
STATUTORY INSTRUMENTS

2014 No. 3219

The Electricity and Gas (Energy Company Obligation) Order 2014

PART 1

Introduction

Citation and commencement

1. This Order may be cited as the Electricity and Gas (Energy Company Obligation) Order 2014 and comes into force on the day after the day on which this Order is made.

Interpretation

2.—(1) In this Order—

“2012 Order” means the Electricity and Gas (Energy Companies Obligation) Order 2012 ^{M1};

“2014 low income and rural document” means the document entitled “The Future of the Energy Company Obligation: Small Area Geographies Eligible for ECO CSCO Support”, published by the Department of Energy and Climate Change on 18th July 2014 ^{M2};

“Administrator” means the Gas and Electricity Markets Authority established by section 1 of the Utilities Act 2000;

“affordable warmth group” means a group of persons where each person in the group is in receipt of at least one of the benefits in Schedule 1 and meets the conditions in relation to that benefit which are specified in that Schedule;

“area of low income” (except in relation to article 27) means an area in Great Britain which is described as an area of low income in the 2014 low income and rural document;

“carbon qualifying action” (except in relation to the terms defined in paragraph (2)) has the meaning given in article 12(3);

“carbon saving” means the lifetime tonnes of carbon dioxide that a qualifying action or surplus action will save;

“carbon saving community obligation” means the obligation for the promotion of carbon saving community qualifying actions which is imposed on a supplier in respect of a phase;

“carbon saving community qualifying action” (except in relation to the terms defined in paragraph (2)) has the meaning given in article 14(4);

[^{F1}“certified installer”, in relation to the installation of a measure, means a person who is certified as compliant with those parts of PAS 2014 or PAS 2017 that apply to the measure by a certification body or organisation accredited to EN 45011 or EN ISO/IEC 17065:2012;

“commencement date” means the date on which the Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 comes into force;]

“cost saving” means, in relation to a heating qualifying action or a surplus action—

(a) the money that would be saved by that action over its expected lifetime in heating a home to 21 degrees Celsius in the main living areas and 18 degrees Celsius in all other areas; and

(b) where the action also results in savings in the cost of heating water, the money that would be saved by the action over its expected lifetime in heating water in that home;

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

[^{F2}“deemed score qualifying action” means a qualifying action which is not a SAP scored qualifying action;]

“deprived rural area” means an area in Great Britain which is described as a deprived rural area in the 2014 low income and rural document;

“district heating system” means a system that delivers heat through pipes or conduits to two or more domestic premises;

“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 ^{M3} and a licence under section 7A of the Gas Act 1986 ^{M4};

“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;

“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;

“Green Deal report” means a report produced by a green deal assessor pursuant to a qualifying assessment in accordance with regulation 7 of the Green Deal Framework (Disclosure, Acknowledgment, Redress etc.) Regulations 2012 ^{M5};

“group company” means a licence-holder which is a member of a group of companies that includes at least one other licence-holder; and “group” refers to the group of companies of which the licence-holder is a member;

“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 ^{M6};

“heating qualifying action” (except in relation to the terms defined in paragraph (2)) has the meaning given in article 16(3);

[^{F3}“home heating minimum requirement” means, subject to article 30A, the amount determined for a supplier under article 7 as the minimum amount of a supplier's total home heating cost reduction obligation which is to be achieved by promoting heating qualifying actions that—

(a) are completed on or after 1st July 2016; and

(b) are not the replacement of a qualifying boiler fuelled by mains gas;]

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

“lifetime tonnes of carbon dioxide” means the amount in tonnes of carbon dioxide that is expected to be saved over the lifetime of a measure installed under this Order;

“mobile home” means a home which is—

- (a) a caravan within the meaning of Part I of the Caravan Sites and Control of Development Act 1960 ^{M7} (disregarding the amendment made by section 13(2) of the Caravan Sites Act 1968 ^{M8}); and
- (b) used as a dwelling for the purposes of—
 - (i) Part I of the Local Government Finance Act 1992 ^{M9} if it is situated in England or Wales;
 - (ii) Part II of the Local Government Finance Act 1992 if it is situated in Scotland;

“MtCO₂” means million lifetime tonnes of carbon dioxide;

[^{F4}“new 2015 supplier” and “new 2016 supplier” have the meanings given in article 4(3) and (3A);]

“notification period” means—

- (a) 1st January 2014 to 31st December 2014 for phase 1; ^{F5} ...
- (b) 1st January 2015 to 31st December 2015 for phase 2, [^{F6}and
- (c) 1st January 2016 to 31st December 2016 for phase 3,]

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

[^{F7}“PAS 2014” means the Publicly Available Specification 2030:2014;

“PAS 2017” means the Publicly Available Specification 2030:2017;]

“phase” means one of the [^{F8}three phases] as follows—

- (a) the twelve months ending with 31st March 2016 (“phase 1”); ^{F9} ...
- (b) the twelve months ending with 31st March 2017 (“phase 2”);
- (c) [^{F10}the 18 months ending with 30th September 2018 (“phase 3”);]

[^{F11}“phase 3 party cavity wall insulation” means the insulation of a cavity wall, where—

- (a) the installation of the insulation is completed on or after 1st April 2017; and
- (b) the wall divides premises from other premises under different occupation;

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

[^{F12}“provisional solid wall minimum requirement” means the amount determined for a supplier in respect of phase 1, 2 or 3 under article 7(2);]

[^{F13}“Publicly Available Specification” (except in the definitions of “PAS 2014” and “PAS 2017”) means—

- (a) in relation to an installation completed on or before 31st March 2017, PAS 2014;
- (b) in relation to an installation completed between 1st April 2017 and 31st May 2017, PAS 2014 or PAS 2017;
- (c) in relation to an installation completed on or after 1st June 2017, PAS 2017;]

“qualifying action” means (except in relation to the terms defined in paragraph (2)), as appropriate, a carbon qualifying action, a carbon saving community qualifying action or a heating qualifying action;

“qualifying boiler” means—

- (a) in the case of a boiler to be repaired, a boiler which the Administrator is satisfied—
 - (i) is not functioning efficiently or has broken down; and

- (ii) has a seasonal energy efficiency value of not less than 86% when assessed against the Standard Assessment Procedure;
- (b) in the case of a boiler to be replaced, a boiler which the Administrator is satisfied—
 - (i) is not functioning efficiently or has broken down; and
 - (ii) cannot be economically repaired;

“qualifying electric storage heater” means—

- (a) in the case of an electric storage heater to be repaired, an electric storage heater which the Administrator is satisfied has broken down and has a responsiveness rating when assessed against the Standard Assessment Procedure of more than 0.2; and
- (b) in the case of an electric storage heater to be replaced, an electric storage heater (“H”) which—
 - (i) the Administrator is satisfied has broken down and cannot be economically repaired; or
 - (ii) is located at the same premises as an electric storage heater which falls within paragraph (a) or sub-paragraph (i) and H has a responsiveness rating when assessed against the Standard Assessment Procedure equal to or less than 0.2;

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

“qualifying warranty” means a warranty which meets the requirements set out in Schedule 3;

“recommended measure” means a measure recommended in—

- (a) a Green Deal report which has been produced in respect of the domestic premises at which the measure is to be installed; or
- (b) recommended in a report, other than a Green Deal report, by a chartered surveyor pursuant to an assessment of those domestic premises performed for the purpose of identifying measures for improving the energy efficiency of the premises;

“Reduced Data Standard Assessment Procedure” means the Government’s Reduced Data Standard Assessment Procedure for energy ratings of dwellings (2012 Edition, version 9.92) ^{M10},

“relevant district heating connection” means a connection of 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;

“relevant in-use factor” means—

- (a) where a measure is specified in the first column of the table in Schedule 2, the percentage specified for that measure in the second column of that table; or
- (b) where a measure is not so specified, 15%;

[^{F14}“relevant year” means 2014, 2015 or 2016;]

“rural area” means an area in Great Britain which is described as a rural area in the 2014 low income and rural document;

[^{F15}“rural minimum requirement” means, subject to article 30A, the amount determined for a supplier under article 7 as the minimum amount of a supplier’s total carbon emissions reduction obligation which is to be achieved by promoting carbon qualifying actions that are—

- (a) installed in premises situated in a rural area; and
- (b) completed on or after 1st April 2017;]

“SAP 2009” means the Government's Standard Assessment Procedure for energy rating of dwellings (2009 Edition, as amended in October 2010) ^{M11};

[^{F16}“SAP scored qualifying action” means a qualifying action which is—

- (a) completed on or before 31st March 2017; or
- (b) a connection of premises to a district heating system;]

