

DRAFT FOR CONSULTATION PURPOSES

“2014 Order” means the Electricity and Gas (Energy Company Obligation) Order 2014;

“certified installer” means—

- (a) in relation to a measure completed on or before [], a person who is certified as compliant with those parts of the Publicly Available Specification that apply to the measure by a certification body or organisation accredited to EN ISO/IEC 17065:2012;
- (b) in relation to a measure completed on or after [], a person who is—
 - (i) certified as compliant with those parts of the Publicly Available Specification that apply to the measure by a certification body or organisation accredited to EN ISO/IEC 17065:2012; and
 - (ii) licensed to use the Each Home Counts quality mark in relation to the installation of that measure;

“commencement date” means the date on which this Order comes into force;

“cost saving” means, in relation to a measure—

- (a) the money that would be saved by that measure over its expected lifetime in heating domestic premises to 21 degrees Celsius in the main living areas and 18 degrees Celsius in all other areas; and
- (b) where the measure also results in savings in the cost of heating water, the money that would be saved by the measure over its expected lifetime in heating water in that domestic premises;

“central heating system” means a system which—

- (a) provides heat for the purpose of space heating through a boiler or other heat source connected to one or more separate heat emitters; and
- (b) does not include a district heating connection;

“demonstration action” has the meaning given in article 25;

“deployment action” has the meaning given in article 27;

“district heating connection” means a connection of domestic premises to a district heating system;

“district heating system” means a system that delivers heat through pipes or conduits to at least—

- (a) two domestic premises in separate buildings; or
- (b) three domestic premises situated in a single building, provided that those premises are not all situated within one house in multiple occupation, and for the purpose of this definition “house in multiple occupation”—
 - (i) in England and Wales, has the meaning given by sections 254 to 259 of the Housing Act 2004;
 - (ii) in Scotland, means “HMO” as defined in section 125 of the Housing (Scotland) Act 2006;

“domestic customer” means a person living in domestic premises in Great Britain who is supplied with electricity or gas at those premises wholly or mainly for domestic purposes;

“domestic premises” includes a mobile home;

“dual licence-holder” means a person holding a licence under section 6(1)(d) of the Electricity Act 1989 and a licence under section 7A of the Gas Act 1986;

“early action” has the meaning given in article 17;

“ECO2 CERO target” means a total carbon emissions reduction obligation within the meaning of the 2014 Order;

“ECO2 HHCRO target” means a total home heating cost reduction obligation within the meaning of the 2014 Order;

“efficient repairable electric storage heater” means an electric storage heater which—

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(a) has a responsiveness rating of more than 0.2 when assessed against the Standard Assessment Procedure; and

(b) has not broken down or, if it has broken down, can be economically repaired;

“electricity licence-holder” means a person holding a licence under section 6(1)(d) of the Electricity Act 1989 who does not also hold a licence under section 7A of the Gas Act 1986;

“exempt supply” means the supply to domestic customers of 400 gigawatt hours of electricity or 2000 gigawatt hours of gas;

“first time central heating” means—

(a) the installation of a central heating system at domestic premises—

(i) which at no point prior to the installation were heated by a central heating system or a district heating system; and

(ii) which immediately prior to the installation do not contain an efficient repairable electric storage heater; or

(b) the installation of a connection of domestic premises to a district heating system where the premises—

(i) have not been heated by a central heating system or a district heating system at any point prior to the installation; and

(ii) immediately prior to the installation do not contain an efficient repairable electric storage heater;

“gas licence-holder” means a person holding a licence under section 7A of the Gas Act 1986 who does not also hold a licence under section 6(1)(d) of the Electricity Act 1989;

“group” means a group of companies that includes at least two licence-holders, and for the purpose of this definition, “group of companies” means a holding company and the wholly-owned subsidiaries of that holding company where “holding company” and “wholly-owned subsidiary” have the same meaning as in section 1159 of the Companies Act 2006;

“innovation measure” means a demonstration action, a deployment action or a performance action;

“licence-holder” means an electricity licence-holder, a gas licence-holder or a dual licence-holder;

“mobile home” means home which is—

(a) a caravan within the meaning of Part 1 of the Caravan Sites and Control of Development Act 1960 (disregarding the amendment made by section 13(2) of the Caravan Sites Act 1968); and

(b) used as a dwelling for the purposes of—

(i) Part 1 of the Local Government Finance Act 1992 if it is situated in England or Wales;

(ii) Part 2 of the Local Government Finance Act 1992 if it is situated in Scotland;

“notification period” means—

(a) 1st January 2017 to 31st December 2017 for phase 1;

(b) 1st January 2018 to 31st December 2018 for phase 2;

(c) 1st January 2019 to 31st December 2019 for phase 3; and

(d) 1st January 2020 to 31st December 2020 for phase 4,

and a reference in this Order, in relation to a phase, to the relevant notification period is to the notification period for that phase;

“performance action” has the meaning given in article 26;

“phase”, except in article 10(5), means one of the four phases as follows—

(a) the period starting on the commencement date and ending with 31st March 2019 (“phase 1”);

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- (b) the twelve months ending with 31st March 2020 (“phase 2”);
- (c) the twelve months ending with 31st March 2021 (“phase 3”);
- (d) the twelve months ending with 31st March 2022 (“phase 4”);

“pre-existing building” means a building erected before 1st April 2017;

“private domestic premises” means domestic premises other than premises described in Schedule [2];

“Publicly Available Specification” means—

- (a) in relation to a measure completed on or before [], Publicly Available Specification 2030:2017;
- (b) in relation to a measure completed between [] and [], Publicly Available Specification 2030:2017 or Publicly Available Specification 2030:2018;
- (c) in relation to a measure completed between [] and [], Publicly Available Specification 2030:2018;
- (d) in relation to a measure completed on or after [], Publicly Available Specification 2030:2018 and Publicly Available Specification 2035:2018;

“qualifying action” has the meaning given in article 13;

“Reduced Data Standard Assessment Procedure” means the Government’s Reduced Data Standard Assessment Procedure for energy ratings of dwellings (2012 Edition, version 9.92);

“renewable heating measure” means a measure for the generation of heat by means of a source of energy or technology mentioned in section 100(4) of the Energy Act 2008;

“rural area” means—

- (a) in relation to an area in England and Wales, an area classified as rural in the “2011 rural-urban classification of output areas” published by the Office for National Statistics in August 2013;
- (b) in relation to an area in Scotland, an area classified as rural in the “Scottish Government Urban Rural Classification 2013-2014” published by the Scottish Government in November 2014;

“rural minimum requirement”, except in the definition of “ECO2 rural requirement” in article 19(3), has the meaning given in article 19(1) and (2);

“score” means the contribution that a qualifying action makes towards a supplier’s total home-heating cost reduction obligation;

“solid wall” includes a metal or timber frame wall or a wall of pre-fabricated concrete construction;

“solid wall insulation” means internal or external insulation of a solid wall, but does not include insulation of a mobile home;

“solid wall minimum requirement”, except in the definition of “ECO2 solid wall requirement” in article [20(3)/21(3)], has the meaning given in article [20(1) and (2)/21(1) and (2)];

“Standard Assessment Procedure” means the Government’s Standard Assessment Procedure for energy rating of dwellings (2012 Edition, version 9.92);

“supplier” has the meaning given in article 3(1) and (2);

“surplus action” has the meaning given in article 18(3);

“total home-heating cost reduction obligation” means, in respect of a supplier, and subject to articles 10 and 33, the sum of home-heating cost reduction obligations which have been determined for the supplier under article 6;

“wall insulation” means—

- (a) insulation of a cavity wall;
- (b) solid wall insulation.

Definition of a supplier

3.—(1) A licence-holder is a supplier where—

- (a) the licence-holder supplies or, for a member of a group, the group supplies, more than—
 - (i) 250,000 domestic customers at the end of 31st December of any relevant year; and
 - (ii) an exempt supply in the year ending on that date; or
- (b) an ECO2 HHCRO target was imposed on the licence-holder under the 2014 Order.

(2) Where a dual licence-holder satisfies paragraph (1) in respect of the supply of electricity or gas that licence-holder is a separate supplier in respect of each supply.

(3) For the purposes of determining the number of domestic customers of a licence-holder under this Order, a domestic customer who receives electricity and gas from a dual licence-holder is a separate domestic customer under each licence.

