
DRAFT STATUTORY INSTRUMENTS

2008 No.

The Electricity and Gas (Carbon Emissions Reduction) Order 2008

PART 2

Overall carbon emissions reduction target and carbon emissions reduction obligations

Overall carbon emissions reduction target

3.—(1) The overall carbon emissions reduction target for the period 1st April 2008 to 31st March 2011 is 154 million lifetime tonnes of carbon dioxide.

(2) The Authority must ensure that the sum of all carbon emissions reduction obligations imposed on suppliers equals this target.

Definition of supplier

4.—(1) A person is a supplier if that person holds a supply licence—

(a) under section 6(1)(d) of the Electricity Act 1989 and that person satisfies paragraph (2) or (3) in respect of the supply of electricity; or

(b) under section 7A of the Gas Act 1986 and that person satisfies paragraph (2) or (3) in respect of the supply of gas.

(2) A person must supply at least 50,000 domestic customers on 31st December of the years 2007, 2008 or 2009.

(3) A company that belongs to a group of companies must on 31st December of the year 2007, 2008 or 2009 supply domestic customers and the number of domestic customers of that company and of other companies in the group must be at least 50,000.

(4) Where a person satisfies paragraph (1) in respect of electricity and of gas that person is a separate supplier in respect of each supply.

(5) A new supplier is a supplier to whom paragraph (1) applies for the first time on 31st December 2008 or 31st December 2009.

Notification by suppliers

5.—(1) A supplier must notify the Authority by 14th February in each of the years 2008, 2009 and 2010 of the number of that supplier's domestic customers on the previous 31st December.

(2) Where a supplier fails to do so, the Authority may determine that number.

(3) A number determined under paragraph (2) is to be treated as if it were notified by the supplier.

Determining carbon emissions reduction obligations

6.—(1) The Authority must determine a supplier's carbon emissions reduction obligation.

- (2) The Authority must refer to the matters in article 7 when determining the obligation.
- (3) Subject to paragraph (4), the obligation period is the three-year period—
 - (a) commencing on 1st April 2008, except for a new supplier; and
 - (b) ending on 31st March 2011.
- (4) For a new supplier who satisfies article 4(1) for the first time on—
 - (a) 31st December 2008, the obligation period is the two-year period commencing 1st April 2009;
 - (b) 31st December 2009, the obligation period is for one year commencing 1st April 2010.
- (5) The Authority must notify a supplier of that supplier's carbon emissions reduction obligation by 28th February prior to the commencement of the obligation period.

Matters to be considered by the Authority

- 7.—(1) The matters referred to in article 6(2) are—
- (a) the overall carbon emissions reduction target;
 - (b) total customer numbers; and
 - (c) supplier customer numbers.
- (2) For a supplier, except a new supplier—
- (a) total customer numbers are the total number of domestic customers supplied by suppliers on 31st December 2007;
 - (b) supplier customer numbers are the number of domestic customers supplied by that supplier on 31st December 2007.
- (3) For a new supplier—
- (a) total customer numbers are the mean of the total number of domestic customers supplied by suppliers on—
 - (i) 31st December 2007;
 - (ii) 31st December 2008; and
 - (iii) where applicable, 31st December 2009;
 - (b) supplier customer numbers are the mean of—
 - (i) the number of domestic customers supplied by the supplier on 31st December prior to the commencement of the obligation period; and
 - (ii) zero for each 31st December prior to that date until and including 31st December 2007.

Review of obligations by the Authority

- 8.—(1) Where the Authority has all suppliers' customers numbers, notified or determined under article 5, the Authority must—
- (a) review a supplier's carbon emissions reduction obligation; and
 - (b) notify a supplier of any amendment to that supplier's obligation by 28th February immediately following the review.
- (2) The review must be carried out by reference to—
- (a) the overall carbon emissions reduction target;

- (b) the mean of the total number of domestic customers supplied by suppliers on 31st December 2007 and on each anniversary of that date; and
 - (c) supplier customer numbers.
- (3) Except for a new supplier, supplier customer numbers are the mean of the number of domestic customers supplied by a supplier on—
- (a) 31st December prior to the commencement of the obligation period; and
 - (b) each 31st December subsequent to the commencement of the obligation period.
- (4) For a new supplier for whom the obligation period commences on 1st April 2009, supplier customer numbers are the mean of—
- (a) the number of domestic customers supplied by that supplier on 31st December 2008;
 - (b) zero for 31st December 2007; and
 - (c) the number of domestic customers supplied by that supplier on 31st December 2009.
- (5) The number of domestic customers under paragraph (3)(b) on each 31st December subsequent to the commencement of the obligation period, or under paragraph (4)(c), is deemed to be zero where—
- (a) a supplier belongs to a group of companies and that group has fewer than 50,000 domestic customers on that date; or
 - (b) for any other supplier, that supplier has fewer than 50,000 domestic customers on that date.