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DRAFT STATUTORY INSTRUMENTS

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**2022 No.**

The Electricity and Gas (Energy  
Company Obligation) Order 2022

PART 1

Introduction

**Citation, commencement and extent**

1.—(1) This Order may be cited as the Electricity and Gas (Energy Company Obligation) Order 2022 and comes into force on the day after the day on which this Order is made.

(2) This Order extends to England and Wales and Scotland.

**Interpretation**

2.—(1) In this Order—

“2018 Order” means the Electricity and Gas (Energy Company Obligation) Order 2018(1);

“annual cost savings” means—

(a) in relation to a measure—

(i) the money that would be saved by the measure annually in heating domestic premises to 21 degrees Celsius in the main living areas and 18 degrees Celsius in all other areas; and

(ii) where the measure also results in the generation of electricity or savings in the cost of heating water—

(aa) the money that would be saved by the measure annually in generating electricity wholly or partly for use at the premises, excluding any electricity generated for the purpose of heating the premises or for heating water; and

(bb) the money that would be saved by the measure annually in heating water in the premises;

(b) in relation to an ECO4 project, the annual cost savings of the qualifying actions in the ECO4 project;

“biofuel” means liquid or gaseous fuel which is produced wholly or mainly from biomass;

“biomass” has the same meaning as in section 100(3) of the Energy Act 2008(2);

“cavity wall insulation” means insulation between the internal and external leaves of a cavity wall;

“central heating system”—

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(1) S.I. 2018/1183, amended by S.I. 2019/1441 and 2019/1458.

(2) 2008 c. 32. Section 100 was amended by section 51 of the Infrastructure Act 2015 (c. 7) and S.I. 2011/2195.

(a) 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; and

(b) does not include a district heating connection;

“certificate of lodgement” means a document entitled “TrustMark Certificate of Lodgement” which sets out the address at which a measure has been installed and the type of measure;

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

“completed”—

(a) in relation to a measure, has the meaning given in paragraph (2)(a);

(b) in relation to an ECO4 project, has the meaning given in paragraph (2)(b);

“data light measure” has the meaning given in article 42(a);

“demonstration action” has the meaning given in article 20(5) of the 2018 Order;

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

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

(a) at least two domestic premises in at least two separate buildings; or

(b) at least three domestic premises located in a single building;

“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;

“ECO3 cost savings” means cost savings within the meaning of article 2 of the 2018 Order, and as determined in accordance with Part 7 of that Order;

“ECO3 innovation measure” means an innovation measure within the meaning of article 21(5) of the 2018 Order;

“ECO3 interim delivery action” means a measure which is a qualifying action by virtue of meeting Condition B in article 11(3);

“ECO3 qualifying action” means a qualifying action within the meaning of article 13(1) of the 2018 Order;

“ECO4 eligible measure” means, in relation to a domestic premises, a measure that would be capable of satisfying Condition A in article 11(2) if installed at the premises;

“ECO4 project” means a project consisting of one or more ECO4 eligible measures installed at the same domestic premises and promoted by the same participant;

“efficient boiler” means a condensing boiler;

“efficient electric storage heater” means an electric storage heater which has a responsiveness rating of more than 0.2 when assessed against the Standard Assessment Procedure(3);

“efficient heating system” means—

(a) a central heating system;

(b) a district heating connection; or

(c) an electric storage heater,

which is not an inefficient heating system;

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(3) The responsiveness ratings for electric storage heaters and other heating systems are set out in table 4a of the Standard Assessment Procedure.

“EFG minimum requirement” means the amount determined under article 6(2)(b) for a participant in respect of a phase;

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

“energy performance certificate”—

- (a) in respect of domestic premises in England and Wales, has the meaning given in regulation 2 of the Energy Performance of Buildings (England and Wales) Regulations 2012(4);
- (b) in respect of domestic premises in Scotland, has the meaning given in regulation 2 of the Energy Performance of Buildings (Scotland) Regulations 2008(5);

“energy performance rating”—

- (a) in respect of domestic premises in England and Wales, has the meaning given in regulation 11 of the Energy Performance of Buildings (England and Wales) Regulations 2012(6);
- (b) in respect of domestic premises in Scotland, has the same meaning as “energy performance indicator” in regulation 2 of the Energy Performance of Buildings (Scotland) Regulations 2008;

“first time heating system” means a wet central heating system installed as part of an ECO4 project at domestic premises—

