Draft Order laid before Parliament under sections 33BC(12) and 33BD(4) of the Gas Act 1986, sections 41A(12) and 41B(4) of the Electricity Act 1989, sections 103(5) and 103A(6) of the Utilities Act 2000 and paragraph 2(2) of Schedule 2 to the European Communities Act 1972, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2017 No.

ELECTRICITY

GAS

The Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017

Made - - - - ***

Coming into force in accordance with article 1

The Secretary of State makes this Order in exercise of the powers conferred by sections 33BC and 33BD of the Gas Act 1986(**a**), sections 41A and 41B of the Electricity Act 1989(**b**), sections 103 and 103A of the Utilities Act 2000(**c**) and section 2(2) of the European Communities Act 1972(**d**).

The Secretary of State has consulted the Gas and Electricity Markets Authority, Citizens Advice, Citizens Advice Scotland, electricity distributors, electricity suppliers, gas transporters, gas suppliers and such other persons as the Secretary of State considers appropriate.

A draft of this instrument has been approved by a resolution of each House of Parliament pursuant to sections 33BC(12) and 33BD(4) of the Gas Act 1986, sections 41A(12) and 41B(4) of the

(**a**) 1986 c.44. Section 33BC was inserted by section 99 of the Utilities Act 2000 (c.27). Section 33BC was amended by section 15 of, and paragraph 2 of the Schedule to, the Climate Change and Sustainable Energy Act 2006 (c.19), paragraph 1 of Schedule 8 to the Climate Change Act 2008 (c.27) and section 66 of the Energy Act 2011 (c.16). Paragraph 4(11) of Schedule 1 to S.I. 2014/631 also amends this section. Section 33BD was inserted by section 68 of the Energy Act 2011. Many of the powers conferred by sections 33BC and 33BD will be transferred to the Scottish Ministers once section 59(2) and (3) of the Scotland Act 2016 (c.11) are brought into force.

(**b**) 1989 c.29. Section 41A was inserted by section 70 of the Utilities Act 2000. Section 41A was amended by section 16 of, and paragraph 5 of the Schedule to, the Climate Change and Sustainable Energy Act 2006, paragraph 3 of Schedule 8 to the Climate Change Act 2008 and section 67 of, and paragraph 4 of Schedule 1 to, the Energy Act 2011. Paragraph 5(12) of Schedule 1 to S.I. 2014/631 also amends this section. Section 41B was inserted by section 69 of the Energy Act 2011. Many of the powers conferred by sections 41A and 41B will be transferred to the Scottish Ministers once section 59(5) and (6) of the Scotland Act 2016 are brought into force.

(**c**) 2000 c.27. Section 103 was amended by paragraph 7 of the Schedule to the Climate Change and Sustainable Energy Act 2006, paragraph 6 of Schedule 8 to, the Climate Change Act 2008 and paragraph 8 of Schedule 1 to the Energy Act 2011. Paragraph 8(7) of Schedule 1 to S.I. 2014/631 also amends this section. Section 103A was inserted by section 70 of the Energy Act 2011 and was amended by paragraph 8(8) of Schedule 1 to S.I. 2014/631. Sections 103 and 103A will be amended by section 60 of the Scotland Act 2016 once that section is brought into force.

(**d**) 1972 c.68. Section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 (c.51) and by Part 1 of the Schedule to the European Union (Amendment) Act 2008 (c.7).

Electricity Act 1989, sections 103(5) and 103A(6) of the Utilities Act 2000 and paragraph 2(2) of Schedule 2 to the European Communities Act 1972(**a**).

The Secretary of State is a Minister designated(**b**) for the purpose of section 2(2) of the European Communities Act 1972 in relation to energy and energy sources.

Citation, commencement and amendment of the 2014 Order

1.—(1) This Order may be cited as the Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 and comes into force on the day after the day on which this Order is made.

(2) The Electricity and Gas (Energy Company Obligation) Order 2014(**c**) is amended as follows.

Amendments to article 2 of the 2014 Order (interpretation)

2.—(1) Article 2(1) is amended as follows.

(2) After the definition of "carbon saving community qualifying action" insert—

> ""certified installer", in relation to the installation of a measure, means a person who is certified as compliant with those parts of PAS 2014 or PAS 2017 that apply to the measure by a certification body or organisation accredited to EN 45011(**d**) or EN ISO/IEC 17065:2012(**e**);
>
> "commencement date" means the date on which the Electricity and Gas (Energy Company Obligation) (Amendment) Order 2017 comes into force;".

(3) After the definition of "cost score" insert—

> ""deemed score qualifying action" means a qualifying action which is not a SAP scored qualifying action;".

(4) After the definition of "heating qualifying action" insert—

> ""home heating minimum requirement" means, subject to article 30A, the amount determined for a supplier under article 7 as the minimum amount of a supplier's total home heating cost reduction obligation which is to be achieved by promoting heating qualifying actions that—
>
> (a) are completed on or after 1st July 2016; and
>
> (b) are not the replacement of a qualifying boiler fuelled by mains gas;".

(5) For the definition of "new supplier" substitute—

> ""new 2015 supplier" and "new 2016 supplier" have the meanings given in article 4(3) and (3A);".

(6) In the definition of "notification period"—

(a) after paragraph (a) omit "and"; and

(b) after paragraph (b) insert—

> "and
>
> (c) 1st January 2016 to 31st December 2016 for phase 3,".

(7) After the definition of "notification period" insert—

(**a**) Paragraph 2(2) of Schedule 2 was amended by section 27(2)(a) of the Legislative and Regulatory Reform Act 2006.
(**b**) S.I. 2010/761.
(**c**) S.I. 2014/3219.
(**d**) ISBN 0580294153. This standard is published by the British Standards Institution and copies can be obtained at www.bsigroup.com or by contacting the British Standards Institution, 389 Chiswick High Road, London, W4 4AL.
(**e**) ISBN 9780580784729. This standard is published by the British Standards Institution. See the above footnote for details of copies.

""PAS 2014" means the Publicly Available Specification 2030:2014(**a**);

"PAS 2017" means the Publicly Available Specification 2030:2017(**b**);".

(8) In the definition of "phase"—

(a) for "two phases" substitute "three phases";

(b) after paragraph (a) omit "and"; and

(c) after paragraph (b) insert—

"(c) the 18 months ending with 30th September 2018 ("phase 3");".

(9) After the definition of "phase" insert—

""phase 3 party cavity wall insulation" means the insulation of a cavity wall, where—

(a) the installation of the insulation is completed on or after 1st April 2017; and

(b) the wall divides premises from other premises under different occupation;

"pre-existing building" means a building erected before 1st April 2017;".

(10) For the definition of "provisional solid wall minimum requirement" substitute—

""provisional solid wall minimum requirement" means the amount determined for a supplier in respect of phase 1, 2 or 3 under article 7(2);".

(11) For the definition of "Publicly Available Specification" substitute—

""Publicly Available Specification" (except in the definitions of "PAS 2014" and "PAS 2017") means—

(a) in relation to an installation completed on or before 31st March 2017, PAS 2014;

(b) in relation to an installation completed between 1st April 2017 and 31st May 2017, PAS 2014 or PAS 2017;

(c) in relation to an installation completed on or after 1st June 2017, PAS 2017;".

