
STATUTORY INSTRUMENTS

2012 No. 3018

The Electricity and Gas (Energy
Companies Obligation) Order 2012

PART 4

Achievement of obligations, determining savings and excess actions

Achievement of carbon emissions reduction obligation

12.—(1) A supplier must achieve its total carbon emissions reduction obligation by 31st March 2015.

(2) A supplier must achieve its total carbon emissions reduction obligation by promoting carbon qualifying actions to domestic energy users.

(3) A carbon qualifying action is the installation of a measure in paragraph (4) where the conditions in paragraph (7) are satisfied.

(4) The measures referred to in paragraph (3) are—

- (a) insulation of a hard to treat cavity where that is a recommended measure;
- (b) subject to paragraph (5), solid wall insulation where that is a recommended measure;
- (c) subject to paragraph (6), a recommended measure other than one in sub-paragraph (a) or (b) where that measure is installed—
 - (i) to improve the insulating properties of the premises;
 - (ii) at the same premises where a measure in sub-paragraph (a) or (b) has been or will be installed;
 - (iii) by the same supplier which installs the measure in sub-paragraph (a) or (b); and
 - (iv) no more than six months before, or no more than six months after, the date on which the measure in sub-paragraph (a) or (b) is installed;
- (d) a connection to a district heating system where that connection is made—
 - (i) at the same premises where a measure in sub-paragraph (a) or (b) has been or will be installed;
 - (ii) by the same supplier which installs the measure in sub-paragraph (a) or (b); and
 - (iii) no more than six months before, or no more than six months after, the date on which the measure in sub-paragraph (a) or (b) is installed.

(5) Where solid wall insulation is installed at a domestic energy user's premises, for a measure in paragraph (4)(c) or (d) to be a qualifying action the solid wall insulation must be applied to at least 50% of the walls which are exterior-facing.

(6) Where a measure falling within paragraph (4)(c) or (d) ("M1") is installed before a measure described in paragraph (4)(a) or (b) ("M2"), M1 is not a qualifying action until the installation of M2 is complete.

- (7) The conditions referred to in paragraph (3) are—
- (a) where the measure to be installed is a glazing measure—
 - (i) in England or Wales, the installation of the measure must exceed the minimum energy efficiency standard applicable to that measure which is contained in Approved Document L1B (Conservation of fuel and power in existing buildings) and the ISBN of which is 9781859463253(1);
 - (ii) in Scotland, the installation of the measure must exceed the minimum energy efficiency standard applicable to that measure which is contained in the Domestic Technical Handbook (Section 6 - Energy)(2); and
 - (b) that the installation must be carried out—
 - (i) after 30th September 2012; and
 - (ii) in accordance with the Publicly Available Specification where the installation is referred to in the Specification.

Achievement of carbon saving community obligation

13.—(1) A supplier must achieve its total carbon saving community obligation by 31st March 2015.

(2) Subject to paragraphs (3) and (4), a supplier must achieve its total carbon saving community obligation by promoting carbon saving community qualifying actions to domestic energy users living in an area of low income.

(3) Subject to article 14, a supplier may achieve part of its total carbon saving community obligation by carrying out carbon saving community qualifying actions to domestic energy users living in a specified adjoining area subject to—

- (a) the limit on the amount of such actions in article 14(2); and
- (b) the provisions of article 14(3) and (4).

(4) A supplier must achieve at least 15% of its total carbon saving community obligation by promoting carbon saving community qualifying actions to domestic energy users who are members of the affordable warmth group living in a rural area.

(5) A carbon saving community qualifying action is the installation of a measure in paragraph (6) where the conditions in paragraph (7) are satisfied.

- (6) The measures referred to in paragraph (5) are—
- (a) a recommended measure installed to improve the insulating properties of the premises; or
 - (b) a connection to a district heating system where that connection is made to premises which have loft or wall insulation.

