
DRAFT STATUTORY INSTRUMENTS

2022 No.

**The Electricity and Gas (Energy
Company Obligation) Order 2022**

PART 3

Determining obligations and minimum requirements

Determining a participant's obligations and minimum requirements

6.—(1) The Administrator must determine for each participant in relation to a phase the participant's home-heating cost reduction obligation for that phase.

(2) The Administrator must also determine for each participant in relation to a phase—

- (a) the participant's solid wall minimum requirement for that phase; and
- (b) the participant's EFG minimum requirement for that phase.

(3) For the purposes of paragraphs (1) and (2), the Administrator must—

- (a) in the case of a participant who is not a member of a group at the end of the qualification year for the phase, make the determination in accordance with article 7;
- (b) in the case of a participant who is a member of a group at the end of the qualification year for the phase, make the determination in accordance with article 8.

(4) The Administrator must notify a participant of its home-heating cost reduction obligation, solid wall minimum requirement and EFG minimum requirement in writing—

- (a) for phase 1, within the period of 6 weeks beginning with the commencement date;
- (b) for phases 2, 3 and 4, on or before the 7th March prior to the commencement of the phase.

Determining obligations and minimum requirements for a participant who is not a member of a group

7.—(1) Where a participant is not a member of a group at the end of the qualification year for the phase—

- (a) if the participant has notified the Administrator under article 5(2) of an amount of electricity or gas supplied in the qualification year for the phase which is less than the qualifying supply, the Administrator must determine the participant's home-heating cost reduction obligation, solid wall minimum requirement and EFG minimum requirement for the phase to be zero;
- (b) if the participant has notified the Administrator under article 5(2) of an amount of electricity or gas supplied in the qualification year for the phase which is equal to or greater than the qualifying supply—

- (i) the Administrator must determine the participant's home-heating cost reduction obligation and EFG minimum requirement for the phase in accordance with the following formula—

$$A \times T_p / T;$$

- (ii) the Administrator must determine the participant's solid wall minimum requirement for the phase, as the number of domestic premises equal to the result of the following formula—

$$H_p / 2,492, \text{ expressed as the nearest integer, rounding 0.5 up to the next integer.}$$

- (2) In paragraph (1)(b)(i)—

- (a) "A" is the value given for the obligation or requirement in the following table—

<i>Obligation or requirement</i>	<i>Value</i>
Home-heating cost reduction obligation	£28,037,500
EFG minimum requirement	£19,487,500

- (b) "T_p" is the amount of electricity or gas supplied in the qualification year for the phase by the participant as determined, for each phase, in accordance with article 9(2);
- (c) "T" is the total amount of electricity or gas, as applicable, supplied in the qualification year for the phase by all participants as determined, for each phase, in accordance with article 9(4).

- (3) In paragraph (1)(b)(ii), "H_p" is the participant's home-heating cost reduction obligation for the phase.

Determining obligations and minimum requirements for a participant who is a member of a group

- 8.—(1) Where a participant is a member of a group at the end of the qualification year for the phase—

- (a) if the participant has notified the Administrator under article 5(3) of an amount of electricity or gas supplied by the group in the qualification year for the phase which is less than the qualifying supply, the Administrator must determine the participant's home-heating cost reduction obligation, solid wall minimum requirement and EFG minimum requirement for the phase to be zero;
- (b) if the participant has notified the Administrator under article 5(3) of an amount of electricity or gas supplied by the group in the qualification year for the phase which is equal to or greater than the qualifying supply—

- (i) the Administrator must determine the participant's home-heating cost reduction obligation and EFG minimum requirement for the phase in accordance with the following formula—

$$(A \times T_g / T) \times (B / C);$$

- (ii) the Administrator must determine the participant's solid wall minimum requirement for the phase, as the number of domestic premises equal to the result of the following formula—

$$H_p / 2,492, \text{ expressed as the nearest integer, rounding 0.5 up to the next integer.}$$

- (2) In paragraph (1)(b)(i)—

- (a) "A" and "T" have the same meaning as in article 7;
- (b) "T_g" is the amount of electricity or gas, as applicable, supplied in the qualification year for the phase by the group of which the participant is a member as determined, for each phase, in accordance with article 9(3);

- (c) “B” is the amount of electricity or gas notified by the participant under article 5(2) for the qualification year for the phase;
- (d) “C” is the amount of electricity or gas notified by the participant under article 5(3) as supplied in the qualification year for the phase by the group of which the participant is a member.

(3) In paragraph (1)(b)(ii), “Hp” is the participant’s home-heating cost reduction obligation for the phase.

Determining supply of gas or electricity

9.—(1) This article applies for the purposes of articles 7 and 8 (determining obligations and minimum requirements).

(2) The amount of electricity or gas supplied by a participant in a qualification year for each phase is the amount of electricity or gas notified by the participant under article 5(2) for the qualification year, but deducting an amount equal to 50% of the qualifying supply for the phase.

(3) The amount of electricity or gas supplied by a group in a qualification year for each phase is the amount of electricity or gas notified by a participant under article 5(3) as supplied in the qualification year by the group of which the participant is a member, but deducting an amount equal to 50% of the qualifying supply for the phase.

(4) The total amount of electricity or gas supplied in a qualification year for each phase by all participants is the sum of—

- (a) all the electricity or gas supplied in the qualification year by participants that are not members of a group at the end of the qualification year, as determined in accordance with paragraph (2); and
- (b) all the electricity or gas supplied in the qualification year by groups, as determined in accordance with paragraph (3).

(5) In paragraph (4)—

- (a) in sub-paragraph (a), the reference to “participants” does not include those participants where the amount of electricity or gas, as applicable, notified under article 5(2) as supplied by the participant in the qualification year is less than the qualifying supply for the phase;
- (b) in sub-paragraph (b), the reference to “groups” does not include those groups where the amount of electricity or gas, as applicable, notified under article 5(3) as supplied by the group in the qualification year is less than the qualifying supply for the phase.