

2019 No. 1441

ELECTRICITY

GAS

**The Electricity and Gas (Energy Company Obligation)
(Amendment) Order 2019**

<i>Made</i> - - - -	<i>30th October 2019</i>
<i>Laid before Parliament</i>	<i>31st October 2019</i>
<i>Coming into force</i> - -	<i>1st January 2020</i>

The Secretary of State makes this Order in exercise of the powers conferred by section 33BD of the Gas Act 1986(a) and section 41B of the Electricity Act 1989(b), with the agreement of the Scottish Ministers(c).

The Secretary of State has consulted the Gas and Electricity Markets Authority, the National Association of Citizens Advice Bureaux, the Scottish Association of Citizens Advice Bureaux, 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 Company Obligation) (Amendment) Order 2019 and comes into force on 1st January 2020.

Amendments to the Electricity and Gas (Energy Company Obligation) Order 2018

2. The Electricity and Gas (Energy Company Obligation) Order 2018(d) is amended as follows.

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- (a) 1986 c.44. Section 33BD was inserted by section 68 of the Energy Act 2011 (c.16). Section 33BD(4) of the Gas Act 1986 applies with modifications certain subsections of section 33BC of the Gas Act 1986 to an order made under section 33BD. By virtue of section 33BC(12A) as applied by section 33BD(4) of the Gas Act 1986, this Order does not attract the affirmative procedure.
- (b) 1989 c.29. Section 41B was inserted by section 69 of the Energy Act 2011. Section 41B(4) of the Electricity Act 1989 applies with modifications certain subsections of section 41A of the Electricity Act 1989 to an order made under section 41B. By virtue of section 41A(12A) as applied by section 41B(4) of the Electricity Act 1989, this Order does not attract the affirmative procedure.
- (c) Notwithstanding section 33BDA of the Gas Act 1986 and section 41BA of the Electricity Act 1989, as inserted by section 59 of the Scotland Act 2016 (c.11), the Secretary of State may, by virtue of section 33BDA(10) of the Gas Act 1986 and section 41BA(10) of the Electricity Act 1989, make provision under section 33BD of the Gas Act 1986 and section 41B of the Electricity Act 1989 for the purposes of the obligations imposed under those sections in relation to Scotland, with the agreement of the Scottish Ministers.
- (d) S.I. 2018/1183.

Amendments to article 2 (interpretation)

3. In article 2, after the definition of “participant”, insert—

““PAS 2030:2019” means Publicly Available Specification 2030:2019(a);

“PAS 2030:2019 certified installer” means, in relation to a measure, a person who is certified, by a certification body or organisation accredited to EN ISO/IEC 17065:2012(b), as compliant with those parts of PAS 2030:2019 that apply to the measure;

“PAS 2035:2019” means Publicly Available Specification 2035:2019(c);”.

Amendments to article 14 (measures installed at private domestic premises)

4. In article 14(3)(b)—

(a) at the end of paragraph (i), omit “or”;

(b) at the end of paragraph (ii), insert “or”;

(c) after paragraph (ii), insert—

“(iii) a first time heating system.”.

Amendments to article 16 (measures installed at E, F or G social housing)

5. In article 16—

(a) in paragraph (1)(b)(iv), omit “, other than the installation of a district heating connection to uninsulated premises”;

(b) omit paragraph (4).

Amendments to article 17 (measures accompanied by a statement from a local authority)

6. In article 17, in paragraph (3)(c)—

(a) at the end of paragraph (i), omit “or”;

(b) at the end of paragraph (ii), insert “or”;

(c) after paragraph (ii), insert—

“(iii) a first time heating system.”.

Substitution of article 18 (installation standards, warranties and consumer protection)

7. For article 18, substitute—

“Installation standards, warranties and consumer protection

18.—(1) Where the installation of a measure is completed before 1st July 2021, that measure meets the requirements of this article if—

(a) the measure is installed in accordance with paragraph (2);

(b) subject to paragraph (3)—

(i) the measure is installed by, or under the responsibility of, a person who is registered with TrustMark for the purposes of that measure; and

(a) ISBN 978 0 580 99563 7. This specification for the installation of energy efficiency measures in existing dwellings and insulation in residential park homes was published by the British Standards Institution on 30th June 2019.

(b) ISBN 978 0 580 78472 9. This international standard was published by the British Standards Institution on 31st October 2012.

(c) ISBN 978 0 580 99564 4. This specification and guidance for retrofitting dwellings for improved energy efficiency was published by the British Standards Institution on 30th June 2019.

