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DRAFT STATUTORY INSTRUMENTS

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**2022 No.**

The Electricity and Gas (Energy  
Company Obligation) Order 2022

PART 9

Surplus actions

**Surplus actions**

**45.**—(1) This article applies where the Administrator has determined under article 36 of the 2018 Order that a relevant supplier has met its ECO3 total home-heating cost reduction obligation.

(2) Where this article applies, the relevant supplier may apply to the Administrator in writing on or before 31st June 2023 for an ECO3 qualifying action to be recognised as a surplus action.

(3) The application must give details of the ECO3 qualifying action which the relevant supplier considers constitutes a surplus action.

(4) The Administrator must recognise an ECO3 qualifying action as a surplus action if it is satisfied that—

- (a) the ECO3 qualifying action was promoted by the relevant supplier, or treated as promoted by the relevant supplier for the purposes of the 2018 Order (see article 34(6) of the 2018 Order);
- (b) the ECO3 qualifying action was not required by the relevant supplier to meet any of its obligations under the 2018 Order;
- (c) the ECO3 qualifying action is not—
  - (i) a repair;
  - (ii) a demonstration action;
  - (iii) the installation of equipment for the generation of heat wholly or partly from biofuel, oil or liquefied petroleum gas; or
  - (iv) the installation of a connection to a district heating system that delivers heat generated wholly or partly from biofuel, oil or liquefied petroleum gas; and
- (d) recognition of the ECO3 qualifying action as a surplus action would not cause the sum of the ECO3 cost savings attributable to the ECO3 qualifying actions promoted by the relevant supplier and recognised by the Administrator as surplus actions under this Part to exceed 10% of the relevant supplier’s ECO3 total home-heating cost reduction obligation.

(5) In this article—

“ECO3 total home-heating cost reduction obligation” means, in relation to a relevant supplier, the relevant supplier’s total home-heating cost reduction obligation within the meaning of the 2018 Order (see article 2 of that Order);

“relevant supplier” means a licence-holder on whom a home-heating cost reduction obligation was imposed under the 2018 Order.