Draft laid before Parliament under section 32(9) of the Electricity Act 1989, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2006 No. 0000

ELECTRICITY, ENGLAND AND WALES

The Renewables Obligation Order 2006

Made - - - -	*2006*
Coming into force - -	*1st April 2006*

This Order is made in exercise of the powers conferred by sections 32 to 32C of the Electricity Act 1989(**1**).

The Secretary of State has consulted the Gas and Electricity Markets Authority, the Gas and Electricity Consumer Council, electricity suppliers to whom this Order applies, and such generators of electricity from renewable sources and other persons as he considers appropriate.

A draft of this Instrument has been approved by a resolution of each House of Parliament pursuant to section 32(9) of that Act.

Accordingly the Secretary of State makes the following Order:

PART 1

Introductory Provisions

Citation, commencement and extent

1.—(1) This Order may be cited as the Renewables Obligation Order 2006 and shall come into force on 1st April 2006.

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

Interpretation

2.—(1) In this Order—

"the 2005 Order" means the Renewables Obligation Order 2005(**2**);

(**1**) ()1989 c.29. Sections 62 to 65 of the Utilities Act 2000 (c.27) substituted new sections 32, 32A, 32B and 32C of the Electricity Act 1989. Those provisions of the Electricity Act 1989 have subsequently been amended by sections 115, 116, 118 and 119 of the Energy Act 2004 (c.20). Section 32BA of the Electricity Act 1989 was inserted by section 117 of the Energy Act 2004.

(**2**) ()S.I. 2005/926.

"the Act" means the Electricity Act 1989;

"accreditation" means accreditation as a generating station capable of generating electricity from eligible renewable sources;

"advanced conversion technologies" means gasification, pyrolysis or anaerobic digestion, or any combination thereof;

"anaerobic digestion" means the bacterial fermentation of organic material in the absence of free oxygen;

"banking day" means a day on which banks are generally open in the City of London excluding Saturdays or Sundays;

"biomass" means fuel used in a generating station of which at least 90 per cent of the energy content (measured over such period and with such frequency as the Authority deems appropriate) is derived from plant or animal matter or substances derived directly or indirectly therefrom (whether or not such matter or substances are waste) and includes agricultural, forestry or wood wastes or residues, sewage and energy crops (provided that such plant or animal matter is not or is not derived directly or indirectly from fossil fuel) provided that:

(a) this definition shall not include any substance that, at the time it is used as fuel in a generating station, is a fraction of any mixture of wastes that, taken as a whole, is not itself biomass; and

(b) in determining any period over which and frequency with which measurement must take place for the purposes of this definition, the Authority may take into account such matters as it thinks fit, including the length of time for which the fuel has been used by the generating station or by other generating stations;

"CHPQA" means the Combined Heat and Power Quality Assurance Standard, Issue 1, November 2000 published by the Department of the Environment, Transport and the Regions(**3**);

"combined heat and power generating station" means a station producing electricity that is (or may be) operated for purposes including the supply to any premises of—

(a) heat produced in association with electricity; or

(b) steam produced from, or air or water heated by, such heat;

"commissioned" means the completion of a process of such procedures and tests as from time to time constitute usual industry standards and practices for commissioning a generating station in order to demonstrate that the generating station is capable of commercial operation;

"connected person", in relation to an owner or operator of a generating station, or a party to a qualifying arrangement, means a person connected to him within the meaning of section 839 of the Income and Corporation Taxes Act 1988(**4**);

"declared net capacity" means the highest generation of electricity (calculated by adding together the highest generation of electricity at the main terminals of each alternator and dynamo) which, on the assumption that the source of power is available uninterruptedly, can be maintained indefinitely without causing damage to the plant less so much of that electricity as is consumed by the plant;

"designated electricity supplier" means any electricity supplier supplying electricity in England and Wales;

(**3**) ()Available at http://www.chpqa.com.
(**4**) ()1988 c.1. Section 839 was amended by the Finance Act 1995 (c.4), section 74 and Schedule 17, paragraph 20, the Income Tax (Trading and Other Income) Act 2005 (c.5), section 882(1) and Schedule 1, Part 1, paragraphs 1 and 341 and S.I. 1997/1154, regulation 15.