- (ii) a certificate of lodgement is issued by the operator of TrustMark in respect of the measure;
 - (c) in the case of the installation of a district heating connection, the measure meets one of the conditions in paragraph (4);
 - (d) in the case of the installation of a boiler—
 - (i) in the case of a repair, the measure is accompanied by a warranty for at least two years;
 - (ii) in any other case, the measure is accompanied by a warranty that meets the requirements set out in Schedule 3; and
 - (e) in the case of the installation of an electric storage heater, the measure is accompanied by a warranty for at least two years.
- (2) A measure is installed in accordance with this paragraph if the measure—
- (a) is referred to in PAS 2030:2017 and is installed in accordance with PAS 2030:2017 by, or under the responsibility of, a PAS 2030:2017 certified installer;
 - (b) is referred to in PAS 2030:2019 and is installed in accordance with PAS 2030:2019 and PAS 2035:2019 by, or under the responsibility of, a PAS 2030:2019 certified installer;
 - (c) is not referred to in PAS 2030:2017 and is installed by a person of appropriate skill and experience; or
 - (d) is not referred to in PAS 2030:2019 and is installed by a person of appropriate skill and experience.
- (3) Paragraph (1)(b) does not apply where the measure—
- (a) is a demonstration action;
 - (b) is a district heating connection which falls within paragraph (4)(a) or (b); or
 - (c) is subject to arrangements for quality assurance and consumer protection, including arrangements for repairs and other remedies, which are equivalent to the requirements under TrustMark.
- (4) The installation of a district heating connection meets one of the conditions in this paragraph if—
- (a) it is a connection to a district heating system registered with the Heat Trust Scheme;
 - (b) it is subject to arrangements for consumer protection which are equivalent to the requirements under the Heat Trust Scheme; or
 - (c) it includes the installation of a ground source heat pump at the domestic premises.
- (5) Where the installation of a measure is completed on or after 1st July 2021, that measure meets the requirements of this article if—
- (a) in the case of a measure which—
 - (i) is a demonstration action;
 - (ii) is a district heating connection which falls within paragraph (4)(a) or (b); or
 - (iii) is subject to arrangements for quality assurance and consumer protection, including arrangements for repairs and other remedies, which are equivalent to the requirements under TrustMark,
 the measure is installed in accordance with paragraph (6);
 - (b) in the case of a measure which does not fall within sub-paragraph (a)(i) to (iii)—
 - (i) the measure is installed by, or under the responsibility of, a person who is registered with TrustMark for the purposes of that measure; and
 - (ii) a certificate of lodgement is issued by the operator of TrustMark in respect of the measure;

- (c) in the case of the installation of a district heating connection, the measure meets one of the conditions in paragraph (4); and
 - (d) in the case of the installation of a boiler which is not a repair, the measure is accompanied by a warranty that meets the requirements set out in Schedule 3.
- (6) A measure is installed in accordance with this paragraph if the measure—
- (a) is referred to in PAS 2030:2019 and is installed in accordance with PAS 2030:2019 and PAS 2035:2019 by, or under the responsibility of, a PAS 2030:2019 certified installer; or
 - (b) is not referred to in PAS 2030:2019 and is installed by a person of appropriate skill and experience.
- (7) In this article—
- “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;
- “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;
- “Heat Trust Scheme” means the scheme operated by Heat Customer Protection Ltd, a company registered in England and Wales with company number 09456667;
- “PAS 2030:2017” means Publicly Available Specification 2030:2017(a);
- “PAS 2030:2017 certified installer” means, in relation to a measure, a person who is certified, by a certification body or organisation accredited to EN ISO/IEC 17065:2012, as compliant with those parts of PAS 2030:2017 that apply to the measure;
- “shared ground loop” means equipment which—
- (a) absorbs energy stored in the form of heat in the ground, including water in the ground, or in surface water; and
 - (b) provides heat energy through a hydraulic connection to two or more ground source heat pumps;
- “TrustMark” means the scheme of that name operated by TrustMark (2005) Limited, a company registered in England and Wales with company number 05480144.”.

Amendments to article 19 (additional requirements to be met by heating measures)

8. In article 19—

- (a) in paragraph (1), after sub-paragraph (c), insert—
 - “(ca) is not the installation of a first time heating system at uninsulated premises;”;
- (b) at the end of paragraph (2), insert—
 - ““room-in-roof” means, in relation to insulation, insulation of the ceiling and walls of a room in the roof space of a building;
 - “uninsulated premises” means premises other than a mobile home—
 - (a) which include the top floor of the building in which they are located and which—
 - (i) do not have flat roof, loft, rafter or room-in-roof insulation; and
 - (ii) are premises at which flat roof, loft, rafter or room-in-roof insulation can be installed; or

(a) ISBN 978 0 580 82569 9. This specification for the installation of energy efficiency measures in existing buildings was published by the British Standards Institution on 31st January 2017.

