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STATUTORY INSTRUMENTS

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**2022 No. 875**

The Electricity and Gas (Energy  
Company Obligation) Order 2022

PART 10

Scores

CHAPTER 1

Overview

**Part 10: interpretation**

**46.** In this Part—

“adjusted cost savings” means, in relation to a data light measure or a standard alternative methodology measure, the adjusted cost savings calculated in accordance with article [75\(2\)\(b\)](#);

“basic heating repair or replacement measure” means a qualifying action that is—

- (a) the repair of—
  - (i) an efficient boiler;
  - (ii) an efficient heating system;
  - (iii) a renewable heating system; or
  - (iv) equipment for the generation of heat wholly or partly from biofuel, oil or liquefied petroleum gas,but is not the repair of an electric storage heater or heating controls;
- (b) the replacement of an efficient boiler with another efficient boiler; or
- (c) the replacement of an efficient heating system, other than an electric storage heater, with another efficient heating system of the same kind;

“building fabric repair allowance” means, in relation to a participant, the amount equal to 0.5% of the participant’s total home-heating cost reduction obligation;

“building fabric repair expenditure”—

- (a) in connection with an ECO4 project has the meaning given in article [62](#);
- (b) in connection with a qualifying action has the meaning given in article [74\(3\)](#) and (4);

“building fabric repair increase”—

- (a) in relation to an ECO4 project has the meaning given in article [55\(3\)](#);
- (b) in relation to a qualifying action has the meaning given in article [66](#);

“capped heating repair measure” means a qualifying action that is—

- (a) the repair of an efficient boiler;

(b) the repair of equipment for the generation of heat wholly or partly from biofuel, oil or liquefied petroleum gas; or

(c) the repair of an efficient electric storage heater;

“capped heating replacement measure” means a qualifying action that is—

(a) the replacement of an efficient boiler with another efficient boiler;

(b) the replacement of an efficient heating system with another efficient heating system of the same kind, other than where the efficient heating system being replaced is—

(i) a district heating connection; or

(ii) a renewable heating system;

“data light measure allowance” means, in relation to a participant, the number calculated as the participant’s data light measure allowance under article 48 (see articles 71(3) and (4) and 77(2) which provide that this is the maximum number of qualifying actions promoted by the participant which are data light measures of the same data light measure description and in relation to which the annual cost savings may be counted towards the achievement of the participant’s total home-heating cost reduction obligation)<sup>(1)</sup>;

“data light measure description” means, in relation to a data light measure, the measure description published by the Administrator in respect of the data light measure under article 41(1)(a);

“determined cost savings” means—

(a) in relation to an ECO4 project that meets the requirements of article 49, the annual cost savings of the project determined in accordance with article 53(2)(b);

(b) in relation to a basic heating repair or replacement measure, the annual cost savings of the qualifying action determined in accordance with article 67(3);

(c) in relation to—

(i) the repair of an efficient electric storage heater; or

(ii) the replacement of an efficient electric storage heater with another efficient electric storage heater,

the annual cost savings of the qualifying action determined in accordance with article 68(3);

(d) in relation to a data light measure or a standard alternative methodology measure not falling within paragraph (b) or (c), the annual cost savings of the qualifying action determined in accordance with article 75(2)(c);

(e) in relation to a DHC alternative methodology measure, the annual cost savings of the qualifying action determined in accordance with the alternative methodology approved by the Administrator under article 70(5);

(f) in relation to a surplus action or an ECO3 interim delivery action, the annual cost savings of the qualifying action determined in accordance with article 78(2);

(g) in relation to a qualifying action not falling within paragraphs (b) to (f), the annual cost savings of the qualifying action determined in accordance with article 76(2)(c);

“DHCalt” is, in relation to a DHC alternative methodology measure, the determined cost savings for the qualifying action;

(1) See also articles 51(2)(a) and 53, which provide that the data light measure allowance sets a maximum for the number of qualifying actions promoted by the participant which are data light measures of the same data light measure description and in relation to which the adjusted cost savings may be used in the determination of the post-project SAP band under article 51(1)(a)(ii), and in the determination of the post-project SAP rating under article 53(3)(a)(ii).

“DHC alternative methodology measure” means a qualifying action which is the installation of a district heating connection in respect of which the Administrator has approved an alternative methodology under article 70(5);

“DHCstandard” is, in relation to a DHC alternative methodology measure, the annual cost savings of the qualifying action determined in accordance with article 76(2)(c);

“energy cost rating equations” means the equations set out in chapter 13 of the Standard Assessment Procedure;

“exempted ECO4 project” means an ECO4 project that meets condition B in article 50(3);

“exempted project allowance” means, in relation to a participant, the number calculated as the participant’s exempted project allowance under article 48 (see article 50(1)(b) and (5) which provide that this is the maximum number of ECO4 projects promoted by the participant that may meet the minimum requirement for energy efficiency improvement in that article by virtue of meeting condition B in that article);

“full project score” means the score given to an ECO4 project that meets the requirements of article 49;

“general innovation allowance” means, in relation to a participant, the amount equal to 10% of the participant’s total home-heating cost reduction obligation;

“heating repair allowance” means, in relation to a participant, the number calculated as the participant’s heating repair allowance under article 48 (see articles 67(3) and 68(3) which provide that this is the maximum number of ECO3 interim delivery actions and ECO4 projects promoted by the participant which are, or which contain, a capped heating repair measure in relation to which the annual cost savings of the capped heating repair measure may be counted towards the achievement of the participant’s total home-heating cost reduction obligation);

“heating replacement allowance” means, in relation to a participant, the number calculated as the participant’s heating replacement allowance under article 48 (see articles 67(3) and 68(3) which provide that this is the maximum number of surplus actions, ECO3 interim delivery actions and ECO4 projects promoted by the participant which are, or which contain, a capped heating replacement measure in relation to which the annual cost savings of the capped heating replacement measure may be counted towards the achievement of the participant’s total home-heating cost reduction obligation);

“innovation measure uplift”, in relation to an innovation measure, is the amount calculated in accordance with article 58(4);

“partial project score” means the score given to a qualifying action which is part of an ECO4 project that does not meet the requirements of article 49;

“positive score” means a score which is greater than zero;

“post-project energy efficiency assessment” means, in relation to an ECO4 project, a SAP assessment or an RdSAP assessment performed after the completion of the project;

“project innovation uplift” has the meaning given in article 55(3) (see the definition of “IMP” in that article);

“uplift eligible innovation measure” has the meaning given in article 60(2).