- (a) which at no point prior to that installation were heated by a wet central heating system; and
- (b) which at no point during the period beginning with 1st April 2022 and ending with the day on which the installation of the wet central heating system is completed, contain an electric storage heater which—
  - (i) has a responsiveness rating of more than 0.2 when assessed against the Standard Assessment Procedure; and
  - (ii) is not broken down or, if it is broken down, can be economically repaired;

“flat in-fill measure” means a measure that meets the condition in article 22 (see paragraph (1) of that article);

“floor area” has the same meaning as in the Standard Assessment Procedure;

“gross income”, in relation to a household, means the combined income of the adult members of that household from all sources before deductions for, or relief from, tax or other statutory charge;

“ground source heat pump” means equipment which generates heat—

- (a) using the heat energy provided by a shared ground loop; or
- (b) by absorbing energy stored in the form of heat in the ground, including water in the ground, or in surface water;

“group”, except in the definition of “help to heat group”, means a group of companies that includes as members of the group at least two companies that are licence-holders, and for the purpose of this definition—

- (a) “company” includes any body corporate; and

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(4) S.I. 2012/3118. Regulation 2 was amended by S.I. 2016/284. There are other amendments which are not relevant.

(5) S.S.I. 2008/309. Regulation 2 was amended by S.S.I. 2012/208 and 2013/12. There are other amendments which are not relevant.

(6) Regulation 11 was amended by S.I. 2014/880, 2015/609 and 2016/284.

- (b) “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(7);

“heating controls” means—

- (a) a thermostat that is connected to a system which provides heat for the purposes of space heating; or
- (b) a type of control listed in section 9.4 of the Standard Assessment Procedure;

“heating measure” means the installation of equipment for the generation of heat, and includes the installation of—

- (a) a central heating system;
- (b) a district heating connection;
- (c) heating controls;

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

“house in-fill measure” means a measure that meets the condition in article 23 (see paragraph (1) of that article);

“hydronic heat pump” means—

- (a) equipment which generates heat by absorbing energy stored in the form of heat in the ambient air; or
- (b) a ground source heat pump,  
that heats fluid circulated in a wet central heating system;

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

- (a) in the case of a central heating system other than an electric heating system—
- (i) includes a non-condensing boiler; or
- (ii) has a peak energy efficiency that is no better than a central heating system falling within sub-paragraph (i);
- (b) in the case of a district heating connection other than an electric heating system, is a connection to a district heating system that—
- (i) includes a non-condensing boiler; or
- (ii) has a peak energy efficiency that is no better than a central heating system falling within paragraph (a)(i); and
- (c) in the case of an electric heating system or an electric storage heater, has a responsiveness rating equal to or less than 0.2 when assessed against the Standard Assessment Procedure;

“in-fill measure” means a flat in-fill measure or a house in-fill measure;

“innovation measure”, except in the definition of “ECO3 innovation measure”, means a standard innovation measure or a substantial innovation measure;

“installation”, except where otherwise stated, includes the carrying out of a repair, and cognate expressions are to be construed accordingly;

“insulation measure” means a measure installed to improve the insulating properties of domestic premises;

“licence-holder” means a person holding one or both of the following—

- (a) a licence under section 6(1)(d) of the Electricity Act 1989(8);
- (b) a licence under section 7A of the Gas Act 1986(9);

“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(10);
- (c) a district council;
- (d) a London borough council;
- (e) the Greater London Authority;
- (f) the Common Council of the City of London;
- (g) the Council of the Isles of Scilly;
- (h) a county borough council;
- (i) a corporate joint committee established by regulations made under Part 5 of the Local Government and Elections (Wales) Act 2021(11); or
- (j) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994(12);

“MCS” means—

- (a) the scheme of that name operated by the MCS Service Company Limited, a company registered in England and Wales with company number 07759366; or
- (b) any equivalent scheme which—
  - (i) is operated by a person accredited to ISO/IEC 17065:2012(13); and
  - (ii) certifies microgeneration products to consistent standards, and for the purposes of this sub-paragraph, “microgeneration” has the same meaning as in the Climate Change and Sustainable Energy Act 2006(14);

“measure description” means, in relation to a measure, a description of the characteristics of the measure;

“mobile home” means a caravan—

- (a) within the meaning of Part 1 of the Caravan Sites and Control of Development Act 1960(15) (disregarding the modification made by section 13(2) of the Caravan Sites Act 1968(16)); and
- (b) which is a dwelling for the purposes of—

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(8) Section 6 was substituted by section 30 of the Utilities Act 2000 (c. 27) and amended by section 89(3) of the Energy Act 2004 (c. 20) and S.I. 2011/2704. There are other amendments which are not relevant.

