Research and Library Services

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SYNOPSIS OF ROI REGULATORY ASSESSMENT AND MANDATORY RENEWABLES IN SCOTLAND

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This paper provides a synopsis of the Republic of Ireland's regulatory impact assessment in relation to mandatory renewables and an overview of the status of mandatory renewables in Scotland.

SUMMARY OF KEY POINTS

REPUBLIC OF IRELAND

- The Republic of Ireland (ROI) currently seeks to secure a 40% improvement in primary energy consumption and a reduction of 40% in C02 emissions

- Under the Greener Homes Scheme ROI have had a grant system for the last five years. The grants provide approximately one third of the cost of various types of renewable energy including biomass boilers, wood pellet stoves, solar panels and heat pumps.

- Building Regulations for new dwellings makes it mandatory for approximately 10% of the total energy used by a 'typical semi-detached house' to be renewable.

- The intention of the Regulatory Impact Assessment (RIA) is to raise the energy efficiency standards of new dwellings and to provide for the use of a minimum level of renewable energy sources.

- The Regulations state that each dwelling should have a minimum level of energy provision from renewable energy technologies equivalent to[1];

10 kWh/m²/annum of heat energy, or
4 kWh/m²/annum of electricity energy

SCOTLAND

- The objective of the Renewables Obligation (Scotland) Order 2007 is to simplify some of the processes which participants in the Renewables Obligation (Scotland) (the ROS) currently have to follow and to extend the financial benefits available to some generators.

- ROS requires licensed electricity suppliers to ensure that the specified and increasing amounts of the electricity they supply are from renewable sources. For 2006/07, this amount is 6.7% and under current legislation rises to 15.4% in 2015/16.

[1] Regulatory Impact Assessment, *building Regulations Part L and Technical Guidance Document L*, http://www.environ.ie/en/egislation/developmentandhousing/buildingstandards/filedownload,16644,en.pdf

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INTRODUCTION

This paper provides a synopsis of the Republic of Ireland's regulatory impact assessment in relation to mandatory renewables and an overview of the status of mandatory renewables in Scotland. The paper details the Republic of Ireland's targets and mandatory requirements in relation to renewable energy. Also provided are the Scottish Executives requirements for the generation and capacity of renewable energy.

REPUBLIC OF IRELAND REGULATORY IMPACT ASSESSMENT OF MANDATORY RENEWABLE

The Republic of Ireland (ROI) currently seeks to secure a 40% improvement in primary energy consumption and a reduction of 40% in C02 emissions. Targets that have been set by the ROI government include;

- 30% of electricity to be renewable-sourced by 2020;
- 30% of co-firing of biomass in peat stations by 2015;
- an energy-efficient action plan leading to a 20% improvement in energy efficiency across the economy by 2020;
- 5.7% biofuels up-take by 2010;
- 5% of domestic and commercial heat requirements from renewables by 2010;
- and up to 400 megawatts of electricity from combined heat and power by 2010

The Planning System regulation relating to micro-renewables was introduced in February 2007; a debate on renewables of greater capacity for use in the commercial, industrial and agricultural sectors will take place in June 2008.

Under ROI Building Control Acts of 1990 and 2007, the responsibility for complying with the regulations rests with the owner or the builder. ROI enforcement system consists of 37 building control authorities. The target enforcement rate for buildings that are subject to commencement orders that are lodged with the building control authorities is 12%-15%.

Although the ROI Minister responsible for renewable energy brought in 40% improvements for new dwellings on Christmas Eve 2007, an announced was made at the Energy Forum, stating that this would be increased to a 60% improvement for new dwellings in 2020. Local authorities will be asked to come forward and demonstrate projects in their housing programmes for the use of renewables and movement towards zero-carbon homes in local authorities.