(4) For the purposes of this article—

- (a) where a licence-holder (“L”) is a member of a group—
 - (i) the supplies made by the group are to be determined by reference to the type of supply in respect of which L is a licence-holder;
 - (ii) the amount of electricity or, as applicable, gas supplied by the group in the year ending on the date referred to in paragraph (1)(a), is the amount supplied by all licence-holders in the group during that year, whether or not they were members of the group throughout that year; and
- (b) whether or not a licence-holder is a member of a group is to be determined according to whether the licence-holder was a member of a group on the date referred to in paragraph (1)(a).

(5) In this article, “relevant year” means 2017, 2018, 2019 or 2020.

PART 2

Overall home-heating cost reduction target

Overall home-heating cost reduction target

4. For the period from the commencement date to 31st March 2022 the overall home-heating cost reduction target is £[7.735] billion.

PART 3

Determining home-heating cost reduction obligations

Notification by suppliers of domestic customers and energy supplied

5.—(1) A person who is a supplier at the end of a notification period must notify the Administrator by the notification date for that period of the number of that supplier’s domestic customers at the end of that period.

(2) That supplier must also notify the Administrator by the notification date for the notification period of—

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

(3) Where a supplier (“S”) is a member of a group at the end of a notification period, S must also notify the Administrator by the notification date for that period of—

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

(4) Where under paragraph (3) a supplier is a member of a group with another supplier, the amount of electricity or, as applicable, gas supplied by the group in a notification period is the amount supplied by those suppliers during that notification period whether or not they were members of the group throughout that notification period.

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

(6) Anything determined by the Administrator under paragraph (5) is to be treated as if it were notified by the supplier.

(7) In this article, “notification date” means, in relation to the notification period for—

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

Determining a supplier’s home-heating cost reduction obligation

6.—(1) The Administrator must determine a supplier’s home-heating cost reduction obligation for each phase.

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

- (a) in the case of a supplier which is not a member of a group with another supplier at the end of 31st December immediately before the commencement of the phase to which the determination relates, 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 supplier of its home-heating cost reduction obligation—

- (a) for phase 1, by no later than 28 days after the commencement date;
- (b) for phases 2, 3 and 4, by no later than the last day of February prior to the commencement of the phase.

Determining the home-heating cost reduction obligation for a supplier who is not a member of a group

7.—(1) Where this article applies—

- (a) if the supplier has notified under article 5(2) a supply of electricity or gas for the relevant notification period which does not exceed an exempt supply, the supplier’s home-heating cost reduction obligation for the phase is zero;
- (b) in any other case, the supplier’s home-heating cost reduction obligation for the phase is —

$$(A \times T_x)/T$$

(2) In this article—

- (a) “A” is—
 - (i) for phase 1, £[0.553] billion;
 - (ii) for phase 2, £[1.105] billion;
 - (iii) for phase 3, £[1.105] billion;
 - (iv) for phase 4, £[1.105] billion;
- (b) “Tx” is the amount of electricity or gas supplied in the relevant notification period by the supplier as determined in accordance with article 9(1);
- (c) “T” is the total amount of electricity or gas, as applicable, supplied in the relevant notification period by all suppliers as determined in accordance with article 9(3).

Determining the home-heating cost reduction obligation for a supplier who is a member of a group

8.—(1) Where this article applies—

- (a) if the supplier has notified under article 5(3) a supply of electricity or gas for the group for the relevant notification period which does not exceed an exempt supply, the supplier’s home-heating cost reduction obligation for the phase is zero;
- (b) in any other case, the supplier’s home-heating cost reduction obligation for the phase is —

$$J \times (H/K)$$

(2) In paragraph (1)(b)—

- (a) “J” is the amount produced by applying the formula set out in article 7(1)(b) where—
 - (i) A and T have the same meaning as in that article;
 - (ii) Tx is the amount of electricity or gas, as applicable, supplied in the relevant notification period by the group to which the supplier belongs as determined in accordance with article 9(2);
- (b) “H” is the amount of electricity or gas notified by the supplier under article 5(2) for the relevant notification period;
- (c) “K” is the amount of electricity or gas notified by the supplier under article 5(3) as supplied in the relevant notification period by the group to which the supplier belongs.

Determining supply

9.—(1) For the purpose of article 7(2)(b), the amount of electricity or gas supplied by a supplier in the relevant notification period is the amount of electricity or gas notified by the supplier under article 5(2) for the relevant notification period, but deducting—

- (a) in the case of electricity, 400 gigawatt hours; or
- (b) in the case of gas, 2000 gigawatt hours.

(2) For the purpose of article 8(2)(a)(ii), the amount of electricity or gas supplied by a group in the relevant notification period is the amount of electricity or gas notified by the supplier under article 5(3) as supplied in the relevant notification period by the group to which the supplier belongs, but deducting—

- (a) in the case of electricity, 400 gigawatt hours; or
- (b) in the case of gas, 2000 gigawatt hours.

(3) For the purpose of article 7(2)(c), the total amount of electricity or gas supplied in the relevant notification period by all suppliers is the sum of—

- (a) all the electricity or gas supplied by suppliers that are not members of a group, as determined in accordance with paragraph (1); and
 - (b) all the electricity or gas supplied by groups, as determined in accordance with paragraph (2).
- (4) In paragraph (3)—
- (a) in sub-paragraph (a), the reference to “suppliers” does not include those suppliers for whom an obligation of zero applies under article 7(1)(a);
 - (b) in sub-paragraph (b), the reference to “groups” 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 relevant notification period does not exceed an exempt supply.

Increasing a supplier’s home-heating cost reduction obligation as a result of the supplier’s failure to achieve its ECO2 targets

10.—(1) This article applies where a supplier does not achieve its ECO2 CERO target or ECO2 HHCRO target by the end of September 2018.

(2) Where this article applies and a supplier has not achieved its ECO2 CERO target, the supplier’s home-heating cost reduction obligation for phase 1, determined under article 6, is to be increased by the lesser of—

- (a) $A \times B \times 1.1$; or
- (b) $C \times B \times 1.1$

where—

“A” is the number of MtCO₂ by which the supplier failed to achieve its ECO2 CERO target;

“B” is £[136] million;

“C” is the number of MtCO₂ equalling 3.7% of the supplier’s ECO2 CERO target.

(3) Where this article applies and a supplier has not achieved its ECO2 HHCRO target, the supplier’s home-heating cost reduction obligation for phase 1, determined under article 6 and if applicable, as increased by paragraph (2), is to be increased by the lesser of—

- (a) $D \times 1.1$; or
- (b) $E \times 1.1$

where—

“D” is the amount by which the supplier failed to achieve its ECO2 HHCRO target;

“E” is the amount equalling 4.3% of the supplier’s ECO2 HHCRO target.

(4) The Administrator must notify the supplier by no later than 31st March 2019 of its revised home-heating cost reduction obligation for phase 1 resulting from the calculations in this article.

(5) In this article, “MtCO₂” has the meaning given in the 2014 Order.

PART 4

Achievement of obligations

Achievement of home-heating cost reduction obligation

11.—(1) A supplier must achieve its total home-heating cost reduction obligation by no later than 31st March 2022.

(2) Subject to article 12, a supplier must achieve its total home-heating cost reduction obligation by promoting qualifying actions, and in meeting its total home-heating cost reduction obligation—

- (a) promote measures at domestic premises situated in a rural area so that the supplier achieves at least its rural minimum requirement; and

- (b) promote the installation of [solid wall insulation/relevant measures in solid wall premises] so that the supplier achieves at least its solid wall minimum requirement.

Caps on certain types of qualifying actions

12.—(1) No more than 5% of a supplier’s total home-heating cost reduction obligation may be achieved by the repair of a boiler.

(2) No more than 5% of a supplier’s total home-heating cost reduction obligation may be achieved by the repair of an electric storage heater.

(3) No more than [25]% of a supplier’s total home-heating cost reduction obligation may be achieved by measures which are qualifying actions by virtue of meeting the condition in article 16.

(4) No more than [10-20]% of a supplier’s total home-heating cost reduction obligation may be achieved by innovation measures.

(5) Except where paragraph (6) applies, no more than [33]% of a supplier’s total home-heating cost reduction obligation may be achieved by capped broken heating system measures.

(6) Where a supplier has not achieved its ECO2 home heating minimum requirement, no more than Z% of a supplier’s total home-heating cost reduction obligation may be achieved by capped broken heating system measures, where “Z” is the greater of—

- (a) [the max cut in the cap based on max 10% carry-under];
- (b) [the conversion rule].