- (7) The conditions referred to in paragraph (5) are—
- (a) where the measure to be installed is a glazing measure—

(1) This Approved Document supports the Building and Approved Inspectors (Amendment) Regulations 2010 (S.I. 2010/719). Paragraphs 4.18 to 4.23 refer to the relevant standards for glazing. The document can be found at the following link: http://www.planningportal.gov.uk/uploads/br/BR_PDF_ADL1B_2010.pdf. A copy of the document can be obtained from Communities and Local Government Publications, Department for Communities and Local Government, Eland House, Bressenden Place, London, SW1E 5DU.

(2) This document is produced by the Scottish Executive and came in to force on 1st May 2011. The document supports the Building (Scotland) Regulations 2004 (S.S.I. 2004/406). Standard 6.2 is relevant to glazing. The document can be found at: <http://www.scotland.gov.uk/Topics/Built-Environment/Building/Building-standards/publications/pubtech/thb2011domenergy>. A copy of the document can be inspected at the Department of Energy and Climate Change, 3 Whitehall Place, London, SW1A 2AW.

- (i) in England or Wales, the installation of the measure must exceed the minimum energy efficiency standard applicable to that measure which is contained in Approved Document L1B (Conservation of fuel and power in existing buildings) and the ISBN of which is 9781859463253(3);
 - (ii) in Scotland, the installation of the measure must exceed the minimum energy efficiency standard applicable to that measure which is contained in the Domestic Technical Handbook (Section 6 - Energy)(4); and
- (b) that the installation must be carried out—
- (i) after 30th September 2012; and
 - (ii) in accordance with the Publicly Available Specification where the installation is referred to in the Specification.

(8) In this article “rural area” means an area in Great Britain which is described as a rural area in the document entitled “Energy Company Obligation, Carbon Saving Community Obligation: Rural and Low Income Areas”, first published on 12th June 2012 and revised on 29th October 2012 and the ISBN of which is 9780108511608.

Actions in specified adjoining areas of low income

14.—(1) This article applies where there is—

- (a) an area of low income (“area A”); and
- (b) in relation to area A, a specified adjoining area (“area B”).

(2) Where a supplier carries out carbon saving community qualifying actions in area A (“area A installations”), that supplier may carry out carbon saving community qualifying actions in area B (“adjoining installations”) but only to the extent that the total carbon savings of the adjoining installations do not exceed 25% of the total carbon savings of the area A installations.

(3) Adjoining installations are not carbon saving community qualifying actions until the Administrator has notified the supplier that paragraph (2) is satisfied in respect of those installations.

(4) In paragraph (2) the determination whether or not the total carbon savings of the adjoining installations exceed 25% of the total carbon savings of the area A installations—

- (a) must not be made before 31st March 2015; and
- (b) where there is more than one specified adjoining area which adjoins area A, must take into account the carbon saving of adjoining installations, relating to area A, installed in all those specified adjoining areas.

Achievement of home heating cost reduction obligation

15.—(1) A supplier must achieve its total home heating cost reduction obligation by 31st March 2015.

(2) Subject to paragraph (5), a supplier must achieve its total home heating cost reduction obligation by promoting heating qualifying actions to householders—

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- (3) This Approved Document supports the Building and Approved Inspectors (Amendment) Regulations 2010 (S.I. 2010/719). Paragraphs 4.18 to 4.23 refer to the relevant standards for glazing. The document can be found at the following link: http://www.planningportal.gov.uk/uploads/br/BR_PDF_ADL1B_2010.pdf. A copy of the document can be obtained from Communities and Local Government Publications, Department for Communities and Local Government, Eland House, Bressenden Place, London, SW1E 5DU.
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- (a) who are members of the affordable warmth group; or
 - (b) who reside in the same home as a member of the affordable warmth group, provided that the action is carried out in that home.
- (3) Subject to paragraph (4), a heating qualifying action is—
- (a) the installation of a measure that will result in a heating saving;
 - (b) the repair of a qualifying boiler where the repair will result in a heating saving and where the repair is accompanied by a warranty for one or two years; or
 - (c) the replacement of a qualifying boiler which will result in a heating saving.
- (4) A heating qualifying action must be carried out—
- (a) by a person of appropriate skill and experience;
 - (b) after 30th September 2012; and
 - (c) in accordance with the Publicly Available Specification where the installation is referred to in the Specification.
- (5) No more than 5% of a supplier's total home heating cost reduction obligation can be achieved by the repair of a qualifying boiler.

