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STATUTORY INSTRUMENTS

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**2022 No. 1073**

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

**PART 4**

**Non-Core Spending**

**CHAPTER 1**

**Determination etc. of non-core spending obligation**

**Adjustment of non-core spending obligation: scheme year 12**

**17.**—(1) The adjustments that must be made to the non-core spending obligation for scheme year 12 (“O”) of a compulsory scheme electricity supplier (“C”) are as follows.

(2) O must be adjusted in accordance with paragraph (3) or (4) if I is less than or exceeds S where—

- (a) “I” is the amount of spending incurred by C under Part 4 of the 2011 Regulations in scheme year 11 (as determined by the Authority in accordance with regulation 29(1)(d) of those Regulations);
- (b) “S” is C’s non-core spending obligation under that Part of those Regulations for scheme year 11, as adjusted (where required) in accordance with regulation 14 of those Regulations.

(3) If I is less than S, O must be adjusted by adding an amount equal to 9.4% of (S - I).

(4) If I exceeds S, O must be adjusted by subtracting the lesser of—

- (a) an amount equal to 9.4% of (I - S); and
- (b) an amount equal to 9.4% of the overspend amount.

(5) For the purposes of paragraph (4) “the overspend amount” is—

- (a) 5% of S; or
- (b) where C notified the Authority of their intention to meet all or part of a failed supplier’s non-core spending obligation in accordance with regulation 30A of the 2011 Regulations in scheme year 11, 10% of S.

(6) Whether or not an adjustment is made under paragraph (2), O must be adjusted by adding an amount equal to 9.4% of the undelivered rebate amount.

(7) For the purposes of paragraph (6) “the undelivered rebate amount” is £140 multiplied by—

- (a) where C has made a notification under regulation 9(7) of the 2011 Regulations in respect of scheme year 11, the number of prescribed rebates as stated in that notification; and
- (b) where C has made a notification under regulation 14(3A) of the 2011 Regulations in respect of scheme year 11, the number of prescribed rebates as stated in that notification.