(12) For the definition of "relevant year" substitute—

""relevant year" means 2014, 2015 or 2016;".

(13) After the definition of "rural area" insert—

""rural minimum requirement" means, subject to article 30A, the amount determined for a supplier under article 7 as the minimum amount of a supplier's total carbon emissions reduction obligation which is to be achieved by promoting carbon qualifying actions that are—

(a) installed in premises situated in a rural area; and

(b) completed on or after 1st April 2017;".

(14) After the definition of "SAP 2009" insert—

""SAP scored qualifying action" means a qualifying action which is—

(a) completed on or before 31st March 2017; or

(b) a connection of premises to a district heating system;".

(15) In the definition of "total carbon emissions reduction obligation"—

(a) after "in respect of a supplier," insert "and subject to article 30A,"; and

(b) for paragraph (b) substitute—

"(b) for phase 2 and for phase 3, which have been determined for the supplier under article 7;".

(**a**) ISBN 9780580825699. Edition 1, published January 2014. This Publicly Available Specification is titled "Improving the energy efficiency of existing buildings. Specification for installation process, process management and service provision" and is published by the British Standards Institution. See the above footnote for details of copies.

(**b**) Published 31st January 2017. This Publicly Available Specification is titled "PAS 2030:2017 Specification for the installation of energy efficiency measures (EEM) in existing buildings" and is published by the British Standards Institution. See the above footnote for details of copies.

(16) In the definition of "total home heating cost reduction obligation"—

(a) after "in respect of a supplier," insert "and subject to article 30A,"; and

(b) for "phases 1 and 2" substitute "phases 1, 2 and 3".

(17) After the definition of "total home heating cost reduction obligation" insert—

""total provisional solid wall minimum requirement" means, in respect of a supplier and subject to article 30A, the sum of the provisional solid wall minimum requirements which have been determined for the supplier in respect of phases 1, 2 and 3;".

Amendments to article 3 of the 2014 Order (overall targets)

3.—(1) In article 3(1), omit sub-paragraphs (a) and (c).

(2) After article 3(1), insert—

"(1A) For the period 1st April 2015 to 30th September 2018 the overall—

(a) carbon emissions reduction target is 19.7 $MtCO_2$;

(b) home heating cost reduction target is £6.46bn.".

Amendments to article 4 of the 2014 Order (definition of supplier)

4.—(1) In article 4(3), for "new supplier" substitute "new 2015 supplier".

(2) After article 4(3) insert—

"(3A) A new 2016 supplier is a supplier to whom the circumstances described in paragraph (1) apply for the first time on 31st December 2016.".

Amendment to article 5 of the 2014 Order (group companies)

5. In article 5(2), after "determined" insert "according to whether the licence-holder was a group company".

Amendment to article 6 of the 2014 Order (notification by suppliers of domestic customers and energy supplied)

6. After article 6(8)(b) insert—

"(c) phase 3, the date falling 21 days after the commencement date.".

Amendments to article 7 of the 2014 Order (determining a supplier's obligations)

7.—(1) For the heading to article 7 substitute "Determining a supplier's obligations and minimum requirements".

(2) In article 7(1)—

(a) omit "for each phase";

(b) at the end of sub-paragraph (a) insert "for each phase";

(c) at the end of sub-paragraph (b) insert "for phase 1 and phase 2"; and

(d) at the end of sub-paragraph (c) insert "for each phase".

(3) For paragraphs (4) and (5) of article 7 substitute—

"(4) Except where paragraph (6) or (7) applies, a supplier's—

(a) home heating minimum requirement for phase 3 is—

$$0.76 \times H$$

where "H" is the home heating cost reduction obligation determined under paragraph (1) for the supplier in respect of phase 3; and

(b) rural minimum requirement for phase 3 is—

$$0.15 \times C$$

where "C" is the carbon emissions reduction obligation determined under paragraph (1) for the supplier in respect of phase 3.

(5) The Administrator must notify a supplier of its obligations in paragraph (1) and its provisional solid wall minimum requirement—

(a) for phase 1 and 2, by no later than the last day of February prior to the commencement of the phase;

(b) for phase 3, by no later than 28 days after the commencement date.".

(4) In article 7(6), for "and the requirement in paragraph (2)" substitute ", the requirement in paragraph (2) and the requirements in paragraph (4)".

(5) In article 7(7), for "and the requirement in paragraph (2)" substitute ", the requirement in paragraph (2) and the requirements in paragraph (4)".

Amendment to article 8 of the 2014 Order (determining obligations for a supplier who is not a member of a group)

8. At the end of the table in article 8(a) insert the following row—

"Phase 3	7.3 $MtCO_2$	–	£2.76bn	1.4 $MtCO_2$ "

Amendments to article 12 of the 2014 Order (achievement of carbon emissions reduction obligation)

9.—(1) In article 12(1), for "31st March 2017" substitute "30th September 2018".

(2) For article 12(2)(b) substitute—

"(b) in meeting that obligation—

(i) promote the installation of solid wall insulation so that the supplier achieves at least its solid wall minimum requirement; and

(ii) promote the installation of measures that are completed on or after 1st April 2017 in premises situated in a rural area so that the supplier achieves at least its rural minimum requirement.".

(3) After article 12(3)(b), omit "and".

(4) For article 12(3)(c) substitute—

"(c) except in the case of an installation completed on or after 1st April 2017, a recommended measure or a relevant district heating connection; and

(d) in the case of an installation completed on or after 1st April 2017—

(i) installed at a pre-existing building or installed at premises which were first occupied as domestic premises before the installation was completed; and

(ii) installed by or under the responsibility of a certified installer, where the installation is referred to in the Publicly Available Specification.".

(5) In article 12(4)(c)(iii), after "exterior facing" insert "or it is phase 3 party cavity wall insulation".

Amendment to article 13 of the 2014 Order (a supplier's solid wall minimum requirement)

10. In article 13(1), for the definition of "A" substitute—

""A" is the supplier's total provisional solid wall minimum requirement;".

Amendments to article 16 of the 2014 Order (achievement of home heating cost reduction obligation)

11.—(1) In article 16(1), for "31st March 2017" substitute "30th September 2018".

(2) For articles 16(2) and (3) substitute—

"(2) Subject to paragraphs (6) to (7A), a supplier must—

(a) achieve its total home heating cost reduction obligation by promoting heating qualifying actions; and

(b) in meeting that obligation, promote heating qualifying actions—

(i) that are completed on or after 1st July 2016; and

(ii) that are not the replacement of a qualifying boiler fuelled by mains gas,

so that the supplier achieves at least its home heating minimum requirement.

(3) A heating qualifying action is the installation of a measure which—

(a) is installed at domestic premises;

(b) results in the reduction in the cost of heating those premises to 21 degrees Celsius in the main living areas and 18 degrees Celsius in all other areas;

(c) in the case of an installation completed on or before 31st March 2017, is installed at private domestic premises occupied by a member of the affordable warmth group;

(d) in the case of an installation completed on or after 1st April 2017—

(i) meets the condition in article 16A(2), (3), (4), (5) or (6); and

(ii) is installed at a pre-existing building or installed at premises which were first occupied as domestic premises before the installation was completed;

(e) is accompanied by any warranty required by paragraph (4) or (8); and

(f) is carried out in accordance with paragraph (5).".

