

Draft Order laid before Parliament under section 33BC(12) of the Gas Act 1986, section 41A(12) of the Electricity Act 1989 and section 103(5) of the Utilities Act 2000 for approval by a resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2009 No. XXX

ELECTRICITY

GAS

**The Electricity and Gas (Carbon Emissions Reduction)
(Amendment) Order 2009**

Made - - - -

July 2009

Coming into force in accordance with Article 1

The Secretary of State makes this Order in exercise of the powers conferred by section 33BC of the Gas Act 1986(a), section 41A of the Electricity Act 1989(b) and section 103 of the Utilities Act 2000(c).

The Secretary of State has consulted the Gas and Electricity Markets Authority, the National Consumer Council(d), electricity generators, electricity distributors, electricity suppliers, gas transporters, gas suppliers and such other persons as the Secretary of State considers appropriate.

A draft of this instrument has been approved by a resolution of each House of Parliament pursuant to section 33BC(12) of the Gas Act 1986, section 41A(12) of the Electricity Act 1989 and section 103(5) of the Utilities Act 2000.

Citation and commencement

1. This Order may be cited as the Electricity and Gas (Carbon Emissions Reduction) (Amendment) Order 2009 and comes into force on the day after the day on which this Order is made.

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- (a) 1986 c.44. Section 33BC was inserted (as section 33BB) by section 10(1), Schedule 3, paragraph 36 of the Gas Act 1995 (c.45). Section 33BB was substituted for (and renumbered as) section 33BC by section 99 of the Utilities Act 2000 (c.27). This section was also amended by sections 15 and 17 of the Climate Change and Sustainable Energy Act 2006 (c.19) and section 79 of, and Schedule 8 to, the Climate Change Act 2008 (c.27).
- (b) 1989 c.29. Section 41A was substituted for section 41 by section 70 of the Utilities Act 2000 (c.27) and amended by sections 16 and 17 of the Climate Change and Sustainable Energy Act 2006 and section 79 of, and Schedule 8 to, the Climate Change Act 2008.
- (c) 2007 c.27. This section has also been amended by section 79 of, and Schedule 8 to, the Climate Change Act 2008.
- (d) The National Consumer Council replaced the Gas and Electricity Consumer Council, see section 30 of the Consumer, Estate Agents and Redress Act 2007 (c.17).

Amendment of the Electricity and Gas (Carbon Emissions Reduction) Order 2008

2. The Electricity and Gas (Carbon Emissions Reduction) Order 2008(a) is amended as set out in this Order.

Amendment of article 2 (interpretation)

3.—(1) Article 2 (interpretation) is amended as follows.

(2) In paragraph (1) at the appropriate place, insert—

““energy assessor” means a person with any of the following qualifications—

- (a) City and Guilds (6176) in Energy Awareness(b);
- (b) Level 3 of the National Vocational Qualification 6049-03 (Provide Energy Efficiency Services)(c);
- (c) a qualification based on units one to five of the National Occupational Standards (NOS) for Home and Community Energy Advisers which qualification is awarded by a body which has been approved and quality assured by the Office of the Qualifications and Examinations Regulator(d); or
- (d) an equivalent qualification that is recognised by a member State of the European Union, an EEA State or Turkey;”;

““home energy advice package” has the meaning given in Schedule A1;”;

““loft insulation plus” means—

- (a) the provision to a domestic energy user of loft insulation which adds to existing loft insulation which is at least 60mm in depth and where that additional insulation is installed by a person with appropriate experience or qualifications; or
- (b) the promotion of loft insulation through a retail outlet,

where the provision or promotion, as applicable, takes place between 11th September 2008 and 31st July 2009;”;

““real-time display” means a device which, together with a transmitter used in connection with it, provides information relating to—

- (a) a domestic energy user’s electricity consumption; and
- (b) the cost of that consumption,

and does so at the time the consumption occurs;”;

““short-life battery” means a battery which is not expected to power—

- (a) a real-time display; or
- (b) a transmitter used in connection with such a display,

for more than one year under normal conditions of use;”.

(3) In paragraph (b) of the definition of “priority group” for “£15,592” substitute “£16,040”.