“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” means the amount of a supplier's total carbon emissions reduction obligation which is to be achieved by promoting the installation of solid wall insulation;

“a specified adjoining area” means, where an area of low income (“area A”) is—

- (a) in England or Wales, an area (if any) adjoining area A which is listed as a “Lower Layer Super Output Area” by the Office of National Statistics for England and Wales, in a document entitled “Mid-2010 Population Estimates for Lower Layer Super Output Areas in England and Wales by Broad Age and Sex” (release date 28th September 2011) ^{M12}; or
- (b) in Scotland, an area (if any) adjoining area A which is specified by the Scottish Executive as a “Datazone” in a document entitled “SIMD Datazone Lookup” (version 3 published on 6th March 2012) ^{M13};

“Standard Assessment Procedure” means the Government's Standard Assessment Procedure for energy rating of dwellings (2012 Edition, version 9.92) ^{M14};

“supplier” has the meaning given in article 4;

“surplus action” has the meaning given in article 27(3);

“total carbon emissions reduction obligation” means, in respect of a supplier, [^{F17}and subject to article 30A,] the sum of the supplier's carbon emissions reduction obligation—

- (a) for phase 1 which has been determined for the supplier under—
 - (i) article 7, where article 11 does not apply;
 - (ii) article 11, where that article applies; and
- (b) [^{F18}for phase 2 and for phase 3, which have been determined for the supplier under article 7;]

“total carbon saving community obligation” means, in respect of a supplier, the sum of carbon savings community obligations which have been determined for the supplier in respect of phases 1 and 2;

“total home heating cost reduction obligation” means, in respect of a supplier, [^{F19}and subject to article 30A,] the sum of home heating cost reduction obligations which have been determined for the supplier in respect of [^{F20}phases 1, 2 and 3] ;

[^{F21}“total provisional solid wall minimum requirement” means, in respect of a supplier and subject to article 30A, the sum of the provisional solid wall minimum requirements which have been determined for the supplier in respect of phases 1, 2 and 3;]

“wall insulation” means—

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

(2) In this Order—

“ECO1 carbon qualifying action” means a carbon qualifying action within the meaning of article 12 of the 2012 Order ^{M15};

“ECO1 carbon saving” means, in relation to an—

- (a) ECO1 qualifying action, the carbon saving attributed to that action under article 19 of the 2012 Order;
- (b) ECO1 excess action, the carbon saving attributed to that action under article 21 or article 21ZA of the 2012 Order ^{M16};

“ECO1 carbon saving community qualifying action” means a carbon saving community qualifying action within the meaning of article 13(5) of the 2012 Order ^{M17};

“ECO1 CERO target” means a licence-holder's total carbon emissions reduction obligation for the period ending with 31st March 2015, determined under the 2012 Order;

“ECO1 excess action” means an action approved by the Administrator as an excess action or a group excess action under article 21 or article 21ZA of the 2012 Order;

“ECO1 heating qualifying action” means a heating qualifying action within the meaning of article 15(3) of the 2012 Order;

“ECO1 qualifying action” means an action which—

- (a) is—
 - (i) an ECO1 carbon qualifying action;
 - (ii) an ECO1 carbon saving community qualifying action; or
 - (iii) an ECO1 heating qualifying action; and
- (b) was notified to the Administrator under article 16 of the 2012 Order ^{M18}.

Textual Amendments

- F1** Words in art. 2(1) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **2(2)**
- F2** Words in art. 2(1) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **2(3)**
- F3** Words in art. 2(1) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **2(4)**
- F4** Words in art. 2(1) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **2(5)**
- F5** Word in art. 2(1) omitted (29.3.2017) by virtue of [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **2(6)(a)**
- F6** Words in art. 2(1) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **2(6)(b)**
- F7** Words in art. 2(1) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **2(7)**

- F8** Words in art. 2(1) substituted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(8)(a)**
- F9** Word in art. 2(1) omitted (29.3.2017) by virtue of The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(8)(b)**
- F10** Words in art. 2(1) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(8)(c)**
- F11** Words in art. 2(1) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(9)**
- F12** Words in art. 2(1) substituted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(10)**
- F13** Words in art. 2(1) substituted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(11)**
- F14** Words in art. 2(1) substituted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(12)**
- F15** Words in art. 2(1) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(13)**
- F16** Words in art. 2(1) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(14)**
- F17** Words in art. 2(1) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(15)(a)**
- F18** Words in art. 2(1) substituted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(15)(b)**
- F19** Words in art. 2(1) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(16)(a)**
- F20** Words in art. 2(1) substituted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(16)(b)**
- F21** Words in art. 2(1) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **2(17)**

Marginal Citations

- M1** S.I. 2012/3018, as amended by S.I. 2014/1131, S.I. 2014/2897 and S.I. 2014/3210.
- M2** This document can be found at <https://www.gov.uk/government/publications/The-Future-of-the-Energy-Company-Obligation-Small-Area-Geographies-Eligible-for-ECO-CSCO-Support>. A copy can be inspected at the Department of Energy and Climate Change, 3 Whitehall Place, London, SW1A 2AW.
- M3** 1989 c.29; section 6 was amended by the Utilities Act 2000 (c.27), **section 30**, by the Energy Act 2004 (c.20), **sections 89(3)**, 136(1) and (2), 143(1), 145 and 197(9), Schedule 19, paragraphs 3 and 5, and Schedule 23, Part 1, by the Climate Change Act 2008 (c.27), **section 78** and Schedule 8, paragraph 2, by the Energy Act 2011 (c.16), **section 72** and Schedule 1, paragraphs 2 and 3, and by S.I. 2011/2704, **regulation 19**.
- M4** 1986 c.44; section 7A was inserted by the Gas Act 1995 (c.45), **section 6(1)**, and has been amended by the Utilities Act 2000 (c.27), **sections 3(2)** and 108, and Schedule 6, and by the Energy Act 2004 (c.20), **section 149(1)** and (7).
- M5** S.I. 2012/2079, as amended by S.I. 2012/3021 and S.I. 2013/139.
- M6** 2006 c.46.
- M7** 1960 c.62. This Act was amended by the Mobile Homes Act 2013 (c.14), but those amendments are not relevant for the purpose of this Order.
- M8** 1968 c.52.
- M9** 1992 c.14. Section 3 was amended by S.I. 2013/468, **article 3**.
- M10** The Government's Reduced Data Standard Assessment Procedure for Energy Rating of Dwellings (2012 Edition, version 9.92) is at Appendix S of the document entitled "The Government's Standard Assessment Procedure for the Energy Rating of Dwellings 2012 edition" which can be accessed

at http://www.bre.co.uk/filelibrary/SAP/2012/SAP-2012_9-92.pdf. A copy can be inspected at the Department of Energy and Climate Change, 3 Whitehall Place, London SW1A 2AW.

- M11** The Government's Standard Assessment Procedure for Energy Rating of Dwellings (2009 Edition) can be accessed at http://bre.co.uk/filelibrary/SAP/2009/SAP-2009_9-90.pdf.
- M12** The document referred to can be found on the website for the Office of National Statistics by clicking on the words "Lower Layer Super Output Area Mid-Year Population Estimates, Mid-2010 – (SUPERSEDED)" at the following address:
<http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-230902>. A copy can be inspected at the Department of Energy and Climate Change, 3 Whitehall Place, London SW1A 2AW.
- M13** This document can be accessed at [<http://www.scotland.gov.uk/Topics/Statistics/SIMD/SIMDQuickLookup>.] A copy can be inspected at the Department of Energy and Climate Change, 3 Whitehall Place, London, SW1A 2AW.
- M14** The Government's Standard Assessment Procedure for Energy Rating of Dwellings (2012 Edition, version 9.92) can be accessed at http://www.bre.co.uk/filelibrary/SAP/2012/SAP-2012_9-92.pdf. A copy can be inspected at the Department of Energy and Climate Change, 3 Whitehall Place, London, SW1A 2AW.
- M15** Article 12 was amended by [S.I. 2014/1131](#) and is amended by [S.I. 2014/3210](#).
- M16** Article 21 is amended by and article 21ZA is inserted by [S.I. 2014/3210](#).
- M17** Article 13(5) was amended by [S.I. 2014/1131](#).
- M18** Article 16 was amended by [S.I. 2014/1131](#) and [S.I. 2014/2897](#) and is amended by [S.I. 2014/3210](#).

