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(**1**), section 41A of the Electricity Act 1989(**2**) and section 103 of the Utilities Act 2000(**3**).

The Secretary of State has consulted the Gas and Electricity Markets Authority, the National Consumer Council(**4**), 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.

(**1**) 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).

(**2**) 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.

(**3**) 2007 c.27. This section has also been amended by section 79 of, and Schedule 8 to, the Climate Change Act 2008.

(**4**) 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(**5**) 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(**6**);

(b) Level 3 of the National Vocational Qualification 6049-03 (Provide Energy Efficiency Services)(**7**);

(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(**8**); 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**) S.I. 2008/188.

(**6**) 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.

(**7**) 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.

(**8**) The Office of the Qualifications and Examinations Regulator (Spring Place, Coventry Business Park, Hearld 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-Dearne, South Yorkshire, S63 7ER) on 3rd June 2009.

(5) For paragraph (3)(b) substitute—

"(b) a market transformation action means—

(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;