



Department for
Energy Security
& Net Zero

Energy Company Obligation

SAP and RdSAP Amendments

Closing date: 11 September 2023

August 2023



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Any enquiries regarding this publication should be sent to us at: gbinsulation@beis.gov.uk

Introduction

This document sets out proposals for changes to the current Energy Company Obligation (ECO) schemes, ECO4 and the Great British (GB) Insulation Scheme, both of which will run until March 2026.

As trailed by Government earlier this year¹, we are proposing amendments to legislation so that both schemes use the latest versions of the Standard Assessment Procedure (SAP) and Reduced Data SAP (RdSAP). This will ensure both schemes remain aligned with wider industry practice, ensuring energy efficiency ratings are based on more accurate assumptions, including updated fuel prices and new U-Values.

RdSAP assessments are used in both the GB Insulation Scheme and ECO4 to evidence the starting and finishing SAP ratings of a property. SAP assessments and Energy Performance Certificates (EPCs), which are also underpinned by SAP, may also be used in ECO4 for evidencing (in certain circumstances). Under the current legislation for ECO4 the version used to determine the starting rating of a property matches the version used to determine its finishing rating – this enables a direct comparison for evidencing the retrofit’s energy efficiency improvement.

SAP10.2 is the current version used in England from June 2022 and in Wales from November 2022². Even though SAP10.2 is already live, it has not created issues with a previous version of SAP, SAP2012, currently required for ECO4 evidencing because arrangements are in place which enable SAP2012 to continue to be used across the industry. We propose that the version of SAP required for evidencing in the ECO4 Order³ should be updated from SAP2012 to SAP10.2 in March 2024 for consistency with wider industry arrangements for use of SAP10.2.

RdSAP2012, the current version used to assess energy performance in existing dwellings⁴, is due to be updated to RdSAP10.2 in March 2024. We propose that the version of RdSAP required in both schemes for evidencing should be updated in legislation from RdSAP2012 to RdSAP10.2. We anticipate that updated ECO4 and GB Insulation Scheme legislation will precede the RdSAP version change, enabling ECO4 and GB Insulation Scheme retrofit assessments to move smoothly from using RdSAP2012 to RdSAP10.2 when the industry changeover occurs. Proposals for transition arrangements for retrofits that straddle the period between the two RdSAP versions – where retrofits have a starting SAP rating assessment before RdSAP 10.2 goes live, but a finishing SAP rating assessment afterwards – are set out in this consultation. These proposals will also address potential issues associated with property eligibility that may arise due to the version change.

Beyond evidencing, the scoring methodologies for ECO4 and the GB Insulation Scheme were created based on SAP2012 and RdSAP2012. These scores are used to determine how much a given retrofit contributes to the overall scheme obligation and are based in notional annual bill savings. We are consulting on proposals related to the scoring methodologies for both schemes, where applicable.

¹ <https://www.gov.uk/government/consultations/design-of-the-energy-company-obligation-eco-2023-2026>

² <https://bregroup.com/sap/sap10/>

³ <https://www.legislation.gov.uk/uksi/2022/875/contents/made>

⁴ <https://bregroup.com/sap/standard-assessment-procedure-sap-2012/>

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General information

Why we are consulting

This document sets out proposals for mid-scheme amendments to the Energy Company Obligation (ECO) schemes, ECO4 and the Great British (GB) Insulation Scheme, both of which will run until March 2026.

We are proposing amendments to legislation so that both schemes use the latest versions of the Standard Assessment Procedure (SAP) and Reduced Data SAP (RdSAP). We are seeking views on transitional arrangements in relation to these changes.

We would like to hear from a wide range of stakeholders, including:

- energy suppliers
- energy efficiency installers
- other scheme participants with views on the proposals

The consultation covers ECO4 and GB Insulation Scheme for the period spring 2024 to March 2026.

Consultation details

Issued: 15 August 2023

Respond by: 11 September 2023

Enquiries to:

Email: gbinsulation@beis.gov.uk

Any responses submitted via this email address might not be identified as formal responses and might not be considered.

