
STATUTORY INSTRUMENTS

2018 No. 1183

The Electricity and Gas (Energy
Company Obligation) Order 2018

PART 4

Achievement of obligations

Achievement of home-heating cost reduction obligation

11.—(1) A participant must achieve its total home-heating cost reduction obligation by no later than 31st March 2022.

(2) Subject to article 12, a participant must achieve its total home-heating cost reduction obligation by promoting qualifying actions.

(3) In meeting its total home-heating cost reduction obligation—

(a) the participant must promote sufficient solid wall actions to meet or exceed its total solid wall minimum requirement; and

(b) at least 15% of the participant’s total home-heating cost reduction obligation must be achieved by promoting qualifying actions that—

(i) are installed at domestic premises located in a rural area; and

(ii) are not the installation of equipment for the generation of heat wholly or partly from oil.

(4) For the purposes of this Order, a participant’s total solid wall minimum requirement is, subject to article 35, the sum of the solid wall minimum requirements which have been determined for the participant under article 6 (and is the amount of the participant’s total home-heating cost reduction obligation, as a minimum, which is to be achieved by promoting solid wall actions).

(5) In this article—

“rural area” means—

(a) in respect of an area in England and Wales, an area classified as rural in the “2011 rural-urban classification of output areas” published by the Office for National Statistics in August 2013(1);

(b) in respect of an area in Scotland, an area classified as rural in the “Scottish Government Urban Rural Classification 2016” published by the Scottish Government in March 2018(2);

“solid wall action” means a qualifying action that is—

(1) Copies can be accessed at <https://ons.maps.arcgis.com/home/item.html?id=3ce248e9651f4dc094f84a4c5de18655>. A copy 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.

(2) Copies can be accessed at <http://www.gov.scot/Publications/2018/03/6040>. A copy 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.

- (a) the installation of solid wall insulation to at least 50%, by area, of the exterior facing solid walls of uninsulated solid wall premises; or
- (b) a solid wall alternative measure installed at uninsulated solid wall premises that achieves at least the same amount of cost savings as would have been achieved by the installation of solid wall insulation at the premises, those cost savings to be calculated—
 - (i) in accordance with a methodology published by the Administrator under article 33;
 - (ii) disregarding any solid wall insulation already installed at the premises; and
 - (iii) as if the solid wall insulation is installed to at least 95%, by area, of the exterior facing solid walls of the premises;

“solid wall alternative measure” means a qualifying action that—

- (a) is—
 - (i) installed to improve the insulating properties of domestic premises;
 - (ii) the installation of heating controls;
 - (iii) the installation, but not the repair, of a renewable heating measure; or
 - (iv) a connection to a district heating system that delivers heat generated wholly or partly by means of a source of energy or technology mentioned in section 100(4) of the Energy Act 2008; and
- (b) is not the installation of solid wall insulation to at least 50%, by area, of the exterior facing solid walls of domestic premises;

“uninsulated solid wall premises” means, in relation to premises at which a qualifying action is installed, domestic premises—

- (a) with at least one exterior facing wall, where—
 - (i) at least 50%, by area, of the exterior facing walls are solid walls; and
 - (ii) before the installation of the qualifying action takes place, at least 50%, by area, of the exterior facing solid walls do not have internal or external insulation; and
- (b) which are not a mobile home.

Caps on certain types of qualifying actions

12.—(1) No more than 25% of a participant’s total home-heating cost reduction obligation may be achieved by qualifying actions which are—

- (a) qualifying actions by virtue of meeting the condition in article 17; or
- (b) heating qualifying actions, within the meaning of article 16(3) of the 2014 Order, by virtue of meeting the condition in article 16A(3), (4) or (5) of that Order.

(2) No more than 10% of a participant’s total home-heating cost reduction obligation may be achieved by qualifying actions which are—

- (a) demonstration actions; or
- (b) innovation measures other than excess innovation measures.

(3) No more than 10% of a participant’s total home-heating cost reduction obligation may be achieved by qualifying actions which are monitored measures.

