



Department for  
Business, Energy  
& Industrial Strategy

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# ENERGY COMPANY OBLIGATION

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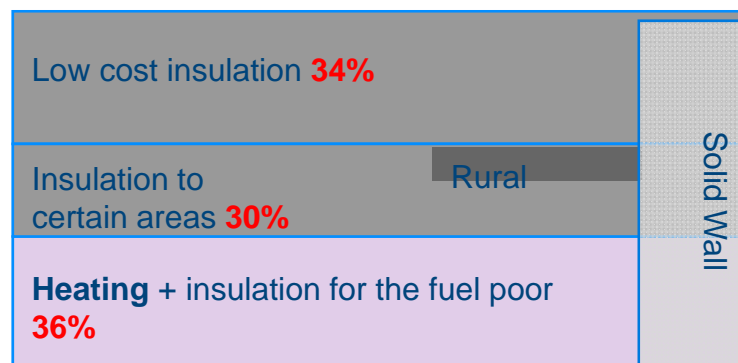
June 2017



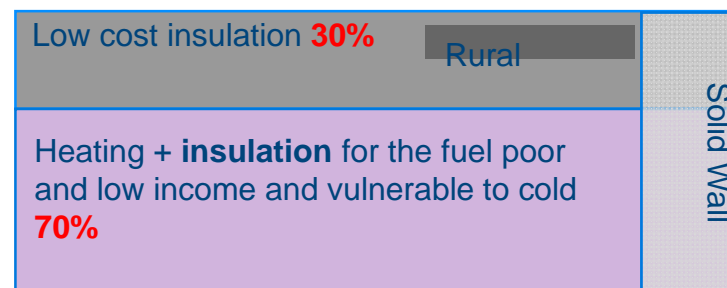
# Context

Energy Company Obligation (ECO) scheme in place since January 2013. **ECO 1 (Jan13 – Mar 15)**

## ECO2 (Apr 15 – Mar 17)



## ECO2 Extension (Apr 17 – Sep 18)





# Targeting households under ECO

## How are households targeted?

Suppliers obligated under ECO use various methods

- Managing agent leads
- Suppliers own direct targeting
- Referrals through the data matching service
- Local Authorities (partnerships or voluntarily under the Local Authority Flexible Eligibility mechanism – up to 10% of their Affordable Warmth obligation)



# Main changes & lessons in recent years

## Since ECO1

- Under Affordable Warmth, mainly gas replacement boilers were delivered.
- Greater incentive introduced under ECO2 to support those not connected to the gas grid, but the impact was limited.
- improved consumer protection – warranties required for boilers.

## Current scheme

- Gas replacement boilers capped to 25,000 per year
- Simplified the scheme administration. Introduced deemed scores based on Standard Assessment Procedure (SAP).
- Obligation is limited, so greater focus needed to help those most in need.
- Minimum delivery of solid wall to 21,000 properties per year.
- Social housing EPC rating E, F and G now eligible for certain types of support under ECO.
- New Fuel Poverty targeting mechanism introduced – Local Authority Flexible Eligibility



## Latest statistics

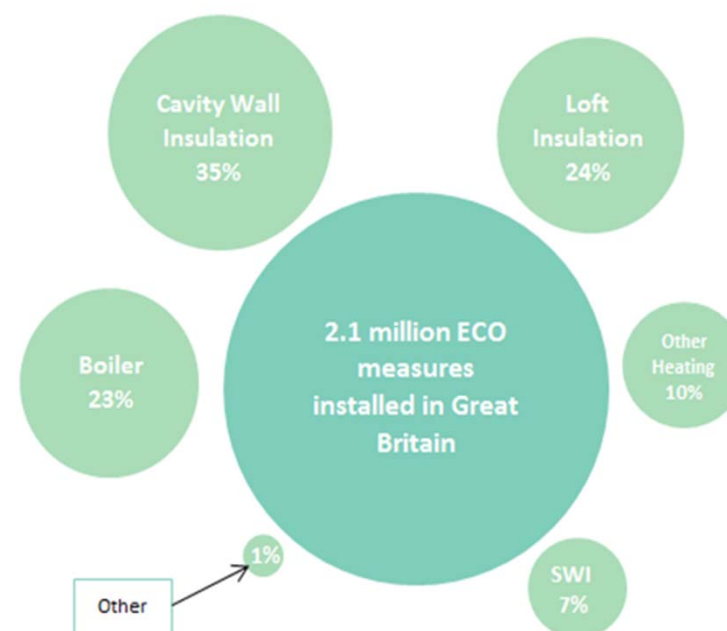
### Statistics at March 2017

On average, around six per cent of all households in Great Britain had a measure installed under ECO funding (i.e. around 63 per 1,000 households).