(7) In this article—

“capped broken heating system measure” means a measure—

- (a) installed at domestic premises with—
 - (i) a central heating system or district heating connection which is broken down and cannot be economically repaired; or
 - (ii) one or more electric storage heaters, at least 50% of which are broken down and cannot be economically repaired; and
- (b) which is not—
 - (i) a measure installed to improve the insulating properties of domestic premises;
 - (ii) first time central heating;
 - (iii) a heating and insulation combination measure;
 - (iv) heating controls;
 - (v) an innovation measure;
 - (vi) the installation of a district heating connection; or
 - (vii) a renewable heating measure;

“ECO2 home heating minimum requirement means a supplier’s home heating minimum requirement within the meaning of article 2 of the 2014 Order;

“heating and insulation combination measure” means a measure which—

- (a) is not installed to improve the insulating properties of domestic premises;
- (b) is installed at the same domestic premises where a primary insulation measure has been installed (“the related primary measure”);
- (c) is completed on the same date as, or no more than six months after, the date on which the related primary measure is completed; and
- (d) is promoted by the same supplier who promoted the related primary measure;

“primary insulation measure” means a qualifying action which is the installation at domestic premises of—

- (a) flat roof insulation, loft insulation, rafter insulation or room-in-roof insulation—
 - (i) to at least 50% of the roof area of the premises; and

- (ii) in the case of loft insulation, in a loft which has no more than 150mm of insulation before the installation takes place and which results in the loft being insulated to a depth of no less than 250mm;
- (b) insulation of at least 50% of the floor area of the lowest storey of the premises containing a habitable room;
- (c) insulation of a cavity wall which divides the premises from other premises under different occupation;
- (d) wall insulation applied to at least 50% of the walls of the premises which are exterior facing; or
- (e) insulation applied to at least 50% of the ceiling, floor and walls of a mobile home.

Qualifying actions

13.—(1) A qualifying action is a measure which—

- (a) is installed at domestic premises;
- (b) results in the reduction in the cost of heating those premises to 21 degrees Celsius in the main living areas and 18 degrees Celsius in all other areas, or in the case of an innovation measure is reasonably expected to result in such a reduction in the cost of heating those premises;
- (c) is completed on or after the commencement date;
- (d) meets a condition in articles 14 to 16;
- (e) is notified to the Administrator in accordance with article 22;
- (f) except in the case of a repair, is installed at a pre-existing building or installed at premises which were first occupied as domestic premises before the installation was completed;
- (g) is not the installation or the repair of equipment for the generation of heat from oil or coal;
- (h) is not the installation of equipment that is, or has been at any time—
 - (i) an accredited domestic plant within the meaning of the Domestic Renewable Heat Incentive Scheme Regulations 2014; or
 - (ii) an accredited RHI installation within the meaning of regulation 2 of the Renewable Heat Incentive Scheme Regulations 2011;
- (i) in the case of a measure installed at premises with an efficient repairable heating system, is—
 - (i) installed to improve the insulating properties of the premises;
 - (ii) a repair;
 - (iii) the installation of heating controls;
 - (iv) the installation of a district heating connection; or
 - (v) the installation of a renewable heating measure;
- (j) in the case of a measure installed at premises with an inefficient repairable heating system, is—
 - (i) installed to improve the insulating properties of the premises;
 - (ii) a repair;
 - (iii) first time central heating;
 - (iv) a heating and insulation combination measure;
 - (v) the installation of heating controls,
 - (vi) the installation of a district heating connection; or
 - (vii) the installation of a renewable heating measure;

- (k) where the measure is referred to in the Publicly Available Specification, is installed in accordance with the Publicly Available Specification and by, or under the responsibility of, a certified installer;
 - (l) where the measure is not referred to in the Publicly Available Specification, is installed by a person of appropriate skill and experience;
 - (m) where the measure is the repair of a boiler or an electric storage heater, is accompanied by a warranty for at least one year;
 - (n) where the measure is the installation of a boiler, is accompanied by a warranty that meets the requirements set out in Schedule [1]; and
 - (o) where the measure is the installation of an electric storage heater, is accompanied by a warranty for at least one year.
- (2) A qualifying action is also a measure which is an early action or is recognised by the Administrator as a surplus action.

(3) In this article—

“efficient repairable heating system” means a central heating system, district heating connection or electric storage heater which—

- (a) is not broken down or, if it is broken down, can be economically repaired; and
- (b) is not an inefficient repairable heating system;

“electric heating system” means a central heating system or district heating connection which provides heat generated wholly or mainly from electricity;

“heating and insulation combination measure” has the same meaning as in article 12;

“inefficient repairable heating system” means a central heating system, district heating connection or electric storage heater which—

- (a) is not broken down or, if it is broken down, can be economically repaired;
- (b) in the case of a central heating system other than an electric heating system—
 - (i) includes a non-condensing boiler; or
 - (ii) has a manufactured energy efficiency that is no better than a central heating system falling within sub-paragraph (i);
- (c) in the case of a district heating connection other than an electric heating system, is a connection to a district heating system that—
 - (i) includes a non-condensing boiler; or
 - (ii) has a manufactured energy efficiency that is no better than a central heating system falling within paragraph (b)(i); and
- (d) in the case of an electric heating system or an electric storage heater, has a responsiveness rating equal to or less than 0.2 when assessed against the Standard Assessment Procedure.

Measures installed at private domestic premises

14.—(1) A measure meets the condition in this article if the measure is installed at private domestic premises which are occupied by a member of the help to heat group.

(2) A measure also meets the condition in this article if the measure (“the in-fill measure”)—

- (a) is installed at private domestic premises;
- (b) is the installation of solid wall insulation or a district heating connection; and
- (c) is linked with at least two other qualifying actions (“the primary actions”) which—
 - (i) are also the installation of solid wall insulation or district heating connections, as the case may be;
 - (ii) are promoted by the same supplier as promoted the in-fill measure;

- (iii) are installed at private domestic premises occupied by a member of the help to heat group or at domestic premises described in Schedule [4];
 - (iv) are installed in the same area as the in-fill measure; and
 - (v) are completed within the same 6 month period as the in-fill measure.
- (3) For the purposes of paragraph (2), an in-fill measure is linked with a primary action if—
- (a) the in-fill measure is notified under article 22 after, or on the same day as, the notification of the primary action under that article;
 - (b) when notifying the in-fill measure under that article, the supplier includes information sufficient to enable the Administrator to identify the primary action with which it is to be linked; and
 - (c) the primary action is not already linked with another in-fill measure.
- (4) For the purposes of paragraph (2)(c)(iv), measures are installed in the same area if the domestic premises at which they are installed are situated in the same building, in immediately adjacent buildings or in the same terrace.
- (5) In this article, “help to heat group” means a group of persons where each person in the group is awarded at least one of the benefits set out in paragraph 1 of Schedule [3] and meets any condition in relation to that benefit which is specified in that Schedule.

Measures installed at E, F or G social housing

15.—(1) A measure meets the condition in this article if the measure is installed at domestic premises described in Schedule [4] and the measure is—

- (a) installed to improve the insulating properties of those premises;
- (b) the installation of a central heating system at domestic premises—
 - (i) which at no point prior to the installation were heated by a central heating system or a district heating system; and
 - (ii) which immediately prior to the installation do not contain an efficient repairable electric storage heater; or
- (c) the installation of a relevant district heating connection to domestic premises—
 - (i) which at no point prior to the installation were heated by a central heating system or a district heating system; and
 - (ii) which immediately prior to the installation do not contain an efficient repairable electric storage heater.

(2) In this article, “relevant district heating connection” means a connection of domestic premises to a district heating system where the premises—

- (a) have flat roof, loft, rafter, room-in-roof or wall insulation; or
- (b) do not include the top floor of the building in which they are located and all of the external walls of the building are insulated, except for a wall which has—
 - (i) one or more parts which are of solid wall construction; or
 - (ii) a cavity which cannot be insulated.

