The Renewables Obligation (Scotland) Amendment Order 2024:

Child Rights and Wellbeing Impact Assessment Screening



Child Rights and Wellbeing Impact Assessment (CRWIA)

for The Renewables Obligation (Scotland) Amendment Order 2024

Disclaimer

This **draft** document is an **initial assessment** of the impact of The Renewables Obligation (Scotland) Amendment Order 2024 and Scottish Government will continue to review and update this document where required during the parliamentary process. Any future iterations will reflect an increased understanding of these impacts as the amount of data and research available continues to grow.

This impact assessment should be read in conjunction with the Equality Impact Assessment and the Fairer Scotland Duty Assessment.

CRWIA Stage 1 - Screening

1. Brief Summary

The Renewables Obligation (Scotland) Order is the legislation which governs the Renewables Obligation (Scotland) (ROS) scheme. This scheme exists to promote and support renewable electricity generation in Scotland. It does so by placing an annual obligation on electricity suppliers to present to Ofgem a specified number of Renewables Obligation Certificates (ROCs) per megawatt hour of electricity supplied to their customers during each obligation period (1 April – 31 March). Suppliers can meet their annual obligation by presenting ROCs, making a payment into a buy-out fund or a combination of the two.

ROCs are issued to operators of accredited renewable generating stations for the eligible renewable electricity they generate. Operators can trade ROCs with other parties or sell them directly to a supplier, thus receiving additional income over and above what they receive for selling their electricity on the wholesale market.

The Renewables Obligation (Scotland) Amendment Order 2024 is being introduced to amend the Renewables Obligation (Scotland) Order 2009 to allow for the 2024/25 'obligation level' (i.e. the number of ROCs suppliers must produce to Ofgem per MWh of electricity they supply) to be altered.

Scottish Ministers have a statutory obligation to publish this level by 01 October each year, 6 months before the applicable obligation year starts on 01 April. This SSI is being introduced to permit an exception to this requirement for the 2024/25 obligation year. It will allow the 2024/25 obligation level to be altered after it has originally been set (i.e. after 01 October 2023).

The obligation level alteration is required because the UK Government are making a change to a separate scheme which provides energy intensive industries (Ells) with an exemption from some of the costs they would otherwise have faced in paying for the RO scheme. The current EII exemption is 85% but UK Government will be raising it to 100%. The RO obligation level calculations factor in the amount of EII excluded electricity and consequently, the 2024/25 RO obligation level will need to be altered to ensure the new 100% EII exemption is factored into the obligation level before the year starts on 01 April next year. The SSI doesn't change the obligation level, it just provides the mechanism for the change itself to happen.

Start date of relevant proposal: 01/09/2023

Start date of CRWIA process: 29/09/2023

2. Which aspects of the relevant proposal currently affects or will affect children and young people up to the age of 18?

No aspects of this policy are considered to affect children and young people up to the age of 18.

3. Which groups of children and young people are currently or will be affected by the relevant proposal?
N/A
Declaration
4. Is a Stage 2 Children's Rights and Wellbeing Impact Assessment required?
CRWIA required □
CRWIA not required ⊠
Explanation why CRWIA is not required:
This SSI is technical in nature, only allowing the 2024/25 ROS obligation level to be altered. No impacts on children's rights or wellbeing will result from its introduction.
5. Sign and Date
Policy Lead Signature & Date of Sign Off: Aedan MacRae, 19/10/2023
Deputy Director Signature & Date of Sign Off: Ragne Low, 26/10/2023
Date SGLD contacted: 18/10/2023



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