
DRAFT STATUTORY INSTRUMENTS

2011 No.

The Warm Home Discount Regulations 2011

PART 4

Non-core spending

CHAPTER 1

General

Types and amounts of spending

15.—(1) In each scheme year a compulsory scheme electricity supplier must, subject to paragraph (2), incur spending under this Part to the amount of its non-core spending obligation.

(2) In relation to scheme year 1, 2 or 3, a compulsory scheme electricity supplier is not in breach of paragraph (1) if the amount of spending incurred by the supplier under this Part (as determined by the Authority in accordance with regulation 29(d)) is equal to or greater than 99% of its non-core spending obligation.

(3) The spending to be incurred by a compulsory scheme electricity supplier under this Part—

- (a) must, in each scheme year, include the provision of rebates to broader group customers under Chapter 2;
- (b) if the supplier is a relevant supplier, may in scheme years 1, 2 and 3 include legacy spending under Chapter 3, subject to the limits in paragraph (4)(a) and (c); and
- (c) may include spending on industry initiatives under Chapter 4, subject to the limits in paragraph (4)(b) and (c).

(4) The maximum amount of spending that a compulsory scheme electricity supplier may count towards its non-core spending obligation—

- (a) under Chapter 3, is the relevant percentage of—
 - (i) £140 million in scheme year 1;
 - (ii) £70 million in scheme year 2; and
 - (iii) £35 million in scheme year 3;
- (b) under Chapter 4, in any scheme year, is the relevant percentage of £30 million; and
- (c) under Chapters 3 and 4 combined, is the relevant percentage of—
 - (i) £150 million in scheme year 1;
 - (ii) £85 million in scheme year 2; and
 - (iii) £53 million in scheme year 3.

(5) In paragraph (4), “the relevant percentage” means the percentage determined under regulation 13(2).