

DRAFT STATUTORY INSTRUMENTS

2022 No.

The Warm Home Discount (Scotland) Regulations 2022

PART 4

Non-Core Spending

CHAPTER 1

Determination etc. of non-core spending obligation

Calculation of non-core spending obligation

16.—(1) The non-core spending obligation of a compulsory scheme electricity supplier (“C”) for a scheme year, subject to any adjustments under regulation 17 or 18, is—

- (a) where the Secretary of State adjusts the initial overall spending target for the scheme year in accordance with paragraph 4(3) or (4) of Schedule 1—
 - (i) A, if C is not a relevant supplier;
 - (ii) A + B, if C is a relevant supplier and the initial overall spending target is increased in accordance with paragraph 4(3) of Schedule 1;
 - (iii) A - B, if C is a relevant supplier and the initial overall spending target is reduced in accordance with paragraph 4(4) of Schedule 1;
- (b) otherwise, C’s obligation percentage of the aggregate non-core spending obligation for the scheme year.

(2) For the purposes of paragraph (1)(a)—

- (a) “A” is C’s obligation percentage for the scheme year of the amount which would have been the aggregate non-core spending obligation if the adjustment under paragraph 4(3) or (4) (as the case may be) of Schedule 1 had not been made;
- (b) “B” is—
 - (i) if the scheme year is scheme year 12, C’s relevant percentage (as determined under regulation 13(2) of the 2011 Regulations for scheme year 11) of the amount by which the initial overall spending target for scheme year 12 is adjusted in accordance with paragraph 4(3) or (4) of Schedule 1;
 - (ii) otherwise, C’s obligation percentage for the preceding scheme year of the amount by which the initial overall spending target for the scheme year is adjusted in accordance with paragraph 4(3) or (4) of Schedule 1.

(3) For the purposes of these Regulations, the “obligation percentage” in relation to C and a scheme year is—

$$\left(\frac{X}{Y}\right) \times 100 \%$$

where—

- (a) “X” is the relevant number of GB domestic customers; and

- (b) “Y” is the total number of GB domestic customers of—
 - (i) all compulsory scheme electricity suppliers; and
 - (ii) all scheme gas suppliers.
- (4) For the purposes of paragraph (3)(a), the relevant number of GB domestic customers is—
 - (a) if C is connected to one or more scheme gas suppliers but is not connected to any other compulsory scheme electricity suppliers, the combined number of GB domestic customers of C and its connected scheme gas suppliers;
 - (b) if C is connected to one or more scheme gas suppliers and to one or more other compulsory scheme electricity suppliers, a number equal to C% of (CE + CG) where—
 - (i) “C%” is C’s number of GB domestic customers as a percentage of CE;
 - (ii) “CE” is the combined number of—
 - (aa) C’s number of GB domestic customers; and
 - (bb) the number of GB domestic customers of C’s connected compulsory scheme electricity suppliers;
 - (iii) “CG” is the number of GB domestic customers of C’s connected scheme gas suppliers;
 - (c) otherwise, C’s number of GB domestic customers.
- (5) For the purposes of paragraphs (3) and (4)—
 - (a) a reference to a supplier’s number of GB domestic customers is a reference to the supplier’s number of GB domestic customers on 31st December preceding the start of the scheme year;
 - (b) a supplier is to be treated as connected to another supplier only if they were connected on that date.
- (6) In this regulation “relevant supplier” means—
 - (a) in relation to scheme year 12, a compulsory scheme electricity supplier (within the meaning given in regulation 5(1) of the 2011 Regulations) in relation to scheme year 11;
 - (b) in relation to any other scheme year, a compulsory scheme electricity supplier in relation to the preceding scheme year.