PART 2

Overall carbon emissions reduction target, overall carbon saving community target and overall home heating cost reduction target

Overall carbon emissions reduction target, carbon saving community target and home heating cost reduction target

3.—(1) For the period 1st April 2015 to 31st March 2017 the overall—

^{F22}(a)

(b) carbon saving community target is 6 MtCO₂;

^{F22}(c)

[^{F23}(1A) For the period 1st April 2015 to 30th September 2018 the overall—

(a) carbon emissions reduction target is 19.7 MtCO₂;

(b) home heating cost reduction target is £6.46bn.]

(2) The Administrator must ensure that—

(a) the total of all carbon emissions reduction obligations imposed on suppliers (excluding the increase, if any, in those obligations which applies by virtue of article 11) equals the overall carbon emissions reduction target;

(b) the total of all carbon saving community obligations imposed on suppliers equals the overall carbon savings community target; and

(c) the total of all home heating cost reduction obligations imposed on suppliers equals the overall home heating cost reduction target.

Textual Amendments

- F22** Art. 3(1)(a)(c) omitted (29.3.2017) by virtue of [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **3(1)**
- F23** Art. 3(1A) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **3(2)**

Definition of a supplier

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

- (a) the licence-holder supplies or, for a group company, the group supplies, more than—
- (i) 250,000 domestic customers at the end of 31st December of any relevant year; and
 - (ii) a qualifying supply in the year ending on that date; or
- (b) an ECO1 CERO target was imposed on the licence-holder under the 2012 Order.

(2) For the purposes of paragraph (1)(a), where a licence-holder (“L”) is a member of a group (“G”), the supplies made by G are to be determined by reference to the type of supply in respect of which L is a licence-holder.

(3) A [^{F24}new 2015 supplier] is a supplier to whom paragraph (1) applies for the first time on 31st December 2015.

[^{F25}(3A) A new 2016 supplier is a supplier to whom the circumstances described in paragraph (1) apply for the first time on 31st December 2016.]

(4) 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.

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

Textual Amendments

- F24** Words in art. 4(3) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **4(1)**
- F25** Art. 4(3A) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **4(2)**

Article 4: group companies

5.—(1) This article applies for the purposes of article 4(1)(a).

(2) Whether or not a licence-holder is a group company is to be determined [^{F26}according to whether the licence-holder was a group company] on the date referred to in article 4(1)(a).

(3) Where under paragraph (2) a licence-holder is a group company, the amount of electricity or, as applicable, gas supplied by the group in the year ending on the date referred to in article 4(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.

Textual Amendments

F26 Words in [art. 5\(2\)](#) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **5**

Notification by suppliers of domestic customers and energy supplied

6.—(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—

- (a) the number of that supplier's domestic customers at the end of that period;
- (b) the amount of electricity or gas supplied to its domestic customers in that period.

(2) Where a supplier fails to do so or where the Administrator considers that a notification is inaccurate, the Administrator may determine for the purposes of paragraph (1) the number of domestic customers of a supplier or the amount of electricity or gas supplied.

(3) Where a supplier (“S”) is a group company at the end of a notification period, S must also notify the Administrator by the notification date for that period of the name of each other supplier in the group, its company registration number and the amount of electricity or gas supplied by the group in that period.

(4) In paragraph (3), “each other supplier in the group” means each supplier which makes the type of supply in respect of which S is a supplier.

(5) 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 the relevant notification period is the amount supplied by those suppliers whether or not a supplier was a member of the group throughout that notification period.

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

(7) Anything determined by the Administrator under paragraph (2) or (6) is to be treated as if it were notified by the supplier.

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

- (a) phase 1, 1st February 2015;
- (b) phase 2, 1st February 2016.

[^{F27}(c) phase 3, the date falling 21 days after the commencement date.]

Textual Amendments

F27 [Art. 6\(8\)\(c\)](#) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **6**

PART 3

Determining carbon emissions reduction obligations, carbon saving community obligations and home heating cost reduction obligations

[^{F28}Determining a supplier's obligations and minimum requirements]

7.—(1) Except where paragraph (6) or (7) applies, the Administrator must determine ^{F29}... a supplier's—

- (a) carbon emissions reduction obligation [^{F30}for each phase];
- (b) carbon saving community obligation [^{F31}for phase 1 and phase 2]; and
- (c) home heating cost reduction obligation [^{F32}for each phase] .

(2) Except where paragraph (6) or (7) applies, the Administrator must also determine for each phase a supplier's provisional solid wall minimum requirement.

(3) For the purposes of paragraphs (1) and (2), the Administrator must—

- (a) in the case of a supplier which is not a group company during the phase to which a determination relates, make the determination in accordance with article 8;
- (b) in the case of a supplier which is a group company during the phase to which a determination relates, make the determination in accordance with article 9.

[^{F33}(4) Except where paragraph (6) or (7) applies, a supplier's—

- (a) home heating minimum requirement for phase 3 is—

$$0.76 \times H$$

where “H” is the home heating cost reduction obligation determined under paragraph (1) for the supplier in respect of phase 3; and

- (b) rural minimum requirement for phase 3 is—

$$0.15 \times C$$

where “C” is the carbon emissions reduction obligation determined under paragraph (1) for the supplier in respect of phase 3.

(5) The Administrator must notify a supplier of its obligations in paragraph (1) and its provisional solid wall minimum requirement—

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

(6) Where a supplier—

- (a) is not a group company; and
- (b) has notified under article 6 a supply of gas or electricity for the relevant notification period which does not exceed a qualifying supply,

each of the supplier's obligations in paragraph (1) [^{F34}, the requirement in paragraph (2) and the requirements in paragraph (4)] for a phase is zero.

(7) Where a supplier—

- (a) is a group company; and
- (b) has notified under article 6 a supply of gas or electricity for the group for the relevant notification period which does not exceed a qualifying supply,

each of the supplier's obligations in paragraph (1) [^{F35}, the requirement in paragraph (2) and the requirements in paragraph (4)] for a phase is zero.

(8) A supplier is a group company during a phase where it is a member of a group with another supplier at the end of 31st December immediately before the commencement of that phase.

Textual Amendments

- F28** Words in art. 7 heading substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **7(1)**
- F29** Words in art. 7(1) omitted (29.3.2017) by virtue of [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **7(2)(a)**
- F30** Words in art. 7(1)(a) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **7(2)(b)**
- F31** Words in art. 7(1)(b) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **7(2)(c)**
- F32** Words in art. 7(1)(c) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **7(2)(d)**
- F33** Art. 7(4)(5) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **7(3)**
- F34** Words in art. 7(6) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **7(4)**
- F35** Words in art. 7(7) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **7(5)**

Determining obligations for a supplier who is not a member of a group

8. Where this article applies, in respect of each of the obligations referred to in article 7(1) and the provisional solid wall minimum requirement referred to in article 7(2), the supplier's obligation or requirement, as applicable, for a phase is—

$$\frac{A \times T_x}{T}$$

T

where—

- a “A” is half of the value given for the obligation or requirement in the following table in relation to the phase;

	<i>Carbon emissions reduction obligation</i>	<i>Carbon saving community obligation</i>	<i>Home heating cost reduction obligation</i>	<i>Provisional solid wall minimum requirement</i>
Phase 1	6.2MtCO ₂	3MtCO ₂	£1.85bn	2MtCO ₂
Phase 2	6.2MtCO ₂	3MtCO ₂	£1.85bn	2MtCO ₂
[^{F36} Phase 3	7.3 MtCO ₂	—	£2.76bn	1.4 MtCO]

- b “Tx” is the amount of electricity or gas supplied in the relevant notification period by the supplier as determined in accordance with article 10;
- 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 10 but excluding those suppliers for whom an obligation of zero applies under article 7(6) and (7).

Textual Amendments

F36 Words in [art. 8\(a\)](#) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **8**

Determining obligations for a supplier who is a member of a group

9. Where this article applies, in respect of each of the obligations referred to in article 7(1) and the provisional solid wall minimum requirement referred to in article 7(2), the supplier's obligation or requirement, as applicable, for a phase is—

$$J \times \left(\frac{H}{K} \right)$$

where—

- a “J” is the amount produced by applying the formula set out in article 8 where—
 - (i) A and T have the same meaning as in that article;
 - (ii) Tx is the amount of electricity or gas supplied in the relevant notification period by the group to which the supplier belongs as determined in accordance with article 10;
- b “H” is the amount of electricity or gas notified by a supplier for the relevant notification period;
- c “K” is the amount of electricity or gas supplied in the relevant notification period by the group to which the supplier belongs.