Measures accompanied by a statement from a local authority

16.—(1) A measure meets the condition in this article if—

- (a) the measure is installed at private domestic premises;
- (b) a local authority has published a statement of intent and been consulted on the installation of a qualifying action at the premises; and
- (c) on or after publication of its statement of intent, the local authority has—

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- (i) made a statement in writing that, in the opinion of the local authority, the premises are occupied by a household living in fuel poverty; or
 - (ii) made a statement in writing that, in the opinion of the local authority, the premises are occupied by a household living on a low income and vulnerable to the effects of living in a cold home.
- (2) A measure also meets the condition in this article if—
 - (a) it is solid wall insulation installed at private domestic premises;
 - (b) a local authority has published a statement of intent and been consulted on the installation of the solid wall insulation at the premises;
 - (c) the premises are included in a list of premises which—
 - (i) has been created by the local authority on or after publication of its statement of intent;
 - (ii) identified any premises on the list which in the opinion of the local authority are occupied by a household living in fuel poverty; and
 - (iii) identified any other premises on the list which in the opinion of the local authority are occupied by a household living on a low income and vulnerable to the effects of living in a cold home; and
 - (d) the local authority has made a statement in writing that—
 - (i) to the best of the local authority’s knowledge and belief, all of the premises included in the list referred to in sub-paragraph (c) are private domestic premises;
 - (ii) all of the premises included in that list are situated in the same building, in immediately adjacent buildings or in the same terrace; and
 - (iii) in the opinion of the local authority, at least 50% of the premises included in that list are occupied by households living in fuel poverty or by households living on a low income and vulnerable to the effects of living in a cold home.
- (3) In this article—
 - “local authority” means—
 - (a) a county council;
 - (b) a combined authority established under section 103 of the Local Democracy, Economic Development and Construction Act 2009;
 - (c) a district council;
 - (d) a London Borough Council;
 - (e) the Greater London Authority;
 - (f) the Common Council of the City of London;
 - (g) the Council of the Isles of Scilly;
 - (h) a county borough council;
 - (i) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994;
 - “statement of intent” means a description of how the local authority intends to identify households that may benefit from a qualifying action and are living—
 - (j) in fuel poverty; or
 - (k) on a low income and are vulnerable to the effects of living in a cold home.

Early actions

- 17.—(1) An early action is a measure which—
- (a) was completed no earlier than 1st October 2018 and before the commencement date;
 - (b) is a carbon qualifying action within the meaning of article 12 of the 2014 Order or a heating qualifying action within the meaning of article 16 of the 2014 Order; and

- (c) is not the installation or the repair of equipment for the generation of heat from oil or coal; and
 - (d) is notified to the Administrator in accordance with paragraph (2).
- (2) A measure is notified to the Administrator in accordance with this article if the notification—
- (a) is in writing;
 - (b) is received by the Administrator no more than two months after the commencement date;
 - (c) includes a calculation of the score for the measure; and
 - (d) includes such other information in relation to the measure as the Administrator may require.

Surplus actions

18.—(1) Not later than 30th November 2019 a supplier may apply to the Administrator in writing for a measure to be recognised as a surplus action.

(2) An application under paragraph (1) must give details of the measure which the supplier considers constitutes a surplus action.

(3) A surplus action is a measure which—

- (a) is an ECO2 carbon qualifying action or an ECO2 heating qualifying action which was achieved by the applicant supplier;
- (b) is not required by the supplier to meet its obligations under the 2014 Order;
- (c) in the case of an ECO2 heating qualifying action, was completed on or after 1st April 2017; and
- (d) is not the installation or the repair of equipment for the generation of heat from oil or coal.

(4) The Administrator must recognise a measure as a surplus action if, following an application under paragraph (1), the Administrator is satisfied that—

- (a) the measure to which the application relates is a surplus action; and
- (b) in the case of an ECO2 carbon qualifying action, recognition of the measure as a surplus action would not cause the total carbon saving attributable to all of the ECO2 carbon qualifying actions achieved by the applicant supplier and recognised by the Administrator as surplus actions to exceed 20% of the applicant supplier's ECO2 CERO target.

(5) For the purposes of paragraph (4)(b), the carbon saving attributable to an ECO2 carbon qualifying action is the carbon saving attributed to it by the Administrator in accordance with article 25 of the 2014 Order.

(6) In this article—

“ECO2 carbon qualifying action” means a carbon qualifying action within the meaning of article 12 of the 2014 Order and which was notified to the Administrator under article 17 of the 2014 Order;

“ECO2 heating qualifying action” means a heating qualifying action within the meaning of article 16 of the 2014 Order and which was notified to the Administrator under article 17 of the 2014 Order.

Rural minimum requirement

19.—(1) Except where paragraph (2) applies, a supplier's rural minimum requirement is a requirement to achieve at least 15% of its total home-heating cost reduction obligation by promoting qualifying actions that are installed at domestic premises situated in a rural area.

(2) Where a supplier has not achieved its ECO2 rural requirement, a supplier's rural minimum requirement is a requirement to achieve at least Z% of its total home-heating cost reduction

obligation by promoting qualifying actions that are installed at domestic premises situated in a rural area, where “Z” is the lessor of—

- (a) [the max increase in the rural min based on max 10% carry-under];
- (b) [the conversion rule].

(3) In this article, “ECO2 rural requirement” means a supplier’s rural minimum requirement within the meaning of article 2 of the 2014 Order.

Solid wall minimum requirement [alternative 1]

20.—(1) Except where paragraph (2) applies, a supplier’s solid wall minimum requirement is a requirement to install relevant measures at X or more solid wall premises, where X is the result of the following formula—

[formula for calculating the supplier’s share of the 60,000 solid wall premises to be treated].

(2) Where a supplier has not achieved its ECO2 solid wall requirement, a supplier’s solid wall minimum requirement is a requirement to install relevant measures at Z or more solid wall premises, where Z is the result of the following formula—

$X+Y$

(3) In paragraph (2)—

- (a) “X” has the same meaning as in paragraph (1); and
- (b) “Y” is the lessor of—
 - (i) [the max increase in solid wall min based on max 2.6% carry-under];
 - (ii) [the conversion rule].

(4) In this article—

“ECO2 solid wall requirement” means a supplier’s solid wall minimum requirement within the meaning of articles 2 and 13 of the 2014 Order;

“relevant measures” means measures that are—

- (a) the installation of solid wall insulation to at least 50% of the walls of a solid wall premises that are exterior facing; or
- (b) the installation of a measure not referred to in paragraph (a) at a solid wall premises that achieves at least the same amount of cost savings as would have been achieved by the installation of the measure referred to in paragraph (a) at the premises;

“solid wall premises” means premises with one or more exterior facing walls, at least 50% of which are solid walls.

Solid wall minimum requirement [alternative 2]

21.—(1) Except where paragraph (2) applies, a supplier’s solid wall minimum requirement is a requirement to achieve at least [9.2]% of its total home-heating cost reduction obligation by promoting the installation of solid wall insulation.

(2) Where a supplier has not achieved its ECO2 solid wall requirement, a supplier’s solid wall minimum requirement is a requirement to achieve at least Z% of its total home-heating cost reduction obligation by promoting the installation of solid wall insulation, where “Z” is the lessor of—

- (a) [the max increase in solid wall min based on max 2.6% carry-under];
- (b) [the conversion rule].

(3) In this article, “ECO2 solid wall requirement” means a supplier’s solid wall minimum requirement within the meaning of article 2 of the 2014 Order.

Notifications of measures

22.—(1) A measure is notified to the Administrator in accordance with this article if the notification—

- (a) is in writing by the supplier that promoted the measure;
- (b) includes a calculation of the score for the measure;
- (c) includes such other information in relation to the measure as the Administrator may require; and
- (d) is made—
 - (i) before the end of the first calendar month immediately following the calendar month in which the measure was completed (“the original deadline”);
 - (ii) following an application under paragraph (4) which has been accepted by the Administrator, by the date specified by the Administrator under paragraph (6); or
 - (iii) in the case of a measure falling within the 5% notification threshold for the supplier (“the notifying supplier”), before the earlier of—
 - (aa) the end of the fourth calendar month after the calendar month in which the measure was completed; or
 - (bb) the end of June 2022.