(3) For article 16(5) substitute—

"(5) A heating qualifying action must be carried out—

(a) on or after 1st April 2015;

(b) in accordance with the Publicly Available Specification, where the installation is referred to in the Publicly Available Specification;

(c) by a person of appropriate skill and experience, where the installation is completed on or before 31st March 2017 or is not referred to in the Publicly Available Specification; and

(d) by or under the responsibility of a certified installer, where the installation is completed on or after 1st April 2017 and referred to in the Publicly Available Specification.".

(4) After article 16(7) insert—

"(7A) Where Z (as calculated in accordance with paragraph (7B)) is less than 100, no more than Z% of a supplier's total home heating cost reduction obligation may be achieved by measures which are heating qualifying actions by virtue of meeting the condition in article 16A(3), (4) or (5).

(7B) For the purposes of paragraph (7A), "Z" is calculated as follows—

$$\frac{10 \times A}{B}$$

where—

"A" is the home heating cost reduction obligation determined for the supplier under article 7(1) in respect of phase 3; and

"B" is the greater of £1 or the supplier's total home heating cost reduction obligation.".

(5) In article 16(9) for "Schedule 4" substitute "Part 1 of Schedule 4".

New article 16A (conditions to be met for heating qualifying actions completed after 31st March 2017)

12. After article 16 insert—

"**Conditions to be met for heating qualifying actions completed after 31st March 2017**

16A.—(1) This article applies for the purpose of the definition of "heating qualifying action" in article 16(3).

(2) A measure meets the condition in this paragraph if the measure is installed at private domestic premises which are occupied by a member of the help to heat group.

(3) A measure meets the condition in this paragraph if—

(a) the measure is installed at private domestic premises;

(b) a local authority has published a statement of intent and been consulted on the installation of a heating qualifying action at the premises; and

(c) on or after publication of its statement of intent, the local authority has—

(i) made a statement in writing that, in the opinion of the local authority, the premises are occupied by a household living in fuel poverty; or

(ii) made a statement in writing that, in the opinion of the local authority, the premises are occupied by a household living on a low income and vulnerable to the effects of living in a cold home.

(4) A measure meets the condition in this paragraph if—

(a) it is solid wall insulation installed at private domestic premises;

(b) a local authority has published a statement of intent and been consulted on the installation of the solid wall insulation at the premises;

(c) the local authority has made a statement in writing that—

(i) the premises are situated in a semi-detached house, a semi-detached bungalow or a building containing no more than two domestic premises; and

(ii) to the best of the local authority's knowledge and belief, both houses or bungalows in the pair of semi-detached properties or both premises in the building referred to in paragraph (i) are private domestic premises; and

(d) on or after publication of its statement of intent, the local authority has—

(i) made a statement in writing that, in the opinion of the local authority, at least one of the premises in the pair of semi-detached properties or in the building referred to in sub-paragraph (c)(i) is occupied by a household living in fuel poverty; or

(ii) made a statement in writing that, in the opinion of the local authority, at least one of the premises in the pair of semi-detached properties or in the building referred to in sub-paragraph (c)(i) is occupied by a household living on a low income and vulnerable to the effects of living in a cold home.

(5) A measure meets the condition in this paragraph if—

(a) it is solid wall insulation installed at private domestic premises;

(b) a local authority has published a statement of intent and been consulted on the installation of the solid wall insulation at the premises;

(c) the premises are included in a list of premises which—

(i) has been created by the local authority on or after publication of its statement of intent;

(ii) identifies any premises on the list which in the opinion of the local authority are occupied by a household living in fuel poverty; and

(iii) identifies any other premises on the list which in the opinion of the local authority are occupied by a household living on a low income and vulnerable to the effects of living in a cold home; and

(d) the local authority has made a statement in writing that—

(i) to the best of the local authority's knowledge and belief, all of the premises included in the list referred to in sub-paragraph (c) are private domestic premises;

(ii) all of the premises included in that list are situated in the same building, in immediately adjacent buildings or in the same terrace; and

(iii) in the opinion of the local authority, at least 66% of the premises included in that list are occupied by households living in fuel poverty or by households living on a low income and vulnerable to the effects of living in a cold home.

(6) A measure meets the condition in this paragraph if—

(a) the measure is installed at E, F or G social housing; and

(b) the measure is—

(i) installed to improve the insulating properties of domestic premises;

(ii) the installation of a central heating system or a renewable heating measure in domestic premises which at no point prior to the installation were heated by a central heating system, a district heating system or an electric storage heater; or

(iii) a relevant district heating connection to domestic premises which at no point prior to the connection were heated by a central heating system, a district heating system or an electric storage heater.

(7) In this article—

"central heating system" means a system which provides heat for the purpose of space heating through a boiler or other heat source connected to one or more separate heat emitters;

"E, F or G social housing" means domestic premises described in Schedule 4A;

"help to heat group" means a group of persons where each person in the group is awarded at least one of the benefits set out in paragraph 1 of Schedule 4B and meets any condition in relation to that benefit which is specified in that Schedule;

"local authority" means—

(a) a county council;

(b) a combined authority established under section 103 of the Local Democracy, Economic Development and Construction Act 2009(**a**);

(c) a district council;

(d) a London Borough Council;

(e) the Common Council of the City of London;

(f) the Council of the Isles of Scilly;

(g) a county borough council;

(h) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994(**b**);

"private domestic premises" means domestic premises other than premises described in Part 2 of Schedule 4;

(**a**) 2009 c.20. Section 103 was amended by sections 12(2) and 14(2) of the Cities and Local Government Devolution Act 2016 (c.1).

(**b**) 1994 c.39. Section 2 was amended by paragraph 232 of Schedule 22 to the Environment Act 1995 (c.25).

"renewable heating measure" means a measure for the generation of heat by means of a source of energy or technology mentioned in section 100(4) of the Energy Act 2008(**a**); and

"statement of intent" means a description of how the local authority intends to identify households that may benefit from the installation of a heating qualifying action and are living—

(a) in fuel poverty; or

(b) on a low income and are vulnerable to the effects of living in a cold home.".

Amendments to article 17 of the 2014 Order (notifications of qualifying actions)

13.—(1) At the beginning of article 17(1) insert "Subject to paragraph (3A),".

(2) After article 17(3) insert—

"(3A) A supplier may notify a completed qualifying action ("the late action") after the date required by paragraph (1) ("the original deadline") if—

(a) following receipt of an application under paragraph (4), the Administrator has extended the period for notifying the late action and the notification is made within that extended period; or

(b) the late action—

(i) falls within the 5% notification threshold for the supplier ("the notifying supplier");

(ii) is completed on or after 1st April 2017; and

(iii) is notified before the earlier of—

(aa) the end of the fourth calendar month after the calendar month in which the late action was completed; or

(bb) the end of December 2018.

