
STATUTORY INSTRUMENTS

2014 No. 3219

The Electricity and Gas (Energy
Company Obligation) Order 2014

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 [F130th September 2018] .

(2) A supplier must—

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

[F2(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; F3...

[F4(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—

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- (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 [^{F5}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

- F1** 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)**
- F2** 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)**
- F3** 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)**
- F4** 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)**
- F5** 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—

[^{F6}“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

F6 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.

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Changes to legislation: There are currently no known outstanding effects for the The Electricity and Gas (Energy Company Obligation) Order 2014, PART 4. (See end of Document for details)

- (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 [F730th September 2018] .

- [F8(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.

[^{F9}(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.

[^{F10}(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 [^{F11}Part 1 of Schedule 4] .

Textual Amendments

- F7** 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)**
- F8** 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)**
- F9** 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)**
- F10** 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)**
- F11** 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)**

[^{F12}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—

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

Textual Amendments

F12 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) [^{F13}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.

[^{F14}(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).

[^{F15}(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—

[^{F16}“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 [^{F17}30th September 2018] ;
- (b) [^{F18}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) [^{F19}October 2018] .

Textual Amendments

- F13** 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)**
- F14** 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)**
- F15** 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)**
- F16** 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)**

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- F17** 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)**
- F18** 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)**
- F19** 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 [^{F20}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 [^{F21}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.

[^{F22}(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 ^{M1};
- “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

- F20** 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)**
- F21** 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)**
- F22** 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

- M1** 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) [^{F23}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 [^{F24}completed on or before 31st March 2017], in accordance with article 20 or article 21, as applicable; ^{F25}...
- (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 [^{F26}completed on or before 31st March 2017], in accordance with article 22. [^{F27}or
- (d) in the case of a deemed score qualifying action, in accordance with paragraph (2A).]

Status: Point in time view as at 29/03/2017.

Changes to legislation: There are currently no known outstanding effects for the The Electricity and Gas (Energy Company Obligation) Order 2014, PART 4. (See end of Document for details)

(2) Where paragraph (1)(a) applies in respect of a qualifying action installed in Scotland [^{F28}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.

[^{F29}(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

F23 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)**

F24 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)**

- F25** 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)**
- F26** 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)**
- F27** 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)**
- F28** 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)**
- F29** 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 [^{F30}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

- F30** 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**

Status: Point in time view as at 29/03/2017.

Changes to legislation: There are currently no known outstanding effects for the The Electricity and Gas (Energy Company Obligation) Order 2014, PART 4. (See end of Document for details)

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 [^{F31}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

F31 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 [^{F32}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

F32 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 [F33 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 [F34 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.
- [F35(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

- F33** 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)**
- F34** 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)**

Status: Point in time view as at 29/03/2017.

Changes to legislation: There are currently no known outstanding effects for the The Electricity and Gas (Energy Company Obligation) Order 2014, PART 4. (See end of Document for details)

F35 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)**

[^{F36}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

F36 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 [^{F37}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.

[^{F38}(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

F37 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)**

F38 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.

Status: Point in time view as at 29/03/2017.

Changes to legislation: There are currently no known outstanding effects for the The Electricity and Gas (Energy Company Obligation) Order 2014, PART 4. (See end of Document for details)

- (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 ^{M2}; 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

M2 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 [F³⁹31st 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.

Status: Point in time view as at 29/03/2017.

Changes to legislation: There are currently no known outstanding effects for the The Electricity and Gas (Energy Company Obligation) Order 2014, PART 4. (See end of Document for details)

- [^{F40}(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

- F39** 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)**
- F40** 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)**

Status:

Point in time view as at 29/03/2017.

Changes to legislation:

There are currently no known outstanding effects for the The Electricity and Gas (Energy Company Obligation) Order 2014, PART 4.