

## ROC Trading



The Renewables Obligation is the Government's main mechanism for encouraging the generation of renewable electricity. It was launched in Northern Ireland in 2005 as the Northern Ireland Renewables Obligation ([NIRO](#)). This mechanism rewards generators with certificates called Northern Ireland Renewables Obligation Certificates (NIROCs), often referred to as ROCs. The NIRO works by placing an obligation on electricity supply companies to prove that they have sold renewable electricity by presenting an increasing number of ROCs to the Government once per year. If they do not present ROCs, the electricity supply companies will pay a fine relative to the shortfall in their ROC holdings, which is subsequently distributed to those supply companies which have presented ROCs. This mechanism has therefore created a market in ROCs and they are currently being traded across the UK.

ROCs are awarded on all electricity generated, not just electricity exported to the grid. They can represent a significant proportion of the economic benefits of the generator, including technologies such as anaerobic digestion, wind turbine, hydroelectric plant, photovoltaic panels, biomass CHP amongst others. In order to receive ROCs, it is essential that generators are accredited by the Office of Gas and Electricity Markets (OFGEM). Action Renewables realizes that many renewable electricity generators are not maximizing their financial returns within the NIRO mechanism, and offers innovative services to deliver the best financial option for the generator.