
STATUTORY INSTRUMENTS

2018 No. 1183

The Electricity and Gas (Energy
Company Obligation) Order 2018

PART 3

Determining obligations

Notification by participants of domestic customers and energy supplied

5.—(1) A licence-holder who is a participant in relation to a phase must notify the Administrator⁽¹⁾ of the number of that participant's domestic customers as at the end of the qualification year for that phase.

(2) That participant must also notify the Administrator—

- (a) where it supplied electricity to domestic customers in that qualification year, of the amount of electricity it so supplied; or
- (b) where it supplied gas to domestic customers in that qualification year, of the amount of gas it so supplied.

(3) Where a participant ("P") is a member of a group with another participant, P must also notify the Administrator—

- (a) where P supplied electricity to domestic customers in that qualification year, of—
 - (i) the name and company registration number of any other participant in the group that supplied electricity to domestic customers in that year; and
 - (ii) the amount of electricity supplied to domestic customers by the group in that year; or
- (b) where P supplied gas to domestic customers in that qualification year, of—
 - (i) the name and company registration number of any other participant in the group that supplied gas to domestic customers in that year; and
 - (ii) the amount of gas supplied to domestic customers by the group in that year.

(4) The notifications referred to in paragraphs (1) to (3) must be made in writing on or before—

- (a) for phase 1, the date falling 7 days after the commencement date;
- (b) for phase 2, 1st February 2019;
- (c) for phase 3, 1st February 2020;
- (d) for phase 4, 1st February 2021.

(5) Where a participant fails to provide the information in paragraphs (1) to (3), or the Administrator considers any of the information notified by the participant under those paragraphs is inaccurate, the Administrator may determine the matters in those paragraphs.

⁽¹⁾ The Administrator is the Gas and Electricity Markets Authority. See section 33BD(2)(a) of the Gas Act 1986 and section 41B(2)(a) of the Electricity Act 1989.

(6) Anything determined by the Administrator under paragraph (5) is to be treated for the purposes of this Order as if it were notified by the participant.

(7) For the purposes of this article—

- (a) whether or not a participant is a member of a group is to be determined according to whether the participant was a member of a group at the end of the qualification year; and
- (b) where a participant is a member of a group, the amount of electricity or gas supplied by the group in a qualification year is the amount supplied in that year by all participants in the group, whether or not they were members of the group throughout that year.

Determining a participant’s home-heating cost reduction obligation and solid wall minimum requirement

6.—(1) The Administrator must determine for each participant in relation to a phase—

- (a) the participant’s home-heating cost reduction obligation for that phase; and
- (b) the participant’s solid wall minimum requirement for that phase.

(2) For the purposes of paragraph (1), the Administrator must—

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

(3) The Administrator must notify a participant of its home-heating cost reduction obligation and solid wall minimum requirement in writing—

- (a) for phase 1, within 28 days of the commencement date;
- (b) for phases 2, 3 and 4, on or before the last day of February prior to the commencement of the phase.

Determining obligations for a participant who is not a member of a group

7.—(1) Where this article applies—

- (a) if the participant has notified under article 5(2) a supply of electricity or gas in the qualification year for the phase which does not exceed a qualifying supply, the participant’s home-heating cost reduction obligation and solid wall minimum requirement for the phase are zero;
- (b) in any other case, the participant’s home-heating cost reduction obligation and solid wall minimum requirement for the phase are each to be calculated in accordance with the following formula—

$$\frac{A \times Tx}{T}$$

(2) In this article—

- (a) “A” is the value given for the obligation or requirement in the following table for the phase—

<i>Phase</i>	<i>Home-heating cost reduction obligation</i>	<i>Solid wall minimum requirement</i>
1	£589.5 million	£51.5 million
2	£1.179 billion	£103 million

<i>Phase</i>	<i>Home-heating cost reduction obligation</i>	<i>Solid wall minimum requirement</i>
3	£1.179 billion	£103 million
4	£1.179 billion	£103 million

- (b) “Tx” is the amount of electricity or gas supplied in the qualification year for the phase by the participant as determined—
- (i) for phase 1, in accordance with article 9(2);
 - (ii) for phases 2 to 4, in accordance with article 10(2); and
- (c) “T” is the total amount of electricity or gas, as applicable, supplied in the qualification year for the phase by all participants as determined—
- (i) for phase 1, in accordance with article 9(6);
 - (ii) for phases 2 to 4, in accordance with article 10(4).