(9) Section 7A was inserted by section 6(1) of the Gas Act 1995 (c. 45) and amended by section 3(2) of, and Schedule 6 to, the Utilities Act 2000. There are other amendments which are not relevant.

(10) 2009 c. 20. Section 103 was amended by sections 12(2) and 14(2) of the Cities and Local Government Devolution Act 2016 (c. 1).

(11) 2021 asc 1.

(12) 1994 c. 39. Section 2 was amended by paragraph 232 of Schedule 22 to the Environment Act 1995 (c. 25).

(13) ISBN 978 0 580 78472 9. This international standard was published by the British Standards Institution on 31st October 2012. Copies can be purchased at [www.bsigroup.com](http://www.bsigroup.com). A copy can be inspected by contacting the Energy Company Obligation Team at the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET.

(14) 2006 c. 19. See section 26, as amended by S.I. 2008/1767.

(15) 1960 c. 62. See section 29. There are amendments to Part 1 which are not relevant.

(16) 1968 c. 52. There are amendments to section 13 which are not relevant.

- (i) Part 1 of the Local Government Finance Act 1992<sup>(17)</sup> if it is located in England or Wales;
  - (ii) Part 2 of the Local Government Finance Act 1992<sup>(18)</sup> if it is located in Scotland;
- “non-renewable source” means a source of energy or technology not mentioned in section 100(4) of the Energy Act 2008<sup>(19)</sup>;
- “novel data light measure” means a data light measure which is not—
- (a) a type of measure listed in Table A.1, A.2 or A.3 in Annex A to PAS 2030:2019; or
  - (b) a certified product under MCS;
- “off-gas premises” means premises which are not on-gas premises;
- “oil” means liquid hydrocarbons;
- “on-gas premises” means premises which are connected to a pipe-line system operated by a gas transporter<sup>(20)</sup> on 31st March 2022;
- “owner” includes any person who under the Lands Clauses Acts<sup>(21)</sup> would be enabled to sell and convey land to promoters of an undertaking;
- “owner-occupied premises” means domestic premises other than—
- (a) private rented premises; or
  - (b) social housing;
- “participant” has the meaning given in article 4(1) and (2);
- “PAS 2030:2019” means Publicly Available Specification 2030:2019<sup>(22)</sup>;
- “PAS 2035:2019” means Publicly Available Specification 2035:2019<sup>(23)</sup>;
- “peak energy efficiency” means the maximum efficiency at which a central heating system or district heating system, as the case may be, is designed to produce heat;
- “phase” means one of the four phases as follows—
- (a) the period beginning with the commencement date and ending with 31st March 2023 (“phase 1”);
  - (b) the twelve months ending with 31st March 2024 (“phase 2”);
  - (c) the twelve months ending with 31st March 2025 (“phase 3”);
  - (d) the twelve months ending with 31st March 2026 (“phase 4”);
- “pre-installation EPC” means—
- (a) in relation to an ECO4 project, an energy performance certificate that is the most recent of any energy performance certificate issued for the domestic premises within the period of two years and three months ending with the day immediately preceding the day on which the first measure in the project to be installed at the premises is completed;

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<sup>(17)</sup> 1992 c. 14. See section 3, which was amended by S.I. 2013/468.

<sup>(18)</sup> See section 72, which was amended by section 6 of the Non-Domestic Rates (Scotland) Act 2020 (asp 4).

<sup>(19)</sup> Section 100(4) was amended by S.I. 2011/2195.

<sup>(20)</sup> Defined in section 7(1) and 48(1) of the Gas Act 1986.

<sup>(21)</sup> Defined in Schedule 1 to the Interpretation Act 1978 (c. 30).

<sup>(22)</sup> ISBN 978 0 539 15743 7. Titled “Specification for the installation of energy efficiency measures in existing dwellings”. Published by the British Standards Institution on 31st January 2022 as a combined document with PAS 2035:2019. Copies can be purchased at <https://shop.bsigroup.com/products/retrofitting-dwellings-for-improved-energy-efficiency-specification-and-guidance-3/standard>. A copy can be inspected by contacting the Energy Company Obligation Team at the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET.