(3B) For the purposes of paragraph (3A)(b)(i), a late action falls within the 5% notification threshold for the notifying supplier if, at the time the late action is notified to the Administrator, the result of the following formula is less than or equal to 0.05—

$$\frac{A-B}{C}$$

where—

(a) "A" is the number of qualifying actions (also counting the late action) which are—

(i) completed in the same calendar month as the late action; and

(ii) notified after the original deadline by—

(aa) the notifying supplier; or

(bb) any other supplier that is a member of the same group as the notifying supplier;

(b) "B" is the number of qualifying actions which are—

(i) completed in the same calendar month as the late action;

(ii) the subject of an application under paragraph (4) which results in the Administrator extending the period for notifying the action ("the extended period"); and

(iii) notified after the original deadline and within the extended period by—

(aa) the notifying supplier; or

(**a**) 2008 c.32. Section 100(4) was amended by S.I. 2011/2195.

(bb) any other supplier that is a member of the same group as the notifying supplier; and

(c) "C" is the greater of one or the number of qualifying actions which are—

(i) completed in the same calendar month as the late action; and

(ii) notified on or before the original deadline by—

(aa) the notifying supplier; or

(bb) any other supplier that is a member of the same group as the notifying supplier.".

(3) For articles 17(5) and (6) substitute—

"(5) Following receipt of an application under paragraph (4), the Administrator may extend the period for notifying the late action for such period as it thinks fit provided that—

(a) details of why the supplier is seeking an extension of time to notify the late action are provided in the application; and

(b) in the case of an action completed on or before 31st March 2017, the reason for the application is one other than an administrative oversight on the part of the supplier. ".

(4) In article 17(8)—

(a) before the definition of "overall obligation period" insert—

""new supplier" means a new 2015 supplier or a new 2016 supplier;";

(b) in the definition of "overall obligation period"—

(i) in paragraph (a) for "31st March 2017" substitute "30th September 2018";

(ii) for paragraph (b) substitute—

"(b) for a new 2015 supplier, the period beginning with 1st April 2016 and ending with 30th September 2018;

(c) for a new 2016 supplier, the period beginning with 1st April 2017 and ending with 30th September 2018;"; and

(c) in the definition of "relevant calendar month" for "April 2017" substitute "October 2018".

Amendments to article 18 of the 2014 Order (determining the carbon saving for a qualifying action)

14.—(1) In article 18(1), after "carbon saving for a" insert "SAP scored".

(2) In article 18(2), after "Scotland" insert "on or before 31st March 2017".

(3) After article 18(2) insert—

"(2A) The carbon saving for a deemed score qualifying action notified under article 17 is calculated in accordance with the following formula—

$$\left(A-\left(A\times B\right)\right)\times 0.925\times 1.3$$

where—

(a) "A" is the carbon dioxide equivalent saving for the qualifying action, determined in accordance with a methodology published by the Administrator under article 24A(1); and

(b) "B" is the relevant in-use factor.".

Amendments to article 19 of the 2014 Order (determining the cost score for a qualifying action)

15.—(1) In article 19(1)(a), for "except" substitute "in the case of a SAP scored qualifying action, other than a case".

(2) In article 19(1)(b), after "boiler" insert "completed on or before 31st March 2017".

(3) After article 19(1)(b) omit "or".

(4) In article 19(1)(c), after the third reference to "electric storage heater" insert "completed on or before 31st March 2017".

(5) After article 19(1)(c) insert—

"or

(d) in the case of a deemed score qualifying action, in accordance with paragraph (2A).".

(6) In article 19(2), after "Scotland" insert "on or before 31st March 2017".

(7) After article 19(2) insert—

"(2A) The cost score for a deemed score qualifying action must be determined—

(a) in the case of the replacement of a qualifying boiler where both the boiler being replaced and the replacement boiler are fuelled by mains gas, in accordance with the following formula—

$$A \times 0.8 \times 1.3$$

(b) in the case of—

(i) the replacement of a qualifying boiler where the boiler being replaced or the replacement boiler is not fuelled by mains gas;

(ii) the repair of a qualifying boiler or qualifying electric storage heater;

(iii) the replacement of a qualifying electric storage heater by another electric storage heater,

in accordance with the following formula—

$$A \times 1.3$$

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

$$B \times 1.3$$

(2B) In paragraph (2A)—

"A" is the cost saving for the qualifying action calculated in accordance with a methodology published by the Administrator under article 24A(2)(a); and

"B" is the cost saving for the qualifying action calculated in accordance with a methodology published by the Administrator under article 24A(2)(b).

(2C) For the purposes of calculating its cost score, where a deemed score qualifying action is—

(a) the repair of a qualifying boiler or a qualifying electric storage heater which is accompanied with—

(i) a warranty for less than two years, the expected lifetime of the repair is one year;

(ii) a warranty for two years or more, the expected lifetime of the repair is two years;

(b) the replacement of a qualifying boiler, the expected lifetime of the replacement boiler is 12 years;

(c) the replacement of a qualifying electric storage heater, the expected lifetime of the replacement electric storage heater is 20 years.".

Amendment to article 20 of the 2014 Order (determining the cost score for a qualifying boiler repair and replacement)

16. In article 20(1), after "boiler" insert "completed on or before 31st March 2017".

Amendment to article 21 of the 2014 Order (determining the cost score for a gas fuelled qualifying boiler replacement)

17. In article 21, after the second reference to "boiler" insert "completed on or before 31st March 2017".

Amendment to article 22 of the 2014 Order (determining the cost score for a qualifying electric storage heater repair and replacement)

18. In article 22(1), after "cost score for" insert "a heating qualifying action completed on or before 31st March 2017 which is".

Amendments to article 24 of the 2014 Order (approval of an appropriate methodology for the carbon saving or cost saving)

19.—(1) In the heading to article 24, at the end insert "attributable to a SAP scored qualifying action".

(2) In article 24(1), for "qualifying action" substitute "SAP scored qualifying action".

(3) After article 24(3) insert—

"(3A) The Administrator may also approve an appropriate methodology if the methodology is published by, or on behalf of, the Department for Business, Energy and Industrial Strategy as a replacement for the Reduced Data Standard Assessment Procedure or the Standard Assessment Procedure.".

New article 24A (methodology for the carbon saving or cost saving attributable to a deemed score qualifying action)

20. After article 24 insert—

"**Methodology for the carbon saving or cost saving attributable to a deemed score qualifying action**

24A.—(1) The Administrator must publish a methodology for the purposes of determining the carbon saving to be attributed to a deemed score qualifying action.

(2) The Administrator must publish—

(a) a methodology for the purposes of determining the cost saving to be attributed to a deemed score qualifying action falling within paragraph (3), and under that methodology, the calculation of the cost saving must be based on the absence of a working heating system in the premises where the repaired or replaced boiler or electric storage heater is situated; and

(b) a methodology for the purposes of determining the cost saving to be attributed to a deemed score qualifying action not falling within paragraph (3).

(3) A deemed score qualifying action falls within this paragraph if it is—

(a) the repair or replacement of a qualifying boiler;

(b) the repair of a qualifying electric storage heater; or

(c) the replacement of a qualifying electric storage heater by another electric storage heater.

(4) Before publishing a methodology under this article, the Administrator must have regard to—

(a) the Standard Assessment Procedure;

(b) the Reduced Data Standard Assessment Procedure; and

(c) the desirability of the methodology being easy to use.".

Amendments to article 26 of the 2014 Order (transfers of qualifying actions)

21.—(1) In article 26(2)(a), for "30th April 2017" substitute "31st December 2018".

