

2014 No. 2897

ELECTRICITY

GAS

**The Electricity and Gas (Energy Companies Obligation)
(Determination of Savings) (Amendment) Order 2014**

<i>Made</i>	- - - -	<i>3rd November 2014</i>
<i>Laid before Parliament</i>		<i>5th November 2014</i>
<i>Coming into force</i>	- -	<i>1st December 2014</i>

The Secretary of State makes this Order in exercise of the powers conferred by sections 33BC and 33BD of the Gas Act 1986(a) and sections 41A and 41B of the Electricity Act 1989(b).

The Secretary of State has consulted the Gas and Electricity Markets Authority, the National Consumer Council(c), electricity generators, electricity distributors, electricity suppliers, gas transporters, gas suppliers and such other persons as the Secretary of State considers appropriate.

Citation and commencement

1. This Order may be cited as the Electricity and Gas (Energy Companies Obligation) (Determination of Savings) (Amendment) Order 2014 and comes into force on 1st December 2014.

Amendments to the Electricity and Gas (Energy Companies Obligation) Order 2012

2. The Electricity and Gas (Energy Companies Obligation) Order 2012(d) is amended as follows.

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- (a) 1986 c.44. Section 33BC was inserted (as section 33BB) by section 10(1) of, and paragraph 36 of Schedule 3 to, the Gas Act 1995 (c.45). Section 33BB was substituted by (and renumbered as) section 33BC by section 99 of the Utilities Act 2000 (c.27). This section was also amended by sections 15 and 17 of, and paragraphs 1 and 2 of the Schedule to, the Climate Change and Sustainable Energy Act 2006 (c.19) and section 79 of, and paragraph 1 of Schedule 8 to, the Climate Change Act 2008 (c.27). Section 66 of the Energy Act 2011 (c.16) also amends this section. Section 33BD was inserted by the Energy Act 2011.
- (b) 1989 c.29. Section 41A was substituted for section 41 by section 70 of the Utilities Act 2000 and amended by sections 16 and 17 of, and paragraphs 4 and 5 of the Schedule to, the Climate Change and Sustainable Energy Act 2006 and section 79 of, and paragraphs 2 to 5 of Schedule 8 to, the Climate Change Act 2008. Section 67 of the Energy Act 2011 also amends this section. Section 41B was inserted by section 69 of the Energy Act 2011.
- (c) The National Consumer Council replaced the Gas and Electricity Consumer Council, see section 30 of the Consumers, Estate Agents and Redress Act 2007 (c.17).
- (d) S.I. 2012/3018, as amended by S.I. 2014/1131.

Amendments to article 2

3. In article 2 (interpretation)—

- (a) after the definition of “qualifying supply” insert—

““RdSAP 2012” means the Government’s Reduced Data Standard Assessment Procedure for energy ratings of existing dwellings (2012 Edition, version 9.92)(a);”;
- (b) after the definition of “Standard Assessment Procedure” insert—

““Standard Assessment Procedure 2012” means the Government’s Standard Assessment Procedure for energy rating of dwellings (2012 Edition, version 9.92)(b);”.

Amendments to article 16

4. In article 16 (notifications of qualifying actions and adjoining installations)—

- (a) in paragraph (6)—
 - (i) omit the “or” at the end of sub-paragraph (a);
 - (ii) after sub-paragraph (a), insert—

“(aa) in accordance with the following formula—

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

where—

 - (i) “A” is the carbon dioxide equivalent saving for the qualifying action, determined in accordance with the Standard Assessment Procedure 2012 or RdSAP 2012; and
 - (ii) “B” is the relevant in-use factor; or”;
- (b) in paragraph (7)(a)—
 - (i) in paragraph (i), after “the Standard Assessment Procedure” insert “or the Standard Assessment Procedure 2012”;
 - (ii) in paragraph (ii), after “the Reduced Data Standard Assessment Procedure” insert “or RdSAP 2012”;
- (c) for paragraph (14) substitute—

“(14) In this article—

“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(c);

“relevant calendar month” means—

 - (a) a calendar month in the overall obligation period for the supplier (but excluding January and February 2013 if those months would otherwise form part of that period); and
 - (b) April 2015;

“tonne of carbon dioxide equivalent” means—

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- (a) The Government’s Reduced Data Standard Assessment Procedure for Energy Rating of Dwellings (2012 Edition, version 9.92) is at Appendix S of the document entitled “The Government’s Standard Assessment Procedure for the Energy Rating of Dwellings 2012 edition” which can be accessed at http://www.bre.co.uk/filelibrary/SAP/2012/SAP-2012_9-92.pdf. A copy can be inspected at the Department of Energy and Climate Change, 3 Whitehall Place, London, SW1A 2AW.
 - (b) The Government’s Standard Assessment Procedure for Energy Rating of Dwellings (2012 version 9.92) can be accessed at http://www.bre.co.uk/filelibrary/SAP/2012/SAP-2012_9-92.pdf. A copy can be inspected at the Department of Energy and Climate Change, 3 Whitehall Place, London, SW1A 2AW.
 - (c) 2008 c.27.

- (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).”.

Amendments to article 17

- 5. In article 17(2) (determining savings for a qualifying boiler repair and replacement)—
 - (a) in sub-paragraph (a) of the definition of “A”, after “the Standard Assessment Procedure” insert “or the Standard Assessment Procedure 2012”;
 - (b) in sub-paragraph (b) of the definition of “A”, after “the Reduced Data Standard Assessment Procedure” insert “or RdSAP 2012”.

Amendments to article 18

- 6. In article 18 (approval of an appropriate methodology for carbon saving or cost saving)—
 - (a) in paragraph (1), for “the Standard Assessment Procedure or the Reduced Standard Assessment Procedure” substitute “the prescribed methodologies”;
 - (b) in paragraph (3)(a), for “the Reduced Data Standard Assessment Procedure and the Standard Assessment Procedure” substitute “the prescribed methodologies”;
 - (c) after paragraph (4) insert—

“(5) In this article, “the prescribed methodologies” means the Standard Assessment Procedure, the Standard Assessment Procedure 2012, the Reduced Data Standard Assessment Procedure and RdSAP 2012.”.

3rd November 2014

Amber Rudd
Parliamentary Under Secretary of State
Department of Energy and Climate Change

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Electricity and Gas (Energy Companies Obligation) Order 2012 (S.I. 2012/3018), as amended by S.I. 2014/1131 (the “ECO Order”).

This Order enables the calculation of carbon savings and cost savings for qualifying actions installed under the ECO Order to be carried out using new versions of the Standard Assessment Procedure (“SAP”) and the Reduced Data Standard Assessment Procedure (“RdSAP”), as well as the 2009 versions of these methodologies which are already provided for in the ECO Order. Accordingly, it amends articles 16 and 17 of the ECO Order, which set out how carbon savings and cost savings are to be determined.

The new versions of SAP and RdSAP produce estimates of the amount of carbon dioxide equivalent that a measure will save. This is an estimate of the extent to which an energy efficiency measure is expected to reduce the global warming potential of methane and nitrous oxide, as well as carbon dioxide. Accordingly, article 4(1)(a) amends article 16(6) of the ECO Order to provide that the carbon dioxide equivalent saving determined under the new versions of SAP or RdSAP is to be multiplied by a conversion factor of 0.925 to convert it into an estimate of the extent to which the measure is expected to reduce carbon dioxide emissions.

This Order also amends article 18 of the ECO Order to provide that the Authority may only approve an alternative methodology for the determination of carbon or cost savings for a particular action if none of the 2009 or 2012 versions of SAP or RdSAP contain a methodology for determining those savings.

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