<sup>(23)</sup> ISBN 978 0 539 15744 4. Titled “Retrofitting dwellings for improved energy efficiency – Specification and Guidance”. Published by the British Standards Institution on 31st January 2022 as a combined document with PAS 2030:2019. See the footnote to PAS 2030:2019 for details of copies.

(b) in relation to an in-fill measure, an energy performance certificate that is the most recent of any energy performance certificate issued for the domestic premises within the period of two years and three months ending with the day immediately preceding the day on which the installation of the in-fill measure at the premises is completed;

“pre-project energy efficiency assessment” means, in relation to an ECO4 project, a SAP assessment or an RdSAP assessment, performed before the day on which the first measure in the project is completed;

“pre-project SAP band” means, in relation to domestic premises where a pre-project energy efficiency assessment is performed, the SAP band which is determined for the premises pursuant to that assessment;

“pre-project SAP rating” means, in relation to domestic premises where a pre-project energy efficiency assessment is performed, the SAP rating which is determined for the premises pursuant to that assessment;

“private domestic premises” means domestic premises other than social housing;

“private rented premises” means—

(a) in respect of domestic premises in England and Wales, private domestic premises which are a domestic PR property within the meaning of regulation 19 of the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015<sup>(24)</sup>;

(b) in respect of domestic premises in Scotland, private domestic premises let under a tenancy to which Chapter 4 of Part 1 of the Housing (Scotland) Act 2006<sup>(25)</sup> applies;

“qualification year” means—

(a) for phase 1, the year 2021;

(b) for phase 2, the year 2022;

(c) for phase 3, the year 2023;

(d) for phase 4, the year 2024;

“qualifying action”, except in the definition of “ECO3 qualifying action” has the meaning given in article 11;

“qualifying supply” means, for each phase—

(a) 300 gigawatt hours of electricity; or

(b) 700 gigawatt hours of gas;

“RdSAP assessment” means an assessment of the energy efficiency of domestic premises using the Reduced Data Standard Assessment Procedure;

“Reduced Data Standard Assessment Procedure” means the Reduced Data Standard Assessment Procedure for Energy Rating of Dwellings (2012 Edition, version 9.92)<sup>(26)</sup>;

“relevant authority” means—

(a) in relation to domestic premises in England, a local authority in whose area the premises are situated;

(b) in relation to domestic premises in Scotland—

(i) the local authority in whose area the premises are situated; or

(ii) the Scottish Government;

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(24) [S.I. 2015/962](#).

(25) [2006 asp 1](#). See section 12 which was amended by Schedule 2 to the Land Reform (Scotland) Act 2016 ([asp 18](#)) and [S.S.I. 2019/61](#) and [2022/32](#).

(26) Published as Appendix 2 of the Standard Assessment Procedure. See the footnote to the definition of “Standard Assessment Procedure” for details of copies.

- (c) in relation to domestic premises in Wales—
- (i) a local authority in whose area the premises are situated; or
  - (ii) the Welsh Government;

“renewable heating system” means equipment for the generation of heat wholly or mainly by means of a source of energy or technology mentioned in section 100(4)(a) or (c) to (h) of the Energy Act 2008;

“rural area” means—

- (a) in respect of an area in England and Wales, an area classified as rural in the “2011 rural-urban classification of output areas” published by the Office for National Statistics in August 2013(27);
- (b) in respect of an area in Scotland, an area classified as rural in the “Scottish Government Urban Rural Classification 2016” published by the Scottish Government in March 2018(28);

“SAP assessment” means an assessment of the energy efficiency of domestic premises using the Standard Assessment Procedure;

“SAP band” means the band running from A to G which is assigned to a SAP rating under the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure;

“SAP rating” means the energy efficiency rating of a building determined in accordance with the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure;

“score” means the contribution made towards a participant’s total home-heating cost reduction obligation by—

- (a) the qualifying actions in an ECO4 project that meets the requirements of article 49;
- (b) a qualifying action which is part of an ECO4 project that does not meet the requirements of article 49;
- (c) a qualifying action which is an in-fill measure, ECO3 interim delivery action or surplus action;

“shared ground loop” means equipment that—

- (a) absorbs energy stored in the form of heat in the ground, including water in the ground, or in surface water; and
- (b) delivers heat through a hydraulic connection to two or more ground source heat pumps, where each ground source heat pump is installed at separate domestic premises;

“social housing” means domestic premises described in Schedule 2;

“social landlord” has the meaning given in paragraph 3 of Schedule 2;

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

“solid wall action” means a qualifying action that is the internal or external insulation of the exterior facing solid walls of uninsulated solid wall premises;

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

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(27) Copies can be accessed at <https://ons.maps.arcgis.com/home/item.html?id=3ce248e9651f4dc094f84a4c5de18655>. A copy can be inspected by contacting the Energy Company Obligation Team at the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET.