(2) For the purposes of paragraph (1)(d)(iii), a measure falls within the 5% notification threshold for the notifying supplier if—

- (a) the measure is notified to the Administrator after the original deadline; and
- (b) at the time the measure is notified, the result of the following formula is less than or equal to 0.05—
$$A-B/C$$

(3) In paragraph (2)—

“A” is the number of measures (also counting the measure being notified) which are—

- (a) completed in the same calendar month as the measure being notified; and
- (b) notified after the original deadline by—
 - (i) the notifying supplier; or
 - (ii) by any other supplier that is a member of the same group as the notifying supplier;

“B” is the number of measures which are—

- (a) completed in the same calendar month as the measure being notified;
- (b) the subject of an application under paragraph (4) which is accepted by the Administrator;
- (c) notified after the original deadline and by the date specified by the Administrator under paragraph (6); and
- (d) notified by—
 - (i) the notifying supplier; or
 - (ii) any other supplier that is a member of the same group as the notifying supplier; and

“C” is the greater of one or the number of measures which are—

- (a) completed in the same calendar month as the measure being notified; and
- (b) notified within the original deadline by—
 - (i) the notifying supplier; or
 - (ii) any other supplier that is a member of the same group as the notifying supplier.

(4) A supplier may apply at any time to the Administrator for a measure to be notified after the original deadline.

(5) An application under paragraph (4) must include—

- (a) details of why the supplier is seeking an extension of time to notify the measure; and
 - (b) such other information as the Administrator may require.
- (6) Following receipt of an application under paragraph (4), the Administrator must—
- (a) accept the application and specify a date, as it thinks fit but falling after the original deadline, for the notification of the measure; or
 - (b) reject the application.
- (7) For the purposes of this Order, a measure is completed when its installation is completed.

PART 5

Scores

Attributing the score to a qualifying action

23.—(1) To determine whether a supplier has achieved its total home-heating cost reduction obligation, the Administrator must attribute a score to each qualifying action.

- (2) In the case of a qualifying action notified by a supplier under articles 17 or 22—
- (a) where the Administrator is satisfied that the score notified by the supplier under those articles is correctly calculated, the Administrator must attribute that score to the qualifying action; or
 - (b) where the Administrator is not satisfied that the score notified by the supplier under those articles is correctly calculated, the Administrator must attribute the score which the Administrator considers would have been determined for the action had it been correctly calculated.
- (3) In the case of a qualifying action that is a surplus action, the Administrator must attribute the score which is determined by the Administrator in accordance with article 30.
- (4) The Administrator must notify a supplier of the score it has attributed to—
- (a) a qualifying action notified by the supplier under articles 17 or 22; or
 - (b) a qualifying action that is recognised as a surplus action following an application by the supplier under article 18.

Determining the score for district heating connections

24.—(1) This article applies for the purpose of calculating the score of a qualifying action which—

- (a) is the installation of a district heating connection; and
 - (b) is not an innovation measure or a surplus action.
- (2) Where this article applies, the score is calculated by determining the cost saving for the qualifying action in accordance with—
- (a) the Standard Assessment Procedure;
 - (b) the Reduced Data Standard Assessment Procedure; or
 - (c) following an application under paragraph (3) in respect of the installation to which the qualifying action relates, an alternative methodology approved by the Administrator under paragraphs (5) or (6).
- (3) For the purposes of determining the cost saving achieved by the installation of a district heating connection (“the proposed connection”), a supplier may apply to the Administrator to approve a methodology not referred to in paragraph (2)(a) or (b) (“an alternative methodology”).
- (4) An application under paragraph (3) must be made before the proposed connection is installed.

(5) The Administrator may approve an alternative methodology if it is satisfied that neither the Standard Assessment Procedure nor the Reduced Data Standard Assessment Procedure contain an appropriate methodology for determining the cost savings achieved by the proposed connection.

(6) The Administrator may also approve an alternative methodology if the methodology is published by, or on behalf of, the Department for Business, Energy and Industrial Strategy as a replacement for the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure.

(7) The Administrator must notify the supplier of its decision on an application under paragraph (3).

Determining the score for demonstration actions

25.—(1) *This article applies for the purpose of calculating the score of a qualifying action which is a demonstration action.*

(2) *A measure which a supplier intends to be a demonstration action must be notified to the Administrator in writing before the measure is installed.*

(3) *A notification under paragraph (2) must include—*

(a) *the following information—*

(i) *how the measure is expected to achieve cost savings;*

(ii) *the arrangements for monitoring whether the measure achieves cost savings;*

(iii) *how the supplier will assess the effectiveness of the measure at achieving cost savings;*

(iv) *a justification for the number of domestic premises at which the supplier is proposing to promote the installation of the measure;*

(v) *the estimated cost in pounds sterling to be incurred by the supplier in promoting and monitoring the measure (“the estimated cost”);*

(vi) *a breakdown of the estimated cost; and*

(vii) *such other information as the Administrator may require; and*

(b) *consent to the publication of information, other than personal data, provided to the Administrator in relation to the monitoring and assessment of the measure.*

(4) *A demonstration action is a measure which is approved by the Administrator following a notification made in accordance with this article.*

(5) *The Administrator must not approve a measure as a demonstration action unless it is satisfied that—*

(a) *the information provided under paragraph (3)(a) is reasonable;*

(b) *the measure is not part of a combination of measures that has been approved as a performance action;*

(c) *it has not approved a bonus under article 27 that would apply to the measure;*

(d) *the measure is significantly different from the measures promoted by suppliers to meet their obligations under previous energy efficiency schemes and from any measures notified under articles 17 or 22 before the date of the notification made in respect of the measure under this article;*

(e) *the measure is at technology readiness level 8 (system complete and qualified) or technology readiness level 9 (actual system proven in operational environment); and*

(f) *installation of the measure at domestic premises is necessary in order to demonstrate whether the measure does achieve cost savings and, if so, the effectiveness of the measure at achieving cost savings.*

(6) *At the same time as notifying a demonstration action under article 22, a supplier must provide the following information to the Administrator—*

- (a) *the total cost in pounds sterling incurred by the supplier in promoting and monitoring the demonstration action (“the actual cost”);*
- (b) *a breakdown of the actual cost;*
- (c) *the information obtained by the supplier on whether the demonstration action is achieving cost savings; and*
- (d) *the supplier's assessment of the effectiveness of the demonstration action at achieving cost savings.*

(7) *The score of a qualifying action which is a demonstration action is the lowest of the results of the following amounts or calculations—*

- (a) *£[max allowed spend by each supplier/group on demonstration actions, e.g. £1 million];*
- (b) *[the result of a conversion formula using the estimated cost in relation to the demonstration action]; or*
- (c) *[the result of a conversion formula using so much of the actual cost in relation to the demonstration action as the Administrator is satisfied is reasonable].*

(8) *Information provided by a supplier under paragraph (6), other than any personal data, must be published by the Administrator in such form as it thinks fit.*

(9) *In this article—*

“personal data” means information relating to an identified or identifiable living individual;

“previous energy efficiency schemes” means—

- (a) *the Electricity and Gas (Carbon Emissions Reduction) Order 2008;*
- (b) *the Electricity and Gas (Community Energy Saving Programme) Order 2009;*
- (c) *the Electricity and Gas (Energy Companies Obligation) Order 2012; and*
- (d) *the 2014 Order;*

“technology readiness level” followed by a number has the same meaning as “TRL” followed by that number in General Annex G to the Horizon 2020 Work Programme 2018-2020 adopted by Commission Decision C(2017)7124 of 27th October 2017.

Determining the score for performance actions (referred to in the consultation document as “in-situ performance measurement)

26.—(1) This article applies for the purpose of calculating the score of a qualifying action which is a performance action.

(2) *A combination of measures which a supplier intends to be a performance action must be notified to the Administrator in writing before the combination of measures is installed.*

(3) *A notification under paragraph (2) must include—*

- (a) *an explanation of how the installation of the combination of measures at domestic premises is expected to achieve cost savings; and*
- (b) *such other information as the Administrator may require.*

(4) *A performance action is a combination of measures which is approved by the Administrator following a notification made in accordance with this article.*

(5) *The Administrator must not approve a combination of measures as a performance action unless it is satisfied that—*

- (a) *none of the measures have been approved as a demonstration action;*
- (b) *it has not approved a bonus under article 27 that would apply to any of the measures;*
- (c) *at least one of the measures in the combination of measures is both—*
 - (i) *a primary insulation measure; and*
 - (ii) *significantly different from the measures promoted by suppliers to meet their obligations under previous energy efficiency schemes and from any measures*

notified under articles 17 or 22 before the date of the notification made in respect of the combination of measures under this article;

- (d) at least one other measure in the combination of measures is also significantly different from the measures promoted by suppliers to meet their obligations under previous energy efficiency schemes and from any measures notified under articles 17 or 22 before the date of the notification made in respect of the combination of measures under this article;*
- (e) all of the measures are at technology readiness level 8 (system complete and qualified) or technology readiness level 9 (actual system proven in operational environment); and*
- (f) calculating the cost savings for each measure in the combination of measures using the existing methodologies is likely to underestimate the cost savings from installing the combination of measures.*

(6) The score of a qualifying action which is a performance action is calculated in accordance with the following formula—

$$A \times [1.1]$$

where “A” is the sum of the cost savings for each measure in the combination of measures calculated in accordance with—

- (a) in the case of a measure which is the installation of a district heating connection, article 24(2);*
- (b) in any other case, article 31(2).*

(7) Performance actions must be installed in at least 200 premises in order to get the 10% uplift referred to in paragraph (6).

