



# Energy Company Obligation (ECO) **Steering Group** –Terms of Reference

V0.1	First draft circulated to the members	10 April 2013
V0.2		
V0.3		
V1.0		

## **1. INTRODUCTION**

As we transition from the design phase of the Energy Company Obligation (ECO) to implementation and the CERT / CESP schemes come to a close, the role of the ECO Steering Group will also change. It will take a more active role in monitoring the progress of ECO delivery on the ground and taking actions to facilitate delivery, for example where barriers or issues arise.

Alongside this, the Steering Group will continue to advise DECC on policy development as we move to the design of ECO phase two, drawing on experience from delivery of ECO phase one.

This document defines the terms of reference for the Steering Group, comprising its purpose, the resulting roles and responsibilities of members, and a suggested membership list.

## **2. PURPOSE AND ROLE OF STEERING GROUP**

The Steering Group will provide information and advice to DECC on the delivery of the ECO obligation, identifying barriers to delivery and agreeing collective actions designed to resolve delivery risks and issues.

In particular, Steering Group members will have an important role in:

### **A. Monitoring and facilitating ECO delivery**

- Monitoring the ‘real-world’ delivery of ECO and ECO brokerage, including (but not limited to):
  - availability and scope of energy efficiency offers and the take-up rates of different measures;
  - the operation of the ECO brokerage platform, including if it is realising its objectives and is operating effectively;
  - whether sufficient ECO volumes are being traded on brokerage;
  - costs to energy companies of delivering their obligations and how these costs are passed through to consumers; and
  - the quality of the consumer experience in receiving ECO measures.
- Barriers and best-practice in delivery of ECO:
  - identifying and reviewing barriers to the delivery of ECO on the ground, including but not limited to those being monitored by the group;
  - agreeing on collective action(s) to mitigate these barriers and reviewing the effectiveness / impact of these actions; and
  - sharing best practise experience where this does not compromise commercial confidentiality.
- Discussing and agreeing risks and issues to be escalated to Green Deal programme board or other boards as appropriate

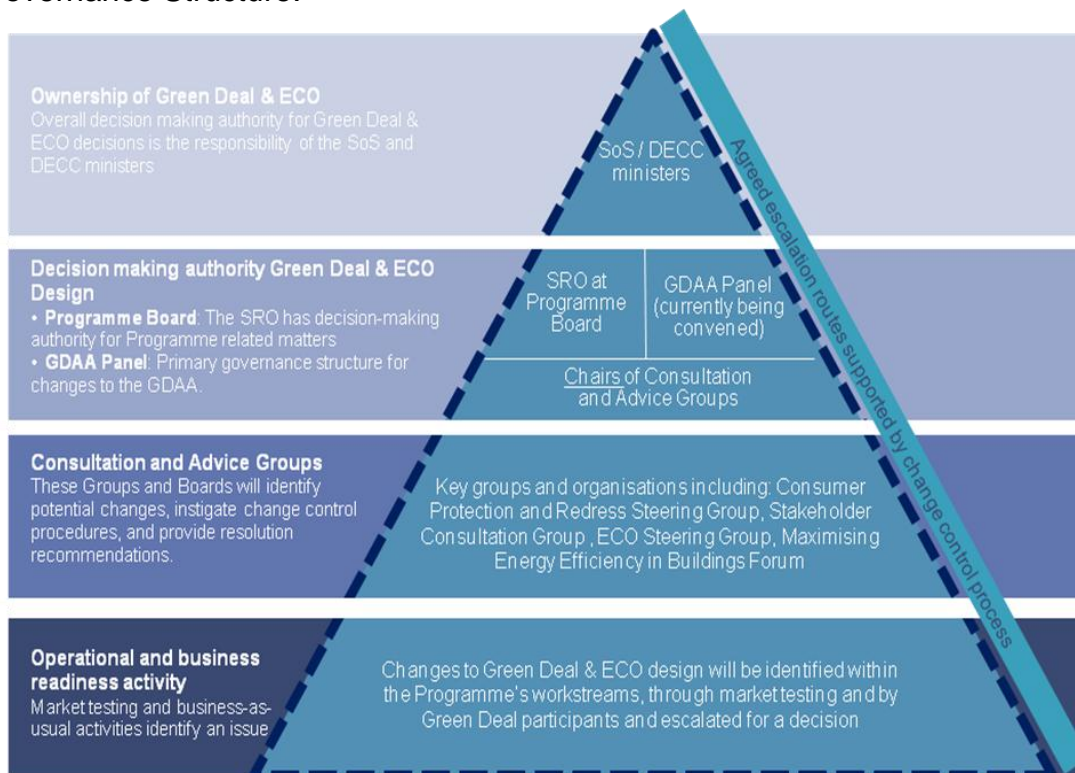
## **B. Advising on ECO and Brokerage Policy Development**