Determining supply

10.—(1) For the purposes of articles 8 and 9, the amount of electricity or gas supplied by a supplier or group in the relevant notification period is—

- (a) where the amount notified under article 6 for that period is more than a qualifying supply but less than the amount in sub-paragraph (b)(i) or (ii) (as the case may be), the amount determined using the formula in paragraph (2);
 - (b) where the amount notified under article 6 for that period is equal to or more than—
 - (i) 800 gigawatt hours of electricity; or
 - (ii) 4000 gigawatt hours of gas,the notified amount.
- (2) The formula referred to in paragraph (1)(a) is—

$$\left(A - B \right) \times 2$$

where—

- a “A” is the amount of electricity or gas notified by the supplier or group for the relevant notification period;
- b “B” is—
 - (i) in the case of an electricity supplier, 400 gigawatt hours; or
 - (ii) in the case of a gas supplier, 2000 gigawatt hours.

Increasing a supplier's carbon emissions reduction obligation as a result of the supplier's failure to achieve its ECO1 CERO target

11.—(1) This article applies where a supplier does not achieve its ECO1 CERO target by the end of March 2015.

(2) Where this article applies, the supplier's carbon emissions reduction obligation for phase 1, determined under article 7, is to be increased by—

$$\left(A - B \right) \times 1.1$$

where—

- a “A” is the amount, in MtCO₂, of the supplier's ECO1 CERO target;
- b “B” is the sum, in MtCO₂, of—
 - (i) the ECO1 carbon savings attributed to the ECO 1 qualifying actions and ECO1 excess actions credited against the supplier's ECO1 CERO target; and
 - (ii) the uplifts, if any, attributed to those ECO1 qualifying actions under article 19B or 19D of the 2012 Order ^{M19}.

(3) The Administrator must notify the supplier by no later than 30th September 2015 of its revised phase 1 carbon emissions reduction obligation resulting from the calculation in paragraph (2).

Marginal Citations

M19 Articles 19B and 19D are inserted by [S.I. 2014/3210](#).

PART 4

Achievement of obligations, determining savings and surplus actions

Achievement of carbon emissions reduction obligation

12.—(1) A supplier must achieve its total carbon emissions reduction obligation by no later than [^{F37}30th September 2018] .

(2) A supplier must—

(a) achieve its total carbon emissions reduction obligation by promoting carbon qualifying actions; and

[^{F38}(b) in meeting that obligation—

(i) promote the installation of solid wall insulation so that the supplier achieves at least its solid wall minimum requirement; and

(ii) promote the installation of measures that are completed on or after 1st April 2017 in premises situated in a rural area so that the supplier achieves at least its rural minimum requirement.]

(3) A carbon qualifying action is the installation, at domestic premises, of a measure which is—

(a) a primary measure or, subject to paragraph (4), a secondary measure;

(b) installed on or after 1st April 2015 and in accordance with the Publicly Available Specification, where the installation is referred to in the Specification; ^{F39} ...

[^{F40}(c) except in the case of an installation completed on or after 1st April 2017, a recommended measure or a relevant district heating connection; and

(d) in the case of an installation completed on or after 1st April 2017—

(i) installed at a pre-existing building or installed at premises which were first occupied as domestic premises before the installation was completed; and

(ii) installed by or under the responsibility of a certified installer, where the installation is referred to in the Publicly Available Specification.]

(4) A secondary measure is not a carbon qualifying action unless—

(a) it is installed at the same premises where a primary measure has been or will be installed (“a related primary measure”);

(b) except where the related primary measure is described in paragraph (g) of the definition of “primary measure”, the installation and supplier conditions are met in respect of the secondary measure; and

(c) where the related primary measure is—

(i) described in any of paragraphs (a) to (d) of the definition of “primary measure”, it is installed to at least 50% of the roof area of the premises;

(ii) loft insulation, it is installed in lofts which have no more than 150mm of insulation before the installation takes place and results in the lofts being insulated to a depth of no less than 250mm;

(iii) wall insulation, it is applied to at least 50% of the walls which are exterior facing [^{F41}or it is phase 3 party cavity wall insulation] ;

(iv) insulation applied to the ceiling, floor and walls of a mobile home, it is applied to at least 50% of the mobile home;

(v) described in paragraph (g) of the definition of “primary measure”, the supplier condition is met.

(5) Where a secondary measure is installed before a related primary measure, the secondary measure is not completed for the purposes of article 17 until the installation of the related primary measure is complete.

(6) In this article—

“installation condition” means that the secondary measure is installed on the same date as, or no more than six months before, or no more than six months after, the date on which the related primary measure is installed;

“primary measure” means—

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

“secondary measure” means a measure, other than a primary measure, which is installed to improve the insulating properties of domestic premises;

“supplier condition” means that the secondary measure is installed by the same supplier who installs the related primary measure.

Textual Amendments

- F37** Words in art. 12(1) substituted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **9(1)**
- F38** Art. 12(2)(b) substituted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **9(2)**
- F39** Word in art. 12(3)(b) omitted (29.3.2017) by virtue of The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **9(3)**
- F40** Art. 12(3)(c)(d) substituted for art. 12(3)(c) (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **9(4)**
- F41** Words in art. 12(4)(c)(iii) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **9(5)**

A supplier's solid wall minimum requirement

13.—(1) A supplier's solid wall minimum requirement is, in MtCO₂,—

A – B

where—

[^{F42cc}“A” is the supplier’s total provisional solid wall minimum requirement;]

“B” is the appropriate carbon saving for all solid wall insulation that is—

- (a) an ECO1 qualifying action which was—
 - (i) credited against the supplier's obligations under the 2012 Order; and
 - (ii) required by the supplier to meet its obligations under the 2012 Order;
 - (b) a carbon saving community qualifying action or surplus action, where the action is credited against the supplier's total carbon saving community obligation;
 - (c) a heating qualifying action or surplus action, where the action is credited against the supplier's total home heating cost reduction obligation.
- (2) In this article, “appropriate carbon saving” means in relation to—
- (a) an ECO1 qualifying action or a surplus action, the carbon saving, in MtCO₂, for that action calculated by determining the saving in accordance with article 16(6) of the 2012 Order;
 - (b) a qualifying action which is credited against the supplier's total carbon saving community obligation or total home heating cost reduction obligation, the carbon saving, in MtCO₂, for that solid wall insulation calculated in accordance with article 18.

Textual Amendments

F42 Words in art. 13(1) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **10**

Achievement of carbon saving community obligation

14.—(1) A supplier must achieve its total carbon saving community obligation by the end of March 2017.

(2) Subject to paragraph (3) and article 15, a supplier must achieve its total carbon saving community obligation by promoting carbon saving community qualifying actions in an area of low income.

(3) A supplier must achieve at least 15% of its total carbon saving community obligation by promoting carbon saving community qualifying actions—

- (a) to members of the affordable warmth group living in a rural area; or
- (b) in a deprived rural area.

(4) A carbon saving community qualifying action is the installation, at domestic premises, of a measure in paragraph (5) where the conditions in paragraph (6) are satisfied.

(5) The measures referred to in paragraph (4) are—

- (a) a recommended measure installed to improve the insulating properties of the premises; or
- (b) a relevant district heating connection.

(6) The conditions referred to in paragraph (4) are that the installation must be carried out—

- (a) on or after 1st April 2015; and
- (b) in accordance with the Publicly Available Specification where the installation is referred to in the Specification.

Actions in specified adjoining areas of low income

15.—(1) This article applies where there is—

- (a) an area of low income (“area A”); and
- (b) in relation to area A, a specified adjoining area (“area B”).

(2) Subject to the limit in paragraph (3), where a supplier promotes carbon saving community qualifying actions in area A, the supplier may promote carbon saving community qualifying actions in area B (“adjoining installations”).

(3) The sum total of the carbon savings for adjoining installations which—

- (a) are achieved by the supplier; and
- (b) relate to area A,

must not exceed 25% of the sum of the carbon savings for all carbon saving community qualifying actions achieved by that supplier in area A.

(4) A supplier must identify, when notifying an adjoining installation under article 17, the areas A and B to which the installation relates.

(5) Only one area A may be notified under paragraph (4) in relation to an adjoining installation.

Achievement of home heating cost reduction obligation

16.—(1) A supplier must achieve its total home heating cost reduction obligation by the end of [^{F43}30th September 2018”].

[^{F44}(2) Subject to paragraphs (6) to (7A), a supplier must—

- (a) achieve its total home heating cost reduction obligation by promoting heating qualifying actions; and
- (b) in meeting that obligation, promote heating qualifying actions—
 - (i) that are completed on or after 1st July 2016; and
 - (ii) that are not the replacement of a qualifying boiler fuelled by mains gas, so that the supplier achieves at least its home heating minimum requirement.

