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DRAFT STATUTORY INSTRUMENTS

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**2022 No.**

The Electricity and Gas (Energy  
Company Obligation) Order 2022

PART 2

Overall home-heating cost reduction target

**Overall home-heating cost reduction target**

3.—(1) For the period beginning with the commencement date and ending with 31st March 2026 the overall home-heating cost reduction target<sup>(1)</sup> is £224.3 million in annual cost savings.

(2) The overall home-heating cost reduction target is to be apportioned between licence-holders who are participants in relation to a phase in accordance with article 6.

**Definition of a participant**

4.—(1) A licence-holder is a participant in relation to a phase if—

- (a) the licence-holder or, where the licence-holder is a member of a group, the group—
  - (i) supplies 300 gigawatt hours or more of electricity in the qualification year for that phase; and
  - (ii) supplies electricity or gas to 150,000 or more domestic customers at the end of that qualification year;
- (b) the licence-holder or, where the licence-holder is a member of a group, the group—
  - (i) supplies 700 gigawatt hours or more of gas in the qualification year for that phase; and
  - (ii) supplies electricity or gas to 150,000 or more domestic customers at the end of that qualification year; or
- (c) in the case of phase 2, 3 or 4, the licence-holder was a participant in relation to the preceding phase.

(2) Where a dual licence-holder is a participant by virtue of paragraph (1), that licence-holder is to be treated under this Order as two participants, of which—

- (a) one is a participant in respect of the supply of electricity; and
- (b) the other is a participant in respect of the supply of gas.

(3) For the purposes of this article—

- (a) whether or not a licence-holder is a member of a group is to be determined according to whether the licence-holder was a member of a group at the end of the qualification year for the phase in question; and

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(1) See section 33BD(2)(b) of the Gas Act 1986 and section 41B(2)(b) of the Electricity Act 1989 for the definition of “home-heating cost reduction target”. Section 103A(1) of the Utilities Act 2000 provides for the specification of an overall target.

(b) where a licence-holder is a member of a group, the amount of electricity or gas supplied by the group in a qualification year is the amount supplied in that year by all licence-holders in the group, whether or not they were members of the group throughout the whole of that year.

(4) For the purpose of determining the number of domestic customers of a licence-holder under this Order, a domestic customer who receives electricity and gas from a dual licence-holder is a separate domestic customer under each licence.

(5) In this article, “dual licence-holder” means a person holding a licence under section 6(1)(d) of the Electricity Act 1989 and a licence under section 7A of the Gas Act 1986.

### **Notification by participants of domestic customers and energy supplied**

5.—(1) For the purposes of this Order, a licence-holder who is a participant in relation to a phase must notify the Administrator of the number of that participant’s domestic customers as at the end of the qualification year for that phase.

(2) That participant must also notify the Administrator—

- (a) where it supplied electricity to domestic customers in that qualification year, of the amount of electricity it so supplied; or
- (b) where it supplied gas to domestic customers in that qualification year, of the amount of gas it so supplied.

(3) Where a participant (“P”) is a member of a group, P must also notify the Administrator—

- (a) where P supplied electricity to domestic customers in that qualification year, of—
  - (i) the name and company registration number of any other participant in the group that supplied electricity to domestic customers in that year; and
  - (ii) the amount of electricity supplied to domestic customers by the group in that year; or
- (b) where P supplied gas to domestic customers in that qualification year, of—
  - (i) the name and company registration number of any other participant in the group that supplied gas to domestic customers in that year; and
  - (ii) the amount of gas supplied to domestic customers by the group in that year.

(4) The notifications referred to in paragraphs (1) to (3) must be made in writing on or before—

- (a) for phase 1, the 21st day after the commencement date;
- (b) for phase 2, 1st February 2023;
- (c) for phase 3, 1st February 2024;
- (d) for phase 4, 1st February 2025.

(5) Where a participant fails to provide the information in paragraphs (1) to (3), or the Administrator considers any of the information notified by the participant under those paragraphs is inaccurate, the Administrator may determine the matters in those paragraphs.

(6) Anything determined by the Administrator under paragraph (5) is to be treated for the purposes of this Order as if it were notified by the participant.

(7) For the purposes of this article—

- (a) whether or not a participant is a member of a group is to be determined according to whether the participant was a member of a group at the end of the qualification year for the phase in question; and
- (b) where a participant is a member of a group, the amount of electricity or gas supplied by the group in a qualification year is the amount supplied in that year by all participants in the group, whether or not they were members of the group throughout the whole of that year.

