

*Illustrative draft Order to accompany the consultation on the Energy Company Obligation (ECO3): improving consumer protection.*

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STATUTORY INSTRUMENTS

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**2019 No. 0000**

**ELECTRICITY**

**GAS**

**The Electricity and Gas (Energy Company Obligation)  
(Amendment) Order 2019**

<i>Made</i>	- - - -	***
<i>Laid before Parliament</i>		***
<i>Coming into force</i>	- -	***

The Secretary of State make this Order in exercise of the powers conferred by sections 33BC(5)(b) and (c) and (8) of the Gas Act 1986(a), as applied by section 33BD(4) of that Act, and sections 41A(5)(b) and (c) and (8) of the Electricity Act 1989, as applied by section 41B(4) of that Act, with the agreement of the Scottish Ministers.

The Secretary of State has consulted the Gas and Electricity Markets Authority, the National Association of Citizens Advice Bureaux, the Scottish Association of Citizens Advice Bureaux, electricity distributors, electricity suppliers, gas transporters, gas suppliers and such other persons as the Secretary of State considers appropriate.

**Citation and commencement**

1.This Order may be cited as the Electricity and Gas (Energy Company Obligation) (Amendment) Order 2019 and comes into force on [COMMENCEMENT DATE].

**Amendments to the Electricity and Gas (Energy Company Obligation) Order 2018**

2.The Electricity and Gas (Energy Company Obligation) Order 2018 is amended as follows.

**Amendments to article 14 (measures installed at private domestic premises)**

3.In article 14(3)(b)—

- (a) at the end of sub-paragraph (i), omit “or”;
- (b) at the end of sub-paragraph (ii), insert “or”;
- (c) after sub-paragraph (ii), insert—

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“(iii) a first time heating system.”.

### **Amendments to article 17 (measures accompanied by a statement from a local authority)**

4. In article 17—

- (a) in paragraph (3)(c)—
  - (i) at the end of sub-paragraph (i), omit “or”;
  - (ii) at the end of sub-paragraph (ii), insert “or”;
  - (iii) after sub-paragraph (ii), insert—
    - “(iii) a first time heating system.”;
- (b) after paragraph (4), insert—
  - “(4A) A measure also meets the condition in this article if—
    - (a) it is installed at private domestic premises;
    - (b) it is a first time heating system;
    - (c) a local authority has been notified of the installation of the measure at the premises;
    - (d) that local authority has, on or after publication on its website of a statement of intent made in respect of the local authority, created a list of premises which—
      - (i) includes the premises at which the measure is installed;
      - (ii) identifies any premises in the list which in the opinion of the local authority are occupied by a household living on a low income in a home which cannot be kept warm at a reasonable cost; and
      - (iii) identifies any other premises in 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
    - (e) 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 (d) are private domestic premises;
      - (ii) all of the premises included in that list are located 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—
        - (aa) living on a low income in a home which cannot be kept warm at a reasonable cost; or
        - (bb) living on a low income and vulnerable to the effects of living in a cold home.”.

### **Amendments to article 18 (installation standards, warranties and consumer protection)**

5.—(1) For article 18 substitute—

#### **“Installation standards, warranties and consumer protection**

**18.**—(1) Where the installation of a measure is completed before 31 January 2021, that measure meets the requirements of this article if—

- (a) the measure is installed in accordance with paragraph (2), (3) or (4);
- (b) in the case of a measure which is not—
  - (i) a demonstration action; or

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- (ii) a district heating connection which falls within sub-paragraph (c)(i) or (ii), the measure is—
    - (aa) installed by, or under the responsibility of, a person who is registered with TrustMark for the purposes of that measure; and
    - (bb) lodged in the TrustMark Data Warehouse prior to notification of the measure in accordance with article 24;
  - (c) in the case of the installation of a district heating connection, the measure—
    - (i) is a connection to a district heating system registered with the Heat Trust Scheme;
    - (ii) is subject to arrangements for consumer protection which are equivalent to the requirements under the Heat Trust Scheme; or
    - (iii) includes the installation of a ground source heat pump at the domestic premises;
  - (d) in the case of the installation of an electric storage heater, is accompanied by a warranty for at least six years; and
  - (e) in the case of the installation of a boiler—
    - (i) in the case of a repair, is accompanied by a warranty for at least six years;
    - (ii) in any other case, is accompanied by a warranty that meets the requirements set out in Schedule 3.
- (2) A measure is installed in accordance with this paragraph if the measure—
  - (a) is referred to in PAS 2030:2017; and
  - (b) is installed—
    - (i) in accordance with PAS 2030:2017; and
    - (ii) by, or under the responsibility of, a PAS 2030:2017 certified installer.
- (3) A measure is installed in accordance with this paragraph if the measure—
  - (a) is referred to in PAS 2030:2019; and
  - (b) is installed—
    - (i) in accordance with PAS 2030:2019 and PAS 2035:2019; and
    - (ii) by, or under the responsibility of, a PAS 2030:2019 certified installer.
- (4) A measure is installed in accordance with this paragraph if the measure—
  - (a) is not referred to in PAS 2030:2017 or PAS 2030:2019; and
  - (b) is installed by a person of appropriate skill and experience.
- (5) Where the installation of a measure is completed on or after 31 January 2021, that measure meets the requirements of this article if—
  - (a) in the case of a measure which is—
    - (i) a demonstration action; or
    - (ii) a district heating connection which falls within sub-paragraph (c)(i) or (ii), that measure is installed in accordance with paragraph (3) or (6);
  - (b) in the case of a measure which does not fall within sub-paragraph (a), the measure is installed in accordance with paragraph (7); and
  - (c) in the case of the installation of a district heating connection, the measure—
    - (i) is a connection to a district heating system registered with the Heat Trust Scheme;
    - (ii) is subject to arrangements for consumer protection which are equivalent to the requirements under the Heat Trust Scheme; or

