

## **Energy Companies Obligation (ECO)**

The Energy Company Obligation (ECO) replaced previous obligations on energy suppliers, such as the Carbon Emissions Reduction Target, to fund energy efficiency improvements to eligible households.

The current obligation period, known as ECO3 will run from 1 October 2018 – 31 March 2022. ECO is distributed via a grant and will be paid for through a levy on all domestic electricity bills.

The one distinct strand of ECO is the Home Heating Cost Reduction Obligation.

### **Home Heating Cost Reduction (HHCRO) Obligation**

Under the Home Heating Cost Reduction Obligation (HHCRO), obligated suppliers must promote measures which improve the ability of low income and vulnerable households to heat their homes.

The HHCRO (aka Affordable Warmth) provides heating/hot water saving measures and insulation, glazing and some micro-generation technologies.

Homeowners and those renting privately may be eligible if in receipt of certain benefits. Social housing with an EPC rating of E, F or G may also be eligible for insulation and first-time central heating.

Note - energy suppliers can use a 'flexible eligibility' mechanism (known as LA Flex) for up to 25% of their Affordable Warmth obligation by installing energy saving measures in premises that have been declared eligible by local authorities.

Participating local authorities will have to ensure these are households in private tenure living either in fuel poverty or living on a low income and who are particularly vulnerable to the effects of living in the cold. In addition some non-fuel poor homes will be allowed for solid wall insulation projects, as long as a proportion of the households in the project are in fuel poverty or living in the cold.

From April 2019, customers are eligible for ECO if they are a core group customer under the WHD scheme. Customers can benefit from ECO even if their supplier is not obligated.

A full list of those eligible for support is available at: <https://www.gov.uk/energy-company-obligation>

For more information on ECO, including a full list of measures available under each strand of ECO visit:

<https://www.ofgem.gov.uk/environmental-programmes/eco/support-improving-your-home/faqs-domestic-consumers> or contact Home Energy Scotland on **0808 808 2282**.

See also Factsheet 4.a HEEPS