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STATUTORY INSTRUMENTS

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**2008 No. 188**

The Electricity and Gas (Carbon  
Emissions Reduction) Order 2008

PART 1

Introduction

**Interpretation**

2.—(1) In this Order—

“the 2001 Order” means the Electricity and Gas (Energy Efficiency Obligations) Order 2001(1);

“the 2004 Order” means the Electricity and Gas (Energy Efficiency Obligations) Order 2004(2);

“carbon emissions reduction obligation” means the reduction in carbon emissions a supplier must achieve in the obligation period;

“cogeneration” means the simultaneous generation in one process of thermal energy and—

- (a) electrical energy;
- (b) mechanical energy; or
- (c) both electrical and mechanical energy(3);

“cogeneration unit” means a unit that can operate in cogeneration mode;

“domestic customer” means an owner or occupier of domestic premises in Great Britain who is supplied with electricity or gas at those premises wholly or mainly for domestic purposes;

“domestic energy user” means a person who uses energy in domestic premises in Great Britain wholly or mainly for domestic purposes;

“energy” means energy from coal, electricity, gas, geothermal sources, liquid petroleum gas, oil, solar power, water, wind or wood;

“group of companies” means—

- (a) a holding company; and
- (b) the wholly-owned subsidiaries of that holding company;

“holding company” has the same meaning as in section 736 of the Companies Act 1985(4);

“householder” has the meaning given by Schedule 1;

“lifetime tonnes of carbon dioxide” means the amount of carbon dioxide that is expected to be saved over the lifetime of the measures to be promoted under this Order;

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(1) [S.I. 2001/4011](#), as amended by [S.I. 2003/1180](#).

(2) [S.I. 2004/3392](#).

(3) Cogeneration is also commonly referred to as combined heat and power in the United Kingdom.

(4) [1985 c.6](#). Sections 736 and 736A were substituted for the original section by section 144(1) of the Companies Act 1989 ([c.40](#)).

“microgeneration” has the same meaning as in section 26 of the Climate Change and Sustainable Energy Act 2006<sup>(5)</sup>;

“micro-cogeneration unit” means a cogeneration unit with a maximum capacity below 50 kW<sub>e</sub>;

“new supplier” has the meaning given by article 4(5);

“notification” means notification in writing and includes notification by electronic mail or facsimile;

“obligation period” has the meaning given by article 6(3) or 6(4);

“overall carbon emissions reduction target” means the target for the promotion of a reduction in carbon emissions stated in article 3(1) and referred to in section 103 of the Utilities Act 2000;

“priority group” means the group of domestic energy users where each member—

- (a) is in receipt of at least one of the benefits described in paragraph 2 of Schedule 2;
- (b) is in receipt of at least one of the credits described in paragraph 3 of Schedule 2 and has a relevant income of £15,592 or less (where “relevant income” has the same meaning as in Part 1 of the Tax Credits Act 2002<sup>(6)</sup>); or
- (c) is at least 70 years old;

“subsidiary” has the meaning given by section 736 of the Companies Act 1985;

“supplier” has the meaning given by article 4;

“U value” means the measure in W/m<sup>2</sup>K of heat transmission through a wall.

(2) In this Order, subject to article 10, a qualifying action means—

- (a) a demonstration action;
- (b) a market transformation action;
- (c) subject to article 14, a priority group flexibility action; or
- (d) a standard action.

(3) In this Order—

- (a) a demonstration action is an action which is reasonably expected to achieve a reduction in carbon emissions;
- (b) a market transformation action means an action which is—
  - (i) the promotion of solid wall insulation or micro-cogeneration units where such action will achieve a reduction in carbon emissions; or
  - (ii) any other action which will achieve a reduction in carbon emissions but which the Authority did not determine to be a qualifying action under the 2001 Order;
- (c) a priority group flexibility action means the promotion to a householder within paragraph (a) or (b) of the priority group—
  - (i) of ground source heat pumps in respect of a property which does not have a mains gas supply; or
  - (ii) of solid wall insulation which lowers the U-value of the walls to 0.5W/m<sup>2</sup>K or less;
- (d) a standard action means an action which will achieve a reduction in carbon emissions.

(4) Paragraph 1 of Schedule 2 has effect.

<sup>(5)</sup> 2006 c.19.

<sup>(6)</sup> 2002 c.21.