### **Calculating allowances and giving a score to an ECO4 project or to a qualifying action**

47.—(1) To determine whether a participant has achieved its total home-heating cost reduction obligation, the Administrator must—

- (a) calculate the participant’s data light measure allowance, exempted project allowance, heating repair allowance and heating replacement allowance, in accordance with article 48;

- (b) give a score to each ECO4 project that meets the requirements of article 49 (see article 53 in relation to the calculation of the score); and
- (c) give a score to each qualifying action which—
- (i) is part of an ECO4 project that does not meet the requirements of article 49 (see whichever is relevant of articles 67 to 72 in relation to the calculation of the score);
  - (ii) is an in-fill measure (see article 77 in relation to the calculation of the score); or
  - (iii) is a surplus action or an ECO3 interim delivery action (see article 78 in relation to the calculation of the score).
- (2) The Administrator may give a score to each ECO4 project and to each qualifying action in such order as it thinks fit.
- (3) The Administrator must notify a participant of—
- (a) its data light measure allowance, exempted project allowance, heating repair allowance and heating replacement allowance; and
  - (b) the score it has given to an ECO4 project or 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 September 2026.
- (5) In this Part, references—
- (a) to a participant are to the participant that promoted the ECO4 project or qualifying action in question;
  - (b) to domestic premises are to the domestic premises at which the qualifying actions forming part of the ECO4 project in question are installed, or at which the qualifying action in question is installed;
  - (c) to the ECO4 project in question are to the ECO4 project for which it is being determined whether the project meets the requirements of article 49, or for which a score is being calculated;
  - (d) to the qualifying action in question are to the qualifying action for which a score is being calculated.

### **Calculation of data light measure, exempted project, heating repair and heating replacement allowances**

**48.**—(1) The Administrator must calculate a participant’s data light measure allowance, exempted project allowance, heating repair allowance and heating replacement allowance in accordance with the following formula—

$(Ht / \text{£}224.3 \text{ million}) \times A$ , with the result expressed as the nearest integer, rounding 0.5 up to the next integer.

(2) In paragraph (1)—

(a) “A” is the value given for the allowance in the following table—

<i>Allowance</i>	<i>Value</i>
Data light measure allowance	5,000 data light measures.
Exempted project allowance	7,500 ECO4 projects.
Heating repair allowance	20,000 ECO3 interim delivery actions or ECO4 projects.
Heating replacement allowance	20,000 surplus actions, ECO3 interim delivery actions or ECO4 projects.

- (b) “Ht” is the participant’s total home-heating cost reduction obligation.

## CHAPTER 2

### Requirements for a full project score

#### **Requirements for a full project score: overview**

**49.**—(1) An ECO4 project meets the requirements of this article if the Administrator is satisfied that—

- (a) the project meets the minimum requirement for energy efficiency improvement in article 50;
- (b) the project meets the requirement concerning the post-project energy efficiency assessment in paragraph (3); and
- (c) the only changes made to the domestic premises between the pre-project energy efficiency assessment and the post-project energy efficiency assessment which would increase the SAP rating of the premises, as determined pursuant to those assessments, are the qualifying actions in the ECO4 project.

(2) Paragraph (1)(b) and (c) do not apply to an ECO4 project which consists of one or more data light measures only.

(3) An ECO4 project meets the requirement concerning the post-project energy efficiency assessment if—

- (a) where the project consists of a district heating connection only or a district heating connection and one or more novel data light measures only—
  - (i) a SAP assessment is performed after the completion of the project for the purpose of calculating the SAP rating of the premises; and
  - (ii) an energy performance certificate based on the SAP assessment is issued;
- (b) in any other case, an RdSAP assessment is performed after the completion of the project for the purpose of calculating the SAP rating of the premises.

(4) In paragraph (3), references to a “district heating connection” do not include a connection to a district heating system that uses a shared ground loop.

#### **ECO4 projects: minimum requirement for energy efficiency improvement**

**50.**—(1) An ECO4 project meets the minimum requirement for energy efficiency improvement in this article if it meets—

- (a) condition A;
- (b) where the participant’s exempted project allowance is not exhausted, condition B; or
- (c) condition C.

(2) Condition A is met if the Administrator is satisfied, in relation to the domestic premises, that—

- (a) if the pre-project SAP band is band D or E, the post-project SAP band is band A, B or C;
- (b) if the pre-project SAP band is band F or G, the post-project SAP band is band A, B, C or D.

(3) Condition B is met if—

- (a) the pre-project SAP band for the domestic premises is band E, F or G; and
- (b) the Administrator is satisfied that—

- (i) the ECO4 project could not meet condition A because—

- (aa) to do so would require the installation of one or more measures which attract an exemption under Part 11; or
  - (bb) there is no combination of ECO4 eligible measures that would have enabled the project to meet condition A; and
  - (ii) as compared to the measures in the ECO4 project, no other combination of ECO4 eligible measures, excluding those attracting an exemption under Part 11, would have resulted in a larger increase in the SAP rating for the premises.
- (4) Condition C is met if, in the case of domestic premises that have a pre-project SAP band of E, F or G, the Administrator is satisfied that neither condition A nor condition B could be met because there has been a change in the people who are occupying the premises.
- (5) For the purposes of paragraph (1)(b), a participant's exempted project allowance is not exhausted if X is less than the participant's exempted project allowance, where "X" is the number of ECO4 projects promoted by the participant—
- (a) which meet condition B in paragraph (3); and
  - (b) for which the Administrator has given a positive score under article 47(1)(b) before the ECO4 project in question.
- (6) In this article, "post-project SAP band" has the meaning given in article 51.

