
STATUTORY INSTRUMENTS

2009 No. 1905

**The Electricity and Gas (Community
Energy Saving Programme) Order 2009**

PART 2

Overall carbon emissions reduction target and carbon emissions reduction obligations

Overall carbon emissions reduction target and carbon emissions reduction obligations

3.—(1) The overall carbon emissions reduction target under this Order for the period 1st October 2009 to 31st December 2012 is 19.25 million lifetime tonnes of carbon dioxide.

(2) The overall carbon emissions reduction target comprises the following—

- (a) a carbon emissions reduction target for generators of 9.625 million lifetime tonnes of carbon dioxide; and
- (b) a carbon emissions reduction target for suppliers of 9.625 million lifetime tonnes of carbon dioxide.

(3) The Authority must ensure that the sum of all carbon emissions reduction obligations imposed on—

- (a) generators equals the carbon emissions reduction target in paragraph (2)(a);
- (b) suppliers equals the carbon emissions reduction target in paragraph (2)(b).

Definition of generator

4.—(1) A person is a generator if that person holds a generation licence and satisfies paragraph (2).

(2) A person must have generated a mean of 10 TWh/yr or more of electricity in any of the generation periods.

(3) A person generates electricity at a generation plant throughout a generation period where that person holds the generation licence for that plant on the final 31st December of that generation period.

(4) Where a company holds a generation licence and belongs to a group of companies and the mean of electricity generated by the group of companies in a generation period is 10 TWh/yr or more, each company in the group with a generation licence satisfies paragraph (2).

(5) A new generator is a generator who satisfies paragraph (2) in respect of a generation period other than generation period one.

(6) In this article—

- (a) “generation plant” means a place in Great Britain, in the territorial sea adjacent to Great Britain or in a Renewable Energy Zone where electricity is generated; and
- (b) “Renewable Energy Zone” has the same meaning as in Chapter 2 of Part 2 of the Energy Act 2004(1).

Definition of supplier

5.—(1) A person is a supplier if that person holds a supply licence—

- (a) under section 6(1)(d) of the Electricity Act 1989 and that person satisfies paragraph (2) or (3) in respect of the supply of electricity; or
- (b) under section 7A of the Gas Act 1986 and that person satisfies paragraph (2) or (3) in respect of the supply of gas.

(2) A person must supply at least 50,000 domestic customers on 31st December of the year 2008, 2009, 2010 or 2011.

(3) A company that belongs to a group of companies must on 31st December of the year 2008, 2009, 2010 or 2011 supply domestic customers and the number of domestic customers of that company and of other companies in the group must be at least 50,000.

(4) Where a person satisfies paragraph (1) in respect of electricity and of gas that person is a separate supplier in respect of each supply.

(5) A new supplier is a supplier who satisfies paragraph (1) for the first time on—

- (a) 31st December 2009;
- (b) 31st December 2010; or
- (c) 31st December 2011.

Notification by generators

6.—(1) A generator must notify the Authority by 14th September 2009 of the amount of electricity generated by it, in TWh, between 1st January 2008 and 31st December 2008.

(2) A generator must notify the Authority by 1st March 2010 and on each anniversary of that date, (“the notification date”), of the amount of electricity generated by it, in TWh, between 1st January 2008 and the 31st December before the notification date.

(3) The requirement in paragraph (2) does not apply to the extent that the amount of electricity generated has been notified on a previous notification date.

(4) Where a generator fails to notify the Authority in accordance with paragraph (1) or (2) the Authority may determine the amount of electricity generated by that generator.

(5) The quantity determined under paragraph (4) is to be treated as if it were notified by the generator.

Notification by suppliers

7.—(1) A supplier must notify the Authority by 14th September 2009 of the number of that supplier’s domestic customers on 31st December 2008.

(2) A supplier must notify the Authority by 1st March 2010 and on each anniversary of that date, (“the notification date”), of the number of that supplier’s domestic customers on the 31st December before the notification date.

(3) Where a supplier fails to notify the Authority in accordance with paragraph (1) or (2) the Authority may determine that number.

(4) A number determined under paragraph (3) is to be treated as if it were notified by the supplier.

Obligation period for generators

8.—(1) The obligation period for a generator, except a new generator, commences on 1st October 2009.

- (2) For a new generator who satisfies article 4(2) for the first time in respect of—
- (a) generation period two, the obligation period commences on 1st April 2010;
 - (b) generation period three, the obligation period commences on 1st April 2011;
 - (c) generation period four, the obligation period commences on 1st April 2012.
- (3) The obligation period for all generators ends on 31st December 2012.