"eligible NIROC" means a NIROC that satisfies the conditions for eligibility set out in Schedule 3;

"eligible renewable sources" has the meaning given to it in article 5;

"energy content" of a fuel means the gross calorific value of that fuel (as expressed by weight or by volume) multiplied by the weight or volume of that fuel;

"energy crops" means a plant crop planted after 31st December 1989 and grown primarily for the purpose of being used as fuel;

"gasification" means the substoichiometric oxidation or steam reformation of a substance to produce a gaseous mixture containing two or all of the following: oxides of carbon, methane and hydrogen;

"hydro generating station" means a generating station which is wholly or mainly driven by water (other than a generating station driven by tidal flows, waves, ocean currents or geothermal sources) and the "generating station" extends to all turbines supplied by the same civil works, except that any turbine driven by a compensation flow supplied by those civil works where there is a statutory obligation to maintain such compensation flow in a natural water course shall be regarded as a separate hydro generating station;

"interconnector" means the electric lines, electrical plant and meters operated solely for the transfer of electricity between a transmission and distribution network in Great Britain and a transmission and distribution network in another country or in Northern Ireland;

"large hydro generating station" means a hydro generating station which has, or has had at any time since 1st April 2002, a declared net capacity of more than 20 megawatts;

"late payment period" in relation to an obligation period, means the period from the specified day in relation to that obligation period to the 31st October immediately following;

"micro hydro generating station" means a hydro generating station which—

(a) has a declared net capacity of 1.25 megawatts or less;

(b) has always been in private ownership and operation; and

(c) has never generated electricity under an arrangement which has ever been a qualifying arrangement as defined in section 33 of the Act (as that section was originally enacted);

"NIRO Order" means any order made pursuant to article 52 of the Northern Ireland Energy Order;

"NIROC" means a certificate issued by the Northern Ireland Authority under article 54 of the Northern Ireland Energy Order and pursuant to a NIRO Order and, save where the context otherwise requires, includes a replacement NIROC;

"NIROC identifier" means an identifier unique to a NIROC determined by the Northern Ireland Authority and containing the following information (or reference to that information in coded format)—

(i) the month and year during which the electricity was generated;

(ii) the location of the generating station;

(iii) a description of the generating station including reference to the source or sources of fuel used to generate electricity by that generating station;

(iv) the date of issue of the NIROC; and

(v) a number allocated to a NIROC by the Northern Ireland Authority in accordance with a NIRO order;

"nominated person" has the same meaning in this Order as is given to it in the Electricity from Non-Fossil Fuel Sources Saving Arrangements Order 2000(**5**) or in the Electricity from Non-Fossil Fuels Sources (Scotland) Saving Arrangements Order 2005(**6**) (as the case may be);

"Non-Fossil Fuel Order" means (except where used in Schedule 3) any of the following orders: the Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1994(**7**); the Electricity (Non-Fossil Fuel Sources) (Scotland) Order 1994(**8**); the Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1997(**9**); the Electricity (Non-Fossil Fuel Sources) (Scotland) Order 1997(**10**); the Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1998(**11**); and the Electricity (Non-Fossil Fuel Sources) (Scotland) Order 1999(**12**);

"Northern Ireland Authority" means the Northern Ireland Authority for Energy Regulation;

"Northern Ireland Electricity Order" means the Electricity (Northern Ireland) Order 1992(**13**);

"Northern Ireland Energy Order" means the Energy (Northern Ireland) Order 2003(**14**);

"Northern Ireland supplier" means an electricity supplier within the meaning of Part 7 of the Northern Ireland Energy Order;

"obligation period" means any of the periods referred to in the first column of Schedule 1;

"on land", in relation to the location of a generating station, means wholly or partly on land above mean high water level;

"particulars" in relation to a ROC has the meaning given to it in paragraph 2 of Schedule 2;

"plant", with reference to crops or plant matter, includes shrubs and trees;

"pyrolysis" means the thermal degradation of a substance in the absence of any oxidising agent (other than that which forms part of the substance itself) to produce char and one or both of gas and liquid;

"qualifying arrangement" means (except in the definition of "micro hydro generating station" and in Schedule 3) an arrangement which was originally made pursuant to a Non-Fossil Fuel Order (and includes any replacement of such an arrangement where that replacement was made pursuant to an order made under section 67 of the Utilities Act 2000);