(8) No more than [2.5% to 5%] of a supplier’s total home-heating cost reduction obligation may be achieved by performance actions.

(9) In this article—

“existing methodologies” means—

- (a) in the case of a measure which is the installation of a district heating connection—*
 - (i) the Standard Assessment Procedure;*
 - (ii) the Reduced Data Standard Assessment Procedure; or*
 - (iii) an alternative methodology approved by the Administrator under article 24(5) or (6);*
- (b) in any other case, a methodology published by the Administrator under article 31(3);*

“previous energy efficiency schemes” has the same meaning as in article 25;

“primary insulation measure” means—

- (a) flat roof insulation;*
- (b) loft insulation;*
- (c) rafter insulation;*
- (d) room-in-roof insulation;*
- (e) floor insulation;*
- (f) wall insulation; or*
- (g) insulation applied to the ceiling, floor and walls of a mobile home.*

“technology readiness level” has the same meaning as in article 25.

Determining the score for deployment actions (referred to in the consultation document as “innovation score uplifts”)

27.—(1) This article applies for the purpose of calculating the score of a qualifying action which is a deployment action.

(2) *For the purpose of determining the cost saving achieved by a measure which the supplier intends to promote, a supplier may apply to the Administrator for the determination of a percentage figure by which the cost saving for the measure would be increased in accordance with this article (“a bonus”).*

(3) *An application under paragraph (2) must include—*

- (a) a description of the characteristics of the measures to which the bonus is to apply;*
- (b) an explanation of how those measures are a significant improvement on the measures that would otherwise be promoted by the supplier; and*
- (c) such other information as the Administrator may require.*

(4) *The Administrator must not determine a bonus unless it is satisfied that—*

- (a) the application for determination of the bonus includes all the information required by paragraph (3);*
- (b) no measures to which the bonus is to apply have been approved as a demonstration action or are part of a combination of measures that has been approved as a performance action;*
- (c) no other bonus has been approved by the Administrator in relation to the measures to which the bonus is to apply;*
- (d) the measures to which the bonus is to apply are significantly different from the measures promoted by suppliers to meet their obligations under previous energy efficiency schemes and from any measures notified under articles 17 or 22 before the date of the application for the determination of the bonus under this article;*
- (e) the measures to which the bonus is to apply are at technology readiness level 8 (system complete and qualified) or technology readiness level 9 (actual system proven in operational environment);*
- (f) the measures to which the bonus is to apply are a significant improvement on the measures that would otherwise be promoted by suppliers.*

(5) *When considering whether a measure is a significant improvement on any other measure, the Administrator may have regard, in particular, to any one or more of the following—*

- (a) cost of manufacture or installation;*
- (b) impact on the occupants of the domestic premises at which the measure is installed;*
- (c) impact on the environment;*
- (d) cost savings.*

(6) *If the Administrator determines a bonus, it must—*

- (a) determine a percentage figure, between 10% and 50%, by which the cost saving of the measures to which the bonus applies should be increased in order to encourage promotion of the measure by suppliers, having regard, in particular, to—*
 - (i) the current level of deployment of the measures in Great Britain;*
 - (ii) the level of support needed in order for the measures to achieve commercialisation;*
 - (iii) the novelty of installation method, production method, materials used or technology use;*
 - (iv) the significance of the improvement compared to the measures that would otherwise be promoted by suppliers; and*
- (b) publish—*
 - (i) the bonus;*
 - (ii) the description of the characteristics of the measures to which the bonus applies; and*
 - (iii) the date on which the bonus was determined.*

(7) *A deployment action is a measure which—*

- (a) falls within the description of measures to which a bonus applies;
- (b) is completed after the date on which that bonus is determined by the Administrator; and
- (c) is completed within 2 years of that date.

(8) The score of a qualifying action which is a deployment action is calculated in accordance with the following formula—

$$A \times B \times C$$

where—

- (a) “A” is the cost savings for the measure calculated in accordance with—
 - (i) in the case of a measure which is the installation of a district heating connection, article 24(2);
 - (ii) in any other case, article 31(2).
- (b) “B” is the bonus applying to the measure;
- (c) “C” is—
 - (i) if the measure is completed within 1 year of the date on which the bonus applying to that measure was determined by the Administrator, 1;
 - (ii) in any other case, 0.5.

(9) No more than [1.5% to 3%] of a supplier’s total home-heating cost reduction obligation may be achieved by deployment actions falling within the same description of measures to which a bonus applies.

(10) In this article—

- “previous energy efficiency schemes” has the same meaning as in article 25;
- “technology readiness level” has the same meaning as in article 25.

Innovation measures: common provisions

28.—(1) This article applies for the purpose of articles 25 to 27.

(2) A measure is not significantly different from another measure merely because it is installed at a different domestic premises.

(3) When considering whether a measure is significantly different from another measure, the Administrator may have regard, in particular, to any one or more of the following—

- (a) the production method;
- (b) the installation method;
- (c) the materials used;
- (d) the technology used;
- (e) the expected costs of promoting the measure;
- (f) the expected cost savings.

Determining the score for early actions

29.—(1) This article applies for the purpose of calculating the score of a qualifying action which—

- (a) is an early action; and
- (b) is not the installation of a district heating connection.

(2) The score of a qualifying action which is an early action is calculated in accordance with the following formula—

$$A \times 0.77$$

where “A” is the cost score calculated in accordance with article 19 and 23 of the 2014 Order.

(3) In this article, “cost score” has the meaning given in article 2 of the 2014 Order.

Determining the score for surplus actions

30.—(1) This article applies for the purpose of calculating the score of a qualifying action which is a surplus action.

(2) Where this article applies and a cost score was attributed to the qualifying action by the Administrator under article 25 of the 2014 Order, the score is the cost score so attributed.

(3) Where this article applies and a cost score was not attributed to the qualifying action under article 25 of the 2014 Order, the score is the cost score calculated in accordance with articles 19 and 23 of the 2014 Order.

(4) In this article, “cost score” has the meaning given in article 2 of the 2014 Order.

Determining the score for all other qualifying actions

31.—(1) This article applies for the purpose of calculating the score of a qualifying action which is not—

- (a) the installation of a district heating connection;
- (b) an innovation measure;
- (c) an early action or a surplus action.

(2) Where this article applies, the score is calculated by determining the cost saving for the qualifying action in accordance with the following formula—

$$A \times B$$

where—

- (a) “A” is the cost saving for the qualifying action calculated in accordance with a methodology published by the Administrator under paragraph (3);
- (b) “B” is—
 - (i) in the case of a qualifying action which is installed to improve the insulating properties of non-gas fuelled premises, 1.35;
 - (ii) in the case of a qualifying action which is the replacement of a broken boiler with another boiler, 4;
 - (iii) in all other cases, 1.

(3) The Administrator must publish a methodology for the purpose of determining the cost saving of a qualifying action under this article.

(4) Under the methodology published by the Administrator in accordance with paragraph (3), the calculation of the cost saving must be based on—

- (a) in the case of a qualifying action which is the repair of a boiler or electric storage heater and which is accompanied with—
 - (i) a warranty for less than two years, an expected lifetime for the qualifying action of one year;
 - (ii) a warranty for two years or more, an expected lifetime for the qualifying action of two years;
- (b) in the case of a qualifying action which is the replacement of a broken boiler with another boiler, an expected lifetime for the qualifying action of 3 years;
- (c) in the case of a qualifying action which is the replacement of a broken electric storage heater with another electric storage heater, an expected lifetime for the qualifying action of 5 years;
- (d) in the case of a qualifying action which is the installation of cavity wall insulation and which is accompanied by an appropriate warranty, an expected lifetime for the qualifying action of 42 years;

- (e) in the case of a qualifying action which is the installation of insulation applied to the ceiling, floor and walls of a mobile home and which is accompanied by an appropriate warranty, an expected lifetime for the qualifying action of 30 years;
 - (f) in the case of a qualifying action which is the installation of solid wall insulation and which is accompanied by an appropriate warranty, an expected lifetime for the qualifying action of 36 years.
- (5) Before publishing a methodology under paragraph (3), the Administrator must have regard to—
- (a) the Standard Assessment Procedure and the Reduced Data Standard Assessment Procedure, or to any methodology published by, or on behalf of, the Department for Business, Energy and Industrial Strategy as a replacement for the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure; and
 - (b) the desirability of the methodology being easy to use.

