
STATUTORY INSTRUMENTS

2023 No. 873

The Electricity and Gas (Energy
Company Obligation) Order 2023

PART 7

Scores

Innovation measure uplift

31.—(1) This article applies for the purpose of determining the value of IM in the formula in article 30(1) for calculating the score to be given to an ECO4A qualifying action (“the ECO4A qualifying action in question”).

(2) Where the ECO4A qualifying action in question is a low-income innovation measure, the Administrator must determine in accordance with paragraph (4) whether the participant’s general innovation allowance is exhausted.

(3) The value of IM in the formula in article 30(1) is—

(a) 0, where—

- (i) the ECO4A qualifying action in question is not a low-income innovation measure; or
- (ii) the Administrator has determined under paragraph (2) that the participant’s general innovation allowance is exhausted;

(b) 0.25, where—

- (i) none of the circumstances set out in sub-paragraph (a) apply; and
- (ii) the ECO4A qualifying action in question is a standard innovation measure;

(c) 0.45, where—

- (i) none of the circumstances set out in sub-paragraph (a) apply; and
- (ii) the ECO4A qualifying action in question is a substantial improvement innovation measure.

(4) A participant’s general innovation allowance is exhausted only if X is equal to or greater than 10% of the participant’s total low-income minimum requirement, where “X” is the sum of the determined cost savings and innovation measure uplifts for all the relevant already scored measures promoted by the participant.

(5) In this article—

- (a) “determined cost savings”, in relation to a measure, is the value given to KM in the formula used to calculate the score for the measure in article 30(1);
- (b) “innovation measure uplift”, in relation to a measure, is the value given to IM in the formula used to calculate the score for the measure in article 30(1);
- (c) “low-income innovation measure” means a measure which is—
 - (i) an innovation measure; and

- (ii) a low-income qualifying action;
- (d) “measure description” means a description of the characteristics of a measure;
- (e) “relevant already scored measure” means a low-income innovation measure—
 - (i) given a score under article 29(1) before the Administrator has calculated the score to be given to the ECO4A qualifying action in question; and
 - (ii) for which the innovation measure uplift is greater than zero;
- (f) “standard innovation measure” means a measure which—
 - (i) falls within a measure description published by the Administrator under article 21(4) (a) of the Electricity and Gas (Energy Company Obligation) Order 2018(1) or article 36(1)(a) of the 2022 Order;
 - (ii) is completed after the date on which the measure description referred to in paragraph (i) is published; and
 - (iii) either—
 - (aa) does not fall within the measure description of a measure (“measure Y”) which is approved by the Administrator as a substantial innovation measure under Part 6 of the 2022 Order; or
 - (bb) is completed on or before the date on which measure Y is approved as a substantial innovation measure under Part 6 of the 2022 Order;
- (g) “substantial improvement innovation measure” means a measure which—
 - (i) falls within the measure description of a measure (“measure Z”) which is approved by the Administrator as a substantial innovation measure under Part 6 of the 2022 Order; and
 - (ii) is completed after the date on which measure Z is approved as a substantial innovation measure under Part 6 of the 2022 Order;
- (h) references to the date on which a measure is approved as a substantial innovation measure under Part 6 of the 2022 Order are to be treated as references to the date published by the Administrator under article 36(1)(c) or (2)(b) of the 2022 Order, as the case may be, in respect of the measure;
- (i) references to the participant are to the participant that promoted the ECO4A qualifying action in question.