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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 4**

**Industry initiatives**

**Spending on industry initiatives by a compulsory scheme electricity supplier**

**24.**—(1) A compulsory scheme electricity supplier may in respect of a 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 table in Part 1 of Schedule 3 (an “industry initiative”) by—

- (a) the supplier; or
- (b) a connected scheme gas supplier, to the extent permitted by regulation 26.

(2) But spending on an industry initiative does not count towards a supplier’s non-core spending obligation if the spending—

- (a) is incurred pursuant to a requirement in—
  - (i) any other enactment; or
  - (ii) an electricity supply or gas supply licence;
- (b) is counted by a scheme supplier towards a spending obligation or target imposed by—
  - (i) any other enactment; or
  - (ii) an electricity supply or gas supply licence; or
- (c) falls within any exception in the table in Part 1 of Schedule 3.

(3) In addition, spending on an industry initiative does not count towards a supplier’s non-core spending obligation unless—

- (a) the industry initiative has been notified to the Authority; and
- (b) either—
  - (i) the spending takes place after the Authority approves the initiative; or
  - (ii) in relation to scheme year 12, the spending takes place before the Authority decides whether to approve the initiative but the Authority subsequently approves it.