Consultation reference:

Energy Company Obligation schemes: SAP and RdSAP Amendments

Audiences:

Energy suppliers, energy efficiency installers and other scheme participants with views on the proposals.

Territorial extent:

This consultation is for England, Wales and Scotland.

How to respond

Respond online at: beisgovuk.citizenspace.com/energy-efficiency/eco-sap-and-rdsap

Please do not send responses to this consultation by post to the department, as we may not have access to them.

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our [privacy policy](#).

We will summarise all responses and publish this summary on [GOV.UK](#). The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the government's [consultation principles](#).

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

SAP Update

The Standard Assessment Procedure (SAP) is the methodology used by the government to assess and compare the energy and environmental performance of dwellings. Its purpose is to provide accurate and reliable assessments of dwellings that are needed to underpin energy and environmental policy initiatives.

The government is committed to increasing the accuracy of SAP. The most recent version of SAP 10 (10.2) came into force with the updated Part L building regulations, and incorporated various changes to the methodology, including updated fuel prices, CO2 emissions and primary energy factors. SAP10.2 is the current version used in England from June 2022, in Wales from November 2022⁵ and in Scotland from February 2023⁶.

In ECO4, SAP underpins the scoring methodology, is used for evidencing the starting and finishing SAP rating of properties, and defines numerous terms used in this scheme and the GB Insulation Scheme. Even though SAP10.2 is already live, it has not created issues with a previous version of SAP, SAP2012, currently required for ECO4 evidencing, because arrangements are in place which enable SAP2012 to continue to be used across the industry.

To align with the RdSAP changes set out below, we propose that where a full SAP assessment is used for evidencing in ECO4, legislation is updated to require SAP10.2. Given that industry intend to continue to allow both SAP2012 and SAP10.2 to be used, we propose to allow a transition period of six months from the date the updated legislation is introduced (expected March 2024) where either SAP2012 or SAP10.2 can be used to evidence ECO4 retrofits that require a full SAP assessment.

Six months aligns with the project completion timelines for ECO4 retrofits that include a district heating connection (DHC) measure. After this transition period, from September 2023, we propose that only SAP10.2 be used for these retrofits.

- 1. For ECO4 retrofits where a full SAP assessment is required, do you agree with the proposal to update legislation to require that, after a transition period, only SAP10.2 be used?**
- 2. Do you agree with a six-month transitional period from the date the amended legislation comes into force, during which either SAP2012 or SAP10.2 can be used for ECO4 retrofits that require a full SAP assessment? If not, please provide details of alternative transition arrangements.**

RdSAP Update

RdSAP assessments are used in both the GB Insulation Scheme and ECO4 for scheme evidencing requirements. Currently legislation for both schemes set out that the version used must be RdSAP2012. However, government is currently working on changes to the

⁵ <https://bregroup.com/sap/sap10/>

⁶ <https://www.gov.scot/publications/building-standards-approved-energy-assessment-software-guidance/>

methodology used to assess and produce EPCs for existing buildings, RdSAP10.2. We are acutely aware of the importance of RdSAP methodology in producing an accurate energy performance rating and the update to RdSAP will bring the methodology in line with the update to SAP 10.2. Therefore, an industry wide update is currently scheduled for March 2024, where the version of RdSAP available will change from RdSAP2012 to RdSAP10.2.

In order to align with this, we intend to update the version of RdSAP required for evidencing requirements in ECO4 and GB Insulation Scheme legislation from RdSAP2012 to RdSAP10.2. We anticipate that updated ECO4 and GB Insulation Scheme legislation will precede the RdSAP version change, enabling ECO4 and GB Insulation Scheme retrofit assessments to move smoothly from using RdSAP2012 to RdSAP10.2 when the industry changeover occurs.

Evidencing: options for RdSAP transitional arrangements

We are considering three options for transitional arrangements, as set out below, to account for evidencing of ECO4 and GB Insulation Scheme retrofits where a starting SAP rating assessment occurs before RdSAP10.2 goes live, but a finishing SAP rating assessment occurs afterwards. We will confirm which approach we are taking forward in the response to this consultation. In all cases other than option 1, we intend to require that RdSAP10.2 is used to determine the SAP rating for the purpose of awarding a score to each retrofit.

