

# Energy Company Obligation (ECO)

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ECO2t: April 2017 –  
September 2018

**April 2017**

## Summary of amendments to the ECO2 guidance for ECO2t (April 2017 – September 2018)

### Introduction

This document outlines the updates we have made to the previous ECO2 Guidance documents (version 1.1) that were published on 1 December 2015. The changes relate to amendments to the scheme included in the amended ECO2 Order and resulting changes to our administration.

We have also made additional amendments to further clarify existing requirements and to improve the document's usability. Where the publishing of this guidance document aligns with and/or incorporates documents that have already been published, the original date of effect of those documents is unaffected.

### Overview of amendments to ECO2 Guidance: Administration (V1.1)

#### Throughout document

- Updated chapter numbers, paragraph numbers, and table and figure references.
- Replaced references to the affordable warmth group with references to the help to heat group.
- Updated links to published Ofgem documents (eg the ECO2t measures table).

#### Chapter 1: Introduction

- Updated Table 1 to reflect changes to Ofgem's and supplier's role and responsibilities. For example, Ofgem calculating a supplier's 5% automatic extension quota.

#### Chapter 2: Who is obligated under ECO

- Dates relating to overall obligation period updated to include phase 3.

- Terms 'new 2015 supplier' and 'new 2016' added.

### Chapter 3: Notifying customer numbers and supply

- Table 3 updated to include phase 3.

### Chapter 4: Setting supplier obligations

- Reference to phase 3 of the obligation added. Relevant dates relating to the overall obligation updated to include phase 3.
- Added the date suppliers will be notified of their phase 3 ECO2 obligations.
- Information added on the sub-obligations introduced for phase 3.
- Table 4 updated to include phase 3 ECO2 targets for each obligation.
- Removed information on increases in a supplier's CERO if that supplier did not achieve its ECO1 CERO target.
- Removed information relating to suppliers that were obligated as a result of having an ECO1 CERO, but had a zero obligation.

### Chapter 5: Provisional solid wall minimum requirement

- Updated MtCO<sub>2</sub> savings that must be achieved through SWI to account for phase 3.
- Amended the date by which suppliers are required to meet their SWMR and PSWMR.
- Footnote added to direct readers to versions 1.1 of the ECO2 guidance for information on surplus actions.
- Clarified that a supplier's SWMR is reduced by the carbon savings it achieves through ECO1 and ECO2 CSCO and HHCRO SWI measures.

### Chapter 6: Home heating minimum requirement

- New chapter explaining the requirements of the HHCRO sub-obligation – the home heating minimum requirement (HHMR).

## Chapter 7: Trading obligations

- New chapter explaining how suppliers can trade obligations and our administrative requirements relating to this process. This has replaced the previous Chapter 7 on surplus actions which has now been deleted.

## Chapter 8: Notification of completed measures

- Amended text relating to expectations over the timelines for the handover of a measure.
- Footnote added with guidance on which version of PAS to refer to and updated PAS references.
- Added detail on the new provision for allowing 5% of measures to be notified late and receive an automatic extension.
- Amended text relating to expectations over the timelines for the handover of a measure.
- Deleted guidance on administrative oversight on the part of the supplier as this no longer applies.
- Added a footnote referring to a summarised version of the Privacy Notice available on the website.

## Chapter 9: Re-elections and transfers

- Amended re-election application deadlines to reflect the extension to the obligation period.
- Footnote added referring to more information on surplus actions.
- Footnote added referring to more information on CSCO and adjoining installations.
- Added detail on the deadlines for CSCO re-elections.
- Clarified how to apply the correct score for a measure where it is re-elected to an obligation with a different saving and depending on the date it was installed.
- Section added on the transfer of CSCO measures during phase 3.

- Dates relating to deadlines for applications to transfer measures updated to reflect phase 3 obligation.
- Clarified the process for re-electing and then transferring measures.

### Chapter 10: End of overall obligation period

- Dates relating to obligation period updated to include phase 3.
- Removed information on the '25% determination'.
- Added information on the rural minimum requirement and home heating minimum requirement to the list of obligations we will make our final determination on.
- Created separate sections on our approach to final determination for HHCRO and CERO, and CSCO.
- Created separate sections on our approach to reporting to Secretary of State for HHCRO and CERO, and CSCO.

## Overview of amendments to ECO2 Guidance: Delivery (V1.1)

### Throughout document

- Chapter numbers, paragraph numbers, table and figure references have been updated.
- References to the affordable warmth group are replaced with references to the help to heat group.
- Links to published Ofgem documents have been updated (eg the ECO2t measures table).
- References to the community carbon saving obligation (CSCO) have been removed.
- References to the Publicly Available Specification (PAS) no longer explicitly refer to PAS 2030:2014. Instead, we simply say 'PAS' and give additional guidance on the relevant version of PAS to refer to.

### Chapter 2: Achieving Obligations

- Information on 'promotion' updated to include scenarios where the supplier notifying the measure is not the supplier that originally promoted the measure.
- Information on 'domestic premises' updated to include examples of premises that are considered self-contained and used wholly or mainly for domestic premises. This incorporates some of the existing guidance from the Domestic Premises guidance note.
- Clarified that any areas of domestic premises that are used solely for commercial purposes should not be included in any savings claimed for a measure.
- Guidance added for delivering to new build premises, including extensions and large-scale renovations.
- Removed sections relating to recommending measures.
- Section updated to state that installers *must* be certified by independent third parties, according to the requirements of PAS.
- Added guidance on which version of PAS a measure must be installed in accordance with, depending on the date of installation.
- Moved guidance relating to measures not included in PAS, detailing that they must be installed by operatives that meet industry competency standards relevant to the measure.