Under the Greener Homes Scheme ROI have had a grant system for the last five years and there has been a significant up-take of those grants. The grants provide approximately one third of the cost of various types of renewable energy including biomass boilers, wood pellet stoves, solar panels and heat pumps. To be eligible for a grant, an approved installer has to be used and, the renewable energy system has to meet the required standard.

Part L (Conservation of Fuel and energy) of the Building Regulations for new dwellings makes it mandatory for approximately 10% of the total energy used by a 'typical semi-detached house' to be renewable. Indeed, this relates to 10 kilowatt

hours per meter squared per year for heat energy and 4 kilowatt hours per metre squared per year for electricity energy.

ROI has moved form the grant scheme to the mandatory system, which is in line with our overall programme for improving energy efficiency and reducing carbon emissions. New houses have 40% lower heat energy demands than buildings in the 2005 regulations. ROI intends to achieve a 60% target by 2010, and eventually move towards very low, or zero, carbon housing. All aspects of this relate to Part L of the Building Regulations.

REGULATORY IMPACT ASSESSMENT

The intention of the Regulatory Impact Assessment (RIA) is to raise the energy efficiency standards of new dwellings and to provide for the use of a minimum level of renewable energy sources. Specifically, the amendment responds to commitments made in Ireland's 'National Climate Change Strategy 2007-2012' and the commitment made in the Programme for Government June 2007 to[2]:

"Introduce new national building standards in 2007 to ensure that new housing has 40% lower heat energy demand than existing building standards and revise them again in 2010 to achieve a 60% target in further years".

COST OF COMMON RENEWABLE METHODS

The new Regulations require a proportion of the energy demand to be met from renewable energy sources. Government policy on renewables identifies strategic goals for sustainable energy, including accelerating the growth of renewable energy sources and sets targets of 5% up-take of renewables in the heat market by 2010 and 12% by 2020[3].

The Regulations state that each dwelling should have a minimum level of energy provision from renewable energy technologies equivalent to[4];

(1) 10 kWh/m²/annum of heat energy, or
(2) 4 kWh/m²/annum of electricity energy

The mandatory integration of renewables into new dwellings was set out in the ROI Programme for Government, June 2007. Solar water heating, Wood pellet boiler and Ground source heat pump are common renewable methods that are currently available to meet the necessary requirements in CO2 reduction[5].

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[2] Regulatory Impact Assessment, *building Regulations Part L and Technical Guidance Document L*, http://www.environ.ie/en/egislation/developmentandhousing/buildingstandards/filedownload,16644,en.pdf

[3] Regulatory Impact Assessment, *building Regulations Part L and Technical Guidance Document L*, http://www.environ.ie/en/egislation/developmentandhousing/buildingstandards/filedownload,16644,en.pdf

[4] Regulatory Impact Assessment, *building Regulations Part L and Technical Guidance Document L*, http://www.environ.ie/en/egislation/developmentandhousing/buildingstandards/filedownload,16644,en.pdf

[5] Regulatory Impact Assessment, *building Regulations Part L and Technical Guidance Document L*,

THE RENEWABLES OBLIGATION (SCOTLAND) ORDER 2007

This Order is made under section 32 of the Electricity Act 1989 and imposes an obligation (renewables) on all electricity suppliers, which are licensed under that Act and which supply electricity in Scotland and other parts of Great Britain; stating that a specified amount of electricity generated must be by using renewable sources. Renewable sources of energy include as wind, water, solar and biomass[6].

The objective of the Renewables Obligation (Scotland) Order 2007 is to simplify some of the processes which participants in the Renewables Obligation (Scotland) (the ROS) currently have to follow and to extend the financial benefits available to some generators. This will be achieved through some limited changes to the existing ROS 2006. The proposals will affect all licensed electricity suppliers, all ROS eligible electricity generators, and Ofgem, who administer the ROS[7].

The ROS was introduced in 2002, and is the Scottish Executive's policy to encourage the development of electricity generation using renewable energy sources. The ROS is a key driver towards the Executive's targets that 18% of electricity generated in Scotland as a proportion of demand by 2010, rising 40% by 2020 will be from renewable sources[8].

