
DRAFT STATUTORY INSTRUMENTS

2022 No.

The Electricity and Gas (Energy
Company Obligation) Order 2022

PART 10

Scores

CHAPTER 4

Calculating partial project scores

Interpretation: definitions related to formulae

66. In this Chapter—

“BFR” is “the building fabric repair increase” and is the amount determined in accordance with article 74 (addition to the annual cost savings for certain qualifying actions incurring building fabric repair expenditure);

“C” is—

- (a) 1.1, where the qualifying action meets the condition in article 21 (measures accompanied by a declaration from a relevant authority or participant and Secretary of State approval);
- (b) otherwise, 1;

“D” is 0.8 (being a deflator for a partial project score);

“F” is—

- (a) 0.2, where the floor area of the domestic premises is less than 73m²;
- (b) 0.1, where the floor area of the premises is between 73m² and 97m² (both inclusive); and
- (c) 0, where the floor area of the premises is greater than 97m²;

“IM” is the amount determined in accordance with article 73 (addition to the annual cost savings for certain innovation measures);

“KM” is the determined cost savings for the qualifying action in question;

“OGR” is—

- (a) 0.35, where the domestic premises are—
 - (i) off-gas premises; and
 - (ii) in a rural area in Scotland or Wales;
- (b) otherwise, 0.

Partial project score for basic heating repair or replacement measures: calculation

67.—(1) This article applies for the purpose of calculating the partial project score to be given to a qualifying action which—

- (a) is part of an ECO4 project that does not meet the requirements of article 49; and
 - (b) is a basic heating repair or replacement measure.
- (2) The Administrator must determine the amount of annual cost savings for the qualifying action in accordance with paragraph (3).
- (3) The amount of annual cost savings for the qualifying action is—
- (a) £0, where—
 - (i) the heating measure limit in paragraph (4) applies to the qualifying action;
 - (ii) the participant’s heating repair allowance is exhausted, and the qualifying action is the repair of—
 - (aa) an efficient boiler; or
 - (bb) equipment for the generation of heat wholly or partly from biofuel, oil or liquefied petroleum gas; or
 - (iii) the participant’s heating replacement allowance is exhausted, and the qualifying action is the replacement of—
 - (aa) an efficient boiler with another efficient boiler; or
 - (bb) an efficient heating system with another efficient heating system of the same kind, other than where the efficient heating system being replaced is a district heating connection or a renewable heating system;
 - (b) $£140 \times (1 + F)$, in any other case.
- (4) The heating measure limit in this paragraph applies to a qualifying action if before the Administrator determines the amount of annual cost savings for the qualifying action—
- (a) another basic heating repair or replacement measure forming part of the same ECO4 project as the qualifying action in question has had its annual cost savings determined by the Administrator in accordance with paragraph (3); and
 - (b) the amount of annual cost savings for that other basic heating repair or replacement measure was determined to be at least £140.
- (5) For the purpose of paragraph (3)(a), the Administrator must determine, in accordance with article 69, whether the participant’s heating repair allowance or heating replacement allowance is exhausted.
- (6) Where the determined cost savings for the qualifying action is at least £140, the partial project score for the qualifying action is the result of the following formula—
- $$(KM \times C + IM + BFR) \times D.$$
- (7) Where the determined cost savings for the qualifying action is £0, the partial project score for the qualifying action is £0.

Partial project score for repairs and replacements of certain electric storage heaters

68.—(1) This article applies for the purpose of calculating the partial project score to be given to a qualifying action which—

- (a) is part of an ECO4 project that does not meet the requirements of article 49; and
- (b) is—
 - (i) the repair of an efficient electric storage heater; or
 - (ii) the replacement of an efficient electric storage heater with another efficient electric storage heater.

(2) The Administrator must determine the amount of annual cost savings for the qualifying action in accordance with paragraph (3).

(3) The amount of annual cost savings for the qualifying action is—

(a) £0, where—

(i) the participant's heating repair allowance is exhausted, and the qualifying action is the repair of an efficient electric storage heater; or

(ii) the participant's heating replacement allowance is exhausted, and the qualifying action is the replacement of an efficient electric storage heater with another efficient electric storage heater;

(b) $£40 \times (1 + F)$, in any other case.

(4) For the purpose of paragraph (3)(a), the Administrator must determine, in accordance with article 69, whether the participant's heating repair allowance or heating replacement allowance is exhausted.

(5) Where the determined cost savings for the qualifying action is at least £40, the partial project score for the qualifying action is the result of the following formula—

$(KM \times C + IM + BFR) \times D$.

(6) Where the determined cost savings for the qualifying action is £0, the partial project score for the qualifying action is £0.

Determination whether the heating repair or heating replacement allowance is exhausted

69.—(1) This article applies for the purposes of articles 67 and 68.