(3) A heating qualifying action is the installation of 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;
- (c) in the case of an installation completed on or before 31st March 2017, is installed at private domestic premises occupied by a member of the affordable warmth group;
- (d) in the case of an installation completed on or after 1st April 2017—
 - (i) meets the condition in article 16A(2), (3), (4), (5) or (6); and
 - (ii) is installed at a pre-existing building or installed at premises which were first occupied as domestic premises before the installation was completed;
- (e) is accompanied by any warranty required by paragraph (4) or (8); and
- (f) is carried out in accordance with paragraph (5).]

(4) A heating qualifying action which is the repair of a qualifying boiler or a qualifying electric storage heater must be accompanied by a warranty for at least one year.

[^{F45}(5) A heating qualifying action must be carried out—

- (a) on or after 1st April 2015;
- (b) in accordance with the Publicly Available Specification, where the installation is referred to in the Publicly Available Specification;
- (c) by a person of appropriate skill and experience, where the installation is completed on or before 31st March 2017 or is not referred to in the Publicly Available Specification; and

- (d) by or under the responsibility of a certified installer, where the installation is completed on or after 1st April 2017 and referred to in the Publicly Available Specification.]
- (6) No more than 5% of a supplier's total home heating cost reduction obligation may be achieved by the repair of a qualifying boiler.

(7) No more than 5% of a supplier's total home heating cost reduction obligation may be achieved by the repair of a qualifying electric storage heater.

[^{F46}(7A) Where Z (as calculated in accordance with paragraph (7B)) is less than 100, no more than Z% of a supplier's total home heating cost reduction obligation may be achieved by measures which are heating qualifying actions by virtue of meeting the condition in article 16A(3), (4) or (5).

(7B) For the purposes of paragraph (7A), "Z" is calculated as follows—

$10 \times AB$

where—

"A" is the home heating cost reduction obligation determined for the supplier under article 7(1) in respect of phase 3; and

"B" is the greater of £1 or the supplier's total home heating cost reduction obligation.]

(8) A supplier must ensure that a heating qualifying action which is—

- (a) a replacement boiler is accompanied at the time installation is complete by a qualifying warranty;
- (b) a replacement electric storage heater is accompanied by a warranty for one year.

(9) In this article "private domestic premises" means domestic premises other than premises described in [^{F47}Part 1 of Schedule 4] .

Textual Amendments

- F43** Words in art. 16(1) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **11(1)**
- F44** Art. 16(2)(3) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **11(2)**
- F45** Art. 16(5) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **11(3)**
- F46** Art. 16(7A)(7B) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **11(4)**
- F47** Words in art. 16(9) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **11(5)**

[^{F48}Conditions to be met for heating qualifying actions completed after 31st March 2017

16A.—(1) This article applies for the purpose of the definition of "heating qualifying action" in article 16(3).

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

(3) A measure meets the condition in this paragraph 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 heating qualifying action at the premises; and
- (c) on or after publication of its statement of intent, the local authority has—

- (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.
- (4) A measure meets the condition in this paragraph 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 local authority has made a statement in writing that—
 - (i) the premises are situated in a semi-detached house, a semi-detached bungalow or a building containing no more than two domestic premises; and
 - (ii) to the best of the local authority’s knowledge and belief, both houses or bungalows in the pair of semi-detached properties or both premises in the building referred to in paragraph (i) are private domestic premises; and
 - (d) on or after publication of its statement of intent, the local authority has—
 - (i) made a statement in writing that, in the opinion of the local authority, at least one of the premises in the pair of semi-detached properties or in the building referred to in sub-paragraph (c)(i) is occupied by a household living in fuel poverty; or
 - (ii) made a statement in writing that, in the opinion of the local authority, at least one of the premises in the pair of semi-detached properties or in the building referred to in sub-paragraph (c)(i) is occupied by a household living on a low income and vulnerable to the effects of living in a cold home.
- (5) A measure meets the condition in this paragraph 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) identifies any premises on the list which in the opinion of the local authority are occupied by a household living in fuel poverty; and
 - (iii) identifies 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 66% 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.
- (6) A measure meets the condition in this paragraph if—
 - (a) the measure is installed at E, F or G social housing; and

- (b) the measure is—
- (i) installed to improve the insulating properties of domestic premises;
 - (ii) the installation of a central heating system or a renewable heating measure in domestic premises which at no point prior to the installation were heated by a central heating system, a district heating system or an electric storage heater; or
 - (iii) a relevant district heating connection to domestic premises which at no point prior to the connection were heated by a central heating system, a district heating system or an electric storage heater.

(7) In this article—

“central heating system” means a system which provides heat for the purpose of space heating through a boiler or other heat source connected to one or more separate heat emitters;

“E, F or G social housing” means domestic premises described in Schedule 4A;

“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 4B and meets any condition in relation to that benefit which is specified in that Schedule;

“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 Common Council of the City of London;
- (f) the Council of the Isles of Scilly;
- (g) a county borough council;
- (h) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994;

“private domestic premises” means domestic premises other than premises described in Part 2 of Schedule 4;

“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; and

“statement of intent” means a description of how the local authority intends to identify households that may benefit from the installation of a heating qualifying action and are living—

- (a) in fuel poverty; or
- (b) on a low income and are vulnerable to the effects of living in a cold home.]

Textual Amendments

F48 Art. 16A inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **12**

Notifications of qualifying actions

17.—(1) [^{F49}Subject to paragraph (3A),] A supplier must by the end of each relevant calendar month notify the Administrator in writing of each qualifying action completed in the calendar month immediately prior to the calendar month in which the notification is required to be made in accordance with this paragraph.

- (2) A notification under paragraph (1) must—
- (a) identify which obligation the qualifying action is intended to be credited against; and
 - (b) include, as appropriate, the carbon saving or cost score for each qualifying action.
- (3) Except where article 12(5) applies, a qualifying action is completed when its installation is complete.

[^{F50}(3A) A supplier may notify a completed qualifying action (“the late action”) after the date required by paragraph (1) (“the original deadline”) if—

- (a) following receipt of an application under paragraph (4), the Administrator has extended the period for notifying the late action and the notification is made within that extended period; or
- (b) the late action—
 - (i) falls within the 5% notification threshold for the supplier (“the notifying supplier”);
 - (ii) is completed on or after 1st April 2017; and
 - (iii) is notified before the earlier of—
 - (aa) the end of the fourth calendar month after the calendar month in which the late action was completed; or
 - (bb) the end of December 2018.

(3B) For the purposes of paragraph (3A)(b)(i), a late action falls within the 5% notification threshold for the notifying supplier if, at the time the late action is notified to the Administrator, the result of the following formula is less than or equal to 0.05—

A–BC

where—

- (a) “A” is the number of qualifying actions (also counting the late action) which are—
 - (i) completed in the same calendar month as the late action; and
 - (ii) notified after the original deadline by—
 - (aa) the notifying supplier; or
 - (bb) any other supplier that is a member of the same group as the notifying supplier;
- (b) “B” is the number of qualifying actions which are—
 - (i) completed in the same calendar month as the late action;
 - (ii) the subject of an application under paragraph (4) which results in the Administrator extending the period for notifying the action (“the extended period”); and
 - (iii) notified after the original deadline and within the extended period by—
 - (aa) the notifying supplier; or
 - (bb) any other supplier that is a member of the same group as the notifying supplier; and
- (c) “C” is the greater of one or the number of qualifying actions which are—
 - (i) completed in the same calendar month as the late action; and
 - (ii) notified on or before the original deadline by—
 - (aa) the notifying supplier; or
 - (bb) any other supplier that is a member of the same group as the notifying supplier.]

(4) A supplier may apply to the Administrator for a completed qualifying action to be notified after the date required by paragraph (1).

[^{F51}(5) Following receipt of an application under paragraph (4), the Administrator may extend the period for notifying the late action for such period as it thinks fit provided that—

- (a) details of why the supplier is seeking an extension of time to notify the late action are provided in the application; and
- (b) in the case of an action completed on or before 31st March 2017, the reason for the application is one other than an administrative oversight on the part of the supplier.]

(7) A notification under this article must include such information relating to a qualifying action as the Administrator may from time to time require.

(8) In this article—

[^{F52}“new supplier” means a new 2015 supplier or a new 2016 supplier;]

“overall obligation period” means—

- (a) for a supplier other than a new supplier, the period beginning with 1st April 2015 and ending with [^{F53}30th September 2018] ;
- (b) [^{F54}for a new 2015 supplier, the period beginning with 1st April 2016 and ending with 30th September 2018;
- (c) for a new 2016 supplier, the period beginning with 1st April 2017 and ending with 30th September 2018;]

“relevant calendar month” means—

- (a) a calendar month in the overall obligation period for the supplier (but excluding April 2015 if that month would otherwise form part of that period); and
- (b) [^{F55}October 2018] .