Table 1: Sets out which RdSAP version can be used in each option for retrofits where a starting SAP rating assessment occurs before RdSAP10.2 goes live, but a finishing SAP rating assessment occurs afterwards

Option	Evidencing scheme eligibility	Determination of SAP rating for scoring
1	Either RdSAP2012 or RdSAP10.2 (installer may choose during the transition period)	Either RdSAP2012 or RdSAP10.2 (must be the same as used for evidencing eligibility)
2	Either RdSAP2012 or RdSAP10.2 (installer may choose during the transition period)	RdSAP10.2
3	Must convert to RdSAP10.2	RdSAP10.2

Option 1: Flexible evidencing

Under this option, retrofits could be evidenced by either RdSAP2012 or RdSAP10.2 for a fixed period of time once RdSAP10.2 is live. To limit additional costs associated with running two versions at once, we would propose only allowing this for a fixed period after the expected introduction of RdSAP10.2; TrustMark data indicates that around four fifths of assessments are lodged within 100 days of the assessment occurring, therefore we consider a period of 3 months following the expected introduction of RdSAP10.2 to be sufficient. During this transitional period either version could be used for evidencing scheme eligibility, provided the version is the same for pre- and post-assessments where required. This would allow installers to use RdSAP2012 if they wish to evidence that a property has an eligible starting SAP band rating and, for ECO4, that the measures installed meet the minimum requirement.

If a post-assessment for an ECO4 or GB Insulation Scheme project is not completed within the proposed window of 3 months following the introduction of RdSAP10.2 then the pre-assessment for the property would need to be converted into RdSAP10.2 for evidencing, risking the small chance that the starting SAP band rating may change, making the property no longer eligible for ECO4 or the GB Insulation Scheme.

This approach would require scheme providers, TrustMark and Ofgem to support multiple versions of RdSAP to be uploaded to their systems for a period. We recognise this will add administrative complexity, could cause confusion and incur costs as a result of changes to scheme provider software, TrustMark's Data Warehouse and Ofgem's ECO register. However, this option would give industry the most flexibility during the RdSAP version changeover and we believe it would provide the least disruption to delivery for both schemes by allowing retrofits to finish in the version they started in.

Option 2: Pre-determined eligibility

Under this option, retrofit assessments would need to be evidenced by RdSAP10.2 once it goes live. However, we would propose that industry be allowed to prove that, where an ECO4 or GB Insulation Scheme pre-assessment occurs prior to the version change, that RdSAP2012 pre-assessment could be used to prove the property has an eligible starting SAP band rating. This approach would ensure that no retrofits will be lost due to becoming ineligible due to an improved starting energy efficiency rating (e.g., if a property moved from a starting SAP band D rating in RdSAP2012 to a starting SAP band C rating in RdSAP10.2).

Scores for retrofits that straddle the version change would be evidenced using RdSAP10.2; for ECO4 and the GB Insulation Scheme this would require any RdSAP2012 pre-assessments to be converted, as per industry practice, to RdSAP10.2 after the version change, though we expect this to impact relatively few GB Insulation Scheme retrofits given their timescales. For ECO4 we also recognise that evidencing scores using RdSAP10.2 may lead to some retrofits not meeting the ECO4 minimum requirement (MR), while they may have under RdSAP2012. We are exploring options to accommodate these retrofits, for the transition period, such as:

- lowering the minimum requirement by half a SAP band
- enabling installers to pre-lodge a post installation Energy Performance Report based on RdSAP2012 to prove that they would have met the MR

- allowing more exceptions to the MR where projects would have met the MR under RdSAP2012

We welcome views from stakeholders on the best approach to address the risk that some retrofits may not meet the ECO4 MR in RdSAP10.2, while they may have under RdSAP2012.