(2) For article 26(3) substitute—

"(3) The Administrator must approve a transfer unless—

(a) B has indicated that it intends the qualifying action to be credited towards a different obligation to the one it is credited against at the time the application is made and the Administrator is not satisfied that the qualifying action meets the applicable requirements in articles 12 to 16 in respect of that different obligation;

(b) the application is made on or after 1st July 2017, the qualifying action is credited against A's total carbon saving community obligation at the time the application is made and the Administrator is not satisfied that the qualifying action is an excess CSCO action; or

(c) the application is made on or after 1st July 2017 and B has indicated that it intends the qualifying action to be credited towards B's total carbon saving community obligation.

(3A) For the purposes of paragraph (3)(b), an excess CSCO action is a qualifying action which is not required by A to meet its total carbon saving community obligation.".

Amendments to article 30 of the 2014 Order (transfers of surplus actions)

22.—(1) In article 30(2)(a), for "30th April 2017" substitute "31st December 2018".

(2) For article 30(3) substitute—

"(3) The Administrator must approve a transfer unless—

(a) D has indicated that it intends S to be credited towards a different obligation to the one it is credited against at the time the application is made and the Administrator is not satisfied that S meets the applicable requirement in article 27(3)(c) in respect of that different obligation;

(b) the application is made on or after 1st July 2017 and S is credited against C's total carbon saving community obligation at the time the application is made; or

(c) the application is made on or after 1st July 2017 and D has indicated that it intends S to be credited towards D's total carbon saving community obligation.".

New article 30A (transfer of obligations)

23. In Part 5, before article 31 insert—

"**Transfer of obligations**

30A.—(1) All or part of a supplier's obligation may be transferred from that supplier ("A") to another supplier ("B") ("a transfer") if the transfer is approved by the Administrator.

(2) A and B must—

(a) apply for approval in writing to the Administrator by no later than 31st December 2017; and

(b) provide to the Administrator such information as the Administrator may reasonably require.

(3) An application under this article must identify—

(a) which obligation the application relates to ("the relevant obligation"); and

(b) the amount of that obligation that A intends to transfer to B ("the transfer amount").

(4) The Administrator must not approve the transfer if—

(a) the transfer amount exceeds A's relevant obligation;

(b) the transfer would result in A or B's home heating minimum requirement being greater than its total home heating cost reduction obligation;

(c) the transfer would result in A or B's rural minimum requirement being greater than its total carbon emissions reduction obligation;

(d) the transfer would result in A or B's total provisional solid wall minimum requirement being greater than its total carbon emissions reduction obligation;

(e) having regard to section 30O of the Gas Act 1986(**a**) and section 27O of the Electricity Act 1989(**b**) (maximum amount of penalty or compensation), the Administrator considers that, if the transfer were approved, there is a significant risk that it would adversely affect the Administrator's ability to enforce the requirements placed on B under this Order; or

(f) where A and B are not members of the same group, the Administrator considers that, if the transfer were approved, there is a significant risk that B will be unable to achieve one or more of its obligations.

(5) If a transfer is approved—

(a) for the purposes of Part 4 and this Part, A's relevant obligation is to be treated as reduced by the transfer amount and B's relevant obligation is to be treated as increased by the transfer amount; and

(b) the Administrator must notify A and B of their revised relevant obligation.

(6) If the Administrator decides not to approve a transfer it must—

(a) notify A of any reasons for that decision relating to A; and

(b) notify B of any reasons for that decision relating to B.

(7) In this article, "obligation" means a supplier's—

(a) home heating minimum requirement;

(b) rural minimum requirement;

(c) total carbon emissions reduction obligation;

(d) total home heating cost reduction obligation; or

(e) total provisional solid wall minimum requirement.".

Amendments to article 31 of the 2014 Order (final determination and reporting)

24.—(1) In article 31(2), for "30th April 2017" substitute "31st December 2018".

(2) For article 31(3) and (4) substitute—

"(3) The Administrator must approve an application in respect of Q if—

(a) it is satisfied that Q meets the applicable requirements in articles 12 to 16 in respect of that different obligation;

(b) where the application is made on or after 1st July 2017 and Q is credited against a supplier's total carbon saving community obligation at the time the application is made, the Administrator is satisfied that Q is not required by the supplier to meet its total carbon saving community obligation; and

---

(**a**) 1986 c.44. Section 30O was inserted by paragraph 1 of Schedule 14 to the Energy Act 2013 (c.32).
(**b**) 1989 c.29. Section 27O was inserted by paragraph 2 of Schedule 14 to the Energy Act 2013.

(c) where the application is made on or after 1st July 2017, it is not an application for Q to be credited towards a supplier's total carbon saving community obligation.

(3A) The Administrator must approve an application in respect of S if—

(a) it is satisfied that S meets the applicable requirement in article 27(3)(c) in respect of that different obligation; and

(b) where the application is made on or after 1st July 2017, it is not an application for S to be credited towards a supplier's total carbon saving community obligation.

(4) The Administrator must notify the supplier of its determination—

(a) under paragraph (1)(b), no later than 30th September 2017;

(b) under paragraph (1)(a) and (c), no later than 31st March 2019.".

(3) In article 31(6), for "30th September 2017" substitute "31st March 2019".

Amendment to article 33 of the 2014 Order (publication of energy savings achieved by suppliers)

25. In article 33(1), for "2016 and 2017" substitute "2016 to 2019".

Amendment to Schedule 2 to the 2014 Order (in-use factors)

26. In the table in Schedule 2, for the row referring to "insulation of a cavity wall" substitute—

"Insulation of a cavity wall (other than phase 3 party cavity wall insulation)	35%
Phase 3 party cavity wall insulation	15%"

Amendments to Schedule 4 to the 2014 Order (domestic premises which are not private domestic premises)

27.—(1) Before paragraph 1 of Schedule 4 insert—

"PART 1

Installations completed on or before 31st March 2017".

(2) In paragraph 1(1) of Schedule 4, at the beginning insert "In relation to an installation completed on or before 31st March 2017,".

(3) In paragraph 1(2) of Schedule 4, at the beginning insert "In relation to an installation completed on or before 31st March 2017,".

(4) After paragraph 1 of Schedule 4, insert—

"PART 2

Installations completed on or after 1st April 2017

2.—(1) In relation to an installation completed on or after 1st April 2017, domestic premises in England or Wales are not "private domestic premises" if the premises are let below the market rate and—

(a) the relevant interest in those premises is registered as belonging to a social landlord; or

(b) if no relevant interest in the premises has been registered, the premises are let by a social landlord other than under a lease granted pursuant to Part 5 of the Housing Act 1985(**a**).

(2) In relation to an installation completed on or after 1st April 2017, domestic premises in Scotland are not "private domestic premises" if the premises are let below the market rate and—

(a) the relevant interest in the premises is registered as belonging to a social landlord; or

(b) if no relevant interest in the premises has been registered, the premises are let by a social landlord other than under a lease granted pursuant to sections 61 to 84 of the Housing (Scotland) Act 1987(**b**), as modified by section 84A of that Act(**c**).

(3) Sub-paragraphs (4) and (5) of paragraph 1 apply for the purposes of this paragraph as they apply for the purposes of paragraph 1.".

