
DRAFT STATUTORY INSTRUMENTS

2023 No.

The Electricity and Gas (Energy
Company Obligation) Order 2023

PART 3

Determining obligations and minimum requirements

Application of this Part

5.—(1) This Part applies in relation to a participant in respect of the supply of electricity.

(2) This Part also applies in relation to a participant in respect of the supply of gas in the same way as it applies to a participant in respect of the supply of electricity, but as if for each reference to “electricity” there were substituted “gas”.

Determining a participant’s obligations and minimum requirements

6.—(1) The Administrator must determine for each participant in relation to an ECO4A phase the participant’s home-heating cost reduction obligation for that ECO4A phase.

(2) The Administrator must also determine for each participant in relation to an ECO4A phase the participant’s low-income minimum requirement for that ECO4A phase.

(3) For the purposes of paragraphs (1) and (2), the Administrator must—

- (a) in the case of a participant who is not a member of a group at the end of the qualification year for the ECO4A phase, make the determination in accordance with article 7;
- (b) in the case of a participant who is a member of a group at the end of the qualification year for the ECO4A phase, make the determination in accordance with article 8.

(4) Anything determined by the Administrator under article 5(5) of the 2022 Order in relation to a participant is to be treated for the purposes of articles 7 and 8 of this Order as if it were notified by that participant.

(5) The Administrator must notify a participant of its home-heating cost reduction obligation and low-income minimum requirement in writing—

- (a) for phase A, within the period of 6 weeks beginning with the commencement date;
- (b) for phases B and C, on or before the 7th March prior to the commencement of the ECO4A phase.

Determining obligations and minimum requirements for participants who are not members of a group

7.—(1) Where a participant is not a member of a group at the end of the qualification year for the ECO4A phase—

- (a) if the participant has notified the Administrator under article 5(2) of the 2022 Order of an amount of electricity supplied in the qualification year for the equivalent ECO4 phase

which is less than the qualifying supply, the Administrator must determine the participant's home-heating cost reduction obligation and low-income minimum requirement for the ECO4A phase to be zero;

- (b) otherwise—
- (i) the Administrator must determine the participant's home-heating cost reduction obligation for the ECO4A phase in accordance with the following formula—
 $D \times T_p / T$; and
 - (ii) the Administrator must determine the participant's low-income minimum requirement for the ECO4A phase in accordance with the following formula—
 $H_p \times 0.2$.

(2) In paragraph (1)(b)(i)—

- (a) "D" is—
- (i) for phase A, £3,640,000;
 - (ii) for phase B, £12,179,500;
 - (iii) for phase C, £12,179,500;
- (b) "T_p" is the amount of electricity supplied in the qualification year for the equivalent ECO4 phase by the participant as determined under article 9(2) of the 2022 Order;
- (c) "T" is the total amount of electricity supplied in the qualification year for the equivalent ECO4 phase by all participants as determined under article 9(4) of the 2022 Order.

(3) In paragraph (1)(b)(ii), "H_p" is the participant's home-heating cost reduction obligation for the ECO4A phase.

Determining obligations and minimum requirements for participants who are members of a group

8.—(1) Where a participant is a member of a group at the end of the qualification year for the ECO4A phase—

- (a) if the participant has notified the Administrator under article 5(3) of the 2022 Order of an amount of electricity supplied by the group in the qualification year for the equivalent ECO4 phase which is less than the qualifying supply, the Administrator must determine the participant's home-heating cost reduction obligation and low-income minimum requirement for the ECO4A phase to be zero;
- (b) otherwise—
- (i) the Administrator must determine the participant's home-heating cost reduction obligation for the ECO4A phase in accordance with the following formula—
 $(D \times T_g / T) \times (N_p / N_g)$; and
 - (ii) the Administrator must determine the participant's low-income minimum requirement for the ECO4A phase in accordance with the following formula—
 $H_p \times 0.2$.

(2) In paragraph (1)(b)(i)—

- (a) "D" and "T" have the same meaning as in article 7;
- (b) "T_g" is the amount of electricity supplied in the qualification year for the equivalent ECO4 phase by the group of which the participant is a member as determined under article 9(3) of the 2022 Order;

- (c) “Np” is the amount of electricity notified by the participant under article 5(2) of the 2022 Order as supplied in the qualification year for the equivalent ECO4 phase by the participant;
 - (d) “Ng” is the amount of electricity notified by the participant under article 5(3) of the 2022 Order as supplied in the qualification year for the equivalent ECO4 phase by the group of which the participant is a member.
- (3) In paragraph (1)(b)(ii), “Hp” is the participant’s home-heating cost reduction obligation for the ECO4A phase.