(2) A participant's heating repair allowance is exhausted unless X is less than the participant's heating repair allowance, where "X" is the sum of—

(a) the number of ECO4 projects promoted by the participant—

(i) which include a capped heating repair measure; and

(ii) for which the Administrator has given a positive score under article 47(1)(b) before the qualifying action in question;

(b) the number of ECO4 projects promoted by the participant which include a qualifying action—

(i) which is a capped heating repair measure; and

(ii) for which the Administrator has given a positive score under article 47(1)(c)(i) before the qualifying action in question;

(c) the number of ECO3 interim delivery actions promoted by the participant—

(i) which are capped heating repair measures; and

(ii) for which the Administrator has given a positive score under article 47(1)(c)(iii) before the qualifying action in question.

(3) A participant's heating replacement allowance is exhausted unless Y is less than the participant's heating replacement allowance, where "Y" is the sum of—

(a) the number of ECO4 projects promoted by the participant—

(i) which include a capped heating replacement measure; and

(ii) for which the Administrator has given a positive score under article 47(1)(b) before the qualifying action in question;

(b) the number of ECO4 projects promoted by the participant which include a qualifying action—

- (i) which is a capped heating replacement measure; and
- (ii) for which the Administrator has given a positive score under article 47(1)(c)(i) before the qualifying action in question;
- (c) the number of ECO3 interim delivery actions and surplus actions promoted by the participant—
 - (i) which are capped heating replacement measures; and
 - (ii) for which the Administrator has given a positive score under article 47(1)(c)(iii) before the qualifying action in question.

Partial project score for district heating connections

70.—(1) This article applies for the purpose of calculating the partial project score to be given to a qualifying action which—

- (a) is part of an ECO4 project that does not meet the requirements of article 49;
- (b) is a district heating connection;
- (c) is not the replacement of an efficient heating system with another efficient heating system of the same kind; and
- (d) is not a repair.

(2) Where this article applies, the score is calculated in accordance with the following formula—
 $(KM \times (C + OGR) + BFR) \times D$.

(3) For the purpose of determining the annual cost savings achieved by a district heating connection (“the relevant connection”), a participant may apply to the Administrator in writing for approval of a methodology other than the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure (an “alternative methodology”).

- (4) An application under paragraph (3) must be made—
 - (a) in the case of a district heating connection installed before the commencement date, before the measure is notified to the Administrator under article 43;
 - (b) in any other case, before the relevant connection is installed.
- (5) The Administrator may approve an alternative methodology if—
 - (a) it is satisfied that—
 - (i) neither the Standard Assessment Procedure nor the Reduced Data Standard Assessment Procedure contain an appropriate methodology for determining the annual cost savings achieved by the relevant connection; and
 - (ii) the alternative methodology is an appropriate methodology for determining the annual cost savings achieved by the relevant connection; or
 - (b) the alternative methodology is published by, or on behalf of, the Secretary of State as a replacement for the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure.

Partial project score for data light measures and standard alternative methodology measures

71.—(1) This article applies for the purpose of calculating the partial project score to be given to a qualifying action which—

- (a) is part of an ECO4 project that does not meet the requirements of article 49;
- (b) is either—

- (i) a data light measure; or
 - (ii) a standard alternative methodology measure; and
- (c) is not—
- (i) the replacement of an efficient boiler with another efficient boiler; or
 - (ii) the replacement of an efficient heating system with another efficient heating system of the same kind.

(2) Where the qualifying action to which this article applies is a standard alternative methodology measure, the partial project score is calculated in accordance with the following formula—

$(KM \times (C + OGR) + IM + BFR) \times D$.

(3) Where the qualifying action to which this article applies is a data light measure which is within the participant's data light measure allowance, the partial project score is calculated in accordance with the formula in paragraph (2).

(4) Where the qualifying action to which this article applies is a data light measure which is not within the participant's data light measure allowance, the partial project score is £0.

(5) For the purposes of this article, a data light measure is only within a participant's data light measure allowance if X is less than the participant's total data light measure allowance, where "X" is the sum of—

- (a) the number of data light measures which are—
 - (i) qualifying actions forming part of an ECO4 project promoted by the participant for which the Administrator has given a positive score under article 47(1)(b) before the data light measure in question; and
 - (ii) of the same data light measure description as the data light measure in question;
- (b) the number of data light measures which are—
 - (i) qualifying actions promoted by the participant for which the Administrator has given a positive score under article 47(1)(c)(i) or (ii) before the data light measure in question; and
 - (ii) of the same data light measure description as the data light measure in question.

Partial project score for other qualifying actions in an ECO4 project

72.—(1) This article applies for the purpose of calculating the partial project score to be given to a qualifying action which—

- (a) is part of an ECO4 project that does not meet the requirements of article 49; and
- (b) is not a qualifying action to which one of articles 67 to 71 applies.

(2) Where this article applies, the partial project score is calculated in accordance with the following formula—

$(KM \times (C + OGR) + IM + BFR) \times D$.

Partial project scores: innovation measure uplift

73.—(1) This article applies for the purpose of determining the value of "IM" in the formulae in this Chapter for calculating the partial project score to be given to a qualifying action.

