

14 September 2020 ROC Schemes

Dear Alba Member

Alba Energy, in partnership with the BHA, wants to gather data from all members who operate ROC schemes. The oldest supported schemes will come to the end of their ROC accreditation period on April 1, 2022, so it is important to develop an understanding of the economics of these schemes continuing thereafter.

Presently the wholesale power price is not strong and it is unlikely to recover in the near term. Lower post-ROC revenues combined with the likelihood of increased overheads in the form of non-domestic rates and abstraction charges, such as from SEPA, is likely to push some schemes to the brink of financial viability.

To outline the scale of the issue to Scottish Government and other regulators, if you have a ROC supported scheme, please supply the following information in the attached spreadsheet:

Information for each site:

- Installed Capacity
- End of ROC accreditation date
- Assuming £40/MWh wholesale price, will the scheme be profitable in an average year once the ROC accreditation period ends given current or anticipated overheads?
- Any other salient information that may be relevant to this exercise, such as large private load, limited grid export and any scheme specific overheads.

Any loss of renewable energy generation from the UK energy mix is clearly undesirable, especially for a technology with the longevity of hydropower. Whilst it is unlikely that either UK or Scottish Governments will introduce a like-for-like

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replacement for the ROC, understanding the extent of the issue can only help to try and argue for a reduction in indirect overheads where possible.

There are also a number of innovative ideas being discussed for how scheme owners might be able to generate additional revenues, post ROC, but these will need political support which requires evidence of the scale of the problem.

Please email me your data as outlined in the information for each site section, using the attached form, by September 30.

Thank you for your support

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