"qualifying certificate" means a certificate issued pursuant to an order made under section 32 of the Act and which relates to electricity produced from eligible renewable sources, or an eligible NIROC;

"qualifying combined heat and power generating station" means a combined heat and power generating station which is fuelled wholly or partly by waste and which has been accredited under CHPQA;

"Register" has the meaning given to it in article 19(1);

"registered holder" has the meaning given to it in paragraph 2 of Schedule 2;

"renewables obligation" has the meaning given to it in article 3 except where this term is referred to in articles 22(5), 22(6), 22(7), 24(5), 24(6), 25(4), 25(5), 25(6), 26(8), 27(1)(a) and 27(1)(e);

(**5**) ()S.I. 2000/2727, as amended by S.I. 2001/3268.
(**6**) ()S.S.I. 2005/549.
(**7**) ()S.I. 1994/3259, as amended by S.I. 1995/68.
(**8**) ()S.I. 1994/3275 (S.190).
(**9**) ()S.I. 1997/248.
(**10**) ()S.I. 1997/799 (S.76).
(**11**) ()S.I. 1998/2353.
(**12**) ()S.I. 1999/439 (S.24).
(**13**) ()S.I. 1992/231 (N.I. 1); article 35 is prospectively repealed by S.I. 2003/419 (N.I. 6), but the relevant provision has not yet been commenced.
(**14**) ()S.I. 2003/419 (N.I. 6).

"replacement NIROC" means a NIROC issued in accordance with the provisions of a NIRO Order to replace another NIROC;

"replacement ROC" means a ROC issued in accordance with article 20(4)(b) and (5);

"retail prices index" means—

(a) the general index of retail prices (for all items) published by the Office of National Statistics; or

(b) where the index is not published for a year, any substituted index or figures published by that Office;

"ROC" means a certificate issued by the Authority under section 32B of the Act and pursuant to this Order;

"ROC identifier" has the meaning given by paragraph 2 of Schedule 2;

"ROC sequence number" has the meaning given to it in article 18(1);

"specified day", in relation to an obligation period, means the 1st September immediately following it;

"total ROC claim" means the total number of ROCs which have been claimed in respect of a particular obligation period, after deducting—

(a) the number of ROCs which have been issued in respect of that obligation period; and

(b) the number of ROCs which the Authority has, in respect of that obligation period, decided not to issue or refused to issue under article 17(2) or 17(3);

"transmission and distribution network" means any transmission system or any distribution system or both (as transmission system is defined and distribution system is used in the definition of "distribute", in section 4(4) of the Act(**15**)) in Great Britain or any equivalent system in another country or in Northern Ireland;

"United Kingdom supplier" means a designated electricity supplier, an electricity supplier supplying electricity in Scotland or a Northern Ireland supplier;

"waste" has the meaning given to it in section 75(2) of the Environmental Protection Act 1990(**16**) as that subsection will have effect once it has been amended by paragraph 88 of Schedule 22 to the Environment Act 1995(**17**), but does not include gas derived from landfill sites or gas produced from the treatment of sewage; and

the expression "the United Kingdom" includes the territorial sea of the United Kingdom and waters in any area designated under section 1(7) of the Continental Shelf Act 1964(**18**).

(2) For the purposes of the definition of "hydro generating station", the "civil works" which are to be regarded as supplying a particular turbine ("the relevant turbine") are all the man-made weirs, man-made structures and man-made works for holding water which are located on the inlet side of the relevant turbine, but excluding any such weirs, structures or works which supply another turbine before water is supplied to the weirs, structures and works which supply the relevant turbine.

(3) Any reference in this Order to the provision of information "in writing" shall include the provision of such information by electronic mail, facsimile or similar means which are capable of producing a document containing the text of any communication.

(**15**) ()Section 4(4) was amended by section 28 of the Utilities Act 2000 and section 135 of the Energy Act 2004 (c.20).
(**16**) ()1990 c.43.
(**17**) ()1995 c.25. At the time of the making of this Order paragraph 88 of Schedule 22 to the Environment Act 1995 has only been brought into force in relation to Scotland, but it is to be treated as if it had been brought into force for all purposes in this article.
(**18**) ()1964 c.29. Section 1(7) of the Continental Shelf Act 1964 was amended by the Oil and Gas (Enterprise) Act 1982 (c.23), section 37 and Schedule 3, paragraph 1.