Affordable Warmth, estimated to deliver £8.25bn notional lifetime bill savings.

Provisional estimated lifetime carbon savings 29.6 – 31.1 MtCO<sub>2</sub>

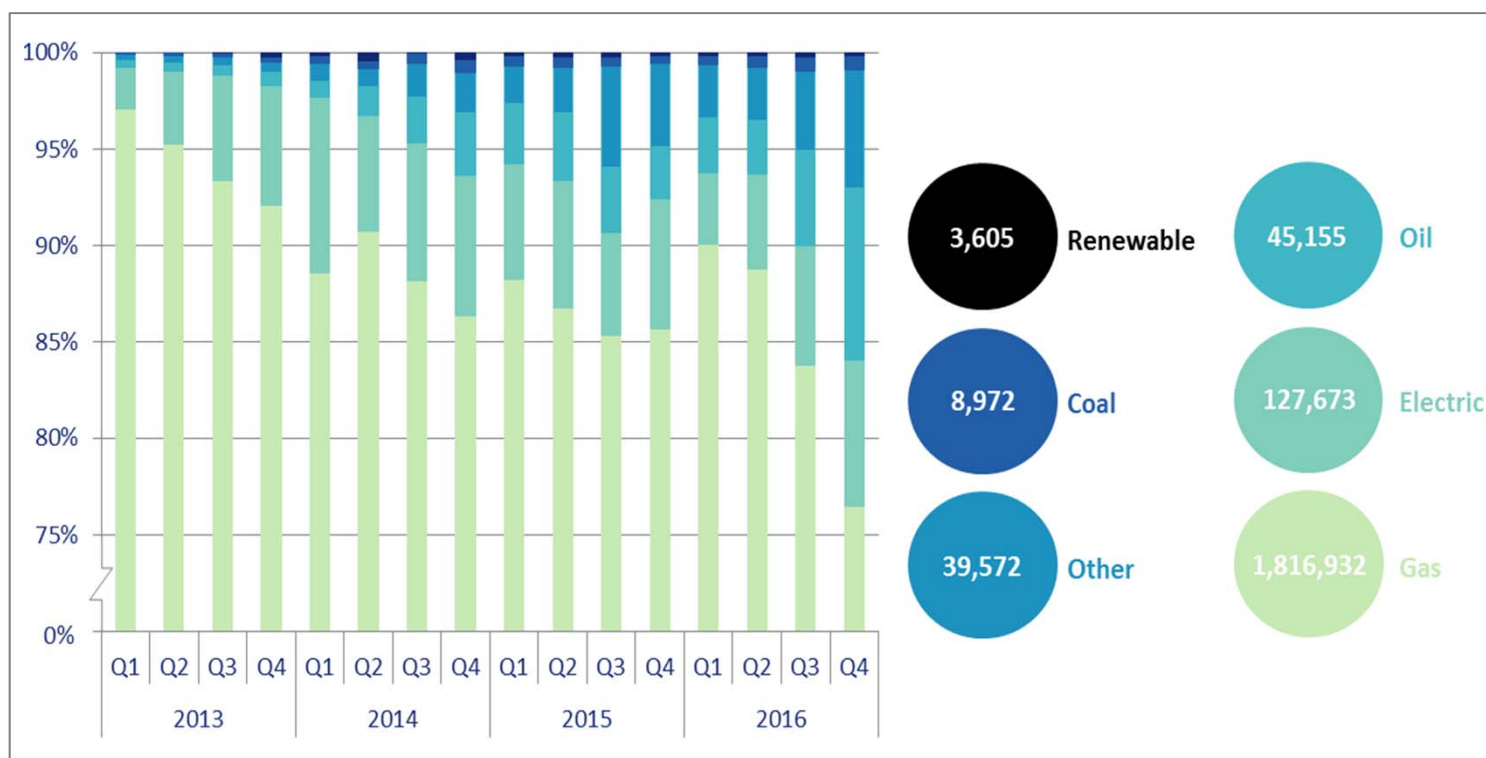
What measures have been delivered under ECO to date (at March 2017)





## Latest statistics

### Percentage of ECO measures by main fuel type of property





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