Textual Amendments

- F49** Words in art. 17(1) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **13(1)**
- F50** Art. 17(3A)(3B) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **13(2)**
- F51** Art. 17(5) substituted for art. 17(5)(6) (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **13(3)**
- F52** Words in art. 17(8) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **13(4)(a)**
- F53** Words in art. 17(8) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **13(4)(b)(i)**
- F54** Words in art. 17(8) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **13(4)(b)(ii)**
- F55** Words in art. 17(8) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **13(4)(c)**

Determining the carbon saving for a qualifying action

18.—(1) Subject to paragraph (2), the carbon saving for a [^{F56}SAP scored] qualifying action notified under article 17 is calculated—

- (a) in accordance with the following formula—

$$\left(A - \left(A \times B \right) \right) \times 0.925$$

where—

- (i) “A” is the carbon dioxide equivalent saving for the qualifying action, determined in accordance with the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure; and
 - (ii) “B” is the relevant in-use factor; or
- (b) in accordance with an appropriate methodology approved by the Administrator under article 24.

(2) Where the qualifying action is a measure installed in Scotland [^{F57}on or before 31st March 2017], the carbon saving for that action may also be calculated by determining the saving in accordance with SAP 2009 and reducing that saving by the relevant in-use factor.

[^{F58}(2A) The carbon saving for a deemed score qualifying action notified under article 17 is calculated in accordance with the following formula—

$$(A - (A \times B)) \times 0.925 \times 1.3$$

where—

- (a) “A” is the carbon dioxide equivalent saving for the qualifying action, determined in accordance with a methodology published by the Administrator under article 24A(1); and
- (b) “B” is the relevant in-use factor.]

(3) Where a qualifying action is the installation of solid wall insulation which is accompanied by an appropriate warranty, the expected lifetime of the solid wall insulation, for the purpose of calculating its carbon saving, is 36 years.

(4) In this article—

“appropriate warranty” means 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 solid wall insulation and products used in the solid wall 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 solid wall insulation, covering the cost of remedial and replacement works and materials;

“carbon dioxide equivalent saving” means, in respect of a measure, the amount in tonnes of carbon dioxide equivalent that is expected to be saved over the lifetime of the measure;

“international carbon reporting practice” has the meaning given by section 94(1) of the Climate Change Act 2008 ^{M20};

“tonne of carbon dioxide equivalent” means—

- (a) a tonne of carbon dioxide; or
- (b) an amount of—
 - (i) methane;
 - (ii) nitrous oxide;

- (iii) methane and nitrous oxide combined; or
 - (iv) carbon dioxide mixed with one or both of the gases listed in sub-paragraphs (i) and (ii),
- with an equivalent global warming potential to one tonne of carbon dioxide (calculated consistently with international carbon reporting practice).

Textual Amendments

- F56** Words in art. 18(1) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **14(1)**
- F57** Words in art. 18(2) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **14(2)**
- F58** Art. 18(2A) inserted (29.3.2017) by The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 (S.I. 2017/490), arts. 1(1), **14(3)**

Marginal Citations

- M20** 2008 c.27.

Determining the cost score for a qualifying action

19.—(1) Subject to article 23, the cost score for a heating qualifying action notified under article 17 is calculated—

- (a) [^{F59}in the case of a SAP scored qualifying action, other than a case] where sub-paragraph (b) or (c) applies and subject to paragraph (2), by determining the cost saving for the qualifying action in accordance with—
 - (i) the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure; or
 - (ii) an appropriate methodology approved by the Administrator under article 24;
- (b) in the case of the repair or replacement of a qualifying boiler [^{F60}completed on or before 31st March 2017], in accordance with article 20 or article 21, as applicable; ^{F61}...
- (c) in the case of the repair of a qualifying electric storage heater or the replacement of a qualifying electric storage heater by another electric storage heater [^{F62}completed on or before 31st March 2017], in accordance with article 22. [^{F63}or
- (d) in the case of a deemed score qualifying action, in accordance with paragraph (2A).]

(2) Where paragraph (1)(a) applies in respect of a qualifying action installed in Scotland [^{F64}on or before 31st March 2017], the cost score for that action may also be calculated by determining the cost saving in accordance with SAP 2009.

[^{F65}(2A) The cost score for a deemed score qualifying action must be determined—

- (a) in the case of the replacement of a qualifying boiler where both the boiler being replaced and the replacement boiler are fuelled by mains gas, in accordance with the following formula—

$$A \times 0.8 \times 1.3$$

- (b) in the case of—
 - (i) the replacement of a qualifying boiler where the boiler being replaced or the replacement boiler is not fuelled by mains gas;
 - (ii) the repair of a qualifying boiler or qualifying electric storage heater;

(iii) the replacement of a qualifying electric storage heater by another electric storage heater,

in accordance with the following formula—

$$A \times 1.3$$

(c) in any other case, in accordance with the following formula—

$$B \times 1.3$$

(2B) In paragraph (2A)—

“A” is the cost saving for the qualifying action calculated in accordance with a methodology published by the Administrator under article 24A(2)(a); and

“B” is the cost saving for the qualifying action calculated in accordance with a methodology published by the Administrator under article 24A(2)(b).

(2C) For the purposes of calculating its cost score, where a deemed score qualifying action is—

(a) the repair of a qualifying boiler or a qualifying electric storage heater which is accompanied with—

(i) a warranty for less than two years, the expected lifetime of the repair is one year;

(ii) a warranty for two years or more, the expected lifetime of the repair is two years;

(b) the replacement of a qualifying boiler, the expected lifetime of the replacement boiler is 12 years;

(c) the replacement of a qualifying electric storage heater, the expected lifetime of the replacement electric storage heater is 20 years.]

(3) Where a qualifying action is the installation of solid wall insulation which is accompanied by an appropriate warranty, the expected lifetime of the solid wall insulation, for the purpose of calculating its cost score, is 36 years.

(4) In paragraph (3), “appropriate warranty” has the meaning given in article 18.

Textual Amendments

F59 Words in art. 19(1)(a) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **15(1)**

F60 Words in art. 19(1)(b) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **15(2)**

F61 Word in art. 19(1)(b) omitted (29.3.2017) by virtue of [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **15(3)**

F62 Words in art. 19(1)(c) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **15(4)**

F63 Art. 19(1)(d) and word inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **15(5)**

F64 Words in art. 19(2) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **15(6)**

F65 Art. 19(2A)-(2C) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **15(7)**

Determining the cost score for a qualifying boiler repair and replacement

20.—(1) Subject to articles 21 and 23, the cost score for the repair or replacement of a qualifying boiler [^{F66}completed on or before 31st March 2017] must be determined in accordance with the following formula—

$$\left(A - B \right) \times N$$

(2) In paragraph (1)—

“A” is the cost of heating the premises (“P”) where the repaired or replaced boiler is situated and, where applicable, the cost of heating water at P as determined in accordance with—

- (a) the Standard Assessment Procedure or (but only if the repair or replacement was carried out in Scotland) SAP 2009;
- (b) the Reduced Data Standard Assessment Procedure; or
- (c) an appropriate methodology for calculating the cost savings approved by the Administrator under article 24,

where the calculation is based on the absence of a working heating system in P;

“B” is the cost of heating P and, where applicable, heating water at P using, as applicable, the boiler that was repaired or the replacement for the boiler;

“N” is—

- (a) in the case of a repair of a qualifying boiler which is accompanied with—
 - (i) a warranty for at least one year, but less than two years, 1;
 - (ii) a warranty for two years or more, 2;
- (b) in the case of a replacement of a qualifying boiler, 12.

Textual Amendments

F66 Words in art. 20(1) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **16**

Determining the cost score for a gas fuelled qualifying boiler replacement

21. The cost score for the replacement of a qualifying boiler by another boiler [^{F67}completed on or before 31st March 2017], where both the boiler being replaced and the replacement boiler are fuelled by mains gas, must be determined by reducing the amount calculated in accordance with article 20 by 20 per cent.