#### **Determination of the post-project SAP band**

**51.—**(1) For the purposes of article 50, "post-project SAP band" means the SAP band which is to be determined for the domestic premises by the Administrator—

- (a) either—
    - (i) pursuant to any post-project energy efficiency assessment referred to in article 49(3);
    - (ii) where the ECO4 project includes the installation of a data light measure or a standard alternative methodology measure to which paragraph (2) applies, by using the energy cost rating equations and the adjusted cost savings for the data light measure or standard alternative methodology measure to calculate the change in the SAP rating of the premises following the installation of the measure; and
    - (iii) where the ECO4 project includes the installation of a DHC alternative methodology measure, by using the energy cost rating equations and the result of the following formula to calculate the change in the SAP rating of the premises following the installation of the measure—
 
$$\text{DHCalt} - \text{DHCstandard}; \text{ or}$$
  - (b) where the ECO4 project consists solely of data light measures to which paragraph (2) does not apply, by treating the post-project SAP band as being the same SAP band as the pre-project SAP band.
- (2) This paragraph applies to a data light measure or a standard alternative methodology measure which—
- (a) in the case of a data light measure, is within the participant's data light measure allowance; and
  - (b) is not—
    - (i) the replacement of an efficient boiler with another efficient boiler; or
    - (ii) the replacement of an efficient heating system with another efficient heating system of the same kind.

(3) For the purpose of paragraph (2)(a), the Administrator is to determine whether a data light measure is within a participant's data light measure allowance in accordance with article 52.

**Determination whether a measure is within the data light measure allowance**

**52.** For the purposes of article 51, a data light measure is only within a participant's data light measure allowance if X is less than the participant's data light measure allowance, where "X" is the sum of—

- (a) the number of data light measures which are—
  - (i) qualifying actions forming part of an ECO4 project promoted by the participant for which the Administrator has given a positive score under article 47(1)(b) before the ECO4 project in question; and
  - (ii) of the same data light measure description as the data light measure in question;
- (b) the number of data light measures which are—
  - (i) qualifying actions promoted by the participant for which the Administrator has given a positive score under article 47(1)(c)(i) or (ii) before the ECO4 project in question; and
  - (ii) of the same data light measure description as the data light measure in question.

CHAPTER 3

Calculating full project scores

**Full project score: overview and determination of post-project SAP rating**

- 53.**—(1) This article applies to an ECO4 project that meets the requirements of article 49.
- (2) Where this article applies—
- (a) the Administrator must determine the SAP rating of the domestic premises in accordance with paragraph (3) ("the post-project SAP rating");
  - (b) the Administrator must then determine the annual cost savings of the ECO4 project in accordance with a methodology published in accordance with article 54; and
  - (c) finally, the Administrator must calculate the full project score in accordance with the formula in article 55(2).
- (3) The post-project SAP rating is to be determined—
- (a) either—
    - (i) pursuant to any post-project energy efficiency assessment referred to in article 49(3);
    - (ii) where the ECO4 project includes the installation of a data light measure or a standard alternative methodology measure to which article 51(2) applies, by using the energy cost rating equations and the adjusted cost savings for the data light measure or standard alternative methodology measure to calculate the change in the SAP rating of the domestic premises following the installation of the measure; and
    - (iii) where the ECO4 project includes the installation of a DHC alternative methodology measure, by using the energy cost rating equations and the result of the following formula to calculate the change in the SAP rating of the premises following the installation of the measure—  
$$\text{DHCalt} - \text{DHCstandard}; \text{ or}$$

- (b) where the ECO4 project consists solely of data light measures to which article 51(2) does not apply, by treating the post-project SAP rating as being the same SAP rating as the pre-project SAP rating.

#### **Publication of a methodology for determining ECO4 project cost savings**

**54.**—(1) The Administrator must publish, on its website, a methodology for the purpose of determining the annual cost savings of an ECO4 project that meets the requirements of article 49.

(2) Under the methodology published by the Administrator the determination of the annual cost savings must—

- (a) be based on the difference between the pre-project SAP rating and the post-project SAP rating; and
- (b) where the ECO4 project includes an item of work—
  - (i) to which article 62(2) applies; and
  - (ii) which is the extraction of cavity wall insulation or loft insulation, take into account any impact that work would have on the SAP rating of the domestic premises as compared to the pre-project SAP rating.

(3) The methodology must provide that, if the post-project SAP rating is more than 90, it is to be treated as if it were 90.

(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) In this article, “post-project SAP rating” has the same meaning as in article 53(2)(a).

#### **Full project score: calculation**

**55.**—(1) This article applies for the purpose of calculating the full project score to be given to an ECO4 project that meets the requirements of article 49.

