

ECO4 Summary and Measures Overview



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ECO4: Timelines and Summary Overview

- ECO4 Obligation started 1st April 2022 and ends on 31st March 2026
- ECO4 main objective is to improve the energy efficiency of housing stock occupied by low income and vulnerable households
- ECO4 takes a 'fabric first' approach, which means ensuring homes are well insulated before the installation of heating upgrades
- ECO4 allows up to 50% of its obligation to be delivered through ECO4 Flex
- ECO4 Flex is made up of Local Authority (LA) Flex and Supplier Flex
- ECO4 funding is available to homes that are energy inefficient and have a current EPC banding of D to G
- ECO4 requires homes to have energy efficiency measures installed that improves their EPC rating by two bandings, or a minimum requirement of an improvement to band C
- Ofgem (Office of Gas and Electricity Markets) remains as the ECO4 scheme administrator
- This summary is designed to give an overview of the main measures available for the ECO4 obligation only.

Link to latest Ofgem ECO4 guidance document <https://www.ofgem.gov.uk/publications/energy-company-obligation-eco4-guidance-delivery>



ECO4: Owner Occupied Properties

Private owned housing: qualifying criteria

Eligibility based on receipt of qualifying benefits

Insulation measures

- ✓ Low cost insulation: Cavity Wall, Loft, Floor, Room in Roof, Flat Roof
- ✓ Solid wall insulation: This includes Exterior and Internal Wall Insulation (expanded in fill rules)

Heating measures

- ✓ Non Condensing Boiler upgrade to renewable heating system
- ✓ Non Condensing Boiler upgrade to non-renewable heating system
- ✓ Upgrade of an inefficient electric storage heater
- ✓ Connection to a district heating system
- ✓ First Time Central heating
- ✓ Heating Controls

Micro Generation

- ✓ Solar PV (subject to minimum insulation and pre-heating requirements)
- ✓ Air Source Heat Pump

Innovation Measures

- ✓ Uplifts to selected measures available



ECO4: Private Rented Properties

Private rented housing: qualifying criteria

Eligibility based on receipt of qualifying benefits

Insulation measures

- ✓ Low cost insulation: Cavity Wall, Loft, Floor, Room in Roof, Flat Roof *
- ✓ Solid wall insulation: This includes Exterior and Internal Wall Insulation (expanded in fill rules)

Heating measures

- ✓ Non Condensing Boiler upgrade to renewable heating system
- X Non Condensing Boiler upgrade to non-renewable heating system
- X Upgrade of an inefficient electric storage heater
- ✓ Connection to a district heating system
- ✓ First Time Central heating
- ✓ Heating Controls *

Micro Generation

- ✓ Solar PV (subject to minimum insulation and pre-heating requirements)
- ✓ Air Source Heat Pump

Innovation Measures

- ✓ Uplifts to selected measures available

* These measures subject to further qualifying conditions





ECO4: Social Tenure Properties

Social housing: qualifying criteria

Inclusion of social housing properties with an existing E, F or G EPC rating

Insulation measures

- ✓ Low cost insulation: Cavity Wall, Loft, Floor, Room in Roof, Flat Roof
- ✓ Solid wall insulation: This includes Exterior and Internal Wall Insulation (expanded in fill rules)

Heating measures

- ✓ Non Condensing Boiler upgrade to renewable heating system
- ✗ Non Condensing Boiler upgrade to non-renewable heating system
- ✗ Upgrade of an inefficient electric storage heater
- ✓ Connection to a district heating system *
- ✓ First Time Central heating
- ✓ Heating Controls *

Micro Generation

- ✓ Solar PV (subject to minimum insulation and pre-heating requirements)
- ✓ Air Source Heat Pump

Innovation measures

- ✓ EPC Uplifts on selected measures, can include D rated properties

* These measures subject to further qualifying conditions



ECO4: Qualifying Criteria - Benefits

Qualifying criteria

The following benefit criteria is for **owner occupied** or **private rented properties** only

Benefits eligible for ECO4 funding:-

- ✓ Income-based Job Seekers Allowance
- ✓ Income-related Employment and Support Allowance
- ✓ Income Support
- ✓ Pension Credit Guarantee Credit
- ✓ Working Tax Credit
- ✓ Child Tax Credit
- ✓ Universal Credit
- ✓ Housing Benefit
- ✓ Pension Credit Savings Credit
- ✓ Child Benefit (income thresholds apply)

ECO4: Qualifying Criteria – LA Flexible Eligibility

Qualifying criteria

This part of the ECO4 obligation enables Local Authorities to widen the eligibility criteria for ECO4 funding, allowing them to tailor energy efficiency schemes to their respective area.

Under ECO4 Flex, a participating Local Authority can refer private tenure households that it considers to be living in fuel poverty or on a low income and vulnerable to the effects of living in a cold home

Requirements

- Local authorities need to issue a Statement of Intent (Sol) to ensure households in their area are eligible for ECO4 Flexible Eligibility funding
- The Statement of Intent template and Declaration template (on Ofgem's website) to be followed by local authorities
- These Statement of Intents are usually uploaded to the Local Authority's website and demonstrate how they will be promoting the scheme and confirm the qualifying income/health criteria
- There are **four** available routes for private tenure households that are eligible for LA Flex funding:-
 1. **Low income households** with a total income less than £31k, but not in receipt of ECO4 qualifying benefits
 2. **Fuel poor households** that meet a combination of two proxies (conditions apply), including defined LSOA locations, receiving council tax rebates, vulnerable to living in a cold home, receiving free school meals, meeting NICE guidelines and identified as struggling to pay energy bills
 3. **Households with health conditions** identified by a doctor or GP which may be impacted further by living in a cold home
 4. **Targeted households** where they have been identified as low income and vulnerable, but not already eligible under existing routes

Link to final Ofgem ECO4 guidance on LA Flex document

<https://www.ofgem.gov.uk/publications/final-eco4-guidance-local-authority-administration>





THANK YOU