(6) In this article—

“appropriate warranty” means a EHC warranty or a warranty which the Administrator is satisfied—

- (a) is supported by a mechanism that gives assurance that—
 - (i) funds will be available to honour the warranty; and
 - (ii) the installation of the insulation and products used in the insulation comply with a quality assurance framework;
- (b) is for 25 years or more; and
- (c) provides for repair, or replacement where appropriate, of the insulation, covering the cost of remedial and replacement works and materials;

“broken boiler” means a boiler which has broken down and cannot be economically repaired;

“broken electric storage heater” means an electric storage heater which has broken down and cannot be economically repaired;

“EHC warranty” means a warranty which the Administrator is satisfied is approved by, or on behalf of, the owners of the Each Home Counts quality mark to accompany the installation of solid wall insulation;

“non-gas fuelled premises” means domestic premises where, both before and after the installation of the qualifying action, the main space heating system for the premises is not—

- (a) fuelled by mains gas; or
- (b) a district heating system.

PART 6

Transfers

Transfers of qualifying actions

32.—(1) A qualifying action promoted by a supplier (“A”) may be regarded as promoted by another supplier (“B”) (“a transfer”) if that transfer is approved by the Administrator.

(2) A and B must—

- (a) apply for approval in writing to the Administrator by no later than 30th June 2022; and
- (b) provide to the Administrator such information as the Administrator may reasonably require.

(3) The Administrator must not approve a transfer—

- (a) if the qualifying action is a heating and insulation combination measure, unless the Administrator has approved the transfer to B of the related primary measure;

- (b) if the qualifying action is an in-fill measure, unless the Administrator has approved the transfer to B of all of the primary actions with which the in-fill measure is linked.
- (4) In paragraph (3)—
 - (a) “heating and insulation combination measure” and “related primary measure” have the same meaning as in article 12;
 - (b) “in-fill measure” and “primary actions” have the same meaning as in article 14(3).
- (5) If the Administrator decides not to approve a transfer it must notify A and B of the reasons for that decision.
- (6) If a transfer is approved, the qualifying action is treated as promoted by B and not A.

Transfer of obligations

33.—(1) All or part of a supplier’s obligation may be transferred from that supplier (“A”) to another supplier (“B”) (“a transfer”) if the transfer is approved by the Administrator.

- (2) A and B must—
 - (a) apply for approval in writing to the Administrator by no later than 31st December 2021; and
 - (b) provide to the Administrator such information as the Administrator may reasonably require.
- (3) An application under this article must identify the amount of its total home-heating cost reduction obligation that A intends to transfer to B (“the proposed transfer amount”).
- (4) The Administrator must not approve the transfer if—
 - (a) having regard to section 300 of the Gas Act 1986 and section 270 of the Electricity Act 1989 (maximum amount of penalty or compensation), the Administrator considers that, if the transfer were approved, there is a significant risk that it would adversely affect the Administrator’s ability to enforce the requirements placed on B under this Order; or
 - (b) where A and B are not members of the same group, the Administrator considers that, if the transfer were approved, there is a significant risk that B will be unable to achieve its total home-heating cost reduction obligation.
- (5) If a transfer is approved—
 - (a) A’s total home-heating cost reduction obligation is to be treated as reduced by the actual transfer amount and B’s total home-heating cost reduction obligation is to be treated as increased by the actual transfer amount; and
 - (b) the Administrator must notify A and B of their revised total home-heating cost reduction obligation.
- (6) In paragraph (5)(a), “actual transfer amount” means—
 - (a) if the proposed transfer amount is equal to or less than A’s total home-heating cost reduction obligation immediately prior to the approval of the transfer, the proposed transfer amount;
 - (b) in any other case, the amount of A’s total home-heating cost reduction obligation immediately prior to the approval of the transfer.
- (7) If the Administrator decides not to approve a transfer it must—
 - (a) notify A of any reasons for that decision relating to A; and
 - (b) notify B of any reasons for that decision relating to B.

PART 7

Enforcement

Final determination and reporting

34.—(1) The Administrator must determine whether a supplier has achieved its total home-heating cost reduction obligation.

(2) The Administrator must notify the supplier of its determination under paragraph (1) by no later than 30th September 2022.

(3) The Administrator must submit to the Secretary of State a report each month setting out the progress which suppliers have made towards meeting their obligations under this Order.

(4) The first report under paragraph (3) is to be submitted in the calendar month following the calendar month in which the commencement date occurs.

(5) The final report under paragraph (3) is to be submitted in April 2022.

(6) Not later than 30th September 2022 the Administrator must submit to the Secretary of State a report setting out whether suppliers achieved the overall home-heating cost reduction target.

Information from suppliers

35.—(1) The Administrator may require a supplier—

- (a) to provide it with specified information, or information of a specified nature, about a supplier's proposals for complying with any requirement under this Order;
- (b) to produce to it evidence of a specified kind demonstrating it is complying with, or that it has complied with, any requirement under this Order.

(2) A supplier must provide to the Administrator such information as the Administrator may require relating to the cost to the supplier of achieving its obligations under this Order.

Publication of energy savings achieved by suppliers and provision of information to the Secretary of State by suppliers

36.—(1) Once a year in 2019 to 2022 the Secretary of State must publish the energy savings achieved—

- (a) by each supplier by qualifying actions which—
 - (i) have been promoted by the supplier; and
 - (ii) are not surplus actions; and
- (b) by all qualifying actions other than surplus actions.

(2) The Secretary of State may require a supplier to provide, no more than once a year—

- (a) aggregated statistical information on its final customers (identifying significant changes to previously submitted information); and
- (b) current information on final customers' consumption, including, where applicable, load profiles, customer segmentation and geographical location of customers.

(3) In this article—

- (a) “energy savings” and “final customer” have the meaning given by article 2 of the Energy Efficiency Directive;
- (b) “aggregated statistical information”, “customer segmentation” and “load profiles” have the same meaning as in the Energy Efficiency Directive; and
- (c) “the Energy Efficiency Directive” means Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency.

Enforcement

37. A requirement placed on a supplier under this Order is a relevant requirement for the purpose of Part 1 of the Electricity Act 1989 and Part 1 of the Gas Act 1986.

PART 8

Amendment of the 2014 Order

Amendment of the Electricity and Gas (Energy Company Obligation) Order 2014

38. For article 34 (enforcement) of the 2014 Order substitute—

“Enforcement

34.—(1) Subject to paragraph (2), a requirement placed on a supplier under this Order is a relevant requirement for the purpose of Part 1 of the Electricity Act 1989 and Part 1 of the Gas Act 1986.

(2) It is not a relevant requirement for the purpose of those Acts for a supplier by the end of September 2018 to have achieved more than—

- (a) 96.3% of its total carbon emission reduction obligation;
- (b) 97.4% of its solid wall minimum requirement;
- (c) 90% of its rural minimum requirement;
- (d) 95.7% of its total home heating cost reduction obligation;
- (e) 90% of its home heating minimum requirement.”.

SCHEDULE 1

Ref

Requirements for warranties for boiler installations

1. The requirements referred to in article 13(1)(n) for a warranty are as follows.

2. Subject to paragraphs 3 and 4, the warranty must provide for the rectification, without any charge to a consumer, of all problems which affect the functioning of the boiler or the heating system it serves and which—

- (a) relate to its installation or design; and
- (b) are notified to the person providing the warranty within 1 year of the boiler being installed.

3. The warranty is not required to provide for the rectification of a problem which—

- (a) is covered by a warranty provided by the manufacturer of the boiler; or
- (b) arises after the boiler is installed where that problem arises from one or more of—
 - (i) negligence;
 - (ii) accident;
 - (iii) misuse of the boiler;
 - (iv) repair of the boiler;by a person other than a person described in paragraph 4.