(2) The full project score is the result of the following formula—

$$KP \times (1 + F) \times (C + OGR) + BH + ESH + IMP + BFR - L.$$

(3) In paragraph (2)—

“KP” is the determined cost savings for the ECO4 project;

“F” is—

- (a) 0.2, where the floor area of the domestic premises is less than 73m<sup>2</sup>;
- (b) 0.1, where the floor area of the premises is between 73m<sup>2</sup> and 97m<sup>2</sup> (both inclusive);
- (c) 0, where the floor area of the premises is greater than 97m<sup>2</sup>;

“C” is—

- (a) 1.1, where at least one qualifying action in the ECO4 project meets the condition in article 21 (measures accompanied by a declaration from a relevant authority or participant and Secretary of State approval);
- (b) otherwise, 1;

“OGR” is—

- (a) 0.35, where the domestic premises are—
  - (i) off-gas premises; and
  - (ii) in a rural area in Scotland or Wales;



(b) otherwise, 0;

“BH” is the amount determined in accordance with article 56 (addition to annual cost savings for projects including basic heating repair or replacement measures);

“ESH” is the amount determined in accordance with article 57 (addition to annual cost savings for projects including repairs and replacements of efficient electric storage heaters);

“IMP” is the “project innovation uplift” and is the amount determined in accordance with article 58 (addition to annual cost savings for projects that include certain innovation measures);

“BFR” is the “building fabric repair increase” and is the amount determined in accordance with article 61 (addition to annual cost savings for certain projects incurring building fabric repair expenditure);

“L” is—

(a) the amount determined in accordance with article 64 (late completion penalty), where the ECO4 project consists of one or more qualifying actions which are not completed on time within the meaning of article 65(2);

(b) otherwise, £0.

#### **Addition to annual cost savings for projects including basic heating repair or replacement measures**

**56.**—(1) This article applies for the purpose of determining the value of “BH” in the formula in article 55(2).

(2) Where the ECO4 project includes one or more basic heating repair or replacement measures, “BH” is the sum of the determined cost savings for those measures.

(3) Where the ECO4 project does not include any basic heating repair or replacement measures, “BH” is £0.

#### **Addition to annual cost savings for projects including repairs and replacements of efficient electric storage heaters**

**57.**—(1) This article applies for the purpose of determining the value of “ESH” in the formula in article 55(2).

(2) Where the ECO4 project includes one or more qualifying actions specified in paragraph (4), “ESH” is the sum of the determined cost savings for those qualifying actions.

(3) Where the ECO4 project does not include any qualifying actions specified in paragraph (4), “ESH” is £0.

(4) The qualifying actions specified in this paragraph are—

(a) the repair of an efficient electric storage heater; or

(b) the replacement of an efficient electric storage heater with another efficient electric storage heater.

#### **Project innovation uplift**

**58.**—(1) This article applies for the purpose of determining the amount of the project innovation uplift (“IMP”) in the formula in article 55(2).

(2) For the purposes of this article, where the ECO4 project includes a qualifying action which is an innovation measure, the Administrator must—

- (a) determine, in accordance with article 59, whether the participant’s general innovation allowance is exhausted; and
  - (b) if the participant’s general innovation allowance is not exhausted, determine, in accordance with article 60, which of the qualifying actions in the ECO4 project (if any) are uplift eligible innovation measures.
- (3) The project innovation uplift (“IMP”) is—
- (a) £0, where—
    - (i) the ECO4 project does not include a qualifying action which is an innovation measure;
    - (ii) the participant’s general innovation allowance is exhausted; or
    - (iii) none of the qualifying actions included in the ECO4 project is an uplift eligible innovation measure;
  - (b) in any other case, the sum of the innovation measure uplifts for each uplift eligible innovation measure which is a qualifying action forming part of the ECO4 project in question.
- (4) The innovation measure uplift for an innovation measure is the amount calculated in accordance with the following formula—
- $$KM \times (R + S).$$
- (5) In paragraph (4)—
- “KM” is the determined cost savings for the innovation measure;
  - “R” is—
    - (a) 0.25, in the case of a standard innovation measure;
    - (b) 0.45, in the case of a substantial innovation measure;
  - “S” is—
    - (a) 0.05, where the innovation measure—
      - (i) is a standard innovation measure, other than an ECO3 innovation measure, and is promoted by the participant that successfully applied under article 33 for the approval of the measure as a standard innovation measure; or
      - (ii) is a substantial innovation measure and is promoted by the participant that successfully applied under article 33 or 35 for approval of the measure as a substantial innovation measure;
    - (b) 0, in all other cases.

#### **Determination whether general innovation allowance is exhausted**

**59.**—(1) This article applies for the purposes of article 58.

(2) A participant’s general innovation allowance is exhausted only if X is equal to or greater than the participant’s general innovation allowance, where “X” is the sum of—

- (a) the determined cost savings for the uplift eligible innovation measures—
  - (i) which are qualifying actions forming part of ECO4 projects promoted by the participant; and
  - (ii) for which the Administrator has given a score under article 47(1)(b) before the ECO4 project in question;
- (b) the determined cost savings for the uplift eligible innovation measures—
  - (i) which are qualifying actions promoted by the participant; and

- (ii) for which the Administrator has given a score under article 47(1)(c)(i) or (ii) before the ECO4 project in question;
- (c) the determined cost savings for the innovation measures—
  - (i) which are qualifying actions promoted by the participant; and
  - (ii) for which the Administrator has given a score under article 47(1)(c)(iii) before the ECO4 project in question;
- (d) the project innovation uplifts for the ECO4 projects—
  - (i) promoted by the participant; and
  - (ii) for which the Administrator has given a score under article 47(1)(b) before the ECO4 project in question;
- (e) the innovation measure uplifts for the innovation measures—
  - (i) promoted by the participant; and
  - (ii) for which the Administrator has given a score under article 47(1)(c)(i) or (ii) before the ECO4 project in question.

