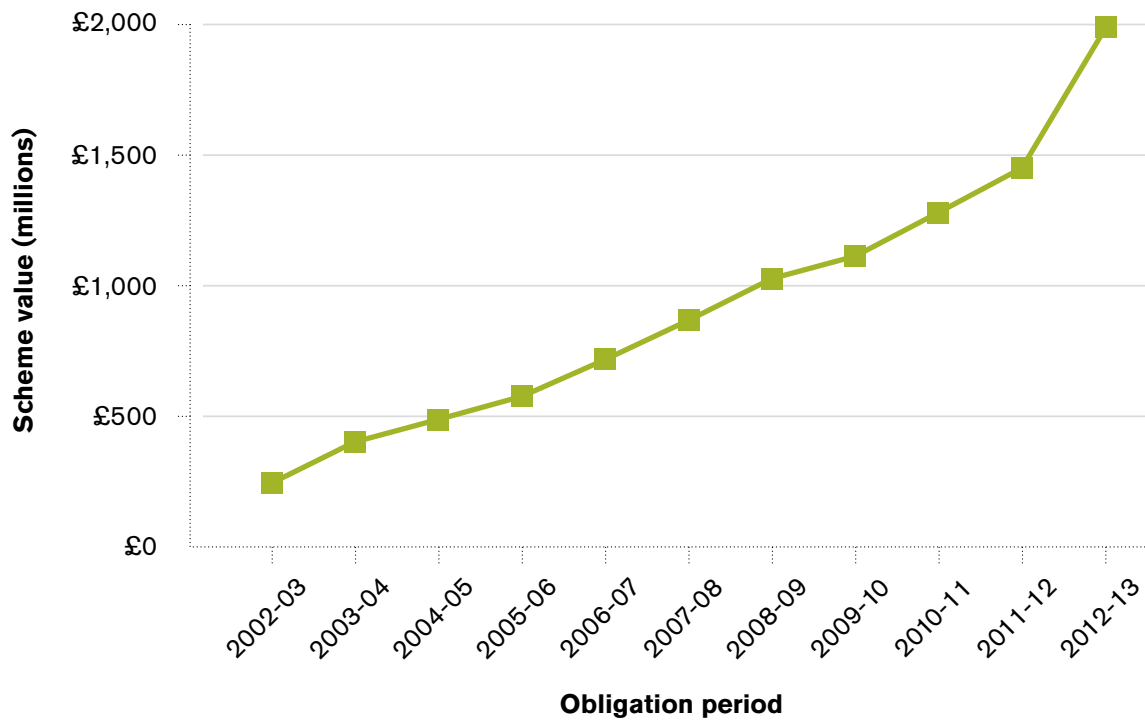
## Compliance by suppliers

All suppliers with an obligation under the RO in 2012-13 complied by presenting ROCs, making a buy-out payment, or through a combination of both. In total 44.8 million ROCs were presented for compliance in 2012-13. This was 91.5% of the total obligation. The payments redistributed to suppliers totalled £164 million.

## Scheme value

The total value of the RO in 2012-13 was £1.99 billion. **Figure 4** shows the growth in value of the scheme since 2002-03.

**Figure 4: Scheme value since 2002-03**



## Key contacts

Further information on the RO, including the full annual report, can be found on our website at <https://www.ofgem.gov.uk/environmental-programmes/renewables-obligation-ro>

Alternatively, contact the RO compliance team by email at [rocompliance@ofgem.gov.uk](mailto:rocompliance@ofgem.gov.uk)

### Press enquiries

For press enquiries please contact the Ofgem press office on **020 7901 3858**