

**2014 No. 695**

**ELECTRICITY**

**GAS**

**The Warm Home Discount (Amendment) Regulations 2014**

*Made* - - - - *13th March 2014*

*Coming into force in accordance with regulation 1*

The Secretary of State has consulted the Gas and Electricity Markets Authority, licensed electricity suppliers, licensed gas suppliers and such other persons as the Secretary of State thinks appropriate.

The Secretary of State has conducted a review in accordance with provision made under section 14(4)(b) of the Energy Act 2010(a) (“the Act”).

In accordance with section 31(2) of the Act a draft of these Regulations has been laid before and approved by resolution of each House of Parliament.

Accordingly, the Secretary of State makes these Regulations with the consent of the Treasury(b) in exercise of the powers conferred by sections 9 and 31(5) and (6) of the Act.

**Title and commencement**

**1.**—(1) These Regulations may be cited as the Warm Home Discount (Amendment) Regulations 2014.

(2) These Regulations come into force on the day after the day on which they are made.

**Amendments to regulation 14 of the Warm Home Discount Regulations 2011**

**2.**—(1) Regulation 14 (Adjustments for banking and borrowing) of the Warm Home Discount Regulations 2011(c) is amended as follows.

(2) For paragraph (3)(b), substitute—

“(b) in relation to—

(i) scheme years 2 and 3, 1% of  $S_{t-1}$ , if the amount determined under subparagraph (a) is greater than 1% of  $S_{t-1}$ ; or

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(a) 2010 c. 27.

(b) The consent of the Treasury is required by section 14(3) of the Energy Act 2010.

(c) S.I. 2011/1033.

- (ii) scheme year 4, 34% of  $S_{t-1}$ , if the amount determined under sub-paragraph (a) is greater than 34% of  $S_{t-1}$ .”

13th March 2014

*Gregory Barker*  
Minister of State  
Department of Energy and Climate Change

We consent.

13th March 2014

*David Evennett*  
*Mark Lancaster*  
Two of the Lords Commissioners of Her Majesty's Treasury

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Warm Home Discount Regulations 2011 (“the 2011 Regulations”), which place obligations on certain electricity suppliers to incur spending on the provision of benefits to consumers in or at risk of fuel poverty who meet certain criteria. Under Part 4 of the 2011 Regulations, each supplier subject to that Part is required in each scheme year to incur an amount of spending (“non-core spending”) calculated by the Gas and Electricity Markets Authority, and regulation 14 provides for an adjustment to be made to a supplier’s non-core spending obligation if it spent more or less than its non-core spending obligation in the preceding scheme year. These Regulations amend regulation 14 to increase the maximum percentage by which a supplier’s non-core spending obligation for scheme year 4 (1st April 2014 to 31st March 2015) may be reduced if the supplier spent more than its non-core spending obligation in the preceding scheme year. The maximum percentage is increased from 1% to 34% of the supplier’s non-core spending obligation for the preceding scheme year.

A full regulatory impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available at <https://www.gov.uk/government/consultations/warm-home-discount-flexibility-for-higher-spending> and is annexed to the Explanatory Memorandum which is available alongside the instrument on the OPSI website.

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