Notifications of qualifying actions and adjoining installations

16.—(1) Subject to paragraph (4), a supplier, other than a new supplier, must, by the end of February 2013, notify the Administrator in writing of each qualifying action and adjoining installation completed in the period beginning with 1st October 2012 and ending with 31st January 2013.

(2) Subject to paragraph (4), a supplier must by the end of each relevant calendar month notify the Administrator in writing of each qualifying action and adjoining installation completed in the calendar month immediately prior to the calendar month in which the notification is required to be made in accordance with this paragraph.

- (3) A notification under paragraph (1) or (2) must—
- (a) identify which obligation the qualifying action or adjoining installation is intended to be credited against; and
 - (b) include, as appropriate, the carbon or cost saving for each qualifying action or adjoining installation.

(4) Paragraphs (1) and (2) do not apply to a qualifying action which the Administrator has notified to a supplier under article 14(3).

(5) A notification of an adjoining installation must include an identification of the areas A and B as defined in article 14(1).

(6) Subject to paragraph (8), a supplier must ensure that the carbon saving for a qualifying action or adjoining installation notified under paragraph (1) or (2) is calculated—

- (a) by determining the saving in accordance with—
 - (i) the Standard Assessment Procedure; or
 - (ii) the Reduced Data Standard Assessment Procedure,and reducing that saving by the relevant in-use factor; or
- (b) in accordance with an appropriate methodology for calculating the savings approved by the Administrator under article 18.

(7) Subject to paragraph (8), a supplier must ensure that the cost saving for a heating qualifying action notified under paragraph (1) or (2) is calculated—

- (a) except for the repair or replacement of a qualifying boiler, in accordance with—
 - (i) the Standard Assessment Procedure;
 - (ii) the Reduced Data Standard Assessment Procedure; or
 - (iii) an appropriate methodology for calculating the savings approved by the Administrator under article 18; or
 - (b) in the case of the repair or replacement of a qualifying boiler, in accordance with article 17.
- (8) Where a qualifying action or adjoining installation is a glazing measure, a supplier must only calculate the carbon or cost saving which exceeds the saving which that measure would achieve if installed to the minimum standard required by, as applicable, Approved Document L1B (conservation of fuel and power in existing buildings) and the ISBN of which is 9781859463253(5) or the Domestic Technical Handbook (Section 6 - Energy)(6).
- (9) Except where article 12(6) and article 14(3) applies, a qualifying action is completed when its installation is complete.
- (10) A supplier may apply to the Administrator for a completed qualifying action or completed adjoining installation to be notified after the date required by paragraph (1) or (2).
- (11) An application under paragraph (10) must provide details of why a supplier is seeking an extension of time to notify the completed qualifying action or adjoining installation
- (12) The Administrator may extend the period for notifying a qualifying action or adjoining installation which has been completed for such period as it thinks fit provided that—
- (a) the extension period sought is no longer than one month after the date notification is required under paragraph (1) or (2); and
 - (b) the reason for the application is one other than an administrative oversight on the part of the supplier.
- (13) A notification under this article must include such information relating to a qualifying action as the Administrator may from time to time require.
- (14) In this article “relevant calendar month” means—
- (a) a calendar month in the overall obligation period for the supplier (but excluding January and February 2013 if those months would otherwise form part of that period); and
 - (b) April 2015.

Determining savings for a qualifying boiler repair and replacement

17.—(1) The cost saving for the repair or replacement of a qualifying boiler must be determined in accordance with the following formula—

$$(A - B) \times N$$

(2) In paragraph (1)—

“A” means the cost of heating the premises (“P”) where the repaired or replaced boiler is situated and, where applicable, heating water at P as determined in accordance with—

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 - (6) This document is produced by the Scottish Executive and came into force on 1st May 2011. The document supports the Building (Scotland) Regulations 2004 (S.S.I. 2004/406). Standard 6.2 is relevant to glazing. The document can be found at: <http://www.scotland.gov.uk/Topics/Built-Environment/Building/Building-standards/publications/pubtech/thb2011domenergy>. A copy of the document can be inspected at the Department of Energy and Climate Change, 3 Whitehall Place, London SW1A 2AW.

