

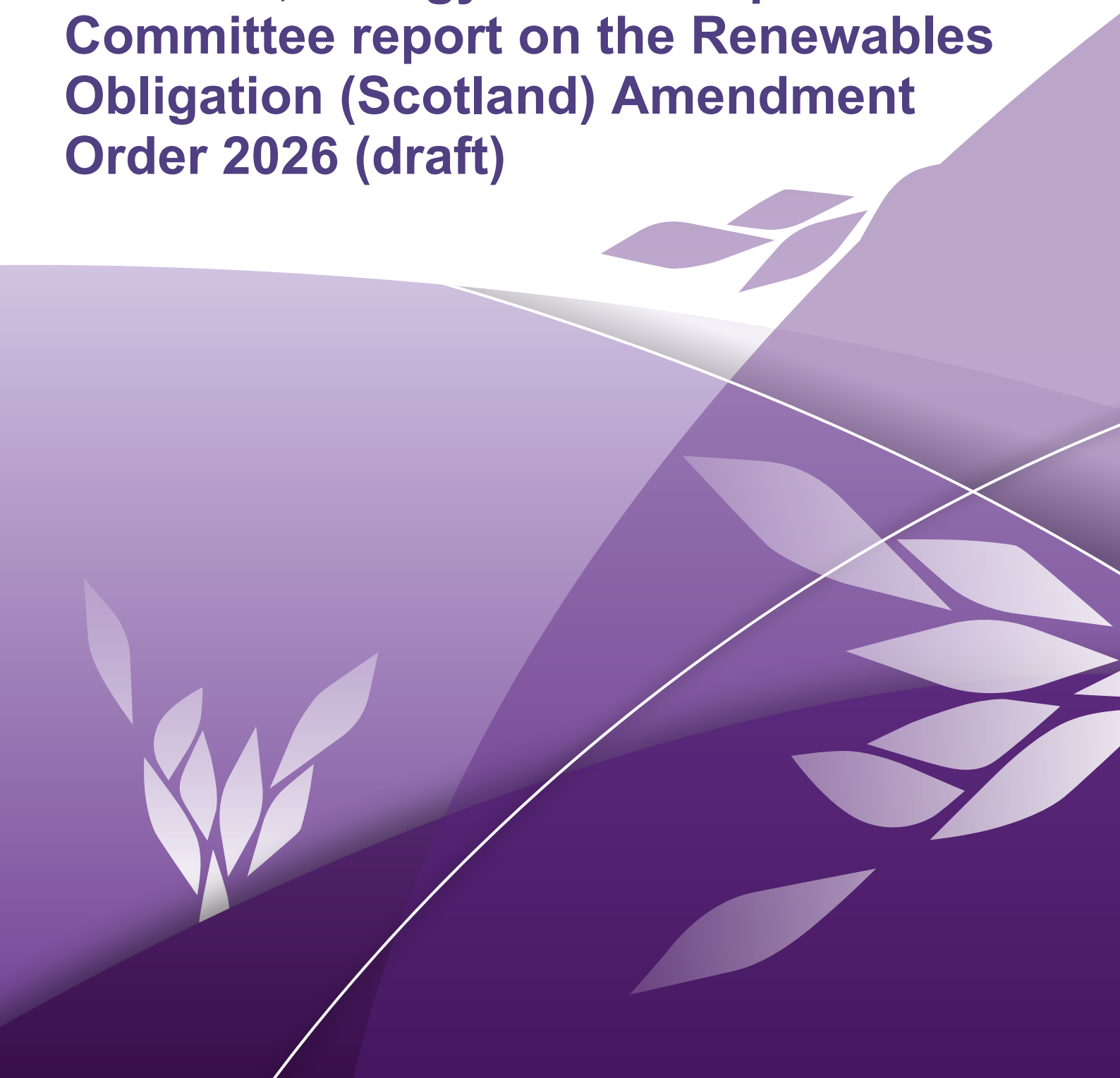


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## Net Zero, Energy and Transport Committee

# Net Zero, Energy and Transport Committee report on the Renewables Obligation (Scotland) Amendment Order 2026 (draft)



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# Net Zero, Energy and Transport Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Transport and the Cabinet Secretary for Climate Action and Energy, with the exception of matters relating to just transition; and on matters relating to land reform, natural resources and peatland, Scottish Land Commission, Crown Estate Scotland and Royal Botanic Garden within the responsibility of the Cabinet Secretary for Rural Affairs, Land Reform and Islands.



