
DRAFT STATUTORY INSTRUMENTS

2023 No.

The Electricity and Gas (Energy
Company Obligation) Order 2023

PART 7

Scores

Giving scores to ECO4A qualifying actions

29.—(1) To determine whether a participant has achieved its total home-heating cost reduction obligation, the Administrator must give a score, in accordance with article 30, to each ECO4A qualifying action promoted by the participant.

(2) The Administrator may give a score to each ECO4A qualifying action in such order as it thinks fit.

(3) The Administrator must notify a participant of the score it has given to each ECO4A qualifying action promoted by the participant.

(4) The Administrator must comply with paragraphs (1) and (3) in the period beginning with 1st July 2026 and ending with 30th November 2026.

Calculating the score for ECO4A qualifying actions

30.—(1) The score to be given to an ECO4A qualifying action is to be calculated in accordance with the following formula—

$KM \times (1 + IM + R)$.

(2) In paragraph (1)—

(a) “KM” is the annual cost savings of the ECO4A qualifying action determined in accordance with the methodology published by the Administrator under article 32;

(b) “IM” has the value determined in accordance with article 31;

(c) “R” is—

(i) 0.2, where the ECO4A qualifying action is—

(aa) a low-income qualifying action; and

(bb) installed at off-gas premises in a rural area in Scotland or Wales;

(ii) otherwise, 0.

(3) In this article, “off-gas premises” and “rural area” have the meanings given in article 2(1) of the 2022 Order.

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.

Publication of annual cost savings methodology

32.—(1) Before the end of the 6 week period beginning with the commencement date, the Administrator must publish, on its website, a methodology for the purpose of determining the annual cost savings of an ECO4A qualifying action.

- (2) Under the methodology published by the Administrator—
 - (a) the initial determination of the annual cost savings must be based on—
 - (i) the pre-installation SAP rating of the domestic premises at which the ECO4A qualifying action is installed; and
 - (ii) the impact the ECO4A qualifying action would have on the SAP rating of the domestic premises;
 - (b) the result of the initial determination referred to in sub-paragraph (a) must be reduced by 10% in order to calculate the adjusted cost savings; and
 - (c) the annual cost savings must finally be determined in accordance with the following formula—
$$AKM + (IKM \times F).$$
- (3) In paragraph (2)(c)—
 - (a) “AKM” is the adjusted cost savings calculated in accordance with paragraph (2)(b);
 - (b) “IKM” is the initial determination of the annual cost savings referred to in paragraph (2)(a);
 - (c) “F” is—
 - (i) 0.2, where the floor area of the domestic premises is less than 73m²;
 - (ii) 0.1, where the floor area of the domestic premises is between 73m² and 97m² (both inclusive); and
 - (iii) 0, where the floor area of the domestic premises is greater than 97m².

(4) Before publishing a methodology under this article, the Administrator must have regard to the Standard Assessment Procedure and the Reduced Data Standard Assessment Procedure.

(5) On or before 30th June 2026, the Administrator may revise any methodology published under this article by publishing the revised methodology on its website.

(6) In this article—

“floor area” has the same meaning as in the Standard Assessment Procedure;

“pre-installation SAP rating” means the SAP rating which is determined for the domestic premises pursuant to a pre-installation energy efficiency assessment.