- Advising DECC and representing the views of their organisation (and, where appropriate, their industry sector) in the development of policy for ECO phase two.
- Advising DECC and representing the views of their organisation (and, where appropriate, their industry sector) on decisions relating to the future of the ECO brokerage platform
- Consider and contribute to discussions about policy options that DECC is considering
- Advising DECC of any broader industry or sector risks / issues which may have an impact on the further development of ECO policy.

### **3. REPORTING / ACCOUNTABILITY**

Steering Group members will support and advise DECC on ECO delivery, brokerage and ECO phase two policy development, as well as identifying actions that can be taken by their own organisations and/or with others to facilitate delivery where necessary.

The ECO Steering Group will sit within the wider ECO and Green Deal Programme Governance Structure:



#### **Escalation of issues from the ECO Steering Group**

The Steering Group will be responsible for identifying and agreeing risks and issues that require escalation to the Green Deal Programme Board. The chair of the Steering Group will be responsible for the escalation of these issues in line with internal DECC / Green Deal governance processes.

Members are responsible for raising issues that they consider might require escalation to the Green Deal Programme Board (or other Boards such as the Brokerage Governance Board). These should be discussed with the Steering Group and, if agreed, a paper should be prepared by relevant member(s) and presented by the Steering Group chair to the Programme Board (or other appropriate forum). The paper should summarise key issues and recommendations.

#### **Matters delegated to the ECO Steering Group**

The ECO Steering Group may from time-to-time be expected to consider matters delegated by the Green Deal Programme Board or from other Boards such as the Brokerage Governance Board. This discussion will be facilitated by the Steering

Group secretariat. The Chair of the ECO Steering Group will be responsible for reporting back to the board on matters delegated for consideration.

#### **4. WORKING PRACTICES OF THE GROUP**

##### **Frequency**

The Steering Group will meet on a monthly basis. Matters requiring urgent decision outside of the monthly meeting cycle will be made in correspondence or, exceptionally, by means of an additional meeting.

##### **Membership**

Membership shall be drawn from the following bodies:

- Energy companies
- Energy UK
- Green Deal providers
- Other providers of energy efficiency measures
- Local, regional and devolved government
- Consumer groups
- Ofgem (administrator of the scheme)

The chair will be a DECC official, usually the Head of the Green Deal Accreditation and Frameworks Team. The role of the Chair is to facilitate consensus agreement across the Steering Group and hold parties to account, requiring action where necessary.

Membership will be reviewed annually or earlier if there is agreement by the Steering Group to do so. Others may be invited to attend the group with observer status, at the discretion of the Chair.

##### **Working Methods**

The DECC Green Deal Accreditation and Frameworks Team will provide the secretariat for the Board.

Members should raise items for discussion (such as risks and issues) with the Steering Group during meetings, or, if this is not possible, between meetings via email with the secretariat.

The Secretariat will aim to provide agendas and papers at least 3 working days in advance of each meeting and summarise key decisions and actions within 5 working days of each meeting. From time to time, papers may be tabled and presented on the day of the meeting.

An action log covering the actions agreed in each meeting by members will be kept and the secretariat will have responsibility for tracking their delivery.

### **Review of Terms of Reference**

These terms of reference will be reviewed annually by the Steering Group to check that they remain fit for purpose, or earlier if there is agreement by the Steering Group to do so.

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