- (a) the Standard Assessment Procedure;
- (b) the Reduced Data Standard Assessment Procedure; or
- (c) an appropriate methodology for calculating the savings approved by the Administrator under article 18,

where the calculation is based on the absence of a working heating system in P;

“B” means the cost of heating P and, where applicable, heating water at P using, as applicable, the boiler that was repaired or the replacement boiler;

“N” means—

- (a) in the case of a repair of a qualifying boiler which is accompanied with—
 - (i) a year’s warranty, 1;
 - (ii) two year’s warranty, 2;
- (b) in the case of a replacement of a qualifying boiler, 12.

Approval of an appropriate methodology for carbon saving or cost saving

18.—(1) For the purposes of determining the carbon or cost saving to be attributed to a qualifying action, adjoining installation or excess action, a supplier may apply to the Administrator to approve a methodology other than the Standard Assessment Procedure or the Reduced Data Standard Assessment Procedure (“an appropriate methodology”).

(2) Where the action to which paragraph (1) relates is a qualifying action, adjoining installation or excess action, an application under that paragraph must be made prior to the carrying out of the action.

- (3) The Administrator may approve an appropriate methodology if it is satisfied that—
 - (a) the Reduced Data Standard Assessment Procedure and the Standard Assessment Procedure do not contain a methodology for determining the savings associated with the action for which a determination is required; and
 - (b) in cases where the methodology is to be used to determine a carbon saving, it makes provision for the likely performance of measures once they are installed in domestic premises.
- (4) The Administrator must notify a supplier of its decision under this article.

Determining savings for qualifying actions

19.—(1) To determine whether a supplier has achieved its—

- (a) total carbon emissions reduction obligation;
- (b) total carbon saving community obligation; or
- (c) total home heating cost reduction obligation,

the Administrator must attribute a carbon or cost saving, as applicable, to each qualifying action notified by a supplier under article 16.

- (2) The Administrator must attribute to a qualifying action—
 - (a) where the Administrator is satisfied that the supplier has correctly calculated the carbon or cost saving, as applicable, the carbon or cost saving notified by the supplier; or
 - (b) where the Administrator is not satisfied that the carbon or cost saving notified to be correctly calculated, the carbon or cost saving, as applicable, which the Administrator considers would have been determined for the action had it been accurately calculated.

(3) The Administrator must notify a supplier of the saving it has attributed to a qualifying action notified by a supplier.

Transfers

20.—(1) A qualifying action achieved by a supplier (“A”) may be regarded as achieved by another supplier (“B”) (“a transfer”) if that transfer is approved by the Administrator.

(2) A and B must—

- (a) apply for approval in writing to the Administrator by 31st March 2015;
- (b) provide to the Administrator such information, including the number and type of qualifying actions intended to be transferred, as the Administrator may reasonably require; and
- (c) indicate whether B intends the qualifying action to be credited towards B’s—
 - (i) total carbon emissions reduction obligation;
 - (ii) total carbon saving community obligation; or
 - (iii) total home heating cost reduction obligation.

(3) The Administrator must approve a transfer unless it has reasonable grounds to believe that, if the transfer were approved, A would not be able to achieve its—

- (a) total carbon emissions reduction obligation;
- (b) total carbon saving community obligation; or
- (c) total home heating cost reduction obligation.

(4) If the Administrator decides not to approve a transfer under paragraph (3) it must notify A and B of the reasons for that decision.

(5) If a transfer is approved, the qualifying action is treated as achieved by B and not A.

Excess Actions

21.—(1) Not later than 1st June 2013 a supplier may apply to the Administrator in writing to credit towards its—

- (a) total carbon emissions reduction obligation;
- (b) total carbon saving community obligation; or
- (c) total home heating cost reduction obligation,

the carbon saving or cost saving achieved by an excess action.