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- (iii) includes the installation of a ground source heat pump at the domestic premises.
- (6) A measure is installed in accordance with this paragraph if the measure—
  - (a) is not referred to in PAS 2030:2019; and
  - (b) is installed by a person of appropriate skill and experience.
- (7) A measure is installed in accordance with this paragraph if the measure is—
  - (a) installed by, or under the responsibility of, a person who is registered with TrustMark for the purposes of that measure; and
  - (b) lodged in the TrustMark Data Warehouse prior to notification of the measure in accordance with article 24;
- (8) In this article—
  - “ground source heat pump” means equipment which generates heat—
    - (a) using the heat energy provided by a shared ground loop; or
    - (b) by absorbing energy stored in the form of heat in the ground, including water in the ground, or in surface water;
  - “Heat Trust Scheme” means the scheme operated by Heat Customer Protection Ltd, a company registered in England and Wales with company number 09456667;
  - “PAS 2030:2017” means Publicly Available Specification 2030:2017;
  - “PAS 2030:2017 certified installer” means, in relation to a measure, a person who is certified, by a certification body or organisation accredited to EN ISO/IEC 17065:2012, as compliant with those parts of PAS 2030:2017 that apply to the measure;
  - “PAS 2030:2019” means Publicly Available Specification 2030:2019;
  - “PAS 2030:2019 certified installer” means, in relation to a measure, a person who is certified, by a certification body or organisation accredited to EN ISO/IEC 17065:2012, as compliant with those parts of PAS 2030:2019 that apply to the measure;
  - “PAS 2035:2019” means Publicly Available Specification 2035:2019;
  - “shared ground loop” means equipment which—
    - (a) absorbs energy stored in the form of heat in the ground, including water in the ground, or in surface water; and
    - (b) provides heat energy through a hydraulic connection to two or more ground source heat pumps;
  - “TrustMark” means the government endorsed quality scheme operated by TrustMark (2005) Limited, a company registered in England and Wales with company number 05480144;
  - “TrustMark Data Warehouse” means an industry facing repository of information, administered by TrustMark, about work undertaken and property being improved.”.

### **Amendment to article 32 (the score for all other qualifying actions)**

- 6. In article 32(3)(b), after “another boiler”, insert “to which article 12(9) applies”.

### **Amendments to article 33 (publication of a cost savings methodology)**

- 7. In article 33—
  - (a) at the beginning of paragraph (2), insert “In relation to a measure completed before 31 January 2021,”;
  - (b) in paragraph (2)—
    - (i) for sub-paragraph (a), substitute—

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- “(a) in the case of a qualifying action which is the repair of a boiler or electric storage heater and which is accompanied by a warranty for 6 years or more, an expected lifetime for the qualifying action of 2 years;”;
- (ii) in sub-paragraph (f), after “36 years;”, omit “and”;
- (iii) after sub-paragraph (f), insert—
  - “(fa) in the case of a qualifying action which is a first time heating system, an expected lifetime for the qualifying action of 20 years;
  - (fb) in the case of a qualifying action which is the installation of room-in-roof insulation and which is accompanied by an appropriate warranty, an expected lifetime for the qualifying action of 42 years;
  - (fc) in the case of a qualifying action which is the installation of underfloor insulation and which is accompanied by an appropriate warranty, an expected lifetime for the qualifying action of 42 years; and”;
- (c) after paragraph (2), insert—
  - “(2A) In relation to a measure completed on or after 31 January 2021, under the methodology published by the Administrator the calculation of the cost savings must be based on—
    - (a) in the case of a qualifying action which is the repair of a boiler or electric storage heater, an expected lifetime for the qualifying action of 2 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, 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 floor, walls and ceiling of a mobile home, 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, an expected lifetime for the qualifying action of 36 years;
    - (g) in the case of a qualifying action which is a first time heating system, an expected lifetime for the qualifying action of 20 years;
    - (h) in the case of a qualifying action which is the installation of room-in-roof insulation, an expected lifetime for the qualifying action of 42 years;
    - (i) in the case of a qualifying action which is the installation of underfloor insulation, an expected lifetime for the qualifying action of 42 years; and
    - (j) in the case of any other qualifying action, an expected lifetime for the qualifying action that is specified in, or determined in accordance with, the methodology.”;
  - (d) at the end of paragraph (4), insert—
    - ““room-in-roof” in relation to insulation has the same meaning as in article 16;
    - “underfloor insulation” means, in relation to a building, insulation of the floor area of the lowest storey containing a habitable room.”.

### **Amendment to Schedule 3 (requirements for warranties for boiler installations)**

**8.**In Schedule 3, in paragraph (2)(b), for “1 year” substitute “6 years”.

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### **Transitional provision**

9. In relation to a measure completed before [COMMENCEMENT DATE], the Electricity and Gas (Energy Company Obligation) Order 2018 shall continue to have effect as if it had not been amended by this Order.