#### **Determination whether measures are uplift eligible innovation measures**

**60.**—(1) This article applies for the purposes of article 58 and 59.

(2) A measure is an uplift eligible innovation measure if it is an innovation measure and immediately before the Administrator gives a score under article 47(1)(b) or (c) to the innovation measure, or to the ECO4 project which includes the innovation measure, X is less than 5% of the participant's total home-heating cost reduction obligation, where "X" is the sum of—

- (a) the determined cost savings for the innovation measures which—
    - (i) are qualifying actions forming part of ECO4 projects promoted by the participant for which the Administrator has given a score under article 47(1)(b); and
    - (ii) are of the same innovation measure description as the innovation measure in question;
  - (b) the determined cost savings for the innovation measures which—
    - (i) are qualifying actions promoted by the participant for which the Administrator has given a score under article 47(1)(c); and
    - (ii) are of the same innovation measure description as the innovation measure in question;
  - (c) the innovation measure uplifts for the innovation measures referred to in sub-paragraph (a);
  - (d) the innovation measure uplifts for the innovation measures—
    - (i) referred to in sub-paragraph (b); and
    - (ii) for which the Administrator has given a score under article 47(1)(c)(i) or (ii).
- (3) In this article, "innovation measure description" means—
- (a) in relation to an innovation measure other than an ECO3 innovation measure, the measure description published by the Administrator in respect of the innovation measure under article 36(1)(a);
  - (b) in relation to an ECO3 innovation measure, the measure description published by the Administrator in respect of the ECO3 innovation measure under article 21(4)(a) of the 2018 Order.

**Building fabric repair increase for ECO4 projects**

**61.**—(1) This article applies for the purpose of determining the amount of the building fabric repair increase (“BFR”) in the formula in article 55(2).

- (2) For the purposes of this article, the Administrator must—
- (a) determine the amount of building fabric repair expenditure in connection with the ECO4 project in accordance with article 62; and
  - (b) if the amount of building fabric repair expenditure in connection with the ECO4 project is £50 or more, determine, in accordance with article 63, whether the participant’s building fabric repair allowance is exhausted.
- (3) The building fabric repair increase (“BFR”) is—
- (a) £0, where—
    - (i) the amount of building fabric repair expenditure in connection with the ECO4 project is less than £50; or
    - (ii) where the participant’s building fabric repair allowance is exhausted;
  - (b) in any other case, the amount calculated in accordance with the following formula<sup>(2)</sup>—  

$$Q / £17.83.$$
- (4) In paragraph (3)(b), “Q” is—
- (a) £125, where the building fabric repair expenditure is between £50 and £200 (both inclusive);
  - (b) £351, where the building fabric repair expenditure is between £201 and £500 (both inclusive);
  - (c) £751, where the building fabric repair expenditure is between £501 and £1,000 (both inclusive);
  - (d) £1,251, where the building fabric repair expenditure is £1,001 or more.

**Determination of building fabric repair expenditure**

**62.**—(1) The amount of building fabric repair expenditure in connection with an ECO4 project is the amount equal to the costs, rounded downwards to the nearest £1, that the Administrator is satisfied—

- (a) have been reasonably incurred in carrying out any items of work to which paragraph (2) applies;
  - (b) are accurately recorded in the TrustMark Data Warehouse; and
  - (c) have not been incurred in carrying out any of the related items of work listed in paragraph (3).
- (2) This paragraph applies to an item of work which—
- (a) is carried out at premises that—
    - (i) are the same domestic premises as the ECO4 project;
    - (ii) are owner-occupied premises; and
    - (iii) have a pre-project SAP band of E, F or G;
  - (b) is—
    - (i) the repair of a construction defect, a structural defect or a leak;

(2) £17.83 is the cost that the Department for Business, Energy and Industrial Strategy has estimated would be incurred by a participant in delivering each £1 in the annual cost savings attributable to the qualifying action.

- (ii) the treatment of condensation or mould growth; or
  - (iii) the removal of asbestos;
  - (c) is not an ECO4 eligible measure;
  - (d) in the case of the extraction of cavity wall insulation or loft insulation—
    - (i) is recommended in a report by a chartered surveyor pursuant to an assessment of the domestic premises performed for the purpose of identifying measures for improving the energy efficiency of the premises; and
    - (ii) is not carried out during the original term of any guarantee accompanying the installation of the insulation (whether or not that guarantee remains in effect throughout the original term);
  - (e) is required by PAS 2030:2019 or PAS 2035:2019 to be carried out before an ECO4 eligible measure in the ECO4 project is completed;
  - (f) is carried out in accordance with PAS 2030:2019 and PAS 2035:2019;
  - (g) is carried out during the course of the ECO4 project;
  - (h) is promoted by the same participant as promoted the ECO4 project; and
  - (i) is recorded in information held on the TrustMark Data Warehouse, together with a record of the actual cost incurred in carrying out the item of work.
- (3) The related items of work listed in this paragraph are—
- (a) the assessment of the domestic premises for the purpose of identifying measures for improving the energy efficiency of the premises;
  - (b) the relaying of carpets or tiles;
  - (c) the movement of furniture or other items in the premises;
  - (d) the repainting of damaged surfaces;
  - (e) the installation of flood mitigation measures;
  - (f) the installation of ventilation measures.

#### **Determination whether building fabric repair allowance is exhausted**

- 63.**—(1) This article applies for the purposes of article 61.
- (2) A participant’s building fabric repair allowance is exhausted only if X is equal to or greater than the participant’s building fabric repair allowance, where “X” is the sum of—
- (a) the building fabric repair increases for the ECO4 projects promoted by the participant for which the Administrator has given a score under article 47(1)(b) before the ECO4 project in question;
  - (b) the building fabric repair increases for the qualifying actions promoted by the participant for which the Administrator has given a score under article 47(1)(c)(i) before the ECO4 project in question.

#### **Penalty for late completion of qualifying actions**

- 64.**—(1) This article applies for the purpose of determining the value of “L” in the formula in article 55(2) where the ECO4 project consists of one or more qualifying actions which are not completed on time within the meaning of article 65(2).
- (2) The value of “L” is—

- (a) if the ECO4 project consists of one qualifying action which is not completed on time, the late completion penalty for that qualifying action;
  - (b) otherwise, the sum of the late completion penalties for each of the qualifying actions in the ECO4 project which is not completed on time.
- (3) For the purposes of paragraph (2), the late completion penalty for a qualifying action in the project which is not completed on time is calculated in accordance with the following formula—  
 $KM \times 0.2$ .
- (4) In paragraph (3), “KM” is the determined cost savings for the qualifying action.