(2) Where the qualifying action is an innovation measure, the Administrator must—

- (a) determine, in accordance with paragraph (4), whether the participant's general innovation allowance is exhausted; and

- (b) if the participant’s general innovation allowance is not exhausted, determine, in accordance with paragraph (5), whether the qualifying action is an uplift eligible innovation measure.
- (3) “IM” is—
 - (a) £0, where—
 - (i) the qualifying action is not an innovation measure;
 - (ii) the participant’s general innovation allowance is exhausted; or
 - (iii) the qualifying action is not an uplift eligible innovation measure;
 - (b) in any other case, the amount calculated as the innovation measure uplift for the innovation measure (see article 58(4)).
- (4) Article 59 (determination whether general innovation allowance is exhausted) applies for the purposes of this article as it applies for the purposes of article 58, except that in article 59, for references to “the ECO4 project in question” substitute “the qualifying action in question”.
- (5) Article 60 (determination whether a measure is an uplift eligible innovation measure) applies for the purposes of this article as it applies for the purposes of articles 58 and 59.

Partial project scores: building fabric repair increase

74.—(1) This article applies for the purpose of determining the amount of the building fabric repair increase (“BFR”) in the formulae in this Chapter for calculating the partial project score to be given to a qualifying action.

- (2) For the purposes of this article, the Administrator must—
 - (a) determine the amount of building fabric repair expenditure in connection with the qualifying action in accordance with paragraphs (3) and (4); and
 - (b) if the amount of building fabric repair expenditure in connection with the qualifying action is £50 or more, determine, in accordance with paragraph (7), whether the participant’s building fabric repair allowance is exhausted.
- (3) Where the qualifying action is—
 - (a) the only qualifying action in the ECO4 project; or
 - (b) the final qualifying action in the project to have been completed,
 the amount of building fabric repair expenditure in connection with the qualifying action is the amount determined in connection with the ECO4 project in accordance with article 62.
- (4) Where the qualifying action is not—
 - (a) the only qualifying action in the ECO4 project; or
 - (b) the final qualifying action in the project to have been completed,
 the amount of building fabric repair expenditure in connection with the qualifying action is £0.
- (5) The building fabric repair increase (“BFR”) is—
 - (a) £0, where—
 - (i) the amount of building fabric repair expenditure in connection with the qualifying action is less than £50; or
 - (ii) where the participant’s building fabric repair allowance is exhausted;
 - (b) in any other case, the amount calculated in accordance with the following formula—

$$Q / \pounds 17.83.$$
- (6) In paragraph (5)(b), “Q” has the same meaning as in article 61(4).

(7) Article 63 (determination whether building fabric repair allowance is exhausted) applies for the purposes of this article as it applies for the purposes of article 61, except that in article 63, for references to “the ECO4 project in question” substitute “the qualifying action in question”.

Publication of annual cost savings methodology: data light measures and standard alternative methodology measures

75.—(1) The Administrator must publish, on its website, a methodology for the purpose of determining the annual cost savings of each data light measure and each standard alternative methodology measure.

(2) Under the methodology published by the Administrator—

(a) the initial determination of the annual cost savings must be based on—

(i) the pre-project SAP rating; and

(ii) the methodology stated in accordance with article 38(2)(a)(iii) in the application for the data light measure or standard alternative methodology measure that was approved by the Administrator in accordance with article 39 or 40;

(b) the result of the initial determination referred to in sub-paragraph (a) must be reduced by 10% in order to calculate the adjusted cost savings; and

(c) the annual cost savings must finally be determined in accordance with the following formula—

$$AKM + (IKM \times F).$$

(3) In paragraph (2)(c)—

“AKM” is the adjusted cost savings calculated in accordance with paragraph (2)(b);

“IKM” is the initial determination of the annual cost savings referred to in paragraph (2)(a).

Publication of annual cost savings methodology: other qualifying actions

76.—(1) The Administrator must publish, on its website, a methodology for the purpose of determining the annual cost savings of a qualifying action other than a data light measure, a standard alternative methodology measure, a basic heating repair or replacement measure or a qualifying action referred to in article 68(1)(b).

(2) Under the methodology published by the Administrator—

(a) the initial determination of the annual cost savings must—

(i) be based on—

(aa) the pre-project SAP rating; and

(bb) the impact the qualifying action would have on the SAP rating of the domestic premises; and

(ii) where the qualifying action is the installation of cavity wall insulation or loft insulation, which forms part of an ECO4 project which includes an item of work—

(aa) to which article 62(2) applies; and

(bb) which is the extraction of cavity wall insulation or loft insulation,

take into account any impact that work would have on the SAP rating of the domestic premises as compared to the pre-project SAP rating;

(b) the result of the initial determination referred to in sub-paragraph (a) must be reduced by 10 % in order to calculate the adjusted cost savings; and

(c) the annual cost savings must finally be determined in accordance with the following formula—

$$AKM + (IKM \times F).$$

(3) In paragraph (2)(c)—

“AKM” is the adjusted cost savings calculated in accordance with paragraph (2)(b);

“IKM” is the initial determination of the annual cost savings referred to in paragraph (2)(a).

(4) Before publishing a methodology under this article, the Administrator must have regard to the Standard Assessment Procedure and the Reduced Data Standard Assessment Procedure.