This approach would require TrustMark and Ofgem to support multiple versions of RdSAP to be uploaded to their systems. We recognise that this would add administrative complexity and could incur costs as a result of changes to TrustMark's Data Warehouse and Ofgem's ECO register. This option would give industry greater flexibility than option 3 to continue delivering ECO measures during the RdSAP version changeover, but we equally acknowledge the elevated risk of confusion, added cost and administrative burden.

Option 3: Fixed evidencing

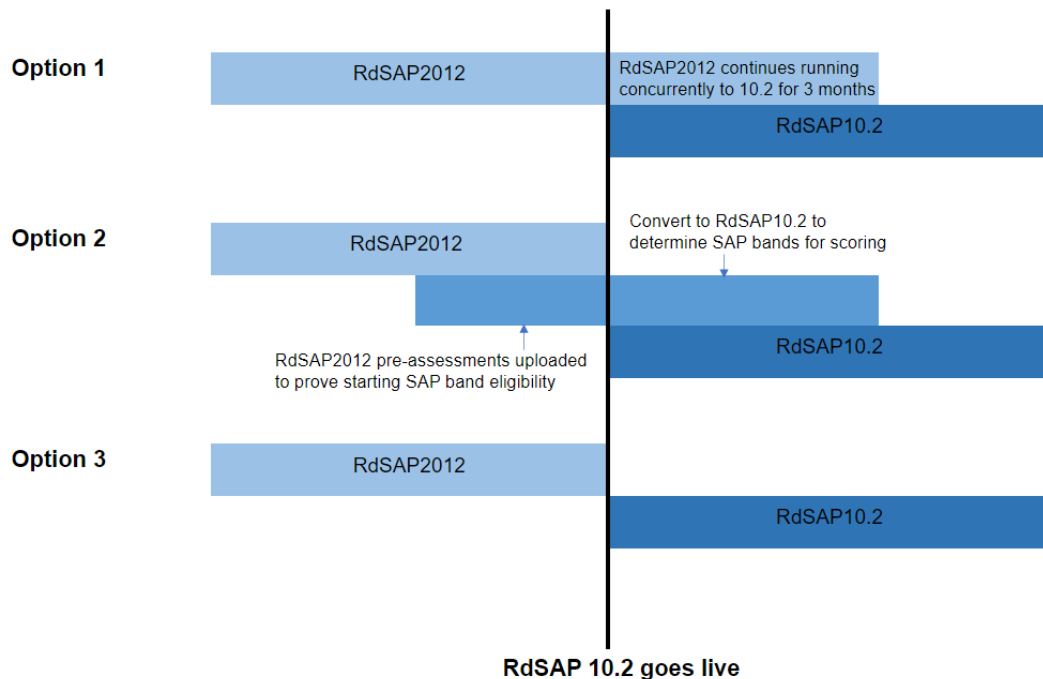
Under this option, all retrofit assessments would need to be completed in RdSAP2012 before the version changeover date (expected March 2024) and in RdSAP10.2 after this date. Any retrofits with a starting RdSAP assessment conducted before the changeover date, and a finishing RdSAP assessment after it, would risk becoming ineligible due to an improved starting energy efficiency rating (e.g., if a property moved from a starting SAP band D rating in RdSAP2012 to a starting SAP band C rating in RdSAP10.2). For ECO4 projects, evidencing scores using RdSAP10.2 could also lead to some retrofits not meeting the ECO4 minimum requirement (MR), while they may have under RdSAP2012.

We believe that a limited number of properties would be at risk of this, with differences between starting and finishing SAP ratings between the two versions likely to be low. Government does acknowledge the risk would be higher for ECO4 projects due to the scheme's multi-measure approach, and that delays to retrofits may be outside of industry's control and this approach elevates the risk of lost work. However, publication of a government response to this consultation in late autumn would include the RdSAP changeover date, giving industry approximately four to five months to ensure that retrofits are complete ahead of this date.

Were Government to proceed with this option, the risk of retrofits becoming ineligible (by moving from SAP band D and below to a SAP band C and above) could be mitigated by focusing delivery on SAP E-G in the period ahead of the changeover date, and ensuring all SAP band D retrofits are completed prior to the changeover date. As above, TrustMark data indicates that most assessments are lodged within 100 days of the assessment occurring, and therefore we believe this timeframe will be sufficient for industry.