### **Time frame for completion of qualifying actions**

**65.**—(1) This article applies for the purpose of determining whether a qualifying action in an ECO4 project is completed on time.

- (2) A qualifying action in an ECO4 project is completed on time if—
  - (a) it is the only qualifying action in the ECO4 project; or
  - (b) where it is part of an ECO4 project which includes more than one qualifying action—
    - (i) it is the first qualifying action in the project to be completed;
    - (ii) it is completed on the same day as, or not more than three months after, the day on which the first qualifying action in the project is completed; or
    - (iii) following an application under paragraph (3) which has been accepted by the Administrator, it is completed within the period specified by the Administrator under paragraph (6)(a).
- (3) A participant may apply to the Administrator in writing for an extension of time in which to complete a measure in an ECO4 project.
- (4) An application under paragraph (3) must be made before the end of the five month period beginning with the day on which the first measure in the ECO4 project is completed.
- (5) An application under paragraph (3) must include—
  - (a) details of why the participant is seeking an extension of time to complete the measure; and
  - (b) such other information relating to the measure or the ECO4 project as the Administrator may require.
- (6) Following receipt of an application under paragraph (3), the Administrator must—
  - (a) accept the application and specify a period within which the measure must be completed, as it thinks fit, but ending not more than six months after the day on which the first qualifying action in the ECO4 project is completed; or
  - (b) reject the application.
- (7) In relation to an ECO4 project which includes an ECO4 eligible measure which is the installation of a district heating connection—
  - (a) the reference to “three months” in paragraph (2)(b)(ii) is to be read as a reference to “six months”;
  - (b) the reference to “five month period” in paragraph (4) is to be read as a reference to “eight month period”; and
  - (c) the reference to “six months” in paragraph (6)(a) is to be read as a reference to “nine months”.

## CHAPTER 4

### Calculating partial project scores

#### **Interpretation: definitions related to formulae**

**66.** In this Chapter—

“BFR” is “the building fabric repair increase” and is the amount determined in accordance with article 74 (addition to the annual cost savings for certain qualifying actions incurring building fabric repair expenditure);

“C” is—

- (a) 1.1, where the qualifying action meets the condition in article 21 (measures accompanied by a declaration from a relevant authority or participant and Secretary of State approval);
- (b) otherwise, 1;

“D” is 0.8 (being a deflator for a partial project score);

“F” is—

- (a) 0.2, where the floor area of the domestic premises is less than 73m<sup>2</sup>;
- (b) 0.1, where the floor area of the premises is between 73m<sup>2</sup> and 97m<sup>2</sup> (both inclusive); and
- (c) 0, where the floor area of the premises is greater than 97m<sup>2</sup>;

“IM” is the amount determined in accordance with article 73 (addition to the annual cost savings for certain innovation measures);

“KM” is the determined cost savings for the qualifying action in question;

“OGR” is—

- (a) 0.35, where the domestic premises are—
  - (i) off-gas premises; and
  - (ii) in a rural area in Scotland or Wales;
- (b) otherwise, 0.

#### **Partial project score for basic heating repair or replacement measures: calculation**

**67.**—(1) This article applies for the purpose of calculating the partial project score to be given to a qualifying action which—

- (a) is part of an ECO4 project that does not meet the requirements of article 49; and
- (b) is a basic heating repair or replacement measure.

(2) The Administrator must determine the amount of annual cost savings for the qualifying action in accordance with paragraph (3).

(3) The amount of annual cost savings for the qualifying action is—

- (a) £0, where—
  - (i) the heating measure limit in paragraph (4) applies to the qualifying action;
  - (ii) the participant’s heating repair allowance is exhausted, and the qualifying action is the repair of—
    - (aa) an efficient boiler; or
    - (bb) equipment for the generation of heat wholly or partly from biofuel, oil or liquefied petroleum gas; or

- (iii) the participant's heating replacement allowance is exhausted, and the qualifying action is the replacement of—
  - (aa) an efficient boiler with another efficient boiler; or
  - (bb) an efficient heating system with another efficient heating system of the same kind, other than where the efficient heating system being replaced is a district heating connection or a renewable heating system;
- (b)  $\text{£}140 \times (1 + F)$ , in any other case.
- (4) The heating measure limit in this paragraph applies to a qualifying action if before the Administrator determines the amount of annual cost savings for the qualifying action—
  - (a) another basic heating repair or replacement measure forming part of the same ECO4 project as the qualifying action in question has had its annual cost savings determined by the Administrator in accordance with paragraph (3); and
  - (b) the amount of annual cost savings for that other basic heating repair or replacement measure was determined to be at least  $\text{£}140$ .
- (5) For the purpose of paragraph (3)(a), the Administrator must determine, in accordance with article 69, whether the participant's heating repair allowance or heating replacement allowance is exhausted.
- (6) Where the determined cost savings for the qualifying action is at least  $\text{£}140$ , the partial project score for the qualifying action is the result of the following formula—  
 $(KM \times C + IM + BFR) \times D$ .
- (7) Where the determined cost savings for the qualifying action is  $\text{£}0$ , the partial project score for the qualifying action is  $\text{£}0$ .

#### **Partial project score for repairs and replacements of certain electric storage heaters**

- 68.**—(1) This article applies for the purpose of calculating the partial project score to be given to a qualifying action which—
- (a) is part of an ECO4 project that does not meet the requirements of article 49; and
  - (b) is—
    - (i) the repair of an efficient electric storage heater; or
    - (ii) the replacement of an efficient electric storage heater with another efficient electric storage heater.
- (2) The Administrator must determine the amount of annual cost savings for the qualifying action in accordance with paragraph (3).
- (3) The amount of annual cost savings for the qualifying action is—
- (a)  $\text{£}0$ , where—
    - (i) the participant's heating repair allowance is exhausted, and the qualifying action is the repair of an efficient electric storage heater; or
    - (ii) the participant's heating replacement allowance is exhausted, and the qualifying action is the replacement of an efficient electric storage heater with another efficient electric storage heater;
  - (b)  $\text{£}40 \times (1 + F)$ , in any other case.
- (4) For the purpose of paragraph (3)(a), the Administrator must determine, in accordance with article 69, whether the participant's heating repair allowance or heating replacement allowance is exhausted.