(2) An application under this article must—

- (a) give details of the measure which the supplier considers constitutes an excess action;
- (b) indicate whether the supplier intends the excess action to be credited towards its—
 - (i) total carbon emissions reduction obligation;
 - (ii) total carbon saving community obligation; or
 - (iii) home heating cost reduction target; and
- (c) provide a calculation of the carbon saving or cost saving of the excess action.

(3) An excess action is a measure which satisfies paragraph (4) or (5).

(4) A measure satisfies this paragraph where it is approved and installed under the 2008 Order and—

- (a) is not required by the supplier to meet its carbon emissions reduction obligation under that Order where “carbon emissions reduction obligation” has the meaning given in the 2008 Order;
 - (b) was installed after 1st January 2012;
 - (c) if installed between 1st October 2012 and 31st December 2012, was installed by a person of appropriate skill and experience and in accordance with the Publicly Available Specification where the installation is referred to in the Specification; and
 - (d) if it is intended to contribute towards—
 - (i) the carbon emissions reduction obligation, meets one of the requirements in paragraph (6);
 - (ii) the carbon saving community obligation, meets the requirement in paragraph (7);
 - (iii) the home heating cost reduction obligation, meets the requirement of paragraph (8).
- (5) A measure satisfies this paragraph where it is approved and installed under the 2009 Order and—
- (a) is not required by the supplier to meet its carbon emissions reduction obligation under that Order where “carbon emissions reduction obligation” has the meaning given in the 2009 Order;
 - (b) was installed after 1st January 2012;
 - (c) if installed between 1st October 2012 and 31st December 2012, was installed by a person of appropriate skill and experience and in accordance with the Publicly Available Specification where the installation is referred to in the Specification; and
 - (d) if it is intended to contribute towards the home heating cost reduction obligation, was installed to a householder.
- (6) The requirements referred to in paragraph (4)(d)(i) are that the measure is—
- (a) installed to a member of the super priority group; or
 - (b) solid wall insulation installed to a domestic energy user.
- (7) The requirement referred to in paragraph (4)(d)(ii) is that the measure was promoted and installed in an area of low income.
- (8) The requirement referred to in paragraph (4)(d)(iii) is that the measure is promoted and installed to a householder who was a member of the super priority group.
- (9) The Administrator must approve the application if it is satisfied that the measure to which the application relates is an excess action.
- (10) In this article—
- “2008 Order” means the Electricity and Gas (Carbon Emissions Reduction) Order 2008(7);
 - “2009 Order” means the Electricity and Gas (Community Energy Saving Programme) Order 2009(8);
 - “carbon saving”, in relation to an excess action, means the lifetime tones of carbon dioxide the action will save where that saving is calculated—
 - (a) by determining the saving in accordance with—
 - (i) the Standard Assessment Procedure; or

(7) [S.I. 2008/188](#), as amended by the Electricity and Gas (Carbon Emissions Reduction) (Amendment) Order 2009 ([S.I. 2009/1904](#)), the Electricity and Gas (Carbon Emissions Reduction) (Amendment) Order 2010 ([S.I. 2010/1958](#)) and the Electricity and Gas (Carbon Emissions Reduction) (Amendment) Order 2011 ([S.I. 2011/3062](#)).

(8) [S.I. 2009/1905](#) as amended by the Electricity and Gas (Carbon Emissions Reduction) (Amendment) Order 2011 ([S.I. 2011/3062](#)).

- (ii) the Reduced Data Standard Assessment Procedure, and reducing that saving by the relevant in-use factor; or
- (b) in accordance with an appropriate methodology for calculating the savings approved by the Administrator under article 18;

“cost saving”, in relation to an excess action, means—

- (a) the heating saving; and
- (b) where in addition to a heating saving the action also results in savings in the cost of heating water, the money that would be saved by the action over its expected lifetime in heating water in that home,

where that saving is calculated in accordance with a relevant methodology;

“relevant methodology” means—

- (a) the Standard Assessment Procedure;
- (b) the Reduced Data Standard Assessment Procedure; or
- (c) an appropriate methodology for calculating the savings approved by the Administrator under article 18;

“super priority group” has the same meaning as under the 2008 Order.