(28) Copies can be accessed at <http://www.gov.scot/Publications/2018/03/6040>. A copy can be inspected by contacting the Energy Company Obligation Team at the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET.



“solid wall minimum requirement” means the amount determined under article 6(2)(a) for a participant in respect of a phase;

“standard alternative methodology measure” has the meaning given in article 42(b);

“Standard Assessment Procedure” means the Government’s Standard Assessment Procedure for Energy Rating of Dwellings (2012 Edition, version 9.92)(29);

“standard innovation measure” has the meaning given in article 37(a);

“statement of intent” means, in relation to a relevant authority, a statement that the authority intends to identify households that may benefit from the installation of a measure as part of an ECO4 project;

“substantial innovation measure” has the meaning given in article 37(b).

“surplus action” means an ECO3 qualifying action recognised by the Administrator(30) as a surplus action under article 45(4);

“total EFG minimum requirement” means, in relation to a participant and subject to article 81 (transfer of obligations), the sum of the EFG minimum requirements which are determined for the participant under article 6(2)(b) (see article 10(4)(b) which provides that this is the minimum amount of the participant’s total home-heating cost reduction obligation which must be achieved by promoting qualifying actions which are installed at private domestic premises that have a SAP band of E, F or G, and are not surplus actions, in-fill measures or ECO3 interim delivery actions);

“total home-heating cost reduction obligation”, except in article 45, means, in relation to a participant and subject to article 81, the sum of the home-heating cost reduction obligations(31) which are determined for the participant under article 6(1);

“total solid wall minimum requirement” means, in relation to a participant and subject to article 81, the sum of the solid wall minimum requirements which are determined for the participant under article 6(2)(a) (see article 10(4)(a) which provides that this is the minimum number of domestic premises at which the participant must promote a solid wall action);

“TrustMark” means the scheme of that name operated by TrustMark (2005) Limited, a company registered in England and Wales with company number 05480144;

“TrustMark Data Warehouse” means the repository of information of that name(32)—

(a) held by the operator of TrustMark; and

(b) holding information about—

- (i) assessments of domestic premises made in accordance with PAS 2035:2019; and
- (ii) work undertaken to improve the energy efficiency of domestic premises;

“uninsulated solid wall premises” means, in relation to premises at which a qualifying action is installed, domestic premises—

(a) with at least one exterior facing wall, where—

- (i) at least 50%, by area, of the exterior facing walls are solid walls; and
- (ii) before the installation of the qualifying action takes place, at least 50%, by area, of the exterior facing solid walls do not have internal or external insulation; and

(29) Copies can be accessed at <https://www.bregroup.com/sap/standard-assessment-procedure-sap-2012/>. A copy can be inspected by contacting the Energy Company Obligation Team at the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET.

(30) The Administrator is the Gas and Electricity Markets Authority. See section 33BD(2)(a) of the Gas Act 1986 and section 41B(2)(a) of the Electricity Act 1989.

(31) See section 33BD(1) of the Gas Act 1986 and section 41B(1) of the Electricity Act 1989 for the definition of “home-heating cost reduction obligation”.

(32) Information about the TrustMark Data Warehouse can be found at <https://www.trustmark.org.uk/data-warehouse>

- (b) which are not a mobile home;  
“wet central heating system” means a central heating system in which heated fluid circulates between a boiler or other heat source and one or more separate heat emitters.
- (2) For the purposes of this Order—
  - (a) a measure is completed when the installation of the measure is completed;
  - (b) an ECO4 project is completed when, of the measures that are notified to the Administrator in accordance with article 43, the last measure in the project to be completed is completed.
- (3) For the purposes of this Order, an efficient heating system or a renewable heating system is of the same kind as another efficient heating system or renewable heating system if—
  - (a) they are—
    - (i) both central heating systems;
    - (ii) both district heating connections;
    - (iii) both electric storage heaters; or
    - (iv) both renewable heating systems not referred to in paragraphs (i) to (iii);
  - (b) both generate heat, or distribute heat that has been generated, by means of the same source of energy or technology; and
  - (c) in the case of an electric heating system or electric storage heater, both have a responsiveness rating greater than 0.2 when assessed against the Standard Assessment Procedure.