(4) In paragraph (1) revoke the definitions of “cogeneration unit” and “microcogeneration”.

(5) For paragraph (3)(b) substitute—

“(b) a market transformation action means—

(a) S.I. 2008/188.

(b) The City and Guilds (6176) in Energy Awareness is a qualification issued by the City and Guilds of London Institute, 1 Giltspur Street, London, EC1A 9DD.

(c) The National Vocational Qualification 6049-03 (Provide Energy Efficiency Services) is a qualification issued by the Qualifications and Curriculum Authority, 83 Piccadilly, London, W1J 8QA.

(d) The Office of the Qualifications and Examinations Regulator (Spring Place, Coventry Business Park, Herd Avenue, Coventry, CV5 6UB). The NOS qualification is developed by Asset Skills and was approved by the UK Commission for Employment and Skills (3 Callflex Business Park, Golden Smithies Lane, Wath-upon-Deane, South Yorkshire, S63 7ER) on 3rd June 2009.

- (i) the provision of solid wall insulation or microgeneration units where such provision will achieve a reduction in carbon emissions;
- (ii) the provision of a real-time display;
- (iii) the provision of a home energy advice package; or
- (iv) any other action which will achieve a reduction in carbon emissions but which the Authority did not determine to be a qualifying action under the 2001 Order.”.

(6) In paragraph (3)(c) for “promotion” substitute “provision”.

(7) For paragraph (3)(d) substitute—

“(d) a standard action means an action which—

- (i) will achieve a reduction in carbon emissions; or
- (ii) is the provision of a real-time display or a home energy advice package.”.

Amendment of article 3 (overall carbon emissions reduction target)

4. In article 3(1) (overall carbon emissions reduction target) for “154” substitute “185”.

Amendment of article 9 (achievement of carbon emissions reduction obligations)

5.—(1) For article 9 substitute—

“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) A supplier must achieve its carbon emissions reduction obligation without exceeding any of the following limits—

- (a) no more than Y% minus X% of a supplier’s carbon emissions reduction obligation may be achieved by—
 - (i) a market transformation action;
 - (ii) a demonstration action; or
 - (iii) both such actions;
- (b) no more than 2% of a supplier’s carbon emissions reduction obligation may be achieved by the provision of—
 - (i) a real-time display;
 - (ii) a home energy advice package; or
 - (iii) both.

(4) In paragraph (3)(a)—

“Y%” means—

- (a) 10%; but
- (b) 12% where—
 - (i) the Authority approves the provision of microgeneration units as a market transformation action; and
 - (ii) at least 2% of a supplier’s carbon emissions reduction obligation is achieved by the provision of microgeneration units;

“X%” means 0%, but where a percentage of a supplier’s carbon emissions reduction obligation is achieved by the actions described in paragraph (3)(b), that percentage, subject to a maximum of 2%.

- (5) The Authority—
- (a) must determine whether or not the limits in paragraph (3) are exceeded; but
 - (b) in doing so it must not apply the increased reduction in respect of market transformation actions provided for by—
 - (i) article 19(4)(b); or
 - (ii) article 19(4A)(a), (b) or (c).”.

Amendment of article 12 (approval of actions by the Authority)

6.—(1) Article 12 (approval of actions by Authority) is amended as follows.

(2) In paragraph (4), for “micro-cogeneration” substitute “microgeneration”.

(3) After paragraph (7), insert—

“(7A) The Authority must not approve as a standard action or a market transformation action the provision of a real-time display or a home energy advice package unless it is satisfied in respect of the matters in paragraph (7B).

(7B) The matters referred to in paragraph (7A) are—

- (a) the promotion of a real-time display or a home energy advice package makes clear that a display or package will only be provided to a domestic energy user who requests such a display or package;
- (b) a supplier agrees to provide a real-time display or a home energy advice package to a domestic energy user who has requested such a display or package; and
- (c) in respect of the provision of a real-time display or a home energy advice package the promotion takes place after 11th September 2008.

(7C) The Authority must not on or after 1st January 2010 approve as a qualifying action the provision of compact fluorescent lamps except where a supplier seeks to promote the purchase of compact fluorescent lamps through a retail outlet.”.