(5) Where the determined cost savings for the qualifying action is at least £40, the partial project score for the qualifying action is the result of the following formula—

$(KM \times C + IM + BFR) \times D$ .

(6) Where the determined cost savings for the qualifying action is £0, the partial project score for the qualifying action is £0.

### **Determination whether the heating repair or heating replacement allowance is exhausted**

**69.**—(1) This article applies for the purposes of articles 67 and 68.

(2) A participant's heating repair allowance is exhausted unless X is less than the participant's heating repair allowance, where "X" is the sum of—

- (a) the number of ECO4 projects promoted by the participant—
  - (i) which include a capped heating repair measure; and
  - (ii) for which the Administrator has given a positive score under article 47(1)(b) before the qualifying action in question;
- (b) the number of ECO4 projects promoted by the participant which include a qualifying action—
  - (i) which is a capped heating repair measure; and
  - (ii) for which the Administrator has given a positive score under article 47(1)(c)(i) before the qualifying action in question;
- (c) the number of ECO3 interim delivery actions promoted by the participant—
  - (i) which are capped heating repair measures; and
  - (ii) for which the Administrator has given a positive score under article 47(1)(c)(iii) before the qualifying action in question.

(3) A participant's heating replacement allowance is exhausted unless Y is less than the participant's heating replacement allowance, where "Y" is the sum of—

- (a) the number of ECO4 projects promoted by the participant—
  - (i) which include a capped heating replacement measure; and
  - (ii) for which the Administrator has given a positive score under article 47(1)(b) before the qualifying action in question;
- (b) the number of ECO4 projects promoted by the participant which include a qualifying action—
  - (i) which is a capped heating replacement measure; and
  - (ii) for which the Administrator has given a positive score under article 47(1)(c)(i) before the qualifying action in question;
- (c) the number of ECO3 interim delivery actions and surplus actions promoted by the participant—
  - (i) which are capped heating replacement measures; and
  - (ii) for which the Administrator has given a positive score under article 47(1)(c)(iii) before the qualifying action in question.

### **Partial project score for district heating connections**

**70.**—(1) This article applies for the purpose of calculating the partial project score to be given to a qualifying action which—

- (a) is part of an ECO4 project that does not meet the requirements of article 49;
  - (b) is a district heating connection;
  - (c) is not the replacement of an efficient heating system with another efficient heating system of the same kind; and
  - (d) is not a repair.
- (2) Where this article applies, the score is calculated in accordance with the following formula—  
 $(KM \times (C + OGR) + BFR) \times D$ .
- (3) For the purpose of determining the annual cost savings achieved by a district heating connection (“the relevant 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”).
- (4) An application under paragraph (3) 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 43;
  - (b) in any other case, before the relevant connection is installed.
- (5) 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 annual cost savings achieved by the relevant connection; and
    - (ii) the alternative methodology is an appropriate methodology for determining the annual cost savings achieved by the relevant 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.

### **Partial project score for data light measures and standard alternative methodology measures**

- 71.—(1) This article applies for the purpose of calculating the partial project score to be given to a qualifying action which—
- (a) is part of an ECO4 project that does not meet the requirements of article 49;
  - (b) is either—
    - (i) a data light measure; or
    - (ii) a standard alternative methodology measure; and
  - (c) is not—
    - (i) the replacement of an efficient boiler with another efficient boiler; or
    - (ii) the replacement of an efficient heating system with another efficient heating system of the same kind.
- (2) Where the qualifying action to which this article applies is a standard alternative methodology measure, the partial project score is calculated in accordance with the following formula—  
 $(KM \times (C + OGR) + IM + BFR) \times D$ .
- (3) Where the qualifying action to which this article applies is a data light measure which is within the participant’s data light measure allowance, the partial project score is calculated in accordance with the formula in paragraph (2).

(4) Where the qualifying action to which this article applies is a data light measure which is not within the participant's data light measure allowance, the partial project score is £0.

(5) For the purposes of this article, a data light measure is only within a participant's data light measure allowance if X is less than the participant's total data light measure allowance, where "X" is the sum of—

- (a) the number of data light measures which are—
  - (i) qualifying actions forming part of an ECO4 project promoted by the participant for which the Administrator has given a positive score under article 47(1)(b) before the data light measure in question; and
  - (ii) of the same data light measure description as the data light measure in question;
- (b) the number of data light measures which are—
  - (i) qualifying actions promoted by the participant for which the Administrator has given a positive score under article 47(1)(c)(i) or (ii) before the data light measure in question; and
  - (ii) of the same data light measure description as the data light measure in question.

#### **Partial project score for other qualifying actions in an ECO4 project**

72.—(1) This article applies for the purpose of calculating the partial project score to be given to a qualifying action which—

- (a) is part of an ECO4 project that does not meet the requirements of article 49; and
- (b) is not a qualifying action to which one of articles 67 to 71 applies.

(2) Where this article applies, the partial project score is calculated in accordance with the following formula—

$(KM \times (C + OGR) + IM + BFR) \times D$ .

#### **Partial project scores: innovation measure uplift**

73.—(1) This article applies for the purpose of determining the value of "IM" in the formulae in this Chapter for calculating the partial project score to be given to a qualifying action.

(2) Where the qualifying action is an innovation measure, the Administrator must—

- (a) determine, in accordance with paragraph (4), whether the participant's general innovation allowance is exhausted; and
- (b) if the participant's general innovation allowance is not exhausted, determine, in accordance with paragraph (5), whether the qualifying action is an uplift eligible innovation measure.

