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DRAFT STATUTORY INSTRUMENTS

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**2011 No.**

The Warm Home Discount Regulations 2011

PART 4

Non-core spending

CHAPTER 4

Industry initiatives

**Industry initiatives**

**26.**—(1) Subject to regulation 15(4) and to paragraphs (2) and (3), a compulsory scheme electricity supplier may in respect of any scheme year count towards its non-core spending obligation spending (excluding Value Added Tax) incurred in that scheme year on an activity of a kind listed in the first column of the table in Schedule 4 (an “industry initiative”) by—

- (a) that supplier; or
- (b) any connected scheme gas supplier, to the extent permitted by regulation 16.

(2) Spending on industry initiatives may not count towards a compulsory scheme electricity supplier’s non-core spending obligation if it—

- (a) is incurred pursuant to a requirement in any other enactment, or in an electricity supply or gas supply licence;
- (b) is counted by a scheme supplier towards a spending obligation or target imposed by any other enactment, or by an electricity supply or gas supply licence; or
- (c) falls within an exception in the second column of the table in Schedule 4.

(3) Paragraph (1) only applies in relation to spending on an industry initiative if—

- (a) the industry initiative has been notified to the Authority under regulation 27; and
- (b) either—
  - (i) the spending is incurred after the Authority has approved the industry initiative; or
  - (ii) in scheme year 1, the spending is incurred before the Authority has decided whether to approve the industry initiative, and the Authority subsequently approves it.