
DRAFT STATUTORY INSTRUMENTS

2008 No.

**The Electricity and Gas (Carbon
Emissions Reduction) Order 2008**

PART 3

Qualifying actions, notifications and approvals

Achievement of carbon emissions reduction obligations

9.—(1) A supplier must achieve its carbon emissions reduction obligation by promoting qualifying actions to domestic energy users.

(2) A qualifying action must be approved by the Authority.

(3) Subject to paragraph (4), if a supplier promotes—

- (a) a market transformation action;
- (b) a demonstration action; or
- (c) both such actions,

no more than 6% of the supplier's carbon emissions reduction obligation may be achieved by these actions.

(4) Where—

- (a) the Authority approves the promotion of microgeneration as a market transformation action; and
- (b) at least 2% of a supplier's carbon emissions reduction obligation is achieved by that promotion,

the limit in paragraph (3) is 8%.

(5) The Authority—

- (a) must determine whether or not the limit in paragraph (3) is exceeded; but
- (b) in doing so it must not apply the increased reduction provided for by article 19(4)(b) to a market transformation action.

Purposes for which a qualifying action must be promoted

10.—(1) An action is a qualifying action only if it is promoted for the purpose of—

- (a) achieving improvements in energy efficiency;
- (b) increasing the amount of electricity generated or heat produced by microgeneration;
- (c) increasing the amount of heat produced by any plant which relies wholly or mainly on wood; or
- (d) reducing energy consumption.

(2) In this article, “plant” includes any equipment, apparatus or appliance.

Notifications

11.—(1) An action which a supplier intends to be a qualifying action must be notified to the Authority within one month of the action being commenced.

(2) A notification must include sufficient information to show how the supplier intends the action to be—

- (a) a standard action;
- (b) a market transformation action;
- (c) a priority group flexibility action; or
- (d) a demonstration action.

(3) In relation to a demonstration action, the supplier must provide with the notification—

- (a) the following information—
 - (i) how the action is expected to promote a reduction in carbon emissions;
 - (ii) the arrangements for monitoring whether the action reduces carbon emissions;
 - (iii) how the supplier will assess the effectiveness of the action at promoting a reduction in carbon emissions;
 - (iv) a justification for the scale of the proposed action; and
 - (v) the estimated cost of promoting and monitoring such an action and a breakdown of that cost;

and

- (b) whether or not it consents to the publication of information provided to the Authority in relation to the monitoring and assessment of the action.

Approval of actions by the Authority

12.—(1) The Authority must determine whether or not it approves an action as a qualifying action.

(2) Where the Authority approves an action, it must be satisfied that the action is promoted in accordance with article 10.

(3) Subject to paragraph (4), the Authority must not approve an action as a market transformation action where—

- (a) there exists a similar action to the type of action intended to be promoted; and
- (b) the action to be promoted does not achieve a significantly greater reduction in carbon emissions than that similar action.

(4) Paragraph (3) does not apply to the promotion of solid wall insulation or micro-cogeneration units.

(5) For the purposes of paragraph (3) the Authority must compare the carbon emissions reduced by the particular action with the benchmark action.

(6) The benchmark action means the action under the 2001 Order which achieved the greatest carbon emission reductions for an action of that type.

(7) The Authority must not approve an action as a demonstration action unless—

- (a) it is satisfied that the information provided under article 11(3)(a) is reasonable; and
- (b) the supplier consents to the to the publication of information in relation to the monitoring and assessment of the action.

(8) The Authority must notify the supplier of its determination under this article and give reasons for it.