Determining obligations for a participant who is a member of a group

8.—(1) Where this article applies—

- (a) if the participant has notified under article 5(3) a supply of electricity or gas for the group in the qualification year for the phase which does not exceed a qualifying supply, the participant’s home-heating cost reduction obligation and solid wall minimum requirement for the phase are zero;
- (b) in any other case, the participant’s home-heating cost reduction obligation and solid wall minimum requirement for the phase are each to be calculated in accordance with the following formula—

$$\frac{A \times Tg}{T} \times \frac{B}{C}$$

(2) In paragraph (1)(b)—

- (a) “A” and “T” have the same meaning as in article 7;
- (b) “Tg” is the amount of electricity or gas, as applicable, supplied in the qualification year for the phase by the group of which the participant is a member as determined—
 - (i) for phase 1, in accordance with article 9(3);
 - (ii) for phases 2 to 4, in accordance with article 10(3);
- (c) “B” is the amount of electricity or gas notified by the participant under article 5(2) for the qualification year for the phase; and
- (d) “C” is the amount of electricity or gas notified by the participant under article 5(3) as supplied in the qualification year for the phase by the group of which the participant is a member.

Determining supply for phase 1

9.—(1) This article applies for the purposes of articles 7 and 8.

(2) The amount of electricity or gas supplied by a participant in the qualification year for phase 1 is—

- (a) where the amount notified by the participant under article 5(2) for that year is more than a qualifying supply but less than 1000 gigawatt hours of electricity or 2800 gigawatt hours of gas, the amount determined using the formula in paragraph (4);

- (b) where the amount notified under article 5(2) for that year is equal to or more than 1000 gigawatt hours of electricity or 2800 gigawatt hours of gas, the notified amount.
- (3) The amount of electricity or gas supplied by a group in the qualification year for phase 1 is—
- (a) where the amount notified by the participant under article 5(3) for that year is more than a qualifying supply but less than 1000 gigawatt hours of electricity or 2800 gigawatt hours of gas, the amount determined using the formula in paragraph (4);
- (b) where the amount notified under article 5(3) for that year is equal to or more than 1000 gigawatt hours of electricity or 2800 gigawatt hours of gas, the notified amount.
- (4) The formula referred to in paragraphs (2)(a) and (3)(a) is—
- $$(D - E) \times 2$$
- (5) In paragraph (4)—
- “D” is—
- (a) in the case of a participant who is not a member of a group with another participant at the end of the qualification year for phase 1, the amount of electricity or gas notified under article 5(2) as supplied by the participant in the qualification year for phase 1;
- (b) in the case of a participant who is a member of a group with another participant at the end of the qualification year for phase 1, the amount of electricity or gas notified under article 5(3) as supplied by the group in the qualification year for phase 1;
- “E” is—
- (a) in the case of electricity, 500 gigawatt hours; or
- (b) in the case of gas, 1400 gigawatt hours.
- (6) The total amount of electricity or gas supplied in the qualification year for phase 1 by all participants is the sum of—
- (a) all the electricity or gas supplied in the qualification year by participants that are not members of a group with another participant at the end of the qualification year, as determined in accordance with paragraph (2); and
- (b) all the electricity or gas supplied in the qualification year by groups, as determined in accordance with paragraph (3).
- (7) In paragraph (6)(b), the reference to “groups” is to those groups that, at the end of the qualification year, include at least two participants.

Determining supply for phases 2 to 4

- 10.**—(1) This article applies for the purposes of articles 7 and 8.
- (2) The amount of electricity or gas supplied by a participant in a qualification year for phase 2, 3 or 4 is the amount of electricity or gas notified by the participant under article 5(2) for the qualification year, but deducting an amount equal to the qualifying supply for the phase.
- (3) The amount of electricity or gas supplied by a group in a qualification year for phase 2, 3 or 4 is the amount of electricity or gas notified by a participant under article 5(3) as supplied in the qualification year by the group of which the participant is a member, but deducting an amount equal to the qualifying supply for the phase.
- (4) The total amount of electricity or gas supplied in a qualification year for phase 2, 3 or 4 by all participants is the sum of—
- (a) all the electricity or gas supplied in the qualification year by participants that are not members of a group with another participant at the end of the qualification year, as determined in accordance with paragraph (2); and

- (b) all the electricity or gas supplied in the qualification year by groups, as determined in accordance with paragraph (3).
- (5) In paragraph (4)—
 - (a) in sub-paragraph (a), the reference to “participants” does not include those participants where the amount of electricity or gas, as applicable, notified under article 5(2) as supplied by the participant in the qualification year does not exceed the qualifying supply for the phase;
 - (b) in sub-paragraph (b), the reference to “groups”—
 - (i) is to those groups that, at the end of the qualification year, include at least two participants; and
 - (ii) does not include those groups where the amount of electricity or gas, as applicable, notified under article 5(3) as supplied by the group in the qualification year does not exceed the qualifying supply for the phase.