
STATUTORY INSTRUMENTS

2018 No. 1183

The Electricity and Gas (Energy
Company Obligation) Order 2018

PART 7

Scores

Publication of a cost savings methodology

33.—(1) The Administrator must publish, on its website, a methodology for the purpose of calculating the cost savings of a qualifying action under article 32.

(2) Under the methodology published by the Administrator the calculation of the cost savings must be based on—

- (a) in the case of a qualifying action which is the repair of a boiler or electric storage heater and which is accompanied by—
 - (i) a warranty for less than 2 years, an expected lifetime for the qualifying action of 1 year;
 - (ii) a warranty for 2 years or more, an expected lifetime for the qualifying action of 2 years;
 - (b) in the case of a qualifying action which is the replacement of a broken boiler with another boiler, an expected lifetime for the qualifying action of 3 years;
 - (c) in the case of a qualifying action which is the replacement of a broken electric storage heater with another electric storage heater, an expected lifetime for the qualifying action of 5 years;
 - (d) in the case of a qualifying action which is the installation of cavity wall insulation and which is accompanied by an appropriate warranty, an expected lifetime for the qualifying action of 42 years;
 - (e) in the case of a qualifying action which is the installation of insulation applied to the floor, walls and ceiling of a mobile home and which is accompanied by an appropriate warranty, an expected lifetime for the qualifying action of 30 years;
 - (f) in the case of a qualifying action which is the installation of solid wall insulation and which is accompanied by an appropriate warranty, an expected lifetime for the qualifying action of 36 years; and
 - (g) in the case of any other qualifying action, an expected lifetime for the qualifying action that is specified in, or determined in accordance with, the methodology.
- (3) Before publishing a methodology under this article, the Administrator must have regard to—
- (a) the Standard Assessment Procedure and the Reduced Data Standard Assessment Procedure, or to any methodology published by, or on behalf of, the Secretary of State as a replacement for the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure; and

(b) the desirability of the methodology being easy to use.

(4) In this article—

“appropriate warranty” means a warranty which the Administrator is satisfied—

(a) is supported by a mechanism that gives assurance that—

(i) funds will be available to honour the warranty; and

(ii) the installation of the insulation and products used in the insulation comply with a quality assurance framework;

(b) is for 25 years or more; and

(c) provides for repair, or replacement where appropriate, of the insulation, covering the cost of remedial and replacement works and materials;

“broken boiler” and “broken electric storage heater” have the same meaning as in article 32.