New Schedule 4A (domestic premises which are E, F or G social housing) and new Schedule 4B (help to heat group eligibility)

28. After Schedule 4 insert—

"SCHEDULE 4A Article 16A(7)

DOMESTIC PREMISES WHICH ARE E, F OR G SOCIAL HOUSING

1.—(1) A measure is installed at domestic premises which are "E, F or G social housing" if—

(a) the premises are domestic premises described in Part 2 of Schedule 4; and

(b) the condition in sub-paragraph (2) or (3) is met.

(2) The condition in this sub-paragraph is that a post-installation EPC expresses the energy performance rating of the premises as band E, F or G.

(**a**) 1985 c.68. Part 5 was amended by Schedule 10 to the Insolvency Act 1985 (c. 65), sections 2, 4, 8 of and Schedule 5 to the Housing and Planning Act 1986 (c.63), Schedule 23 to the Housing (Scotland) Act 1987 (c.26), section 1 of and the Schedule to the Land Registration Act 1988 (c.3), sections 83, 122, 124, 126, 127 of and Schedule 17 to the Housing Act 1988 (c.50), sections 104, 105, 108 to 120 of and Schedules 21 and 22 to the Leasehold Reform, Housing and Urban Development Act 1993 (c. 28), Schedule 8 to the Family Law Act 1996 (c.27), Schedule 18 to the Housing Act 1996 (c.52), Schedules 16 and 18 to the Government of Wales Act 1998 (c. 38), the Statute Law (Repeals) Act 1998 (c.43), Schedule 5 to the Commonhold and Leasehold Reform Act 2002 (c.15), Schedule 1 to the Anti-Social Behaviour Act 2003 (c.38), Schedules 8 and 30 to the Civil Partnership Act 2004 (c.33), sections 180 to 190, 192, 193 of and Schedule 16 to the Housing Act 2004 (c.34), Schedule 15 to the Countryside and Rights of Way Act 2000 (c.37), Schedules 11 and 13 to the Land Registration Act 2002 (c.9), Schedule 14 to the Police and Justice Act 2006 (c.48), sections 304, 306, 191, 307 of and Schedule 16 to the Housing and Regeneration Act 2008 (c.17), sections 31 and 32 of the Housing (Wales) Measure 2011 (nawm 5), Schedules 19 and 22 to the Localism Act 2011 (c. 20), section 100 of and Schedule 11 to the Anti-social Behaviour, Crime and Policing Act 2014 (c.12), section 28 of the Deregulation Act 2015 (c.20), Schedule 4 to the Housing and Planning Act 2016 (c.22), S.I. 1990/434, S.I. 1993/651, S.I. 1996/2325, S.I. 1997/74, S.I. 1997/627, S.I. 2001/3649, S.I. 2009/1941, S.I. 2010/844, S.I. 2010/866, S.I. 2012/2404 and S.I. 2016/481. There were other amendments which are not relevant.

(**b**) 1987 c.26. Sections 61 to 84 were amended by sections 3 and 65 of, and Schedules 2, 8, 9 and 10 to, the Housing (Scotland) Act 1988 (c.43), sections 168 and 176 of, and Schedules 11 and 12 to, the Local Government and Housing Act 1989 (c.42), sections 144, 145, 157 of, and Schedule 22 to, the Leasehold Reform, Housing and Urban Development Act 1993 (c.28), Schedules 13 and 14 to the Local Government etc. (Scotland) Act 1994 (c.39), Schedule 2 to the Planning (Consequential Provisions) (Scotland) Act 1997 (c.11), Schedule 18 to the Government of Wales Act 1998 (c.38), sections 42 to 49, 51 and 108 of, and Schedule 10 to, the Housing (Scotland) Act 2001 (asp 10), Schedule 7 to the Water Industry (Scotland) Act 2002 (asp 3), sections 140 to 144 of the Housing (Scotland) Act 2010 (asp 17), section 113 of the Housing (Scotland) Act 2006 (asp 1) and S.I. 2000/2040. Sections 61 to 81 and 84 are repealed by section 1 of the Housing (Scotland) Act 2014 (asp 14), subject to savings made by S.S.I. 2014/264.

(**c**) Section 84A was inserted by section 178 of the Local Government and Housing Act 1989 (c.42). It was amended by paragraph 13 of Schedule 10 to the Housing (Scotland) Act 2001. Section 84A is repealed by section 1 of the Housing (Scotland) Act 2014, subject to savings made by S.S.I. 2014/264.

(3) The condition in this sub-paragraph is that—

(a) a pre-installation EPC expresses the energy performance rating of the premises as band E, F or G; and

(b) the social landlord in respect of the premises has confirmed in writing that, to the best of its knowledge and belief, no changes were made to the premises, after the pre-installation EPC was issued and before the measure was installed, which would increase the energy performance rating of the premises to band A, B, C or D.

(4) In this Schedule—

"energy performance certificate"—

(a) in relation to premises in England and Wales, has the meaning given in the Energy Performance of Buildings (England and Wales) Regulations 2012(**a**);

(b) in relation to premises in Scotland, has the meaning given in the Energy Performance of Buildings (Scotland) Regulations 2008(**b**);

"energy performance rating"—

(a) in relation to premises in England and Wales, has the meaning given in regulation 11 of the Energy Performance of Buildings (England and Wales) Regulations 2012;

(b) in relation to premises in Scotland, has the same meaning as "energy performance indicator" in the Energy Performance of Buildings (Scotland) Regulations 2008(**c**);

"post-installation EPC" in relation to premises where a measure is installed, means an energy performance certificate for the premises that was issued after the measure was installed;

"pre-installation EPC" in relation to premises where a measure is installed, means an energy performance certificate for the premises that is the most recent of any energy performance certificate for the premises issued before the measure was installed; and

"social landlord" has the same meaning as in paragraph 1(5) of Schedule 4.

SCHEDULE 4B

Article 16A(7)

HELP TO HEAT GROUP ELIGIBILITY

1. The benefits referred to in the definition of "help to heat group" in article 16A are—

(a) income-related employment and support allowance(**d**);

(b) income-based jobseeker's allowance(**e**);

(c) income support(**f**);

(**a**) S.I. 2012/3118 as amended by S.I. 2013/10, S.I. 2013/181, S.I. 2014/880, S.I. 2015/609, S.I. 2015/1681, S.I. 2016/284 and S.I. 2016/888. See regulation 2(1).

(**b**) S.S.I. 2008/309 as amended by S.S.I. 2008/389, S.S.I. 2012/190, S.S.I. 2012/208, S.S.I. 2012/315, S.S.I. 2013/12 and S.S.I. 2015/386. See regulation 2(1).

(**c**) See regulation 2(1).

(**d**) See Part 1 of the Welfare Reform Act 2007 (c.5). Schedule 7 to the Welfare Reform Act 2009 (c.24) made relevant amendments to Part 1. Sections 50 to 54 of, and Schedules 3 and 14 to, the Welfare Reform Act 2012 (c.5) also make relevant amendments to this Part, but some of these amendments are in force for certain purposes only.

(**e**) See section 1(1) and (4) of the Jobseekers Act 1995 (c.18). Section 1(4) was amended by Schedules 7 and 13 to the Welfare Reform and Pensions Act 1999 (c.30), section 4 of the Welfare Reform Act 2009 and paragraph 118 of Schedule 24 to the Civil Partnership Act 2004 (c.33). Section 1(4) is repealed by Schedule 14 to the Welfare Reform Act 2012, but this repeal is in force for certain purposes only.

