
STATUTORY INSTRUMENTS

2018 No. 1183

The Electricity and Gas (Energy
Company Obligation) Order 2018

PART 7

Scores

Attributing the score to a qualifying action

26.—(1) To determine whether a participant has achieved its total home-heating cost reduction obligation, the Administrator must attribute a score to each qualifying action.

(2) In the case of a qualifying action notified by a participant under article 24—

- (a) where the Administrator is satisfied that the score notified by the participant under that article is correctly calculated, the Administrator must attribute that score to the qualifying action; or
- (b) where the Administrator is not satisfied that the score notified by the participant under that article is correctly calculated, the Administrator must attribute the score which the Administrator considers would have been determined for the action had it been correctly calculated.

(3) In the case of a qualifying action that is a surplus action, the Administrator must attribute the score which is determined by the Administrator in accordance with article 31.

(4) The Administrator must notify in writing—

- (a) a participant of the score it has attributed to a qualifying action notified by the participant under article 24; and
- (b) a relevant supplier of the score it has attributed to a surplus action which was the subject of an application by the relevant supplier under article 23.

The score for district heating connections

27.—(1) This article applies for the purpose of calculating the score of a qualifying action which—

- (a) is a district heating connection; and
- (b) is not a demonstration action or a surplus action.

(2) Where this article applies, the score is calculated by determining the cost savings for the qualifying action in accordance with the following formula—

$$K \times L$$

(3) In paragraph (2)—

“K” is the cost savings for the qualifying action determined in accordance with—

- (a) the Standard Assessment Procedure;

- (b) the Reduced Data Standard Assessment Procedure; or
- (c) following an application under paragraph (4) in respect of the district heating connection, an alternative methodology approved by the Administrator under paragraph (6);

“L” is—

- (a) 1.25, in the case of a district heating connection which is—
 - (i) a qualifying action by virtue of meeting the condition in article 17; and
 - (ii) installed at domestic premises described as relevant F or G owner-occupied premises in Schedule 4;
- (b) 1, in any other case.

(4) For the purposes of determining the cost savings achieved by a district heating connection (“the proposed connection”), a participant may apply to the Administrator in writing for approval of a methodology other than the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure (“an alternative methodology”).

(5) An application under paragraph (4) must be made—

- (a) in the case of a district heating connection installed before the commencement date, before the measure is notified to the Administrator under article 24;
- (b) in any other case, before the proposed connection is installed.

(6) The Administrator may approve an alternative methodology if—

- (a) it is satisfied that—
 - (i) neither the Standard Assessment Procedure nor the Reduced Data Standard Assessment Procedure contain an appropriate methodology for determining the cost savings achieved by the proposed connection; and
 - (ii) the alternative methodology is an appropriate methodology for determining the cost savings achieved by the proposed connection; or
- (b) the alternative methodology is 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.

The score for demonstration actions

28.—(1) This article applies for the purpose of calculating the score of a qualifying action which is a demonstration action.

(2) The score of a demonstration action is calculated in accordance with the following formula—

$$M \times 5.2$$

(3) In paragraph (2), “M” is the lower of—

- (a) the actual cost as stated in the notification of the demonstration action in accordance with article 24(1)(c)(i); and
- (b) the estimated cost as stated in the application for approval of the demonstration action in accordance with article 20(2)(a)(vii).

The score for innovation measures

29.—(1) This article applies for the purpose of calculating the score of a qualifying action which—

- (a) is an innovation measure; and

- (b) is not a demonstration action or a monitored measure.
- (2) Where this article applies, the score is calculated in accordance with the following formula—
$$N \times P$$
- (3) In paragraph (2)—
 - “N” is the cost savings for the qualifying action calculated in accordance with article 32(2); and
 - “P” is—
 - (a) in the case of a qualifying action which is designated as an excess innovation measure, 1;
 - (b) in any other case, 1.25.
- (4) A participant may apply for a qualifying action which is an innovation measure promoted by the participant—
 - (a) to be designated as an excess innovation measure for the purposes of this article and article 12; or
 - (b) if it is already designated as an excess innovation measure for those purposes, to be no longer so designated.
- (5) An application under paragraph (4) must—
 - (a) be made to the Administrator, in writing, by no later than 30th June 2022; and
 - (b) include such information relating to the qualifying action as the Administrator may require.
- (6) The Administrator must approve an application if it is satisfied that the application is made in accordance with paragraphs (4) and (5).
- (7) If the Administrator approves an application—
 - (a) made under paragraph (4)(a), the qualifying action is designated as an excess innovation measure for the purposes of this article and article 12;
 - (b) made under paragraph (4)(b), the qualifying action ceases to be designated as an excess innovation measure for the purposes of this article and article 12.

The score for monitored measures

- 30.**—(1) This article applies for the purpose of calculating the score of a qualifying action which—
 - (a) is a monitored measure; and
 - (b) is not a demonstration action.
- (2) Where this article applies, the score is the greater of—
 - (a) the score for the qualifying action calculated in accordance with article 32(2); and
 - (b) the score for the qualifying action calculated in accordance with the methodology stated in the application for approval of the monitored measure in accordance with article 22(2)(a)(iii).
- (3) Where the score for the qualifying action is the score under paragraph (2)(b), the Administrator must publish, on its website, a summary of the methodology referred to in that paragraph.

The score for surplus actions

- 31.**—(1) This article applies for the purpose of determining the score of a qualifying action which is a surplus action.

(2) Where a cost score was attributed to the surplus action by the Administrator under article 25 of the 2014 Order, the score is the cost score so attributed.

(3) Where a cost score was not attributed to the surplus action under article 25 of the 2014 Order, the score is the cost score calculated in accordance with articles 19 and 23 of the 2014 Order.

(4) In this article, “cost score” has the meaning given in article 2 of the 2014 Order.

The score for all other qualifying actions

32.—(1) This article applies for the purpose of calculating the score of a qualifying action which is not—

- (a) a district heating connection;
- (b) a demonstration action;
- (c) an innovation measure;
- (d) a monitored measure; or
- (e) a surplus action.

(2) Where this article applies, the score is calculated by determining the cost savings for the qualifying action in accordance with the following formula—

$$Q \times R$$

(3) In paragraph (2)—

“Q” is the cost savings for the qualifying action calculated in accordance with a methodology published by the Administrator under article 33;

“R” is—

- (a) 1.35, in the case of a qualifying action which is installed to improve the insulating properties of non-gas fuelled premises;
- (b) 4, in the case of a qualifying action which is the replacement of a broken boiler with another boiler;
- (c) 2.4, in the case of a qualifying action which is the replacement of a broken electric storage heater with another electric storage heater;
- (d) 1.25, in the case of a qualifying action which—
 - (i) is not a qualifying action described in paragraph (a), (b) or (c);
 - (ii) is a qualifying action by virtue of meeting the condition in article 17; and
 - (iii) is installed at domestic premises described as relevant F or G owner-occupied premises in Schedule 4;
- (e) 1, in all other cases.

(4) In this article—

“broken boiler” means a boiler that has broken down and cannot be economically repaired;

“broken electric storage heater” means an electric storage heater that has broken down and cannot be economically repaired;

“non-gas fuelled premises” means domestic premises where, both before and after the installation of the qualifying action—

- (a) the main space heating system for the premises is not fuelled by mains gas; and
- (b) the premises are not connected to a district heating system.

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.