Draft Order laid before the Scottish Parliament under section 32L(3) of the Electricity Act 1989, for approval by resolution of the Scottish Parliament.

DRAFT SCOTTISH STATUTORY INSTRUMENTS

2026 No.

ELECTRICITY

The Renewables Obligation (Scotland) Amendment (No. 2) Order 2026

Made - - - -	*2026*
Coming into force - -	*2026*

The Scottish Ministers make the following Order in exercise of the powers conferred by sections 32, 32A, 32J and 32K of the Electricity Act 1989(**a**) and all other powers enabling them to do so.

In accordance with section 32L(1)(**b**) of that Act the Scottish Ministers have consulted the Gas and Electricity Markets Authority, the National Association of Citizens Advice Bureaux, Consumer Scotland, electricity suppliers to whom this Order applies and such generators of electricity from renewable sources and other persons as the Scottish Ministers considered appropriate.

In accordance with section 32L(3)(**c**) of that Act, a draft of this instrument has been laid before and approved by resolution of the Scottish Parliament.

Citation and commencement

1. This Order may be cited as the Renewables Obligation (Scotland) Amendment (No. 2) Order 2026 and comes into force on the day after the day on which it is made.

Amendment of the Renewables Obligation (Scotland) Order 2009

2. The Renewables Obligation (Scotland) Order 2009(**d**) is amended in accordance with articles 3 to 8.

(**a**) 1989 c. 29. Sections 32 and 32A were substituted by section 37 of the Energy Act 2008 (c. 32) ("the 2008 Act"). Sections 32J and 32K were inserted by section 37 of the 2008 Act.

(**b**) Section 32L was inserted by section 37 of the 2008 Act and amended by S.I. 2014/631 and S.I. 2022/34. Section 32L(1)(a) refers to "the Authority" which is defined in section 111(1) as "the Gas and Electricity Markets Authority". That definition was inserted by paragraph 40(a) of schedule 6 of the Utilities Act 2000 (c. 27). Section 32L(1)(b) refers to "Citizens Advice" which is defined in section 111(1) as "the National Association of Citizens Advice Bureaux". That definition was inserted by S.I. 2014/631.

(**c**) Section 32L(3) is modified by paragraph 5 of schedule 3 of the Interpretation and Legislative Reform (Scotland) Act 2010 (asp 10).

(**d**) S.S.I. 2009/140; relevant amending instruments are S.S.I. 2014/94, S.S.I. 2015/384, S.S.I. 2017/432 and S.S.I. 2024/98.

Amendment of article 2 (interpretation)

3.—(1) In article 2(1)—

(a) after "animal excretia" insert—

""BICS excluded electricity" has the meaning given in regulation 3(1) of the Renewables Obligation and Electricity Capacity (Amendment) (British Industrial Competitiveness Scheme Excluded Electricity) Regulations 2026(**a**);",

(b) in the definition of "relevant electricity"(**b**)—

(i) after sub-paragraph (a) omit "and",

(ii) after sub-paragraph (a) insert—

"(aa) in respect of—

(i) any obligation period in respect of which article 12D applies; or

(ii) any month of an obligation period in respect of which a revised obligation level applies in accordance with article 12E(2),

any electricity supplied to customers in Scotland other than EII excluded electricity and BICS excluded electricity; and".

Amendment of article 5 (the renewables obligation)

4. In article 5(2)(a)(**c**) for "or 12C" substitute ", 12C, 12D or 12E".

Amendment of article 12 (determining the number of renewables obligation certificates to be produced by a designated electricity supplier)

5. In article 12(A1)(**d**) for "in respect of which article 12A applies" substitute "beginning on or after 1 April 2019".

Amendment of article 12A (obligation periods beginning on or after 1st April 2019)

6. In article 12A(**e**)—

(a) at the end of the heading insert "and ending on or before 31st March 2027",

(b) in paragraph (1), after "1st April 2019" insert "and ending on or before 31st March 2027".

New articles 12D and 12E (EII excluded electricity and BICS excluded electricity)

7. After article 12C (revisions of the obligation level for the 2024/25 obligation period), insert—

(**a**) S.I. 2026/XXX.
(**b**) The definition of "relevant electricity" was inserted by S.S.I. 2015/384.
(**c**) Article 5(2) was amended by S.S.I. 2017/432 and S.S.I. 2024/98.
(**d**) Article 12(A1) was inserted by S.S.I. 2017/432.
(**e**) Article 12A was inserted by S.S.I. 2017/432.

"Determining the number of renewables obligation certificates to be produced by a designated electricity supplier in order to discharge its renewables obligation: obligation periods beginning on or after 1 April 2027

12D.—(1) This article applies in respect of an obligation period beginning on or after 1 April 2027.

