Andrej Miller

Head of Energy Company Obligation and Warm Home Discount
Responsable ECO et WHD
BEIS (United Kingdom / Royaume-Uni)

Great Britain's Energy Company Obligation (ECO)

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Department for Business, Energy and Industrial Strategy

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Main characteristics

- **Covers Great Britain** – excludes Northern Ireland (part of UK)
- **Domestic only** – and therefore funded by domestic suppliers and their customers
- **Only larger suppliers** – obligated if over 200,000 customer accounts, currently 17 suppliers
- **Target set in notional lifetime bill savings** – estimated cost of delivery is £640m in 2017 prices
- **Mixture of sub-targets, caps and incentives** – for example, solid wall properties, rural areas, off gas-grid
- **Fuel poverty focus** – households on benefits are eligible

Results

- **~2.5m measures in 2m homes** – since ECO started in 2013, but a lot fewer than predecessor schemes
- **Almost 100% compliance**
- **Little diversity** – mainly cavity wall and loft insulation and boiler replacement
- **High "search costs" and economic rent**
- **Quality of installation?**

Challenges

- **Lack of stability** – changes to rules and level of funding
- **Stifling the retail market**
- **Scoring methodology** – cost over quality and drives treatment of larger properties
- **Suitability as fuel poverty scheme?**
- **When/how do we shift to whole house retrofit?**
- **Supply chain change** – ECO has driven certain types of business and behaviour
- **Not consumer driven**

New deployment/innovation support

- **10% of obligation** – measures not installed previously
- **Lower cost, better quality and consumer journey**
- **Applications approved by specialist panel** – quarterly
- **Better data**
- **First steps in move to pay for performance?**

Questions