



Making a positive difference
for energy consumers

ECO3 obligated suppliers,
installers, and trade bodies

Email: ECO@ofgem.gov.uk

Date: 18 June 2021

Dear Stakeholders,

Response following the open letter on deemed scores for Solar PV measures in ECO3

Summary of the open letter

The open letter¹ published on 7 April 2021 set out our proposal to revise the Solar PV deemed scores in Energy Company Obligation (ECO3). In the letter, we outlined our view that the ECO3 Order² provides that only the money saved from electricity generated for use at the premises can contribute to the cost saving of a measure. Electricity exported to the grid is not used at the premises at which it was generated. This means the current Solar PV deemed score, which includes the income from the export of surplus electricity to the grid, is not in line with the Order.

In the letter, we stated that revising the score would result in a more realistic representation of the heating cost saving achieved and would ensure the Solar PV score does not contain an unwarranted advantage over other measures. We explained that if the score were revised, all measures notified from 7 July 2021 would be required to use the new score. Solar PV measures notified before 7 July 2021 would retain the current score.

Summary of open letter feedback

The open letter asked for any written feedback by 7 May 2021. We received nine responses – four from energy suppliers and five from members of the supply chain.

¹ <https://www.ofgem.gov.uk/publications-and-updates/open-letter-solar-pv-deemed-scores-eco3>

² Article 2 of the Electricity and Gas (Energy Company Obligation) Order 2018

The main points from responses are summarised below:

- No responses indicated that our interpretation of the legislation was unsound.
- The most common point was around the timing of the proposal. It was felt an amendment to deemed scores should not be made so late into a scheme, as changes would take time and cost to implement, which may impact delivery towards the end of ECO3.
- Respondents also argued that they should be able to rely on deemed scores throughout a scheme to ensure efficiency and effective planning. One respondent highlighted that, according to the ECO3 deemed scores consultation³, scores were to be final and remain unchanged throughout the scheme.
- The feedback we received illustrated the potential financial impact of the proposed changes, particularly regarding innovation applications and Green Home Grant Local Authority Delivery projects relying on ECO funded Solar PV installations. It was also felt that in the context of an industry recovering from a pandemic, this was not the right time to implement the proposal.
- Stakeholders suggested the updated scores could be inaccurate, due to ECO recipient's energy usage not following the traditional pattern assumed.
- Respondents felt that the proposed reduction of the Solar PV scores was not in line with Net Zero ambitions and could deny fuel poor households' access to sustainable energy.

Ofgem's position

Taking on board the feedback received, the proportionately small number of measures affected, and proximity to the end of ECO3, we have decided to retain the current Solar PV score for the remainder of ECO3.

We believe this decision will minimise disruption to suppliers and the supply chain, and ensure delivery is not impacted towards the end of ECO3. This position will continue to support the delivery of microgeneration measures and contribute towards de-carbonisation ambitions.

If you have any further comments, please contact us using the details above.

Yours sincerely,

ECO team

³ [Energy Company Obligation \(ECO\) consultation: Updating deemed scores for ECO3 | Ofgem](#) – Page 8.