(**f**) See section 124 of the Social Security Contributions and Benefits Act 1992 (c.4). Section 124 was amended by Schedules 2 and 3 to the Jobseekers Act 1995, Schedule 8 to the Welfare Reform and Pensions Act 1999, Schedules 2 and 3 to the State Pension Credit Act 2002 (c.16), Schedule 24 to the Civil Partnership Act 2004, Schedules 3 and 8 to the Welfare Reform Act 2007 (c.5) and sections 3 and 5 of the Welfare Reform Act 2009. Section 124 is repealed by Schedule 14 to the Welfare Reform Act 2012, but this repeal is in force for certain purposes only.

(d) guarantee credit (and for this purpose, "guarantee credit" is to be construed in accordance with sections 1 and 2 of the State Pension Credit Act 2002(**a**));

(e) tax credit;

(f) universal credit(**b**).

2. The condition as to income in paragraph 4 is specified in relation to tax credit.

3. The condition as to income in paragraph 7 is specified in relation to universal credit.

4. Where the award of tax credit is made pursuant to—

(a) a single claim, the condition as to income is that the relevant income of the claimant does not exceed the amount set out in the first row of Table 1 in the column corresponding to the number of children or qualifying young persons for whom the claimant is responsible;

(b) a joint claim, the condition as to income is that the relevant income of the joint claimants does not exceed the amount set out in the second row of Table 1 in the column corresponding to the number of children or qualifying young persons for whom at least one of the joint claimants is responsible.

Table 1

Tax credit

Type of claim	*Number of children or qualifying young persons for whom the claimant is responsible:*				
	0	*1*	*2*	*3*	*4 or more*
Single claim	£13,200	£17,400	£21,600	£25,800	£30,000
Joint claim	£19,800	£24,000	£28,200	£32,400	£36,600

5. For the purposes of paragraph 4, whether a person is responsible for a child or qualifying young person is to be determined in accordance with regulation 3 of the Child Tax Credit Regulations 2002(**c**).

6. In paragraph 4, the following have the same meaning as in Part 1 of the Tax Credits Act 2002(**d**)—

(a) "joint claim";

(b) "relevant income"; and

(c) "single claim",

and "claimant" is to be construed accordingly.

7. Where the award of universal credit is to—

(a) a single claimant, the condition as to income is that, in any of the twelve preceding assessment periods, the earned income of the single claimant does not exceed the amount set out in the first row of Table 2 in the column corresponding to the number of children or qualifying young persons for whom the single claimant is responsible;

(b) joint claimants, the condition as to income is that, in any of the twelve preceding assessment periods, the combined earned income of the joint claimants does not exceed the amount set out in the second row of Table 2 in the column

(**a**) 2002 c.16. Section 2 was amended by paragraphs 140 and 141 of Schedule 24 to the Civil Partnership Act 2004.
(**b**) Universal credit is provided for in Part 1 of the Welfare Reform Act 2012.
(**c**) S.I. 2002/2007. Regulation 3 was amended by S.I. 2004/762, S.I. 2005/2919, S.I. 2006/1163, S.I. 2007/2151, S.I. 2008/1879, S.I. 2008/2169, S.I. 2009/697, S.I. 2011/1740, S.I. 2012/848, S.I. 2013/1465 and S.I. 2016/360.
(**d**) 2002 c.21. See sections 3(8), 7(3) and 48. Part 1 was amended by paragraphs 144 to 147 of Schedule 24 and Schedule 30 to the Civil Partnership Act 2004 (c.33) and by S.I. 2005/828. There were other amendments which are not relevant. Part 1 is repealed by Schedule 14 to the Welfare Reform Act 2012, but this repeal is not yet in force.

corresponding to the number of children or qualifying young persons for whom at least one of the joint claimants is responsible.

Table 2

Universal credit

Type of claimant	*Number of children or qualifying young persons for which the claimant is responsible:*				
	0	*1*	*2*	*3*	*4 or more*
Single claimant	£1,100	£1,450	£1,800	£2,150	£2,500
Joint claimant	£1,650	£2,000	£2,350	£2,700	£3,050

8. For the purposes of paragraph 7, whether a person is responsible for a child or qualifying young person is to be determined in accordance with regulation 4 of the Universal Credit Regulations 2013(**a**).

9. In paragraph 7—

"assessment period" has the meaning given in regulation 21 of the Universal Credit Regulations 2013(**b**);

"earned income" means a person's earned income calculated in accordance with Chapter 2 of Part 6 of the Universal Credit Regulations 2013(**c**); and

"joint claimants" and "single claimant" have the meanings given in section 40 of the Welfare Reform Act 2012(**d**).

10. In this Schedule, "tax credit" means child tax credit or working tax credit(**e**).".

Name
Minister of State
Date Department for Business, Energy and Industrial Strategy

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which applies in Great Britain, amends the Electricity and Gas (Energy Company Obligation) Order 2014(**f**) ("the 2014 Order").

The 2014 Order set out three overall energy efficiency targets which must be achieved by larger electricity and gas suppliers in the period 1st April 2015 to 31st March 2017. The targets were apportioned between the electricity and gas suppliers by the Gas and Electricity Markets Authority ("the Administrator"). A supplier's share of a target is referred to as its "obligation". A supplier's carbon emissions reduction obligation must be achieved by promoting carbon qualifying actions (defined in article 12 of the 2014 Order) which lead to a reduction in carbon dioxide emissions ("carbon savings"). Each supplier is required to achieve carbon qualifying actions with carbon savings which are equal to its total carbon emissions reduction obligation. A supplier's home heating cost reduction obligation must be achieved by promoting heating qualifying actions

(**a**) S.I. 2013/376. Regulation 4 was amended by regulation 3 of S.I. 2013/1508.
(**b**) Regulation 21 was amended by regulation 3 of S.I. 2014/2887 and regulation 2 of S.I. 2015/1362.
(**c**) Chapter 2 of Part 6 was amended by S.I. 2013/1508, S.I. 2014/2888, S.I. 2014/3255, S.I. 2015/67, S.I. 2015/345, S.I. 2015/478 and S.I. 2015/1754.
(**d**) 2012 c.5.
(**e**) Child tax credit and working tax credit are provided for in Part 1 of the Tax Credits Act 2002 (c.21).
(**f**) S.I. 2014/3219.

(defined in article 16 of the 2014 Order) which lead to a cost saving. Each supplier is required to achieve heating qualifying actions with cost savings equal to its total home heating cost reduction obligation.

Article 3 amends article 3 of the 2014 Order to increase the overall carbon emissions reduction target and the overall home heating cost reduction target and to extend the period covered by those targets by 18 months to 30th September 2018. Article 2(8) amends the definition of "phase" in article 2 of the 2014 Order to create a "phase 3" covering the 18 month extension to the targets. Article 2(12) makes a consequential amendment to the definition of "relevant year" in article 2 of the 2014 Order.