(2) Subject to article 12E, where the total obligation for the obligation period is calculation A, the number of renewables obligation certificates 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—

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

(3) Subject to article 12E, where the total obligation for the obligation period is calculation B, the number of renewables obligation certificates 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—

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

(4) Subject to article 12E, for the purposes of paragraphs (2) and (3)—

(a) C is the estimate made by the Secretary of State under article 8(1) of the 2015 Order(**a**) 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 article 13D(2)(a)(**b**) of the 2015 Order of the total amount of EII excluded electricity likely to be supplied to customers in Great Britain during the obligation period,

(c) E is equal to—

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

(d) F is the estimate made by the Secretary of State under article 13D(2)(b) of the 2015 Order of the total amount of BICS excluded electricity likely to be supplied to customers in Great Britain during the obligation period.

(5) The Scottish Ministers must publish by 1 October preceding the obligation period, the number of renewables obligation certificates 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.

(**a**) S.I. 2015/1947.
(**b**) Article 13D was inserted by S.I. 2026/XXX.

Revision of the obligation level published on or before 1 October 2026 in respect of the 2027/28 obligation period

12E.—(1) This article applies in respect of the 2027/28 obligation period.

(2) The Scottish Ministers may revise the obligation level published on or before 1 October 2026 in respect of the 2027/28 obligation period in accordance with paragraph (5).

(3) If the Scottish Ministers revise the obligation level under paragraph (2), they may provide that the obligation level published on or before 1 October 2026 applies for part of the 2027/28 obligation period and the revised obligation level applies for the remainder of the 2027/28 obligation period.

(4) The power conferred by paragraph (2) may only be exercised once, and may not be exercised after 31 March 2027.

(5) Any revision of the obligation level under paragraph (2) must be calculated in accordance with—

(a) article 12D(2) where the total obligation for the 2027/28 period is calculation A, or

(b) article 12D(3) where the total obligation for the 2027/28 period is calculation B.

(6) If the Scottish Ministers revise the obligation level under paragraph (2), they must publish the revised obligation level within 7 days beginning on the day on which the obligation level is revised.

(7) In this article—

"2027/28 obligation period" means the obligation period beginning on 1 April 2027,

"obligation level" means the number of renewables obligation certificates that a designated electricity supplier is required to produce in respect of each megawatt hour of electricity that it supplies to customers in Scotland during the obligation period in order to discharge its renewables obligation for that period,

"revised obligation level" means the obligation level as revised under paragraph (2).".

Amendment of article 53 (provision of information to the Authority)

8. In article 53—

(a) at the end of paragraph (5)(bb)(**a**), omit "and",

(b) after paragraph (5)(bb), insert—

"(bc) estimates of the amount of EII excluded electricity and BICS excluded electricity it has supplied to customers in Scotland during each month of an obligation period—

(i) in respect of which article 12D applies; or

(ii) in respect of which a revised obligation level applies in accordance with article 12E(2),

by no later than the 1st June following that period;

(**a**) Article 53(5)(bb) was inserted by S.S.I. 2017/432.

(bd) figures showing the amount of EII excluded electricity and BICS excluded electricity it has actually supplied to customers in Scotland during each month of an obligation period—

(i) in respect of which article 12D applies; or

(ii) in respect of which a revised obligation level applies in accordance with article 12E(2),

by no later than the 1st July following that period; and".

Name
Authorised to sign by the Scottish Ministers

St Andrew's House,
Edinburgh

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Renewables Obligation (Scotland) Order 2009 ("the 2009 Order").

The 2009 Order imposes an obligation (the "renewables obligation") on all electricity suppliers which supply electricity in Scotland to produce a certain number of Scottish renewables obligation certificates in respect of electricity they supply to customers in Scotland during an "obligation period". Each obligation period runs from 1 April to 31 March.

Article 3 amends article 2 of the 2009 Order to include a definition of "BICS excluded electricity" so that this proportion of electricity can then be excluded from a supplier's liability under the 2009 Order. The definition of "relevant electricity" is accordingly updated. BICS excluded electricity is electricity used in respect of a manufacturing site which is used to carry out specified manufacturing activities.

Articles 4, 5, and 6 make amendments to the 2009 Order which are consequential on the amendment made by article 7. Article 7 inserts new articles 12D and 12E into the 2009 Order. New article 12D makes provision for the determination of suppliers' renewables obligations for periods beginning on or after 1 April 2027. The formulas used to calculate suppliers' liabilities take account of the exclusion of BICS excluded electricity. New article 12E enables the Scottish Ministers to revise the obligation level published on or before 1 October 2026 in respect of the 2027/28 obligation period. A revision may only be made once, and only before 1 April 2027.

Article 8 makes amendments to article 53(5) of the 2009 Order which have the effect that for obligation periods beginning on or after 1 April 2027, suppliers must, in addition to other information provided for in article 53, provide information to the Gas and Electricity Markets Authority in relation to EII excluded electricity (within the meaning of regulation 6(1) of the Electricity Supplier Obligations (Amendment & Excluded Electricity) Regulations 2015), and BICS excluded electricity.

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