(3) "IM" is—

- (a) £0, where—
  - (i) the qualifying action is not an innovation measure;
  - (ii) the participant's general innovation allowance is exhausted; or
  - (iii) the qualifying action is not an uplift eligible innovation measure;
- (b) in any other case, the amount calculated as the innovation measure uplift for the innovation measure (see article 58(4)).

(4) Article 59 (determination whether general innovation allowance is exhausted) applies for the purposes of this article as it applies for the purposes of article 58, except that in article 59, for references to "the ECO4 project in question" substitute "the qualifying action in question".

(5) Article 60 (determination whether a measure is an uplift eligible innovation measure) applies for the purposes of this article as it applies for the purposes of articles 58 and 59.

### **Partial project scores: building fabric repair increase**

74.—(1) This article applies for the purpose of determining the amount of the building fabric repair increase (“BFR”) in the formulae in this Chapter for calculating the partial project score to be given to a qualifying action.

- (2) For the purposes of this article, the Administrator must—
- (a) determine the amount of building fabric repair expenditure in connection with the qualifying action in accordance with paragraphs (3) and (4); and
  - (b) if the amount of building fabric repair expenditure in connection with the qualifying action is £50 or more, determine, in accordance with paragraph (7), whether the participant’s building fabric repair allowance is exhausted.
- (3) Where the qualifying action is—
- (a) the only qualifying action in the ECO4 project; or
  - (b) the final qualifying action in the project to have been completed,

the amount of building fabric repair expenditure in connection with the qualifying action is the amount determined in connection with the ECO4 project in accordance with article 62.

- (4) Where the qualifying action is not—
- (a) the only qualifying action in the ECO4 project; or
  - (b) the final qualifying action in the project to have been completed,

the amount of building fabric repair expenditure in connection with the qualifying action is £0.

- (5) The building fabric repair increase (“BFR”) is—
- (a) £0, where—
    - (i) the amount of building fabric repair expenditure in connection with the qualifying action is less than £50; or
    - (ii) where the participant’s building fabric repair allowance is exhausted;
  - (b) in any other case, the amount calculated in accordance with the following formula—  

$$Q / \pounds 17.83.$$
- (6) In paragraph (5)(b), “Q” has the same meaning as in article 61(4).

(7) Article 63 (determination whether building fabric repair allowance is exhausted) applies for the purposes of this article as it applies for the purposes of article 61, except that in article 63, for references to “the ECO4 project in question” substitute “the qualifying action in question”.

### **Publication of annual cost savings methodology: data light measures and standard alternative methodology measures**

75.—(1) The Administrator must publish, on its website, a methodology for the purpose of determining the annual cost savings of each data light measure and each standard alternative methodology measure.

- (2) Under the methodology published by the Administrator—
- (a) the initial determination of the annual cost savings must be based on—
    - (i) the pre-project SAP rating; and

- (ii) the methodology stated in accordance with article 38(2)(a)(iii) in the application for the data light measure or standard alternative methodology measure that was approved by the Administrator in accordance with article 39 or 40;
  - (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)—
- “AKM” is the adjusted cost savings calculated in accordance with paragraph (2)(b);
  - “IKM” is the initial determination of the annual cost savings referred to in paragraph (2)(a).

### **Publication of annual cost savings methodology: other qualifying actions**

**76.**—(1) The Administrator must publish, on its website, a methodology for the purpose of determining the annual cost savings of a qualifying action other than a data light measure, a standard alternative methodology measure, a basic heating repair or replacement measure or a qualifying action referred to in article 68(1)(b).

- (2) Under the methodology published by the Administrator—
- (a) the initial determination of the annual cost savings must—
    - (i) be based on—
      - (aa) the pre-project SAP rating; and
      - (bb) the impact the qualifying action would have on the SAP rating of the domestic premises; and
    - (ii) where the qualifying action is the installation of cavity wall insulation or loft insulation, which forms part of an ECO4 project which includes an item of work—
      - (aa) to which article 62(2) applies; and
      - (bb) which is the extraction of cavity wall insulation or loft insulation, take into account any impact that work would have on the SAP rating of the domestic premises as compared to the pre-project SAP rating;
  - (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)—
- “AKM” is the adjusted cost savings calculated in accordance with paragraph (2)(b);
  - “IKM” is the initial determination of the annual cost savings referred to in paragraph (2)(a).
- (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.

## CHAPTER 5

## In-fill measures

**Score for in-fill measures**

77.—(1) This article applies for the purpose of calculating the score to be given to a qualifying action which is an in-fill measure.

(2) Where this article applies, the score is—

(a) £0, where the in-fill measure is a data light measure which is not within the participant's data light measure allowance;

(b) in any other case, calculated in accordance with the following formula—

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

(3) In paragraph (2)(b), “KM”, “IM” and “OGR” have the same meanings as in Chapter 4 (see article 66).

(4) Article 71(5) applies for the purposes of this article as it applies for the purposes of that article (determination whether data light measure is within participant's data light measure allowance).

## CHAPTER 6

## Surplus actions and ECO3 interim delivery actions

**Score for surplus action and ECO3 interim delivery actions**

78.—(1) This article applies for the purpose of calculating the score to be given to a qualifying action which is—

(a) a surplus action; or

(b) an ECO3 interim delivery action.

(2) Where this article applies, the score is equal to the annual cost savings of the qualifying action which are calculated in accordance with the following formula<sup>(3)</sup>—

$$E \times \frac{\pounds 0.31}{\pounds 17.83}.$$

(3) In paragraph (2), “E” is the ECO3 cost savings for the qualifying action.

(3) £0.31 is the cost that the Department for Business, Energy and Industrial Strategy has estimated would have been incurred by a participant in delivering each £1 in the ECO3 cost savings attributable to the qualifying action.