
STATUTORY INSTRUMENTS

2022 No. 772

**The Warm Home Discount (England
and Wales) Regulations 2022**

PART 4

Non-Core Spending

CHAPTER 3

Industry initiatives

Spending on industry initiatives by a compulsory scheme electricity supplier

21.—(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 2 (an “industry initiative”) by—

- (a) the supplier, or
- (b) a connected gas supplier, to the extent permitted by regulation 23.

(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 2.

(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.

Approval of industry initiatives

22.—(1) A compulsory scheme electricity supplier must notify the Authority of the industry initiatives which it, or any connected scheme gas supplier, proposes to carry out.

- (2) A supplier may—
- (a) make a notification for the purposes of one or more scheme years;
 - (b) make more than one notification in respect of a scheme year.
- (3) The Authority must approve a supplier’s notification if, but only if, it is satisfied that the supplier’s proposed industry initiatives—
- (a) meet the criteria specified in the relevant entry in the first column of the table in Part 1 of Schedule 2, and do not fall within the exceptions in the corresponding entry in the second column of the table,
 - (b) ensure, so far as reasonably practicable, that every E&W domestic customer provided with benefits under the industry initiatives will be provided with energy advice and smart meter advice,
 - (c) include adequate measures to ensure, so far as reasonably practicable, that benefits provided under the industry initiatives will be provided wholly or mainly to persons in fuel poverty or in a fuel poverty risk group, and
 - (d) will provide value for money.

Spending on industry initiatives which may be treated as incurred by a compulsory scheme electricity supplier

23.—(1) This regulation applies where a compulsory scheme electricity supplier (“C”) is connected to one or more scheme gas suppliers on the qualifying date (referred to in this regulation as a “connected scheme gas supplier”).

(2) For the purposes of this regulation, the qualifying date is 31st December preceding the start of the scheme year.

(3) If C is not connected to any other compulsory scheme electricity supplier on the qualifying date, C may treat any amount of spending incurred under regulation 21 by a connected scheme gas supplier in the relevant scheme year as an amount of spending incurred by C in that scheme year.

(4) If C is connected to one or more compulsory scheme electricity suppliers on the qualifying date (referred to in this regulation as a “connected compulsory scheme electricity supplier”), C may treat the specified percentage of any amount of spending incurred under regulation 21 by a connected scheme gas supplier in the relevant scheme year as an amount of spending incurred by C in that scheme year.

(5) For the purposes of paragraph (4), the “specified percentage” is C’s number of GB domestic customers on the qualifying date as a percentage of the combined number of GB domestic customers of—

- (a) C, and
 - (b) C’s connected compulsory scheme electricity suppliers,
- on that date.

Spending incurred by a compulsory scheme electricity supplier before the commencement day

24. In scheme year 12, a compulsory scheme electricity supplier may treat as an amount of spending incurred under regulation 21 any spending which—

- (a) was incurred between 1st April 2022 and the commencement day, and
- (b) would have counted towards its non-core spending obligation by virtue of regulations 20 to 23, if these Regulations had come into force on 1st April 2022.