
STATUTORY INSTRUMENTS

2006 No. 1004

The Renewables Obligation Order 2006

PART 4

Alternative Ways of Discharging Renewables Obligation

Alternative way of discharging renewables obligation: payments

11.—(1) Instead of producing certificates pursuant to article 3, a designated electricity supplier may discharge (in whole or in part) its renewables obligation in relation to a particular obligation period by making a payment to the Authority before the specified day relating to that obligation period.

(2) Subject to paragraphs (3) and (4), the payment to be made under paragraph (1) is thirty three pounds and twenty four pence for each megawatt hour of electricity generated from eligible renewable sources for which the designated electricity supplier does not produce certificates pursuant to article 3 or article 13 or NIROCs pursuant to article 12 (“the buy-out price”).

(3) If, in the case of the calendar year 2006 or any subsequent calendar year, the annual retail prices index for that year (“the later year”) is higher or lower than that for the previous year, the buy-out price relating to the obligation period beginning on the 1st April immediately following the later year shall be increased (if the index is higher) or decreased (if the index is lower) by the annual percentage inflation rate of the retail prices index for the later year.

(4) When the buy-out price is calculated under paragraph (3) the result shall be rounded to the nearest penny (with any exact half of a penny being rounded upwards).