- (b) which have exterior facing cavity walls which—
 - (i) can be insulated; and
 - (ii) are not insulated.”.

Amendments to article 27 (the score for district heating connections)

9. In article 27—

- (a) for paragraph (2), substitute—

“(2) Where this article applies, the score is calculated by determining the cost savings for the qualifying action in accordance with the following formulae—

- (a) in the case of a qualifying action which meets the conditions in paragraph (2A)—

$$K \times L \times 1.2$$

- (b) in all other cases—

$$K \times L”;$$

- (b) after paragraph (2), insert—

“(2A) A qualifying action meets the conditions in this paragraph if the qualifying action is a measure which—

- (a) is referred to in PAS 2030:2019;
- (b) is installed in accordance with PAS 2030:2019 and PAS 2035:2019 by, or under the responsibility of, a PAS 2030:2019 certified installer; and
- (c) is completed before 1st July 2021.”.

Amendments to article 28 (the score for demonstration actions)

10. In article 28—

- (a) for paragraph (2), substitute—

“(2) The score of a demonstration action is calculated in accordance with the following formulae—

- (a) in the case of a qualifying action which meets the conditions in paragraph (2A)—

$$M \times 6.24$$

- (b) in all other cases—

$$M \times 5.2”;$$

- (b) after paragraph (2), insert—

“(2A) A qualifying action meets the conditions in this paragraph if the qualifying action is a measure—

- (a) which is referred to in PAS 2030:2019;
- (b) which is installed in accordance with PAS 2030:2019 and PAS 2035:2019 by, or under the responsibility of, a PAS 2030:2019 certified installer; and
- (c) in respect of which installation is completed before 1st July 2021.”.

Amendments to article 30 (the score for monitored measures)

11. In article 30—

- (a) for paragraph (2)(b), substitute—

“(b) either—

- (i) the score for the qualifying action calculated in accordance with the methodology stated in the application for approval of the monitored measure in accordance with article 22(2)(a)(iii); or
 - (ii) if the conditions in paragraph (2A) are met, the score under paragraph (i) multiplied by 1.2.”;
- (b) after paragraph (2), insert—
- “(2A) The conditions in this paragraph are met if the qualifying action is a measure which—
- (a) is referred to in PAS 2030:2019;
 - (b) is installed in accordance with PAS 2030:2019 and PAS 2035:2019 by, or under the responsibility of, a PAS 2030:2019 certified installer; and
 - (c) is completed before 1st July 2021.”.

Amendments to article 32 (the score for all other qualifying actions)

12. In article 32—

- (a) for paragraph (2), substitute—
- “(2) Where this article applies, the score is calculated by determining the cost savings for the qualifying action in accordance with the following formulae—
- (a) in the case of a qualifying action which meets the conditions in paragraph (2A)—
 $Q \times R \times 1.2$
 - (b) in all other cases—
 $Q \times R$,”;
- (b) after paragraph (2), insert—
- “(2A) A qualifying action meets the conditions in this paragraph if the qualifying action is a measure which—
- (a) is referred to in PAS 2030:2019;
 - (b) is installed in accordance with PAS 2030:2019 and PAS 2035:2019 by, or under the responsibility of, a PAS 2030:2019 certified installer; and
 - (c) is completed before 1st July 2021.”;
- (c) in paragraph (3), in the definition of “R”—
- (i) for paragraph (b), substitute—
“(b) 4, in the case of a qualifying action which is the replacement of a broken boiler with another boiler and which is—
 - (i) a measure to which article 12(9) applies; or
 - (ii) a renewable heating measure;”;
 - (ii) after paragraph (b), insert—
“(ba) 2, in the case of a qualifying action which is the replacement of a broken boiler with another boiler and which is not a qualifying action described in paragraph (b);”;
 - (iii) in paragraph (d)(i), after “(b)” insert “, (ba)”.

Amendments to article 33 (publication of a cost savings methodology)

13. In article 33—

- (a) in paragraph (2)—
- (i) for sub-paragraph (a), substitute—

- “(a) in the case of a qualifying action which is the repair of a boiler or electric storage heater, an expected lifetime for the qualifying action of 2 years;”;
- (ii) at the end of sub-paragraph (f), omit “and”;
- (iii) after sub-paragraph (f), insert—
 - “(fa) in the case of a qualifying action which is the installation of room-in-roof insulation and which, if completed on or after 1st July 2020, is accompanied by an appropriate warranty, an expected lifetime for the qualifying action of 42 years;
 - (fb) in the case of a qualifying action which is the installation of underfloor insulation and which, if completed on or after 1st July 2020, is accompanied by an appropriate warranty, an expected lifetime for the qualifying action of 42 years;
 - (fc) in the case of a qualifying action which is a first time heating system other than the installation of a district heating connection, an expected lifetime for the qualifying action of 20 years; and”;
- (b) at the end of paragraph (4), insert—
 - ““room-in-roof” in relation to insulation has the same meaning as in article 19;
 - “underfloor insulation” means insulation of all or part of the floor of a room in a building, where that floor, or that part of the floor, is not situated above a habitable room.”.