Determining a carbon emissions reduction obligation for generators

9.—(1) The Authority must determine a generator’s carbon emissions reduction obligation in accordance with the following provisions.

- (2) A generator’s carbon emissions reduction obligation is determined by the formula:

$$\frac{x}{y} \times 9.625 \text{ million lifetime tonnes of carbon dioxide} = Z$$

- (3) In paragraph (2)—

“X” means the amount of electricity generated in—

- (a) 2008 for an October 2009 generator;
- (b) 2009 for an April 2010 generator;
- (c) 2010 for an April 2011 generator;
- (d) 2011 for an April 2012 generator;

“Y” means, when determining the obligation for—

- (a) an October 2009 generator, the total electricity generated by all October 2009 generators in respect of the year shown in row 1 of Table 1 set out in this article;
- (b) an April 2010 generator, the total amount of electricity generated by all October 2009 and April 2010 generators in respect of the corresponding year or years shown in row 2 of Table 1;
- (c) an April 2011 generator, the total amount of electricity generated by all October 2009, April 2010 and April 2011 generators in respect of the corresponding year or years shown in row 3 of Table 1;
- (d) an April 2012 generator, the total amount of electricity generated by all October 2009, April 2010, April 2011 and April 2012 generators in respect of the corresponding year or years shown in row 4 of Table 1;

“Z” means the carbon emissions reduction obligation.

Table 1 – Calculation of Y when the Authority is determining or reviewing a carbon emissions reduction obligation for a generator

Row Number	Relevant years			
	<i>For an October 2009 generator</i>	<i>For an April 2010 generator</i>	<i>For an April 2011 generator</i>	<i>For an April 2012 generator</i>
1	2008	-	-	-
2	2008,2009	2009	-	-
3	2008,2009,2010	2009,2010	2010	-
4	2008,2009,2010,2011	2009,2010,2011	2010,2011	2011

- (4) The Authority must notify—
 - (a) an October 2009 generator of that generator's carbon emissions reduction obligation by 28th September 2009;
 - (b) a new generator of that generator's carbon emissions reduction obligation by 14th March prior to the commencement of the obligation period for that generator.

Determining a carbon emissions reduction obligation for suppliers

- 10.**—(1) The Authority must determine a supplier's carbon emissions reduction obligation.
- (2) The Authority must refer to the matters in article 11 when determining the obligation.
 - (3) Subject to paragraph (4), the obligation period is the period—
 - (a) commencing on 1st October 2009, except for a new supplier; and
 - (b) ending on 31st December 2012.
 - (4) For a new supplier who satisfies article 5(1) for the first time on—
 - (a) 31st December 2009, the obligation period commences on 1st April 2010;
 - (b) 31st December 2010, the obligation period commences on 1st April 2011;
 - (c) 31st December 2011, the obligation period commences on 1st April 2012.
 - (5) The Authority must notify—
 - (a) a supplier of that supplier's carbon emissions reduction obligation by 28th September 2009;
 - (b) a new supplier of that supplier's carbon emissions reduction obligation by 14th March prior to the commencement of the obligation period.

Matters to be considered by the Authority in relation to suppliers

- 11.**—(1) The matters referred to in article 10(2) are—
 - (a) the carbon emissions reduction target for suppliers in article 3(2)(b);
 - (b) total customer numbers; and
 - (c) supplier customer numbers.
- (2) For a supplier, except a new supplier—
 - (a) total customer numbers are the total number of domestic customers supplied by suppliers on 31st December 2008;
 - (b) supplier customer numbers are the number of domestic customers supplied by that supplier on 31st December 2008.
 - (3) For a new supplier—
 - (a) total customer numbers are the mean of the total number of domestic customers supplied by suppliers on each 31st December prior to the commencement of the obligation period.
 - (b) supplier customer numbers are the mean of—
 - (i) the number of domestic customers supplied by the supplier on 31st December prior to the commencement of the obligation period; and
 - (ii) zero for each 31st December prior to that date until and including 31st December 2008.

Review of obligations by the Authority in relation to generators

12.—(1) When the Authority has the amount of electricity generated by all generators, either notified under article 6(2) or determined under article 6(4), the Authority must—

- (a) review a generator’s carbon emissions reduction obligation; and
- (b) notify a generator of any amendment to that generator’s obligation by 14th March immediately following the review.

