STATUTORY INSTRUMENTS

# 2017 No. 847

# ELECTRICITY

## The Warm Home Discount (Reconciliation) (Amendment) Regulations 2017

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| *Made - - - -* | *16th August 2017* |
| *Laid before Parliament* | *21st August 2017* |
| *Coming into force - -* | *16th September 2017* |

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 11 and 31(5) and (6) of the Energy Act 2010(**1**).

The Secretary of State has consulted the Gas and Electricity Markets Authority, licensed electricity suppliers and such other persons as the Secretary of State thinks appropriate.

**Citation, commencement and amendment of the Warm Home Discount (Reconciliation) Regulations 2011**

**1.**—(1) These Regulations may be cited as the Warm Home Discount (Reconciliation) (Amendment) Regulations 2017.

(2) These Regulations come into force on 16th September 2017.

(3) The Warm Home Discount (Reconciliation) Regulations 2011(**2**) are amended as follows.

**New regulation 1A (application)**

**2.** After regulation 1 insert—

"**Application**

**1A.** These Regulations apply in relation to scheme years 1 to 7.".

**Amendments to regulation 2 (interpretation)**

**3.** In regulation 2—

(a) in the definition of "market share", for paragraph (a) substitute—

(**1**) 2010 c.27.
(**2**) S.I. 2011/1414. Regulations 9 and 15 have been amended by S.I. 2013/519.

"(a) unless regulation 11 applies, the market share of the supplier, expressed as a percentage—

(i) as notified by the Authority to the Operator under regulation 4(1)(b); or

(ii) where the Authority is the Operator, as determined under regulation 4(2A); or

(b) for the definition of "the Operator" substitute—

""the Operator" means—

(a) in relation to scheme years 1 to 6, the person for the time being appointed by the Secretary of State under regulation 3; and

(b) in relation to scheme year 7, the Authority;".

**Amendment to regulation 3 (appointment of the Operator)**

**4.** After paragraph (2) insert—

"(3) This regulation does not apply where the Authority is the Operator.".

**Amendments to regulation 4 (provision of information to the Operator)**

**5.** In regulation 4—

(a) in paragraph (1), after "appointed" insert "under regulation 3";

(b) after paragraph (2) insert—

"(2A) The Authority must, in relation to scheme year 7, determine the market share of each scheme electricity supplier as at the preceding 31st December in accordance with paragraph (3).

(2B) The Authority must make the determination under paragraph (2A) as soon as reasonably practicable after the date on which the Warm Home Discount (Reconciliation) (Amendment) Regulations 2017 come into force.";

(c) in paragraph (3), for "paragraph (1)(b)" substitute "paragraphs (1)(b) and (2A)".

**Amendment to regulation 5 (direction to carry out interim reconciliation)**

**6.** In regulation 5(1)(b), for "regulation 7 of these Regulations" substitute "regulation 7(a) or, in the case of scheme year 7, to any scheme electricity supplier under regulation 7(b).".

**Amendments to regulation 7 (notification of amounts of rebates provided)**

**7.** In regulation 7—

(a) in paragraph (a), before "notify to the Operator" insert "if the Authority is not the Operator,";

(b) for paragraph (b) substitute—

"(b) notify to each scheme electricity supplier—

(i) the total amount of rebates provided to domestic customers in the scheme year, or treated as being provided in the scheme year, under Part 3 of the Scheme Regulations by that scheme electricity supplier (as determined by the Authority in accordance with regulation 29(1)(a) of the Scheme Regulations); and

(ii) the sum of the amounts so determined for all scheme electricity suppliers.".

**New regulation 7A (the number of undelivered rebates)**

**8.** After regulation 7 insert—

"**The number of undelivered rebates**

**7A.**—(1) This regulation applies—

(a) in relation to scheme year 6 unless, before the commencement date, the Authority has given a notification to the Operator under regulation 7(a) for that scheme year; and

(b) in relation to scheme year 7.

(2) If the Authority is not the Operator, the Authority must notify to the Operator, in respect of each scheme electricity supplier, the number of undelivered rebates provided, or treated as being provided, in the scheme year by the supplier.

(3) The Authority must give the notification under paragraph (2) as soon as reasonably practicable after the end of the period specified in regulation 9(8) of the Scheme Regulations for the scheme year.

(4) Where a scheme electricity supplier has not complied with regulation 9(7) of the Scheme Regulations for the scheme year, the Authority must estimate the number of undelivered rebates—

(a) provided by the supplier in the scheme year; or

(b) treated as being provided by the supplier in the scheme year by virtue of regulation 7(7) of the Scheme Regulations.

(5) For the purposes of paragraph (2), the number of undelivered rebates provided, or treated as being provided, in a scheme year by a scheme electricity supplier is the number notified to the Authority in accordance with regulation 9(7) of the Scheme Regulations or estimated by the Authority under paragraph (4).

(6) In this regulation—

"commencement date" means the date on which the Warm Home Discount (Reconciliation) (Amendment) Regulations 2017 come into force; and

"undelivered rebate" means a prescribed rebate provided by a scheme electricity supplier under Part 3 of the Scheme Regulations and—

(a) provided to a customer by tendering payment of the amount of the prescribed rebate to the customer, where the customer has not accepted that payment; or

(b) provided to a customer who pre-pays for electricity or gas with credit in the amount of the prescribed rebate against the cost of future electricity or gas use, where the customer has not accepted that credit.".

**Amendments to regulation 8 (calculation of final reconciliation payments)**

**9.**—(1) Regulation 8 is amended as follows.

(2) In paragraph (1), at the beginning insert "Subject to paragraphs (1A) and (1B),".

(3) After paragraph (1) insert—