Textual Amendments

F67 Words in art. 21 inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **17**

Determining the cost score for a qualifying electric storage heater repair and replacement

22.—(1) The cost score for [^{F68}a heating qualifying action completed on or before 31st March 2017 which is] —

- (a) the repair of a qualifying electric storage heater; or
 - (b) the replacement of a qualifying electric storage heater by another electric storage heater,
- must be determined in accordance with the following formula—

$$\left(A - B \right) \times N$$

(2) In paragraph (1)—

“A” is the cost of heating the part of the premises (“PP”) which is heated by the repaired or replaced electric storage heater as determined in accordance with—

- (a) the Standard Assessment Procedure or (but only if the repair or replacement was carried out in Scotland) SAP 2009;
- (b) the Reduced Data Standard Assessment Procedure; or
- (c) an appropriate methodology for calculating the savings approved by the Administrator under article 24,

where the calculation is based on the absence of a working heating system for PP;

“B” is the cost of heating PP using, as applicable, the electric storage heater that was repaired or the replacement electric storage heater;

“N” is—

- (a) in the case of a repair of a qualifying electric storage heater which is accompanied with—
 - (i) a warranty for at least one year, but less than two years, 1;
 - (ii) a warranty for two years or more, 2;
- (b) in the case of a replacement of a qualifying electric storage heater, 20.

Textual Amendments

F68 Words in [art. 22\(1\)](#) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **18**

Determining the cost score for heating qualifying actions installed at non-gas fuelled premises

23.—(1) This article applies where a heating qualifying action is installed at premises which—

- (a) are non-gas fuelled prior to installation of the measure; and
- (b) remain non-gas fuelled when installation of the measure is complete.

(2) Where this article applies, the cost score for the heating qualifying action is the amount calculated in accordance with article 19 or 20 as applicable, increased by—

- (a) 35 per cent, where the action is a measure installed to improve the insulating properties of the premises;

- (b) 45 per cent, where the action is—
 - (i) the replacement of a qualifying boiler by a measure other than an electric storage heater; or
 - (ii) the repair of a qualifying boiler.
- (3) For the purposes of this article, premises are non-gas fuelled where the main space heating system for the property is not—
 - (a) fuelled by mains gas; or
 - (b) a district heating system.

Approval of an appropriate methodology for the carbon saving or cost saving [^{F69}attributable to a SAP scored qualifying action]

24.—(1) For the purposes of determining the carbon saving or the cost score to be attributed to a [^{F70}SAP scored qualifying action], a supplier may apply to the Administrator to approve a methodology other than the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure (“an appropriate methodology”).

- (2) An application under paragraph (1) must be made prior to the carrying out of the action.
- (3) The Administrator may approve an appropriate methodology if it is satisfied that—
 - (a) the Reduced Data Standard Assessment Procedure and the Standard Assessment Procedure do not contain a methodology for determining the carbon or cost savings associated with the action; and
 - (b) in cases where the methodology is to be used to determine a carbon saving, it makes provision for the likely performance of measures once they are installed in domestic premises.

[^{F71}(3A) The Administrator may also approve an appropriate methodology if the methodology is published by, or on behalf of, the Department for Business, Energy and Industrial Strategy as a replacement for the Reduced Data Standard Assessment Procedure or the Standard Assessment Procedure.]

- (4) The Administrator must notify a supplier of its decision under this article.

Textual Amendments

- F69** Words in art. 24 heading inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **19(1)**
- F70** Words in art. 24(1) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **19(2)**
- F71** Art. 24(3A) inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **19(3)**

[^{F72}Methodology for the carbon saving or cost saving attributable to a deemed score qualifying action]

24A.—(1) The Administrator must publish a methodology for the purposes of determining the carbon saving to be attributed to a deemed score qualifying action.

- (2) The Administrator must publish—
 - (a) a methodology for the purposes of determining the cost saving to be attributed to a deemed score qualifying action falling within paragraph (3), and under that methodology, the

- calculation of the cost saving must be based on the absence of a working heating system in the premises where the repaired or replaced boiler or electric storage heater is situated; and
- (b) a methodology for the purposes of determining the cost saving to be attributed to a deemed score qualifying action not falling within paragraph (3).
- (3) A deemed score qualifying action falls within this paragraph if it is—
- (a) the repair or replacement of a qualifying boiler;
- (b) the repair of a qualifying electric storage heater; or
- (c) the replacement of a qualifying electric storage heater by another electric storage heater.
- (4) Before publishing a methodology under this article, the Administrator must have regard to—
- (a) the Standard Assessment Procedure;
- (b) the Reduced Data Standard Assessment Procedure; and
- (c) the desirability of the methodology being easy to use.]

Textual Amendments

F72 Art. 24A inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **20**

Attributing the carbon saving or cost score to a qualifying action

25.—(1) To determine whether a supplier has achieved its—

- (a) total carbon emissions reduction obligation;
- (b) total carbon saving community obligation; or
- (c) total home heating cost reduction obligation,

the Administrator must attribute a carbon saving or cost score, as applicable, to each qualifying action notified by a supplier under article 17.

(2) The Administrator must attribute to a qualifying action—

- (a) where the Administrator is satisfied that the supplier has correctly calculated the carbon saving or cost score, as applicable, the carbon saving or cost score notified by the supplier; or
- (b) where the Administrator is not satisfied that the carbon saving or cost score notified is correctly calculated, the carbon saving or cost score which the Administrator considers would have been determined for the action had it been accurately calculated.

(3) The Administrator must notify a supplier of the carbon saving or cost score it has attributed to a qualifying action notified by a supplier.

Transfers of qualifying actions

26.—(1) A qualifying action achieved by a supplier (“A”) may be regarded as achieved 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 [F73 31st December 2018];
- (b) provide to the Administrator such information as the Administrator may reasonably require; and

- (c) indicate whether B intends the qualifying action to be credited towards B's—
 - (i) total carbon emissions reduction obligation;
 - (ii) total carbon saving community obligation; or
 - (iii) total home heating cost reduction obligation.

[^{F74}(3) The Administrator must approve a transfer unless—

- (a) B has indicated that it intends the qualifying action to be credited towards a different obligation to the one it is credited against at the time the application is made and the Administrator is not satisfied that the qualifying action meets the applicable requirements in articles 12 to 16 in respect of that different obligation;
- (b) the application is made on or after 1st July 2017, the qualifying action is credited against A's total carbon saving community obligation at the time the application is made and the Administrator is not satisfied that the qualifying action is an excess CSCO action; or
- (c) the application is made on or after 1st July 2017 and B has indicated that it intends the qualifying action to be credited towards B's total carbon saving community obligation.

(3A) For the purposes of paragraph (3)(b), an excess CSCO action is a qualifying action which is not required by A to meet its total carbon saving community obligation.]

(4) If the Administrator decides not to approve a transfer under paragraph (3) it must notify A and B of the reasons for that decision.

(5) If a transfer is approved, the qualifying action is treated as achieved by B and not A.

Textual Amendments

F73 Words in art. 26(2)(a) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **21(1)**

F74 Art. 26(3)(3A) substituted for art. 26(3) (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **21(2)**

Surplus actions

27.—(1) Not later than 30th November 2015 a supplier may apply to the Administrator in writing to credit a surplus action towards its—

- (a) total carbon emissions reduction obligation;
- (b) total carbon saving community obligation; or
- (c) total home heating cost reduction obligation.

(2) An application under this article must—

- (a) give details of the measure which the supplier considers constitutes a surplus action;
- (b) indicate which of those obligations the supplier intends the surplus action to be credited towards; and
- (c) provide a calculation of the carbon saving or cost score for the surplus action, determined in accordance with article 28 or 29 as applicable.

(3) A surplus action is a measure which—

- (a) is an ECO1 qualifying action which was achieved by the applicant supplier;
- (b) is not required by the supplier to meet its obligations under the 2012 Order; and
- (c) if it is intended to contribute towards—
 - (i) the carbon emissions reduction obligation, is an ECO1 carbon qualifying action;

- (ii) the carbon saving community obligation, is an ECO1 carbon saving community qualifying action which was promoted in an ECO1 area of low income or in accordance with article 13(4) of the 2012 Order ^{M21}; or
 - (iii) the home heating cost reduction obligation, meets the applicable requirements in paragraph (4).
- (4) The requirements referred to in paragraph (3)(c)(iii) are that—
- (a) the installation of the measure was carried out in the period starting with 1st January 2014 and ending with 31st March 2015;
 - (b) the measure is an ECO1 heating qualifying action which was promoted in accordance with article 15(2) of the 2012 Order; and
 - (c) if installation of the measure was carried out in the period starting with 1st January 2015 and ending with 31st March 2015 and the measure is—
 - (i) a replacement boiler, it was accompanied at the time the installation was completed by a qualifying warranty;
 - (ii) a replacement electric storage heater, it was accompanied by a warranty for one year.
- (5) The Administrator must approve the application if satisfied that the measure to which the application relates is a surplus action.
- (6) A surplus action which is—
- (a) the installation of solid wall insulation; and
 - (b) credited against a supplier's total carbon emissions reduction obligation,
- may be credited against the supplier's solid wall minimum requirement.
- (7) A surplus action which is credited against a supplier's total carbon saving community obligation may be credited against the requirement in article 14(3) which applies to the supplier if the Administrator is satisfied that it was promoted—
- (a) to a member of the affordable warmth group living in a rural area; or
 - (b) in a deprived rural area.
- (8) In this article, “ECO1 area of low income” means an area of low income as defined in article 2 of the 2012 Order.

