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## 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](http://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.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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](http://www.legislation.gov.uk).