(4) No more than 5% of a participant’s total home-heating cost reduction obligation may be achieved by the same demonstration action.

(5) No more than 5% of a participant’s total home-heating cost reduction obligation may be achieved by innovation measures—

- (a) which fall within the same innovation measure description; and
 - (b) which are not excess innovation measures, demonstration actions or monitored measures.
- (6) No more than 5% of a participant’s total home-heating cost reduction obligation may be achieved by measures which are the repair of a boiler.
- (7) No more than 5% of a participant’s total home-heating cost reduction obligation may be achieved by measures which are the repair of an electric storage heater.
- (8) No more than 21.023% of a participant’s total home-heating cost reduction obligation may be achieved by measures to which paragraph (9) applies.
- (9) This paragraph applies to a measure which the Administrator is satisfied—
- (a) is installed at domestic premises which immediately prior to the installation of the measure—
 - (i) have a boiler, central heating system or district heating connection which in each case has broken down and cannot be economically repaired;
 - (ii) have one or more electric storage heaters, all of which are broken down and cannot be economically repaired; or
 - (iii) do not have a boiler, central heating system, district heating connection or electric storage heater, but which have been heated by a boiler, central heating system, district heating connection or electric storage heater; and
 - (b) is not—
 - (i) installed to improve the insulating properties of domestic premises;
 - (ii) a district heating connection;
 - (iii) a first time heating system;
 - (iv) a secondary heating measure;
 - (v) the installation of heating controls;
 - (vi) a demonstration action;
 - (vii) an innovation measure;
 - (viii) a renewable heating measure; or
 - (ix) a repair.
- (10) In this article—
- “excess innovation measure” means an innovation measure which, following an application under article 29(4), is designated as an excess innovation measure for the purposes of that article and this article;
- “innovation measure description” has the meaning given in article 21(2).

Qualifying actions

- 13.—**(1) A qualifying action is a measure which the Administrator is satisfied—
- (a) is installed at domestic premises;
 - (b) results in the reduction in the cost of heating those premises to 21 degrees Celsius in the main living areas and 18 degrees Celsius in all other areas, or in the case of a demonstration action, is reasonably expected to result in such a reduction;
 - (c) is completed on or after 1st October 2018;
 - (d) except in the case of a repair, is installed at—
 - (i) premises erected before 1st October 2018; or

- (ii) premises which were first occupied as domestic premises before the installation was completed;
 - (e) meets a condition in any one of articles 14 to 17 (measures installed at private domestic premises, certain social housing or accompanied by a statement from a local authority);
 - (f) meets the requirements of article 18 (installation standards, warranties and consumer protection);
 - (g) except in the case of a measure installed to improve the insulating properties of the premises, meets the requirements of article 19 (additional requirements to be met by heating measures); and
 - (h) is notified to the Administrator in accordance with article 24.
- (2) A qualifying action is also a measure which is recognised by the Administrator as a surplus action.

Measures installed at private domestic premises

14.—(1) A measure meets the condition in this article if the measure is installed at owner-occupied premises which are occupied by a member of the help to heat group.

- (2) A measure also meets the condition in this article if—
 - (a) the measure is installed at A to E private rented premises occupied by a member of the help to heat group; and
 - (b) the measure is not the replacement or repair of a boiler, electric storage heater or central heating system that has broken down.
- (3) A measure also meets the condition in this article if—
 - (a) the measure is installed at F, G or unrated private rented premises occupied by a member of the help to heat group; and
 - (b) the measure is—
 - (i) solid wall insulation; or
 - (ii) a renewable heating measure.
- (4) A measure also meets the condition in this article if the measure (“the in-fill measure”) is—
 - (a) installed at private domestic premises;
 - (b) solid wall insulation or a district heating connection; and
 - (c) linked with at least two other qualifying actions (“the primary actions”) which are—
 - (i) also solid wall insulation or district heating connections, as the case may be;
 - (ii) promoted by the same participant that promoted the in-fill measure;
 - (iii) each installed at separate domestic premises which are—
 - (aa) private domestic premises occupied by a member of the help to heat group;
or
 - (bb) social housing to which paragraph (2) or (3) of article 16 applies;
 - (iv) installed in the same area as the in-fill measure; and
 - (v) completed within the same 6 month period as the in-fill measure.
- (5) For the purposes of paragraph (4), an in-fill measure is linked with a primary action if—
 - (a) the in-fill measure is notified under article 24 after, or on the same day as, the notification of the primary action under that article;