- Information added on the requirement for installers to be accredited by a certification body or organisation accredited to EN 45011 or EN/IEC 17065:2012.
- Added example of what constitutes 100% of a room-in-roof measure.
- Clarified that the requirement to install measures in accordance with PAS and other relevant standards overrides the requirement to install 100% of the measure.
- Clarification added that removing pre-existing insulation applies to where it is *recently* removed.

### Chapter 3: Information on specific ECO measures

- Guidance on loft insulation and loft top up loft insulation measures replaced with guidance for Loft insulation >100 and loft insulation ≤ 100mm.
- Amended the guidance on the requirements for the loft declaration.
- Added a section on microgeneration measures requiring both product and installer certification to MCS.
- Clarified that DHS pre-conditions also apply to HHCRO social housing E, F or G measures.
- Updated text relating to DHS pre-condition 1 to clarify that at least 50% of the premises must be insulated.
- Added stud walls, sloping ceilings and possible residual areas to the definition of roof area for a room-in-roof measure.

### Chapter 4: Carbon Emissions Reduction Obligation

- Reference to PAS 2030:2014 updated to simply state 'PAS', accompanied by footnote with information on which version of PAS to refer to.
- Footnote added linking to the Ofgem ECO tool.
- Added party cavity wall insulation to measures not subject to meet the minimum condition.
- Added information on the rural minimum requirement.

## Chapter 5 – Home Heating Cost Reduction Obligation

- Introduction updated to include new eligibility routes (ie flexible eligibility and social housing E, F or G).
- Updated description of heating qualifying actions.
- References to a cost score methodology replaced with references to deemed score matrix.
- Included guidance on the home heat minimum requirements sub-obligation
- Updated the premises requirement to include measures delivered to households listed in a local authority declaration.
- Updated the occupant requirement to change the affordable warmth group for the help to heat group and added households identified in local authority declarations (except for SWI in-fill).
- Replaced guidance on the affordable warmth group with guidance information on the help to heat group.
- 'Unmatched' added to the list of categories of people the Energy Saving Trust provide suppliers following the ESAS and DWP verification processes.
- Added guidance on the flexible eligibility provision.
- Added guidance on social housing E, F or G provision.
- Merged sections on 'evidencing non-gas fuelled premises' and 'identifying non-gas fuelled premises'.
- Added guidance on recording the main heating source for non-gas fuelled premises in the declaration of conformity and completed installation.

## Chapter 6: Information on determining ECO savings

- New chapter explaining the various methodologies that can be used to calculate savings for ECO2t measures.

## Chapter 7 - Deemed scores

- New chapter explaining how to apply deemed scores.

### Chapter 8 – SAP/RdSAP and other scoring information

- New chapter covering the background to the deemed scores methodology and how the lifetime savings are calculated. This information also applies for measures for measures not scored using deemed scores, for example, district heating systems (DHS).

### Chapter 9: Notification of completed measures

- Amended text relating to expectations over the timelines for the handover of a measure.
- Footnote added with guidance on which version of PAS to refer to and updated PAS references.
- Added detail on the new provision for allowing 5% of measures to be notified late and receive an automatic extension.
- Deleted guidance on administrative oversight on the part of the supplier as this no longer applies.
- Added a footnote referring to a summarised version of the Privacy Notice available on the website.

### Chapter 10: Technical monitoring, score monitoring, audit and fraud prevention

- References to scoring and re-scoring measures updated to state 'to determine or re-determine' scores.
- Removed guidance relating to incorrect scores based on a lodged EPC (in line with transition to deemed scores).
- Updated wording on when the 5% monitoring requirement for a quarter is determined for clarity.
- Clarified that for measures that require both post- and mid-installation inspections, at least 2% of the relevant measures should be inspected at mid-installation stage and 2% at post-installation stage.
- Removed wording on failure rates for measure types installed by a particular installer.
- Removed wording on the process for elevated monitoring as a result of consecutive quarter failures.



- Amended the score monitoring failure rate threshold to 10%.

### Appendix 1: Documents and data to be made available on request

- Table 10 updated to incorporate changes in guidance.

### Appendix 2: Evidencing the HHCRO premises and occupant requirements

- Benefit letter requirements updated to reflect the help to heat group.
- Updated footnote to state that provisional benefit letters must state that the customer will receive the benefit within 18 months prior to the measure being installed.

### Appendix 3: Boiler Information Pack

- Removed references to information on calculating cost scores and the different cost score methodologies (in line with transition to deemed scores).

### Appendix 4: Electric Storage Heaters (ESH) Information Pack

- QESH replacements and repairs section reworded.
- Updated guidance relating to a manufacturer's warranty for ESH measures.

### Appendix 5: Relevant IUFs

- New appendix detailing the in-use factors taken from the legislation.

### Appendix 6: qualifying boiler cost score methodology

- New appendix explaining the methodology used to score qualifying boiler measures.

### Appendix 7: Qualifying electric storage heater cost score methodology

- New appendix explaining the methodology used to score qualifying electric storage heater measures.

### Appendix 8: New methodology process

- New appendix explaining how suppliers can apply to Ofgem for a new methodology under deemed scores.