STATUTORY INSTRUMENTS

2017 No. 1289

ELECTRICITY, ENGLAND AND WALES

The Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017

Made - - - - 14th December 2017

Coming into force in accordance with article 1

This Order is made by the Secretary of State in exercise of the powers conferred by sections 32, 32A, 32J and 32K of the Electricity Act 1989(**1**).

The Secretary of State has consulted the Gas and Electricity Markets Authority, the National Association of Citizens Advice Bureaux, the Scottish Association of Citizens Advice Bureaux, electricity suppliers to whom this Order applies and such generators of electricity from renewable sources and other persons as the Secretary of State considered appropriate in accordance with section 32L(1) of the Electricity Act 1989(**2**).

In accordance with section 32L(2) of the Electricity Act 1989, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation, commencement, extent and interpretation

1.—(1) This Order may be cited as the Renewables Obligation (Amendment) (Energy Intensive Industries) Order 2017 and comes into force on the day after the day on which it is made.

(2) This Order extends to England and Wales only.

(3) In this Order, the "2015 Order" means the Renewables Obligation Order 2015(**3**).

Amendment to article 2 of the 2015 Order (interpretation)

2. In Article 2(1) of the 2015 Order, after the definition of "designated electricity supplier" insert —

(**1**) 1989 c.29, sections 32 to 32L and 32M were substituted by section 37 of the Energy Act 2008 (c.32) for sections 32 to 32C. Section 32L(1) has been amended by S.I. 2014/631. There are other amendments to sections 32 to 32L and 32M which are not relevant.

(**2**) Section 32L(1) of the Electricity Act 1989 refers to "the Authority", "Citizens Advice" and "Citizens Advice Scotland". These are defined in section 111(1) of the Electricity Act 1989, as inserted by paragraph 40(a) of Schedule 6 to the Utilities Act 2000 (c. 27) and paragraph 5(20) of Schedule 1 to S.I. 2014/631.

(**3**) S.I. 2015/1947, as amended by S.I. 2016/457, S.I. 2016/992, S.I. 2016/1108 and S.I. 2017/1234.

""EII excluded electricity" means electricity which constitutes EII excluded electricity within the meaning of regulation 6(1) of the Electricity Supplier Obligations (Amendment & Excluded Electricity) Regulations 2015(**4**);".

Amendments to article 7 of the 2015 Order (the renewables obligation)

3.—(1) Article 7 of the 2015 Order is amended as follows.

(2) In paragraph (2)—

(a) for "electricity that it supplies to customers in England and Wales" substitute "relevant electricity that it supplies"; and

(b) for "article 13" substitute "articles 13 to 13B".

(3) After paragraph (4), insert—

"(5) In this Part, "relevant electricity" means—

(a) in respect of—

(i) any obligation period beginning on or after 1st April 2019; or

(ii) any month of an obligation period in respect of which a revised obligation level applies in accordance with article 13B(7)(a)(ii), (b)(ii), (8)(a) or (b)(ii),

any electricity supplied to customers in England and Wales other than EII excluded electricity; and

(b) in respect of any other period, any electricity supplied to customers in England and Wales."

Amendment to article 10 of the 2015 Order (calculation A)

4. In article 10(3) of the 2015 Order, for "articles 12 and 13" substitute "this Part".

Amendment to article 11 of the 2015 Order (calculation B)

5. In article 11(5) of the 2015 Order, for "articles 12 and 13" substitute "this Part".

Amendment to article 12 of the 2015 Order (determining the total number of UK ROCs to be produced in an obligation period)

6. In article 12(4) of the 2015 Order, for "article 13" substitute "this Part".

Amendments to article 13 of the 2015 Order (determining the number of UK ROCs to be produced by a designated electricity supplier in order to discharge its renewables obligation)

7.—(1) Article 13 of the 2015 Order is amended as follows.

(2) Before paragraph (1) insert—

"(A1) This article applies in respect of an obligation period ending on or before 31st March 2019."

(3) At the beginning of paragraph (1), insert "Subject to article 13B,".

(4) At the beginning of paragraph (2), insert "Subject to article 13B,".

(**4**) S.I. 2015/721, as amended by S.I. 2017/1051 (The Electricity Supplier Obligations (Amendment & Excluded Electricity) (Amendment) Regulations 2017).

New articles 13A and 13B (EII excluded electricity)

8. After article 13 of the 2015 Order, insert—

"**Determining the number of UK ROCs to be produced by a designated electricity supplier in order to discharge its renewables obligation: obligation periods beginning on or after 1st April 2019**

13A.—(1) This article applies in respect of an obligation period beginning on or after 1st April 2019.

(2) Before the start of an obligation period to which this article applies, the Secretary of State must estimate, in megawatt hours, the total amount of EII excluded electricity likely to be supplied to customers in Great Britain during that period by designated electricity suppliers and electricity suppliers on whom the renewables obligation has been imposed by an order made under sections 32 to 32M of the Act by Scottish Ministers.

(3) Where the total obligation for the obligation period is calculation A, the number of UK ROCs that a designated electricity supplier is required to produce in order to discharge its renewables obligation is, for each megawatt hour of relevant electricity that it supplies during that period, equal to—

$$\frac{(0.154\times C)}{(C-D)}$$

(4) Where the total obligation for the obligation period is calculation B, the number of UK ROCs that a designated electricity supplier is required to produce in order to discharge its renewables obligation is, for each megawatt hour of relevant electricity that it supplies during that period, equal to—

$$\frac{(E\times C)}{(C-D)}$$

(5) For the purposes of paragraphs (3) and (4)—

(a) C is the estimate made by the Secretary of State under article 8(1) of the total amount of electricity likely to be supplied to customers in Great Britain during the obligation period;

(b) D is the estimate made by the Secretary of State under paragraph (2) of the total amount of EII excluded electricity likely to be supplied to customers in Great Britain during the obligation period; and

(c) E is equal to—

$$\frac{\textit{Calculation B for the obligation period}\times 0.154}{\textit{Calculation A for the obligation period}}$$

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(6) The Secretary of State must publish, by the 1st October preceding the obligation period, the number of UK ROCs that a designated electricity supplier is required to produce in respect of each megawatt hour of relevant electricity that it supplies during that period in order to discharge its renewables obligation for that period.