
STATUTORY INSTRUMENTS

2018 No. 1183

The Electricity and Gas (Energy
Company Obligation) Order 2018

PART 8

Transfers

Transfer of obligations

35.—(1) A participant may apply to the Administrator with another participant for all or part of its total home-heating cost reduction obligation or total solid wall minimum requirement to be transferred from the participant (“A”) to the other participant (“B”) (“a proposed transfer”).

(2) An application under paragraph (1) must—

- (a) be made by A and B, in writing, on or before 30th September 2021;
- (b) state in respect of which one of the following the application is being made (“the relevant obligation”)—
 - (i) a total home-heating cost reduction obligation; or
 - (ii) a total solid wall minimum requirement;
- (c) state the amount of its relevant obligation that A intends to transfer to B (“the proposed transfer amount”); and
- (d) include such other information relating to the proposed transfer as the Administrator may require.

(3) The Administrator must not approve the application if—

- (a) the proposed transfer amount exceeds A’s relevant obligation;
- (b) approval of the application would result in A or B’s total solid wall minimum requirement being greater than its total home-heating cost reduction obligation;
- (c) having regard to section 300 of the Gas Act 1986⁽¹⁾ and section 270 of the Electricity Act 1989⁽²⁾ (maximum amount of penalty or compensation), the Administrator considers that, if the application were approved, there is a significant risk that it would adversely affect the Administrator’s ability to enforce the requirements placed on B under this Order; or
- (d) where A and B are not members of the same group, the Administrator considers that, if the application were approved, there is a significant risk that B will be unable to achieve its total home-heating cost reduction obligation or total solid wall minimum requirement.

(4) If the Administrator decides not to approve the application it must in writing—

- (a) notify A of any reasons for that decision relating to A; and
- (b) notify B of any reasons for that decision relating to B.

(1) 1986 c.44. Section 300 was inserted by paragraph 1 of Schedule 14 to the Energy Act 2013 (c.32).

(2) 1989 c.29. Section 270 was inserted by paragraph 2 of Schedule 14 to the Energy Act 2013.

- (5) If the Administrator approves the application—
 - (a) A's relevant obligation is treated as reduced by the proposed transfer amount, and the Administrator must notify A in writing of its reduced relevant obligation; and
 - (b) B's relevant obligation is treated as increased by the proposed transfer amount, and the Administrator must notify B in writing of its increased relevant obligation.