
STATUTORY INSTRUMENTS

2023 No. 454

**The Energy Bills Discount Scheme
(Northern Ireland) Regulations 2023**

PART 2

Discounted supply price

CHAPTER 1

Determination of prices

Supply price

- 8.—**(1) In these Regulations “supply price” in relation to a supply contract means—
- (a) the price (before the application of a discount under the scheme) of energy supplied under that contract, so far as that price is to be paid in respect of the quantity of energy supplied in any period, or
 - (b) if the supply contract provides for different prices to be paid in respect of different quantities of energy (whether supplied in different periods, or at different times of day or measured by different meters, or otherwise), the average of such prices—
 - (i) weighted by the quantities supplied to which each such price applies, or
 - (ii) where applicable, and to the extent that determining the average under subparagraph (b)(i) is not practicable, weighted by the number of hours in the day for which each such price applies.
- (2) The supply price does not include amounts in respect of—
- (a) value added tax;
 - (b) climate change levy, as defined in section 30 of, and Schedule 6 to, the Finance Act 2000⁽¹⁾.

Commencement Information

- II** Reg. 8 in force at 26.4.2023, see [reg. 1\(1\)](#)

Reference wholesale price – fixed price, variable price and DAI price contracts

9.—(1) The Secretary of State must establish and publish a methodology for determining reference wholesale prices applicable to fixed price contracts, variable price contracts and DAI price contracts.

- (2) The methodology may—

(1) 2000 c. 17.

- (a) make different provision in respect of fixed price contracts, variable price contracts and DAI price contracts;
 - (b) in relation to a fixed price contract, make reference to the price-fix date of that contract;
 - (c) provide, in relation to any category of supply contract, for a reference wholesale price to be determined for the whole of a scheme period or for different reference wholesale prices to be determined for different periods within a scheme period;
 - (d) refer to published quotations of wholesale prices for electricity or gas traded in the wholesale markets at different times and for delivery at different times.
- (3) The methodology must not refer to—
- (a) any particular details of a variable price contract or a DAI price contract;
 - (b) any particular details of a fixed price contract other than the price-fix date.
- (4) Where the methodology provides, in relation to a category of supply contract, for more than one reference wholesale price to be determined—
- (a) subject to paragraph (b), the methodology must provide for how it is to be determined which of those reference wholesale prices applies to any particular supply contract in that category;
 - (b) in relation to a DAI price contract, the methodology may provide for different reference wholesale prices to apply in different periods.
- (5) The Secretary of State must determine in accordance with the methodology, and publish at times decided by the Secretary of State, the reference wholesale prices for variable price contracts, fixed price contracts and DAI price contracts.
- (6) The Secretary of State may amend the methodology by publishing the amendment.
- (7) Where, in accordance with the methodology or any amendment of it, the Secretary of State revises any wholesale reference price which has already been determined in respect of variable price contracts—
- (a) the Secretary of State must publish the date on which the revision takes effect (“effective date”) which must not be earlier than the date on which the revised price was published;
 - (b) the revised wholesale reference price—
 - (i) applies in respect of variable price contracts entered into on or after the effective date;
 - (ii) where so determined by the Secretary of State, applies in respect of energy supplied on and after the effective date under variable price contracts entered into before that date.

Commencement Information

12 Reg. 9 in force at 26.4.2023, see [reg. 1\(1\)](#)

Reference wholesale price – flexible price contracts

10.—(1) In relation to a flexible price contract, the reference wholesale price for any period in which energy is supplied (a “relevant period”) is the volume-weighted average contracted wholesale price for the relevant period.

(2) The volume-weighted average contracted wholesale price for a relevant period is determined by reference to any of the following that apply under that contract—

- (a) any elections (and the quantities, periods and prices subject to those elections) made by the customer to fix the contracted wholesale price;

- (b) any cancellations by the customer of such an election;
- (c) any amounts (so far as relating to wholesale prices) payable by or to the customer in respect of such elections or cancellations;
- (d) any amounts payable by the customer in respect of quantities of energy in default of such elections;
- (e) the quantities, periods and prices on the basis of which the contracted wholesale price was fixed under any other mechanism under the contract;
- (f) other amounts referable to the wholesale cost of electricity in accordance with the principle in paragraph (3),

each so far as attributable to energy supplied under the contract in the relevant period.

- (3) The principle is that amounts payable by the customer under the supply contract—
 - (a) should be included in the contracted wholesale price where such payment has the effect of passing through to the customer a cost or risk incurred by the supplier and related to the cost of wholesale energy;
 - (b) should not be included in the contracted wholesale price where such amount is payable to compensate or reward the supplier for bearing, and not passing through to the customer, such a cost or risk.

- (4) A supplier must—
 - (a) establish a methodology setting out the basis on which it will determine the reference wholesale price under each flexible price contract, or each kind of flexible price contract, that it enters or has entered into;
 - (b) keep the methodology under review and update it if appropriate;
 - (c) maintain, in respect of each flexible price contract, the data necessary to make those determinations in accordance with the relevant methodology;
 - (d) apply the relevant methodology in making those determinations.

(5) The Secretary of State may make rules about the determination (including as to what is, and what is not, to be taken into account in the determination) of volume-weighted average contracted wholesale prices in respect of flexible supply contracts in accordance with this regulation.

Commencement Information

I3 Reg. 10 in force at 26.4.2023, see [reg. 1\(1\)](#)

Changes to legislation:

There are currently no known outstanding effects for the The Energy Bills Discount Scheme (Northern Ireland) Regulations 2023, CHAPTER 1.