(2) A review must be carried out in accordance with the formula:

$$\frac{x}{y} \times 9.625 \text{ million lifetime tonnes of carbon dioxide} = Z$$

(3) For the purposes of paragraph (2)—

“X” means, when carrying out a review for—

- (a) an October 2009 generator in 2010, the total electricity generated by that generator in the years shown in row 1 of Table 2 set out in this article;
- (b) an October 2009 generator in 2011, the total electricity generated by that generator in the corresponding years shown in row 2 of Table 2;
- (c) an October 2009 generator in 2012, the total electricity generated by that generator in the corresponding years shown in row 3 of Table 2;
- (d) an April 2010 generator in 2011, the total electricity generated by that generator in the corresponding years shown in row 2 of Table 2;
- (e) an April 2010 generator in 2012, the total electricity generated by that generator in the corresponding years shown in row 3 of Table 2;
- (f) an April 2011 generator in 2012, the total electricity generated by that generator in the corresponding years shown in row 3 of Table 2.

“Y” means, when carrying out a review for—

- (a) October 2009 generators in 2010, the total electricity generated by all October 2009 generators and all April 2010 generators in the corresponding years shown in row 2 of Table 1 set out in article 9;
- (b) October 2009 generators and April 2010 generators in 2011, the total electricity generated by all those generators and all April 2011 generators in the corresponding years shown in row 3 of Table 1;
- (c) October 2009 generators, April 2010 generators and April 2011 generators in 2012, the total electricity generated by all those generators and all April 2012 generators in the corresponding years shown in row 4 of Table 1.

“Z” means the carbon emissions reduction obligation.

(4) When the Authority has determined a generator’s carbon emissions reduction obligation following a review it must further adjust, if necessary, the obligation to take into account any trading by a generator under article 21.

Table 2 – Calculation of X when the Authority is undertaking a review

Row	Relevant years for a review		
	For an October 2009 generator	For an April 2010 generator	For an April 2011 generator

1	2008,2009	-	-
2	2008,2009,2010	2009,2010	-
3	2008,2009,2010,2011	2009,2010,2011	2010,2011

Review of obligations by the Authority in relation to suppliers

13.—(1) When the Authority has all suppliers' domestic customer numbers, either notified under article 7(2) or determined under article 7(3), the Authority must—

- (a) review a supplier's carbon emissions reduction obligation; and
- (b) notify a supplier of any amendment to that supplier's obligation by 14th March immediately following the review.

(2) The review must be carried out by reference to—

- (a) the overall carbon emissions reduction target for suppliers in article 3(2)(b);
- (b) the effect of any trading under article 21 between—
 - (i) suppliers; or
 - (ii) suppliers and generators;
- (c) the mean of the total number of domestic customers supplied by suppliers on 31st December 2009 and on each anniversary of that date; and
- (d) supplier customer numbers.

(3) Except for a new supplier, supplier customer numbers are the mean of the number of domestic customers supplied by a supplier on—

- (a) 31st December prior to the commencement of the obligation period; and
- (b) each 31st December subsequent to the commencement of the obligation period.

(4) For a new supplier for whom the obligation period commences on 1st April 2010, supplier customer numbers are the mean of—

- (a) the number of domestic customers supplied by that supplier on 31st December 2010;
- (b) the number of domestic customers supplied by that supplier on 31st December 2009;
- (c) zero for 31st December 2008; and
- (d) where applicable, the number of domestic customers supplied by that supplier on 31st December 2011.

(5) For a new supplier for whom the obligation period commences on 1st April 2011, supplier customer numbers are the mean of—

- (a) the number of domestic customers supplied by that supplier on 31st December 2010;
- (b) zero for each 31st December in the years 2008 and 2009; and
- (c) the number of domestic customers supplied by that supplier on 31st December 2011.

(6) The number of domestic customers under paragraph (3)(b) on each 31st December subsequent to the commencement of the obligation period, or under paragraph (4)(a), (4)(d) or (5)(c) is deemed to be zero where—

- (a) a supplier belongs to a group of companies and that group has fewer than 50,000 domestic customers on that date; or
- (b) for any other supplier, that supplier has fewer than 50,000 domestic customers on that date.

(7) When the Authority has determined a supplier's carbon emissions reduction obligation following a review it must further adjust, if necessary, the obligation to take into account any trading by a supplier under article 21.