Amendments to Schedule 3 (requirements for warranties for boiler installations)

14. In Schedule 3—

- (a) in paragraph (1), for “article 18(1)(d)(ii)” substitute “article 18(1)(d)(ii) and (5)(d)”;
- (b) in paragraph (2)(b), for “1 year” substitute “2 years”.

Transitional provision

15. In relation to a measure where the installation is completed before this Order comes into force, the Electricity and Gas (Energy Company Obligation) Order 2018 shall continue to have effect as if it had not been amended by this Order.

30th October 2019

Kwasi Kwarteng
Minister of State for Business, Energy and Clean Growth
Department for Business, Energy and Industrial Strategy

The Scottish Ministers consent to the making of this Order.

29th October 2019

Kevin Stewart
Authorised to sign by the Scottish Ministers

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which applies in Great Britain, amends the Electricity and Gas (Energy Company Obligation) Order 2018 (“the 2018 Order”).

The 2018 Order established the Energy Company Obligation scheme for the period to 31st March 2022 for the promotion of measures for reducing the cost to individuals of heating their homes. The scheme is administered and enforced by the Gas and Electricity Markets Authority (the “Administrator”). The 2018 Order set out the overall home-heating cost reduction target for the period from the commencement of that Order to 31st March 2022 and the process for the apportionment of that overall target between those who participate in the scheme. The 2018 Order requires a participant to achieve its share of the target by promoting “qualifying actions”, which are defined in article 13 of that Order. The 2018 Order sets out various conditions to be met for a measure to be a qualifying action. The Administrator is required by the 2018 Order to attribute a score to each qualifying action to determine the amount the qualifying action contributes towards the achievement of the target and to publish a methodology for the purpose of calculating the cost savings of qualifying actions.

Article 3 amends article 2 of the 2018 Order to add definitions for “PAS 2030:2019”, “PAS 2030:2019 certified installer” and “PAS 2035:2019”. PAS 2030:2019 and PAS 2035:2019 are publicly available specifications published by the British Standards Institution. Copies of the publicly available specifications and international standards referred to in this Order can be purchased at www.bsigroup.com or by contacting the British Standards Institution, 389 Chiswick High Road, London W4 4AL. Copies 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.

Articles 4 and 6 amend articles 14 and 17 of the 2018 Order to add first time heating systems (as defined in article 2 of the 2018 Order) to the list of measures eligible to be installed at private rented premises with no energy performance rating or an energy performance rating of band F or G.

Article 7 substitutes article 18 of the 2018 Order and sets out requirements to be met by measures in order to be qualifying actions relating to installation standards, consumer protection and warranties.

Article 8 amends article 19 of the 2018 Order to prevent a measure from being a qualifying action if it is the installation of a first time heating system at uninsulated premises (and a definition of “uninsulated premises” is inserted). Article 5 makes consequential amendments to article 16 of the 2018 Order.

Articles 9, 10, 11 and 12 amend articles 27, 28, 30 and 32 of the 2018 Order to introduce a new 20% uplift to the score for certain measures completed before 1st July 2021 and installed in accordance with PAS 2030:2019 and PAS 2035:2019 by a PAS 2030:2019 certified installer. Article 12 also amends article 32 of the 2018 Order to reduce the uplift to the score for the replacement of a broken boiler that is not a renewable heating measure and is not covered by the cap set out in article 12(8) of the 2018 Order.

Article 13 substitutes article 33(2)(a) of the 2018 Order in consequence of the amendments made by article 7 concerning the minimum warranty requirements for boiler and electric storage heater repairs. Article 13 also amends article 33 of the 2018 Order to set the expected lifetimes for certain first time heating systems and room-in-roof and underfloor insulation measures. The Administrator’s methodology for the calculation of cost savings must be based on these expected lifetimes.

Article 14 amends Schedule 3 to the 2018 Order to increase the period for notifying problems under the warranty that is required for boiler installations, other than repairs, in order to be qualifying actions.

Article 15 makes transitional provision.

A full impact assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector is available from the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London, SW1H 0ET and is published with the Explanatory Memorandum alongside the instrument on www.legislation.gov.uk.

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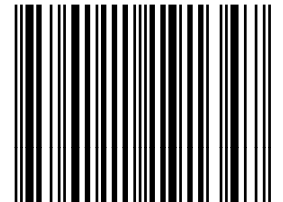
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