Amendment of article 15 (estimated reduction in carbon emissions)

7.—(1) Article 15 (estimated reduction in carbon emissions) is amended as follows.

(2) In paragraph (2) after “standard action,” insert “except a standard action listed in paragraph (2A),”.

(3) After paragraph (2) insert—

“(2A) To estimate the reduction for a standard action which is—

- (a) loft insulation plus, the Authority must—
 - (i) apply to that action the appropriate carbon co-efficient values set out in Schedule 3; and
 - (ii) increase the reduction in carbon emissions expected to be achieved in accordance with article 19(3A)(a)(ii) as if the reduction in carbon emissions expected to be achieved by such action is achieved;
- (b) a real-time display, the Authority must do so in accordance with article 19(4A)(a) or (b), as applicable, as if the reduction in carbon emissions expected to be achieved by such action is achieved but must not increase the reduction by 50%;
- (c) a home energy advice package, the Authority must do so in accordance with article 19(4A)(c) as if the reduction in carbon emissions expected to be achieved by such action is achieved but must not increase the reduction by 50%.”.

(4) In paragraph (3) after “market transformation action,” insert “except a market transformation action which is the provision of a real-time display or a home energy advice package,”.

(5) After paragraph (3) insert—

“(3A) To estimate the reduction for a market transformation action which is the provision of—

- (a) a real-time display, the Authority must do so in accordance with article 19(4A)(a) or (b), as applicable, as if the reduction in carbon emissions expected to be achieved by such action is achieved;
- (b) a home energy advice package, the Authority must do so in accordance with article 19(4A)(c) as if the reduction in carbon emissions expected to be achieved by such action is achieved.”.

Amendment of article 19 (notification of actions and determination of reductions in carbon emissions)

8.—(1) Article 19 (notification of actions and determination of reductions in carbon emissions) is amended as follows.

(2) In paragraph (3) after “standard action,” insert “except a standard action listed in paragraph (3A),”.

(3) After paragraph (3) insert—

“(3A) To determine the reduction for a standard action which is—

- (a) loft insulation plus, the Authority must—
 - (i) apply to that action the appropriate carbon co-efficient values set out in Schedule 3; and
 - (ii) increase the reduction in carbon emissions achieved by—
 - (aa) 100% where the loft insulation is installed in the property of a domestic energy user who is a member of the priority group;
 - (bb) 50% where the loft insulation is installed in the property of a domestic energy user who is not in the priority group;
 - (cc) 50% where the loft insulation is promoted through a retail outlet.
- (b) a real-time display, the Authority must do so in accordance with paragraph (4A)(a) or (b), as applicable, but must not increase the reduction by 50%;
- (c) a home energy advice package, the Authority must do so in accordance with paragraph (4A)(c) but must not increase the reduction by 50%.”.

(4) In paragraph (4) after “market transformation action,” insert “except a market transformation action which is described in paragraph (4A),”.

(5) After paragraph (4) insert—

“(4A) To determine the reduction for a market transformation action which is the provision of—

- (a) a real-time display which does not use a short-life battery, the Authority must attribute a carbon emissions reduction of 0.996 lifetime tonnes of carbon dioxide and increase the carbon emissions reduction by 50%;
- (b) a real-time display which uses a short-life battery, the Authority must attribute a carbon emissions reduction of 0.498 lifetime tonnes of carbon dioxide and increase the carbon emissions reduction by 50%;
- (c) a home energy advice package, the Authority must attribute a carbon emissions reduction of 0.675 lifetime tonnes of carbon dioxide and increase the carbon emissions reduction by 50%.”.

Insertion of new Schedule A1 (home energy advice packages)