This approach would not require industry, Ofgem or TrustMark to manage multiple versions of RdSAP software, therefore simplifying administration for industry and preventing the introduction of additional costs.

Figure 1: A timeline showing which versions of RdSAP would be used in each of the options before and after RdSAP10.2 goes live



Noting the drawbacks associated with the options listed above, Government's preferred approach is option 2. It provides industry with the greatest flexibility and promotes delivery continuity. We welcome views on how risks due to changes in energy efficiency ratings across SAP/RdSAP versions could be minimised, while reducing complexity and administrative burdens for stakeholders.

3. Of the three options presented here for evidencing:

3.1 Which is your top preference and why?

3.2 Which is your second preference and why?

4. For options 1 and 2, do you agree that 3 months following the introduction of RdSAP10.2 is sufficient to allow the completion of retrofits?

5. Option 2 involves converting pre-retrofit SAP ratings from RdSAP2012 to RdSAP10. When this conversion takes place on the pre-retrofit SAP rating, there is a chance that some ECO4 retrofits may no longer meet the ECO4 minimum requirement (MR). What do you think the best approach would be to minimise this risk?

6. Are there further transition options available? Please provide details in response to this question.

7. Do you believe any of the options, when applied uniformly to ECO4 and the GB Insulation Scheme, will lead to unintended consequences? Please note any mitigating options in your response.

District Heating Connection (DHC) retrofits

Currently in ECO4, where a DHC is installed alongside any other measure, aside from a data-light measure, an RdSAP assessment is used. Where a retrofit contains only a DHC (or a data-light measure and a DHC), the starting and finishing SAP rating of the project must be evidenced by a pre-retrofit full SAP assessment lodged as an EPC. Given the nature of DHCs, it is beneficial for these to use full SAP assessments such that unfavourable default values are not assumed, as they could be via an RdSAP assessment.

For transition options 1 and 2 above, the proposed three-month window does not align with the six months ECO4 project competition timing for projects that contain a DHC.

Therefore, to ensure that projects with a DHC are still able to be completed, and do not fall foul of any proposed RdSAP transitional arrangements, we propose that all ECO4 retrofits that contain a DHC can be evidenced by a pre-retrofit full SAP assessment lodged as an EPC, in addition to the current approach. DHC retrofits that use full SAP assessments would then be subject to SAP transitional arrangements set out in the 'SAP Updates' section. We are working with Ofgem, TrustMark and the Department for Levelling Up, Housing and Communities to ensure that appropriate data structures are in place to support this approach.

Permitting DHC retrofits to continue using RdSAP would mean that that option is available in the scenarios where it is better suited than a full SAP assessment. This option to use either would then be retained for the duration of ECO4. DHC retrofits that use RdSAP assessments would still be subject to the three-month transition window set out in Option 1 and 2 above. We would encourage industry to consider this before beginning DHC retrofits that may exceed this transition window.

- 8. Do you agree with our proposal that ECO4 projects that contain a District Heating Connection (DHC) can also be evidenced by a pre-retrofit full SAP assessment lodged as an EPC?**

Updating scoring methodologies

ECO4 and the GB Insulation Scheme play a key role in improving domestic energy efficiency, especially for fuel poor households. When considering whether to update the scoring methodology for ECO4 and the GB Insulation Scheme, government needs to balance the desire to maintain alignment with the latest available methodologies with ensuring delivery continuity and flexibility.

The ECO Government Response published earlier this year⁷ indicated that legislation would be updated to enable Ofgem to update their scoring methodology for ECO4 partial project scores (PPS) from the current SAP2012 to SAP10.2 in the next round of scheme amendments, but that it would not be extended to the ECO4 full project scores (FPS). As ECO4 modelling is

⁷ <https://www.gov.uk/government/consultations/design-of-the-energy-company-obligation-eco-2023-2026>

based only on the FPS, updating the FPS scoring methodology would require the overall obligation target to be updated, whereas changing the PPS would not.