4. The following persons are referred to in paragraph 3(b)—

- (a) the person who installed the boiler;
- (b) the person providing the warranty;

(c) a person acting on behalf of a person in sub-paragraph (a) or (b).

5. The warranty must be accompanied by a declaration from the occupier of the domestic premises that, in that person's knowledge, no consumer has been charged for the warranty.

6. In paragraph 2(a), "design", in relation to a boiler, means the suitability of the boiler for the heating system it is intended to serve.

SCHEDULE 2

Ref

Domestic premises which are not private domestic premises

1. Domestic premises in England and Wales are not "private domestic premises" if the premises are let below the market rate and—

- (a) the relevant interest in those premises is registered as belonging to a social landlord; or
- (b) if no relevant interest in the premises has been registered, the premises are let by a social landlord other than under a lease granted pursuant to Part 5 of the Housing Act 1985.

2. Domestic premises in Scotland are not "private domestic premises" if the premises are let below the market rate and—

- (a) the relevant interest in the premises is registered as belonging to a social landlord; or
- (b) if no relevant interest in the premises has been registered, the premises are let by a social landlord other than under a lease granted pursuant to sections 61 to 84 of the Housing (Scotland) Act 1987, as modified by section 84A of that Act.

3. For the purposes of this Schedule—

- (a) in respect of premises in England and Wales, a relevant interest is registered if it is registered in the register of title maintained by Her Majesty's Land Registry;
- (b) in respect of premises in Scotland, a relevant interest is registered if it is—
 - (i) registered in the Land Register of Scotland; or
 - (ii) recorded in the Register of Sasines.

4. In this Schedule—

"owner" includes any person who under the Land Clauses Acts would be enabled to sell and convey land to promoters of an undertaking;

"relevant interest" means—

- (a) in respect of premises in England and Wales—
 - (i) the freehold estate, unless the whole of the premises have been let under a registered lease; or
 - (ii) the leasehold estate, unless the whole of the premises have been further let under a registered lease;
- (b) in respect of premises in Scotland—
 - (i) the owner's interest or right, unless the whole of the premises have been further let under a registered lease; or
 - (ii) the lessee's interest under a lease, unless the whole of the premises have been further let under a registered lease;

"social landlord" means—

- (a) in respect of premises in England—
 - (i) a local housing authority, within the meaning of section 1 of the Housing Act 1985;
 - (ii) a housing association, within the meaning of section 5 of the Housing Act 1985;
 - (iii) a housing trust, within the meaning of section 6 of the Housing Act 1985; or

- (iv) a charity, within the meaning of section 1 of the Charities Act 2011;
- (b) in respect of premises in Scotland, a person so described in section 165 of the Housing (Scotland) Act 2010; and
- (c) in respect of premises in Wales—
 - (i) a local housing authority, within the meaning of section 1 of the Housing Act 1985;
 - (ii) a housing association, within the meaning of section 5 of the Housing Act 1985;
 - (iii) a housing trust, within the meaning of section 6 of the Housing Act 1985;
 - (iv) a charity, within the meaning of section 1 of the Charities Act 2011;
 - (v) a person listed in section 80(1) of the Housing Act 1985; or
 - (vi) a body registered as a social landlord under Chapter 1 of Part 1 of the Housing Act 1996.

SCHEDULE 3

Ref

Help to heat group eligibility

1. The benefits referred to in the definition of “help to heat group” in article 14 are—
- (a) armed forces independence payment under a scheme established under section 1 of the Armed Forces (Pensions and Compensation) Act 2004;
 - (b) attendance allowance under Part 3 of the 1992 Act(a);
 - (c) carer’s allowance under Part 3 of the 1992 Act(b);
 - (d) child benefit under Part 9 of the 1992 Act;
 - (e) child tax credit under section 8 of the Tax Credits Act 2002;
 - (f) constant attendance allowance under—
 - (i) article 14 of the Personal Injuries (Civilians) Scheme 1983(c), or
 - (ii) article 8 of the Naval, Military and Air Forces etc (Disablement and Death) Service Pensions Order 2006(d);
 - (g) disability living allowance under Part 3 of the 1992 Act(e);
 - (h) guarantee credit (and for this purpose “guarantee credit” is to be construed in accordance with sections 1 and 2 of the State Pension Credit Act 2002);
 - (i) income-related employment and support allowance within the meaning of section 1 of the Welfare Reform Act 2007;
 - (j) income-based jobseeker’s allowance within the meaning of section 1 of the Jobseekers Act 1995;
 - (k) income support under Part 7 of the 1992 Act;
 - (l) industrial injuries disablement benefit under Part 5 of the 1992 Act;
 - (m) personal independence payment under Part 4 of the Welfare Reform Act 2012;
 - (n) severe disablement allowance under Part 3 of the 1992 Act(f);
 - (o) universal credit under Part 1 of the Welfare Reform Act 2012;
 - (p) war pensions mobility supplement;
 - (q) working tax credit under section 10 of the Tax Credits Act 2002.

(a) See section 64 of the 1992 Act.
(b) See section 70 of the 1992 Act.
(c) S.I. 1983/686.
(d) S.I. 2006/606.
(e) See section 71 of the 1992 Act.
(f) See section 68 of the 1992 Act.

2. The condition as to income in paragraph 3 is specified in relation to child benefit.
3. Where the person claiming child benefit is—
 - (a) a single claimant, the condition as to income is that the claimant’s annual income from all sources does not exceed the amount set out in the first row of Table 1 in the column corresponding to the number of children or qualifying young persons for whom the claimant is responsible;
 - (b) a member of a couple, the condition as to income is that the couple’s combined annual income from all sources does not exceed the amount set out in the second row of Table 1 in the column corresponding to the number of children or qualifying young persons for whom at least one member of the couple is responsible.

Table 1

Child benefit

<i>Type of claimant</i>	<i>Number of children or qualifying young persons</i>			
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4 or more</i>
Single claimant	£18,500	£23,000	£27,500	£32,000
Member of a couple	£25,500	£30,000	£34,500	£39,000

4. For the purposes of paragraph 3, whether a person is responsible for a child or qualifying young person is to be determined in accordance with Part 9 of the 1992 Act.

5. In this Schedule—

“1992 Act” means the Social Security Contributions and Benefits Act 1992;

“child” and “qualifying young person” have the same meaning as in Part 9 of the 1992 Act;

“couple” means—

- (a) two people who are married to, or civil partners of, each other and are members of the same household; or
- (b) two people who are not married to, or civil partners of, each other but are living together as a married couple;

“single claimant” means a person who is not a member of a couple;

“war pensions mobility supplement” means a supplement awarded in respect of disablement which affects a person's ability to walk and for which the person is in receipt of war disablement pension within the meaning of Part 10 of the 1992 Act.

SCHEDULE 4

Ref

Domestic premises which are E, F or G social housing

1. A measure is installed at domestic premises which are “E, F or G social housing” if—
 - (a) the premises are domestic premises described in Schedule [2]; and
 - (b) the condition in paragraph 2 or 3 is met.
2. The condition in this paragraph is that a post-installation EPC expresses the energy performance rating of the premises as band E, F or G.
3. The condition in this paragraph is that—
 - (a) a pre-installation EPC expresses the energy performance rating of the premises as band E, F or G; and
 - (b) the social landlord in respect of the premises has confirmed in writing that, to the best of its knowledge and belief, no changes were made to the premises, after the pre-installation

EPC was issued and before the measure was installed, which would increase the energy performance rating of the premises to band A, B, C or D.

4. In this Schedule—

“energy performance certificate”—

- (a) in relation to premises in England and Wales, has the meaning given in the Energy Performance of Buildings (England and Wales) Regulations 2012;
- (b) in relation to premises in Scotland, has the meaning given in the Energy Performance of Buildings (Scotland) Regulations 2008;

“energy performance rating”—

- (a) in relation to premises in England and Wales, has the meaning given in regulation 11 of the Energy Performance of Buildings (England and Wales) Regulations 2012;
- (b) in relation to premises in Scotland, has the same meaning as “energy performance indicator” in the Energy Performance of Buildings (Scotland) Regulations 2008;

“post-installation EPC” in relation to premises where a measure is installed, means an energy performance certificate for the premises that was issued after the measure was installed;

“pre-installation EPC” in relation to premises where a measure is installed, means an energy performance certificate for the premises that is the most recent of any energy performance certificate for the premises issued before the measure was installed; and

“social landlord” has the same meaning as in paragraph 4 of Schedule [2].