- (b) when notifying the in-fill measure under that article, the participant includes information sufficient to enable the Administrator to identify the primary action with which it is to be linked; and
 - (c) the primary action is not already linked with another in-fill measure.
- (6) For the purposes of paragraph (4)(c)(iv), measures are installed in the same area if the domestic premises at which they are installed are located in the same building, in immediately adjacent buildings or in the same terrace.
- (7) In this article, “help to heat group” means a group of persons where each person in the group is—
- (a) awarded at least one of the benefits set out in paragraph 1 of Schedule 2 and meets any condition in relation to that benefit which is specified in that Schedule; or
 - (b) a core group customer in relation to a scheme year beginning on or after 1st April 2019, where “core group customer” and “scheme year” have the same meaning as in regulation 2 of the Warm Home Discount Regulations 2011(3).

Measures installed at D social housing

- 15.**—(1) A measure meets the condition in this article if the measure—
- (a) is installed at social housing to which paragraph (2) or (3) applies; and
 - (b) is a demonstration action or an innovation measure.
- (2) This paragraph applies to social housing if a post-installation EPC expresses the energy performance rating of the social housing as band D.
- (3) This paragraph applies to social housing if—
- (a) a pre-installation EPC expresses the energy performance rating of the social housing as band D; and
 - (b) the social landlord in respect of the social housing has confirmed in writing that, to the best of its knowledge and belief, no changes were made to the social housing, after the pre-installation EPC was issued and before the measure was installed, which would increase the energy performance rating of the social housing to band A, B or C.

Measures installed at E, F or G social housing

- 16.**—(1) A measure meets the condition in this article if the measure—
- (a) is installed at social housing to which paragraph (2) or (3) applies; and
 - (b) is—
 - (i) installed to improve the insulating properties of the premises;
 - (ii) a demonstration action;
 - (iii) an innovation measure; or
 - (iv) a first time heating system, other than the installation of a district heating connection to uninsulated premises.
- (2) This paragraph applies to social housing if a post-installation EPC expresses the energy performance rating of the social housing as band E, F or G.
- (3) This paragraph applies to social housing if—

(3) [S.I. 2011/1033](#), as amended by [S.I. 2014/695](#), [S.I. 2015/652](#) and [S.I. 2016/806](#) and the Warm Home Discount (Miscellaneous Amendments) Regulations 2018.

- (a) a pre-installation EPC expresses the energy performance rating of the social housing as band E, F or G; and
 - (b) the social landlord in respect of the social housing has confirmed in writing that, to the best of its knowledge and belief, no changes were made to the social housing, after the pre-installation EPC was issued and before the measure was installed, which would increase the energy performance rating of the social housing to band A, B, C or D.
- (4) In this article—
- “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—
- (a) premises which include the top floor of the building in which they are located and which do not have flat roof, loft, rafter, room-in-roof or wall insulation; or
 - (b) premises which do not include the top floor of the building in which they are located and which have exterior facing cavity walls which—
 - (i) can be insulated; and
 - (ii) are not insulated.

