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DRAFT STATUTORY INSTRUMENTS

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**2022 No.**

**The Warm Home Discount (Scotland) Regulations 2022**

**PART 4**

**Non-Core Spending**

**CHAPTER 2**

**Obligation to incur spending etc.**

**The broader group rebate target**

**20.**—(1) The “broader group rebate target” for a compulsory scheme electricity supplier in a scheme year is the number of Scotland domestic customers that is equal to—

- (a) where the aggregate non-core spending obligation exceeds £7 million, the lesser of—
  - (i) the relevant amount divided by 150 and rounded up to the nearest whole number; and
  - (ii) the most recent of any number determined by the Authority under paragraph (5)(b) for the supplier in the scheme year in question;
- (b) where the aggregate non-core spending obligation does not exceed £7 million, zero.

(2) For the purposes of paragraph (1)(a), “the relevant amount”, in relation to a supplier, is the supplier’s obligation percentage of the amount calculated by subtracting £7 million from the aggregate non-core spending obligation.

(3) A compulsory scheme electricity supplier must notify the Authority on or before the specified date if it considers that it will not provide prescribed rebates under Chapter 3 in the scheme year to at least the number of Scotland domestic customers specified by its broader group rebate target.

(4) For the purposes of paragraph (3) “the specified date” is—

- (a) in relation to scheme year 12, the later of—
  - (i) the day which is two months after the commencement day;
  - (ii) 15th November 2022;
- (b) in relation to any other scheme year, 15th November in that scheme year.

(5) Following receipt of a notification under paragraph (3), the Authority must—

- (a) determine whether it is not reasonably practicable for the supplier to provide rebates under Chapter 3 in the scheme year to at least the number of Scotland domestic customers specified by its broader group rebate target; and
- (b) where the Authority determines that it is not reasonably practicable for the supplier to provide rebates to at least that number of Scotland domestic customers, determine a smaller number of Scotland domestic customers (which may be zero) to whom the supplier must provide a prescribed rebate under Chapter 3 in the scheme year.