
DRAFT STATUTORY INSTRUMENTS

2012 No.

**The Electricity and Gas (Energy
Company Obligation) Order 2012**

PART 2

Overall carbon emissions reduction target, overall carbon saving
community target and overall home heating cost reduction target

**Overall carbon emissions reduction target, carbon saving community target and home
heating cost reduction target**

- 3.—(1) For the period 1st October 2012 to 31st March 2015 the overall—
- (a) carbon emissions reduction target is 20.9 million lifetime tonnes of carbon dioxide;
 - (b) carbon saving community target is 6.8 million lifetime tonnes of carbon dioxide;
 - (c) home heating cost reduction target is £4.2bn cost savings.
- (2) The Administrator must ensure that the sum of all—
- (a) total carbon emissions reduction obligations imposed on suppliers equals the overall carbon emissions reduction target;
 - (b) total carbon saving community obligations imposed on suppliers equals the overall carbon savings community target; and
 - (c) total home heating cost reduction obligations imposed on suppliers equals the overall home heating cost reduction target.

Definition of a supplier

4.—(1) A licence-holder is a supplier where the licence-holder supplies, or for a group company, the group supplies, more than—

- (a) 250,000 domestic customers on 31st December of any relevant year; and
- (b) a qualifying supply in the year ending on that date.

(2) For the purposes of paragraph (1), where a licence-holder (“L”) is a member of a group (“G”), the supplies made by G are to be determined by reference to the type of supply in respect of which L is a licence-holder.

(3) A new supplier is a supplier to whom paragraph (1) applies for the first time on 31st December 2012 or 31st December 2013.

(4) For the purposes of determining the number of domestic customers of a licence-holder under this Order, a domestic customer who receives electricity and gas from a dual licence-holder is a separate domestic customer under each licence.

(5) Where a dual licence-holder satisfies paragraph (1) in respect of electricity or gas that licence-holder is a separate supplier in respect of each supply.

Article 4: group companies

5.—(1) This article applies for the purposes of article 4(1).

(2) Whether or not a licence-holder is a member of a group with another licence-holder is to be determined on the date referred to in article 4(1).

(3) Where under paragraph (2) a licence-holder is a member of a group with another licence-holder, the amount of electricity or, as applicable, gas supplied by the group in the year ending on the date referred to in article 4(1), is the amount supplied by those licence-holders whether or not they were members of the group throughout that year.

Overall obligation period

6.—(1) The overall obligation period is the period—

- (a) commencing on 1st October 2012, except for a new supplier; and
- (b) ending on 31st March 2015.

(2) For a new supplier the overall obligation period commences on, as applicable, 1st April 2013 or 1st April 2014.

Notification by suppliers of domestic customers and energy supplied

7.—(1) A supplier must notify the Administrator by the notification date in each year in which any part of the overall obligation period falls of—

- (a) the number of that supplier's domestic customers in the notification period ending on the 31st December immediately prior to the notification date;
- (b) the amount of electricity or gas supplied to its domestic customers in the notification period ending on the 31st December immediately prior to the notification date.

(2) Where a supplier fails to do so or where the Administrator is satisfied that a notification is inaccurate, the Administrator may determine for the purposes of paragraph (1) the number of domestic customers of a supplier or the amount of electricity or gas supplied.

(3) Where a supplier ("S") is a group company on the 31st December immediately prior to the notification date, S must also notify the Administrator by the notification date of the name of each other supplier in the group, its company registration number and the amount of electricity or gas supplied by the group in the relevant year immediately prior to the notification date.

(4) In paragraph (3), "each other supplier in the group" means each supplier which makes the type of supply in respect of which S is a supplier.

(5) Where under paragraph (3) a supplier is a member of a group with another supplier, the amount of electricity or, as applicable, gas supplied by the group in the relevant year immediately prior to the notification date is the amount supplied by those suppliers whether or not a supplier was a member of the group throughout that year.

(6) Where a supplier fails to provide the information in paragraph (3), or considers any of the information notified by the supplier under that paragraph is inaccurate, the Administrator may for the purposes of that paragraph determine the matters to which that information relates.

(7) A determination by the Administrator under paragraph (2) or (6) is to be treated as if it were notified by the supplier.

(8) In this article, "notification date" means—

- (a) 1st September 2012; and
- (b) thereafter, 1st February of the years 2013 and 2014.