9. Before Schedule 1 (meaning of householder) insert—

HOME ENERGY ADVICE PACKAGES

1. A home energy advice package means—
 - (a) a home energy survey;
 - (b) home energy assistance; and
 - (c) a home energy report;
2. A home energy survey means the survey of a domestic energy user’s property carried out by an energy assessor with a view to providing home energy assistance.
3. Home energy assistance means information provided by an energy assessor to a domestic energy user, in person at the time of the home energy survey, which deals with such of the matters set out in paragraph 4 as are applicable to that user.
4. The matters referred to in paragraph 3 are—
 - (a) where programming or heating controls—
 - (i) are installed, how these controls may be used more effectively to achieve energy efficiency savings or energy savings;
 - (ii) are not installed, whether they would be appropriate for the property.
 - (b) where a boiler is installed to provide heating or hot water—
 - (i) an assessment as to whether that boiler is working efficiently;
 - (ii) how that boiler may be used more effectively to achieve energy efficiency savings or energy savings;
 - (iii) whether that boiler could be replaced by a more efficient model.
 - (c) in respect of any electrical appliances or devices, how they may be used more effectively to achieve energy efficiency savings or energy savings;
 - (d) how energy efficiency savings or energy savings can be achieved in relation to general hot-water use especially that connected to the use of showers, baths and washing machines;
 - (e) such other information which an energy assessor reasonably believes may assist a domestic energy user to achieve energy efficiency savings or energy savings.
5. A home energy report means a report that sets out in writing—
 - (a) the home energy assistance;
 - (b) a list of actions or measures which will help the particular domestic energy user to achieve energy efficiency savings or energy savings; and
 - (c) the contact details for the Energy Saving Trust^(a),and is provided to a domestic energy user within three months of the home energy survey.”.

Amendment of Schedule 2 (benefits and credits)

10. In paragraph 2 of Schedule 2 (benefits and credits)—
 - (a) in sub-paragraph (h) omit “and”;
 - (b) for sub-paragraph (i) substitute, “state pension credit; and”.
 - (c) after sub-paragraph (i) insert—

(a) The Energy Saving Trust is a private company which is limited by guarantee. The company receives funding from the Government for the purposes of providing energy efficiency and energy savings advice. The Energy Saving Trust can be contacted on 0800 512 012.

“(j) an income-related employment and support allowance under the Welfare Reform Act 2007(a).”.

Joan Ruddock
Minister of State

Date Department of Energy and Climate Change

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Electricity and Gas (Carbon Emissions Reduction) Order 2008 (S.I. 2008/188) (“CERT Order”) which places an obligation on electricity and gas suppliers who have 50,000 or more domestic customers to achieve a carbon emissions reduction obligation. The amendments in this Order (i) increase the overall carbon emissions reduction target; (ii) provide a carbon score for the provision of a real-time display or a home energy advice package; and (iii) make minor consequential amendments.

Article 3 inserts new and amended definitions into article 2 (interpretation) of the CERT Order. The definitions of a “market transformation action” and a “standard action” are amended. The relevant income threshold is increased to £16,040 in respect of the “priority group”.

Article 4 amends the overall carbon emissions reduction target to 185 million lifetime tonnes of carbon dioxide.

Article 5 substitutes a new article 9 (achievement of carbon emissions reduction obligations) into the CERT Order. Limits are introduced relating to real-time displays and home energy advice packages.

Article 6 inserts a new paragraph (7A) and (7B) into article 12 (approval of actions by the Authority) whilst a new paragraph (7C) prevents the Authority from approving compact fluorescent lamps from 1st January 2010 except where their purchase is promoted through a retail outlet.

Article 7 makes consequential amendments to article 15 (estimated reduction in carbon emissions) relating to loft insulation plus, a real-time display or a home energy advice package. Article 8 makes equivalent consequential amendments to article 19 (notification and determination of reductions in carbon emissions).

Article 9 inserts a new Schedule A1 (home energy advice packages) into the CERT Order. Schedule A1 describes home energy advice packages.

Article 10 amends Schedule 2 (benefits and credits) to the CERT Order to include an income-related employment and support allowance under the Welfare Reform Act 2007 as an eligible credit.

An impact assessment has been prepared in respect of this Order and copies can be obtained from CERT Team, Department of Energy and Climate Change, Area 1D, 3-8 Whitehall Place, London, SW1A 2HH.

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(a) 2007 c.5.

Draft Order laid before Parliament under section 33BC(12) of the Gas Act 1986, section 41A(12) of the Electricity Act 1989 and section 103(5) of the Utilities Act 2000 for approval by a resolution of each House of Parliament.

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GAS

**The Electricity and Gas (Carbon Emissions Reduction)
(Amendment) Order 2009**

£5.50