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# Committee Membership



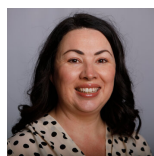
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# Introduction

1. The Renewables Obligation (Scotland) Amendment Order 2026 (draft) was laid before the Scottish Parliament by the Scottish Government on 28 January 2026. It is subject to the affirmative procedure, which means it cannot be made unless it has been approved by a resolution of the Parliament.
2. It is for the Net Zero, Energy and Transport Committee, as lead committee, to decide whether or not to recommend approval. On 15 January, the Cabinet Secretary for Climate Action and Energy lodged Motion [S6M-20600](#), proposing that the Committee recommend the draft Order be approved.

## About the instrument

3. This instrument would amend the Renewables Obligation (Scotland) Order 2009 to change the index used to make inflationary adjustments to the Renewables Obligation (RO) buy-out price from Retail Price Index (RPI) to Consumer Price Index (CPI) from 1 April 2026.
4. Introduced in 2002, the Renewables Obligation (RO) encourages renewable electricity generation in the UK by issuing tradable green certificates called Renewables Obligation Certificates (ROCs). In Scotland this is through the Renewables Obligation Scotland (ROS) scheme.
5. The buy-out price is the set amount that electricity suppliers must pay to Ofgem for each ROC they do not provide to meet their annual compliance requirement. The system is designed so that suppliers have a financial incentive to buy ROCs rather than pay the buy-out price. The RO includes a process called 'mutualisation'. This is used to recover money from suppliers if they fail to make payments and the shortfall reaches a certain level. Both the buyout price and the mutualisation cap rise with inflation and have been adjusted each year using the Retail Price Index (RPI) since the scheme began.
6. This SSI changes the inflation index used to update the buyout price for the ROS, using the Consumer Price Index (CPI) instead of RPI. The policy note states that CPI is preferred as it is more internationally recognised and more consistent. RPI tends to overestimate inflation, which means generators have been receiving higher payments than they would have under CPI. Changing indexation to CPI is expected to continue to give generators a reasonable and predictable rate of return and protection against inflation whilst making savings in the energy system.
7. As the RO buy-out price is consistent across the UK, the UK Government and the Northern Ireland Executive are making equivalent changes to their respective legislation.

## Consideration by the DPLR Committee

8. The Delegated Powers and Law Reform (DPLR) Committee is required to consider every instrument laid before the Parliament and decide whether to draw it to the attention of the Parliament on any of the “reporting grounds” set out in Rule 10.3 of the Parliament’s standing orders.
9. The DPLR Committee considered the instrument on 3 February 2026 and reported on it in its [16<sup>th</sup> report, 2026](#). The DPLR Committee made no recommendations in relation to the instrument.

# Consideration by the Net Zero, Energy and Transport Committee

10. At its meeting on 3 March, the Net Zero, Energy and Transport Committee took evidence on the instrument from:
  - Gillian Martin, Cabinet Secretary for Climate Action and Energy, Scottish Government
  - Madeleine Plater, Unit Head, Energy Markets and Strategy, Scottish Government
  - Matthew Lourie, Policy Manager, Energy Markets and Strategy, Scottish Government.
11. The evidence taken at the meeting can be read in full in the Official Report, which can be accessed here :  
  
[Official Report - Tuesday 3 March 2026](#)
12. In her opening statement, the Cabinet Secretary explained that the instrument makes a technical but important update to the Renewables Obligation Scotland (ROS) scheme. Since 2002, the buy-out price has risen each year in line with the Retail Price Index (RPI). From 1 April 2026, subject to parliamentary approval, it will instead rise in line with the Consumer Price Index (CPI). She noted that the change does not alter how the scheme operates and that the UK Government and Northern Ireland Executive have agreed equivalent changes for their respective schemes following a joint three-nation consultation and agreement. She noted that this change is intended to support consistency across energy markets.
13. During the session, Scottish Government official Madeleine Plater, confirmed that the Scottish Parliament is the first to consider the change with the equivalent consideration in the UK Parliament and Northern Ireland Assembly expected to conclude in time for a UK-wide switch on 1 April. In response to questions, the Cabinet Secretary confirmed she had no concerns about alignment across administrations.
14. The Cabinet Secretary further confirmed that the change should create cost savings across the energy system. She noted her expectation that any reduction in costs for generators should ultimately be passed on to consumers but noted that retail energy pricing is a reserved matter for the UK Government.

## Conclusion

15. Following the conclusion of evidence taking, the Cabinet Secretary moved motion [S6M-20600](#) in her name -

That the Net Zero, Energy and Transport Committee recommends that the Renewables Obligation (Scotland) Amendment Order 2026 [draft] be approved.

16. There being no further contribution from Members, the motion was agreed to without division.

### Recommendation

17. The Net Zero, Energy and Transport Committee recommends to the Parliament that the Renewables Obligation (Scotland) Amendment Order 2026 [draft] be approved.