Marginal Citations

M21 Article 13(3) is amended by [S.I. 2104/3210](#).

Determining the carbon saving for a surplus action

- 28.** The carbon saving for a surplus action is—
- (a) the ECO1 carbon saving for that action; or
 - (b) if no ECO1 carbon saving was attributed to the action under article 19 of the 2012 Order, the carbon saving for that action calculated in accordance with article 16(6) of the 2012 Order.

Determining the cost score for a surplus action

- 29.—**(1) Subject to paragraph (2), the cost score for a surplus action is—

$A \times B$

where—

- a “A” is—
- (i) the cost saving attributed to that action under article 19 of the 2012 Order; or
 - (ii) if no cost saving was attributed to the action under article 19 of the 2012 Order, the cost saving for that action calculated in accordance with article 16(7) of the 2012 Order;
- b “B” is the relevant conversion factor.
- (2) Where a surplus action is the repair or replacement of a qualifying boiler, the cost score for that action is the cost saving for that action calculated in accordance with article 17 of the 2012 Order multiplied by the relevant conversion factor.
- (3) In this article, “relevant conversion factor” means—
- (a) where a measure is described in the first column of the table in Schedule 5, the number specified for that measure in the second column of that table; or
 - (b) where a measure is not so described, 1.

Transfers of surplus actions

30.—(1) Where—

- (a) a supplier (“C”) has achieved a surplus action (“S”); and
- (b) the Administrator has approved an application made in respect of S under article 27(5),

S may be regarded as achieved by another supplier (“D”) (“a transfer”) if that transfer is approved by the Administrator in accordance with this article.

(2) C and D must—

- (a) apply for approval in writing to the Administrator by no later than [^{F75}31st December 2018];
- (b) provide to the Administrator such information as the Administrator may reasonably require; and
- (c) indicate whether D intends S to be credited towards D’s—
 - (i) total carbon emissions reduction obligation;
 - (ii) total carbon saving community obligation; or
 - (iii) total home heating cost reduction obligation.

[^{F76}(3) The Administrator must approve a transfer unless—

- (a) D has indicated that it intends S to be credited towards a different obligation to the one it is credited against at the time the application is made and the Administrator is not satisfied that S meets the applicable requirement in article 27(3)(c) in respect of that different obligation;
- (b) the application is made on or after 1st July 2017 and S is credited against C’s total carbon saving community obligation at the time the application is made; or
- (c) the application is made on or after 1st July 2017 and D has indicated that it intends S to be credited towards D’s total carbon saving community obligation.]

(4) If the Administrator decides not to approve a transfer under paragraph (3) it must notify C and D of the reasons for that decision.

(5) If a transfer is approved, S is treated as achieved by D and not C.

Textual Amendments

F75 Words in art. 30(2)(a) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **22(1)**

F76 Art. 30(3) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **22(2)**

PART 5

Enforcement

[^{F77}Transfer of obligations

30A.—(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 2017; and
- (b) provide to the Administrator such information as the Administrator may reasonably require.

(3) An application under this article must identify—

- (a) which obligation the application relates to (“the relevant obligation”); and
- (b) the amount of that obligation that A intends to transfer to B (“the transfer amount”).

(4) The Administrator must not approve the transfer if—

- (a) the transfer amount exceeds A’s relevant obligation;
- (b) the transfer would result in A or B’s home heating minimum requirement being greater than its total home heating cost reduction obligation;
- (c) the transfer would result in A or B’s rural minimum requirement being greater than its total carbon emissions reduction obligation;
- (d) the transfer would result in A or B’s total provisional solid wall minimum requirement being greater than its total carbon emissions reduction obligation;
- (e) having regard to section 30O of the Gas Act 1986 and section 27O 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
- (f) 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 one or more of its obligations.

(5) If a transfer is approved—

- (a) for the purposes of Part 4 and this Part, A’s relevant obligation is to be treated as reduced by the transfer amount and B’s relevant obligation is to be treated as increased by the transfer amount; and

- (b) the Administrator must notify A and B of their revised relevant obligation.
- (6) 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.
- (7) In this article, “obligation” means a supplier’s—
 - (a) home heating minimum requirement;
 - (b) rural minimum requirement;
 - (c) total carbon emissions reduction obligation;
 - (d) total home heating cost reduction obligation; or
 - (e) total provisional solid wall minimum requirement.]

Textual Amendments

F77 Art. 30A inserted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **23**

Final determination and reporting

- 31.**—(1) The Administrator must determine whether a supplier has achieved its—
 - (a) total carbon emissions reduction obligation;
 - (b) total carbon saving community obligation; and
 - (c) total home heating cost reduction obligation.
- (2) A supplier may apply to the Administrator, in writing, by no later than ^[F78]31st December 2018] for a qualifying action (“Q”) or a surplus action (“S”) to be credited against a different obligation to the one it is credited against at the time the application is made.
- ^[F79](3) The Administrator must approve an application in respect of Q if—
 - (a) it is satisfied that Q meets the applicable requirements in articles 12 to 16 in respect of that different obligation;
 - (b) where the application is made on or after 1st July 2017 and Q is credited against a supplier’s total carbon saving community obligation at the time the application is made, the Administrator is satisfied that Q is not required by the supplier to meet its total carbon saving community obligation; and
 - (c) where the application is made on or after 1st July 2017, it is not an application for Q to be credited towards a supplier’s total carbon saving community obligation.
- (3A) The Administrator must approve an application in respect of S if—
 - (a) it is satisfied that S meets the applicable requirement in article 27(3)(c) in respect of that different obligation; and
 - (b) where the application is made on or after 1st July 2017, it is not an application for S to be credited towards a supplier’s total carbon saving community obligation.
- (4) The Administrator must notify the supplier of its determination—
 - (a) under paragraph (1)(b), no later than 30th September 2017;
 - (b) under paragraph (1)(a) and (c), no later than 31st March 2019.]

(5) The Administrator must submit to the Secretary of State a report each month, commencing in July 2015, setting out the progress which suppliers have made towards meeting their obligations under this Order.

(6) Not later than [^{F80}31st March 2019] the Administrator must submit to the Secretary of State a report setting out whether suppliers achieved the—

- (a) overall carbon emissions reduction target;
- (b) overall carbon saving community target;
- (c) overall home heating cost reduction target.

Textual Amendments

- F78** Words in art. 31(2) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **24(1)**
- F79** Art. 31(3)-(4) substituted for art. 31(3)(4) (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **24(2)**
- F80** Words in art. 31(6) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. 1(1), **24(3)**

Information from suppliers

32.—(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

33.—(1) Once a year in [^{F81}2016 to 2019] the Secretary of State must publish the energy savings achieved—

- (a) by each supplier by qualifying actions and surplus actions credited towards the supplier's obligations under this Order; and
- (b) in total by qualifying actions and surplus actions credited towards suppliers' obligations under this Order.

(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;

- (c) “the Energy Efficiency Directive” means Directive 2012/27/EU of the European Parliament and of the Council of 25th October 2012 on energy efficiency, amending Directives [2009/125/EC](#) and [2010/30/EU](#) and repealing Directives [2004/8/EC](#) and [2006/32/EC](#)^{M22}.

Textual Amendments

F81 Words in art. [33\(1\)](#) substituted (29.3.2017) by [The Electricity and Gas \(Energy Company Obligation\) \(Amendment\) Order 2017 \(S.I. 2017/490\)](#), arts. [1\(1\)](#), [25](#)

Marginal Citations

M22 OJ No L 3015, 14.11.2012, p1; the Directive has been amended but the amendments are not relevant to these Regulations.

Enforcement

34. A requirement placed on a supplier under this Order is a relevant requirement for the purpose of—

- (a) Part I of the Electricity Act 1989; and
- (b) Part I of the Gas Act 1986.

Department of Energy and Climate Change

Amber Rudd
Parliamentary Under Secretary of State

Changes to legislation:

There are currently no known outstanding effects for the The Electricity and Gas (Energy Company Obligation) Order 2014.