The document also indicated the GB Insulation Scheme will use the current SAP2012 scores (ECO4 PPS as used in GBIS) for the duration of the scheme unless updated following consultation. As FPS are not used in the GB Insulation Scheme, updating the PPS would require the GB Insulation Scheme obligation target to also be updated.

However, we believe that updating the scores for both schemes may be disproportionate, given the disruption it could cause for contracting and delivery continuity. The GB Insulation Scheme's annual targets mean that energy suppliers may experience delivery issues. Furthermore, retaining consistent PPS across both schemes provides industry with greater flexibility to support households with either ECO4 or the GB Insulation Scheme, and avoids any disruption associated with updating scores. Otherwise, misaligned PPS between the schemes may create mixed incentives for industry and skew delivery.

At present, we believe that the update from SAP2012 to SAP10.2 will not have a significant impact on the measures delivered under either scheme, and therefore do not think it is proportionate to update scores at this time. Changes to the specification in RdSAP10.2 mean that broadly speaking the relative attractiveness of measures is unlikely to change.

Therefore, we do not propose that the scores be updated unless evidence suggests the RdSAP and SAP updates would lead to significant changes to scheme deliverability. For example, if the measure mix of either scheme were to change such that a wider range of measures could be delivered, making it easier to treat a wider variety of households.

However, where Ofgem consults on any changes to scores in the future, we intend to require for them to have regard to the new SAP methodologies when doing so.

- 9. Do you agree with our proposal to not require Ofgem to update their scoring methodology for ECO4 following the change from SAP2012 to SAP10.2?**
- 10. Do you agree with our proposal to not require Ofgem to update their scoring methodology for the GB Insulation Scheme following the change from SAP2012 to SAP10.2?**
- 11. Do you think that the RdSAP and SAP updates will impact scheme delivery, and if so, how? Please provide evidence to support your response.**

Consultation questions

A list of all the consultation questions asked in the document can be found below:

- 1. For ECO4 retrofits where a full SAP assessment is required, do you agree with the proposal to update legislation to require that, after a transition period, only SAP10.2 be used?**
- 2. Do you agree with a six-month transitional period from the date the amended legislation comes into force, during which either SAP2012 or SAP10.2 can be used for ECO4 retrofits that require a full SAP assessment? If not, please provide details of alternative transition arrangements.**
- 3. Of the three options presented here for evidencing:**
 - 3.1 Which is your top preference and why?**
 - 3.2 Which is your second preference and why?**
- 4. For options 1 and 2, do you agree that 3 months following the introduction of RdSAP10.2 is sufficient to allow the completion of retrofits?**
- 5. Option 2 involves converting pre-retrofit SAP ratings from RdSAP2012 to RdSAP10. When this conversion takes place on the pre-retrofit SAP rating, there is a chance that some ECO4 retrofits may no longer meet the ECO4 minimum requirement (MR). What do you think the best approach would be to minimise this risk?**
- 6. Are there further transition options available? Please provide details in response to this question.**
- 7. Do you believe any of the options, when applied uniformly to ECO4 and the GB Insulation Scheme, will lead to unintended consequences? Please note any mitigating options in your response.**
- 8. Do you agree with our proposal that ECO4 projects that contain a District Heating Connection (DHC) can also be evidenced by a pre-retrofit full SAP assessment lodged as an EPC?**
- 9. Do you agree with our proposal to not require Ofgem to update their scoring methodology for ECO4 following the change from SAP2012 to SAP10.2?**
- 10. Do you agree with our proposal to not require Ofgem to update their scoring methodology for the GB Insulation Scheme following the change from SAP2012 to SAP10.2?**
- 11. Do you think that the RdSAP and SAP updates will impact scheme delivery, and if so, how? Please provide evidence to support your response.**

This consultation is available from: www.gov.uk/government/consultations/energy-company-obligation-schemes-standard-assessment-procedure-sap-and-reduced-data-sap-rdsap-amendments

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