ROS requires licensed electricity suppliers to ensure that the specified and increasing amounts of the electricity they supply are from renewable sources. For 2006/07, this amount is 6.7% and under current legislation rises to 15.4% in 2015/16. Without the financial support provided by the ROS, most forms of renewable electricity would not be economic[9].

REGULATORY BURDENS

The Renewables Obligation (Scotland) (ROS) imposes some regulatory burdens on renewable generators and the electricity supply industry. The amendments to the ROS will include a small number of detailed changes that will make it easier for renewable generators to benefit from the Obligation. This will reduce the regulatory burdens on business and reduce the administrative processes for microgenerators (can be individuals as well as businesses)[10].

The Scottish Executive proposes to introduce measures that will make it easier for small generators to benefit from the ROS (in this context small generators are those with a declared net capacity of 50 kW or less). Two changes are proposed[11];

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http://www.environ.ie/en/egislation/developmentandhousing/buildingstandards/filedownload,16644,en.pdf

[6] The Renewables Obligation (Scotland) Order 2007 No. 267, http://www.opsi.gov.uk/legislation/scotland/ssi2007267_en_12#legislation-exnote

[7] Executive Note: The Renewables Obligation (Scotland) Order 2007, http://www.legislation.gov.uk/legislation/scotland/ssi2007/en/ssien_20070267_en.pdf

[8] Executive Note: The Renewables Obligation (Scotland) Order 2007, http://www.legislation.gov.uk/legislation/scotland/ssi2007/en/ssien_20070267_en.pdf

[9] Executive Note: The Renewables Obligation (Scotland) Order 2007, http://www.legislation.gov.uk/legislation/scotland/ssi2007/en/ssien_20070267_en.pdf

[10] Executive Note: The Renewables Obligation (Scotland) Order 2007, http://www.legislation.gov.uk/legislation/scotland/ssi2007/en/ssien_20070267_en.pdf

[11] Executive Note: The Renewables Obligation (Scotland) Order 2007, http://www.legislation.gov.uk/legislation/scotland/ssi2007/en/ssien_20070267_en.pdf

(1) allowing agents to act on behalf of smaller generators in seeking accreditation and claiming of ROCs and that these ROCs are then issued to the agent
(2) allowing ROCs to be issued to agents; and allowing agents to amalgamate the output of smaller generators for the purposes of claiming ROCs

The main differences between this Order and the 2006 Order are the introduction of minimum wave and tidal requirements as part of the Renewables Obligation[12].

The Renewables Obligation requires the electricity supplier to produce evidence of the supply of electricity generated from the renewable sources to the Authority. The evidence required is certificates issued by the Authority. Those certificates issued under this Order are referred to as Scottish Renewable Obligation Certificates (SROCs). This includes a specified minimum amount of energy which must be generated from wave and tidal generating stations located in Scottish waters or the Scottish area of the Renewable Energy Zone. Special arrangements enabling generating stations with a declared net capacity of 50 kilowatts or less to be able to claim SROCs on an annual rather than monthly basis[13].

Provision has been made for the exchange of information between the Authority and the Northern Ireland Authority relating to NIROCs produced to the Authority and SROCs produced to the Northern Ireland authority under the Northern Ireland Renewables Obligation orders[14].

[12] The Renewables Obligation (Scotland) Order 2007 No. 267, http://www.opsi.gov.uk/legislation/scotland/ssi2007267_en_12#legislation-exnote
[13] The Renewables Obligation (Scotland) Order 2007 No. 267, http://www.opsi.gov.uk/legislation/scotland/ssi2007267_en_12#legislation-exnote
[14] The Renewables Obligation (Scotland) Order 2007 No. 267, http://www.opsi.gov.uk/legislation/scotland/ssi2007267_en_12#legislation-exnote