Measures accompanied by a statement from a local authority

- 17.—(1) A measure meets the condition in this article if—
- (a) the measure is installed at owner-occupied premises;
 - (b) a local authority has been consulted on the installation of a qualifying action at the premises; and
 - (c) that local authority has, on or after publication on its website of a statement of intent made in respect of the local authority—
 - (i) made a statement in writing that, in the opinion of the local authority, the premises are occupied by a household living on a low income in a home which cannot be kept warm at a reasonable cost; or
 - (ii) made a statement in writing that, in the opinion of the local authority, the premises are occupied by a household living on a low income and vulnerable to the effects of living in a cold home.
- (2) A measure also meets the condition in this article if—
- (a) the measure is installed at A to E private rented premises;
 - (b) paragraphs (1)(b) and (c) apply in respect of the premises; and
 - (c) the measure is not the replacement or repair of a boiler, electric storage heater or central heating system that has broken down.
- (3) A measure also meets the condition in this article if—
- (a) the measure is installed at F, G or unrated private rented premises;
 - (b) paragraphs (1)(b) and (c) apply in respect of the premises; and
 - (c) the measure is—
 - (i) solid wall insulation; or
 - (ii) a renewable heating measure.
- (4) A measure also meets the condition in this article if—
- (a) it is solid wall insulation installed at private domestic premises;

- (b) a local authority has been consulted on the installation of the solid wall insulation at the premises;
 - (c) that local authority has, on or after publication on its website of a statement of intent made in respect of the local authority, created a list of premises which—
 - (i) includes the premises at which the measure is installed;
 - (ii) identifies any premises in the list which in the opinion of the local authority are occupied by a household living on a low income in a home which cannot be kept warm at a reasonable cost; and
 - (iii) identifies any other premises in the list which in the opinion of the local authority are occupied by a household living on a low income and vulnerable to the effects of living in a cold home; and
 - (d) the local authority has made a statement in writing that—
 - (i) to the best of the local authority’s knowledge and belief, all of the premises included in the list referred to in sub-paragraph (c) are private domestic premises;
 - (ii) all of the premises included in that list are located in the same building, in immediately adjacent buildings or in the same terrace; and
 - (iii) in the opinion of the local authority, at least 50% of the premises included in that list are occupied by households—
 - (aa) living on a low income in a home which cannot be kept warm at a reasonable cost; or
 - (bb) living on a low income and vulnerable to the effects of living in a cold home.
- (5) In this article, “statement of intent” means—
- (a) a description of how a local authority intends to identify households that may benefit from a qualifying action and are living—
 - (i) on a low income in a home which cannot be kept warm at a reasonable cost; or
 - (ii) on a low income and are vulnerable to the effects of living in a cold home; or
 - (b) a statement of intent within the meaning of article 16A of the 2014 Order.

Installation standards, warranties and consumer protection

- 18.—**(1) A measure meets the requirements of this article if the measure—
- (a) is installed in accordance with paragraph (2);
 - (b) in the case of the installation of a district heating connection—
 - (i) is a connection to a district heating system registered with the Heat Trust Scheme;
 - (ii) is subject to arrangements for consumer protection which are equivalent to the requirements under the Heat Trust Scheme; or
 - (iii) includes the installation of a ground source heat pump at the domestic premises;
 - (c) in the case of the installation of an electric storage heater, is accompanied by a warranty for at least one year; and
 - (d) in the case of the installation of a boiler—
 - (i) in the case of a repair, is accompanied by a warranty for at least one year;
 - (ii) in any other case, is accompanied by a warranty that meets the requirements set out in Schedule 3.
- (2) A measure is installed in accordance with this paragraph if—

- (a) in the case of a measure referred to in the Publicly Available Specification, the measure is installed—
 - (i) in accordance with the Publicly Available Specification; and
 - (ii) by, or under the responsibility of, a certified installer; or
 - (b) in the case of a measure not referred to in the Publicly Available Specification, the measure is installed by a person of appropriate skill and experience.
- (3) In this article—
- “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(4), as compliant with those parts of the Publicly Available Specification that apply to the 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;
- “Publicly Available Specification” means Publicly Available Specification 2030:2017(5);
- “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.