Articles 2(5) and 4 amend articles 2 and 4 of the 2014 Order to replace the definition of "new supplier" with definitions of "new 2015 supplier" and "new 2016 supplier" to distinguish between those suppliers that exceed the thresholds in article 4(1) of the 2014 Order for the first time on 31st December 2015 and those that exceed them for the first time on 31st December 2016 (and so will become required to achieve a share of the targets). Article 5 makes a consequential amendment to article 5 of the 2014 Order.

Articles 2(6) and 6 amend articles 2 and 6 of the 2014 Order to amend the definition of "notification period" and to require suppliers to notify the Administrator of their number of domestic customers as at the end of 2016 and amount of electricity supplied during 2016. The notification must be made no later than 7 days after the coming into force of this Order. Article 2(2) inserts a definition of "commencement date" into article 2 of the 2014 Order.

Articles 7 and 8 amend articles 7 and 8 of the 2014 Order to require the Administrator to determine a supplier's carbon emissions reduction obligation, home heating cost reduction obligation, provisional solid wall minimum requirement, home heating minimum requirement and rural minimum requirement for phase 3. The home heating minimum requirement is a new requirement to promote at least a minimum amount of cost savings from heating qualifying actions on or after 1st July 2016 that are not replacements of qualifying boilers (as defined in article 2 of the 2014 Order) fuelled by mains gas. The rural minimum requirement is a new requirement to promote at least a minimum amount of carbon savings from carbon qualifying actions on or after 1st April 2017 in rural areas. The Administrator must notify a supplier of its determination of the obligations no later than 28 days after the coming into force of this Order. Article 2(4), (10), (13), (15), (16) and (17) insert definitions of "home heating minimum requirement", "rural minimum requirement" and "total provisional solid wall minimum requirement" into article 2 of the 2014 Order and make consequential amendments to the definitions in that article of "provisional solid wall minimum requirement", "total carbon emissions reduction obligation" and "total home heating cost reduction obligation". Article 10 makes a consequential amendment to article 13 of the 2014 Order.

Article 9 amends article 12 of the 2014 Order to extend the period for meeting the carbon emissions reduction obligation to 30th September 2018 and requires suppliers to achieve that obligation in a way that also achieves their rural minimum requirement. Article 9 removes any requirement for measures completed after 31st March 2017 to be recommended in a Green Deal report or by a chartered surveyor in order to be a carbon qualifying action. For measures completed after 31st March 2017 new requirements are imposed that a certified installer must be responsible for the installation (unless the measure is not referred to in the Publicly Available Specification), and the measure must be installed in either a pre-existing building or in premises that were first occupied as domestic premises before the installation was completed. Article 2(2) and (9) insert definitions of "certified installer" and "pre-existing building" into article 2 of the 2014 Order. Article 2(7) and (11) amend the definition of "Publicly Available Specification" to refer to the 2017 version of the specification and insert new definitions of "PAS 2014" and "PAS 2017".

Article 9 also amends article 12 of the 2014 Order to add party cavity wall insulation installed after 31st March 2017 to the list of measures that, if installed, allow other insulating measures (referred to in article 12 of the 2014 Order as "secondary measures") to be eligible as carbon

qualifying actions. Article 2(9) inserts a definition of "phase 3 party cavity wall insulation" into article 2 of the 2014 Order.

Article 11 amends article 16 of the 2014 Order to extend the period for meeting the home heating cost reduction obligation to 30th September 2018 and requires suppliers to achieve that obligation in a way that also achieves their home heating minimum requirement. For measures completed after 31st March 2017, the measure must meet one of the conditions set out in a new article 16A of the 2014 Order, as inserted by article 12. These conditions relate, among other matters, to—

(a) the involvement of a local authority; or

(b) the premises in which the measure is installed, such as—

(i) premises occupied by a member of the help to heat group (article 28 inserts a new Schedule 4B into the 2014 Order listing the benefits and conditions to be met for a person to fall within the "help to heat group");

(ii) private domestic premises (article 27 amends Schedule 4 to the 2014 Order, by creating a new description, for installations completed after 31st March 2017, of domestic premises that are not private domestic premises);

(iii) E, F or G social housing (article 28 inserts a new Schedule 4A into the 2014 Order, which describes domestic premises that are "E, F or G social housing").

Article 11 amends article 16 of the 2014 Order to set a limit on the proportion of a supplier's home heating cost reduction obligation that can be met by measures that are heating qualifying actions because they meet a condition in the new article 16A of the 2014 Order relating to the involvement of a local authority.

Article 11 also amends article 16 of the 2014 Order so that, for measures completed after 31st March 2017, a certified installer must be responsible for the installation (unless the measure is not referred to in the Publicly Available Specification), and the measure must be installed in either a pre-existing building or in premises that were first occupied as domestic premises before the installation was completed.

Article 13(1) to (3) amend article 17 of the 2014 Order to widen the circumstances in which a supplier may notify a completed qualifying action after the one month deadline set by that article. Article 13(4) amends article 17(8) in consequence of the 18 month extension of two of the overall targets.

Articles 14 and 15 amend articles 18 and 19 of the 2014 Order to require the carbon saving and cost scores from qualifying actions completed after 31st March 2017 (other than district heating connections) to be calculated using a methodology published by the Administrator. A 30% uplift is applied to the calculation. Article 20 inserts a new article 24A into the 2014 Order to require the Administrator to publish the methodologies. Articles 16 to 19(2) make consequential amendments to articles 20, 21, 22 and 24 of the 2014 Order.

For the calculation of savings from measures completed before 1st April 2017 or district heating connections, article 19(3) amends article 24 of the 2013 Order to enable the Administrator to approve the use of methodologies published on behalf of the Department for Business, Energy and Industrial Strategy to replace the 2012 edition of the Reduced Data Standard Assessment Procedure or the 2012 edition of the Standard Assessment Procedure.

Article 21 amends article 26 of the 2014 Order to extend to 31st December 2018 the period in which qualifying actions achieved by one supplier may be regarded as achieved by another supplier. Actions cannot be credited towards a supplier's carbon saving community obligation after 30th June 2017 and actions cannot be transferred from a supplier's carbon saving community obligation after that date unless the Administrator is satisfied that they are not required by the supplier to meet that obligation.

Article 22 makes similar amendments to article 30 of the 2014 Order in respect of the circumstances in which surplus actions (as defined in article 27(3) of the 2014 Order) may be regarded as achieved by another supplier. Article 24(1) and (2) make similar amendments to

article 31 of the 2014 Order in respect of the transfer of actions from one obligation to another obligation.

Article 23 inserts a new article 30A into the 2014 Order to set out circumstances in which a supplier may transfer some of its obligations to another supplier.

Article 24(3) amends the date in article 31(6) of the 2014 Order by which the Administrator must report to the Secretary of State on whether suppliers have achieved the overall targets.

Article 25 extends the years in article 33(1) of the 2014 Order in which the Secretary of State must publish the energy savings achieved by suppliers. That paragraph implements the first paragraph of article 7(8) of Directive 2012/27/EU on energy efficiency (OJ L 315, 14.11.2012, p.1).

Article 26 amends the in-use factor for phase 3 party cavity wall insulation in Schedule 2 to the 2014 Order.

A full impact assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector is available from the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London, SW1H 0ET and is published with the Explanatory Memorandum alongside the instrument on www.legislation.gov.uk.

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