Additional requirements to be met by heating measures

- 19.—(1) A measure meets the requirements of this article if the measure—
- (a) is not the installation of equipment for the generation of heat wholly or partly from coal;
 - (b) is not the installation of equipment for the generation of heat wholly or partly from oil, unless the measure is—
 - (i) a repair; or
 - (ii) installed at domestic premises which immediately prior to the installation of the measure have a central heating system or district heating connection that in either case has broken down and cannot be economically repaired;
 - (c) is not the installation of a connection to a district heating system that delivers heat generated wholly or partly from coal or oil;
 - (d) except in the case of the installation of a ground source heat pump, is not the installation of equipment that is, or has been at any time—
 - (i) an accredited domestic plant within the meaning of the Domestic Renewable Heat Incentive Scheme Regulations 2014(6); or

(4) ISBN 9780580784729. This international standard was published by the British Standards Institution on 31st October 2012 and copies can be purchased at www.bsigroup.com or by contacting the British Standards Institution, 389 Chiswick High Road, London W4 4AL. A copy 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.

(5) 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. See the above footnote for details of copies.

(6) S.I. 2014/928, amended by S.I. 2015/143, S.I. 2015/145, S.I. 2015/1459, S.I. 2016/257, S.I. 2017/857, S.I. 2018/610 and S.I. 2018/635. See regulation 2.

- (ii) an accredited RHI installation within the meaning of the Renewable Heat Incentive Scheme Regulations 2018⁽⁷⁾;
- (e) is not the installation of a ground source heat pump generating heat in respect of which a participant, or a connected person, is, or has been at any time, entitled to—
 - (i) RHI payments, within the meaning of regulation 26 of the Domestic Renewable Heat Incentive Scheme Regulations 2014; or
 - (ii) periodic support payments within the meaning of regulation 3 of the Renewable Heat Incentive Scheme Regulations 2018;
- (f) in the case of a measure installed at domestic premises which immediately prior to the installation of the measure have an efficient repairable heating system, is—
 - (i) a district heating connection;
 - (ii) the installation of heating controls;
 - (iii) a demonstration action;
 - (iv) an innovation measure;
 - (v) a renewable heating measure; or
 - (vi) a repair; and
- (g) in the case of a measure installed at domestic premises which immediately prior to the installation of the measure have an inefficient repairable heating system, is—
 - (i) a first time heating system;
 - (ii) a secondary heating measure;
 - (iii) a district heating connection;
 - (iv) the installation of heating controls;
 - (v) a demonstration action;
 - (vi) an innovation measure;
 - (vii) a renewable heating measure; or
 - (viii) a repair.

(2) In this article—

“connected person” means, in relation to a participant, a person connected with the participant within the meaning of section 1122 of the Corporation Tax Act 2010⁽⁸⁾;

“efficient repairable heating system” means—

- (a) an efficient repairable electric storage heater; or
- (b) a central heating system or district heating connection which—
 - (i) is not broken down or, if it is broken down, can be economically repaired; and
 - (ii) is not an inefficient repairable heating system;

“electric heating system” means a central heating system or district heating connection which provides heat generated wholly or mainly from electricity;

“ground source heat pump” has the same meaning as in article 18;

“inefficient repairable heating system” means a central heating system, district heating connection or electric storage heater which—

- (a) is not broken down or, if it is broken down, can be economically repaired;

(7) S.I. 2018/611, amended by S.I. 2018/635. See regulation 2.

(8) 2010 c.4.

- (b) in the case of a central heating system other than an electric heating system—
 - (i) includes a non-condensing boiler; or
 - (ii) has a peak energy efficiency that is no better than a central heating system falling within sub-paragraph (i);
 - (c) in the case of a district heating connection other than an electric heating system, is a connection to a district heating system that—
 - (i) includes a non-condensing boiler; or
 - (ii) has a peak energy efficiency that is no better than a central heating system falling within paragraph (b)(i); and
 - (d) in the case of an electric heating system or an electric storage heater, has a responsiveness rating equal to or less than 0.2 when assessed against the Standard Assessment Procedure;
- “peak energy efficiency” means the maximum efficiency at which a central heating system or district heating system, as the case may be, is designed to produce heat.