MAYOR OF LONDON

ECO TRANSITION UPDATE

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BEIS and Ofgem have been busy ensuring the ECO Transition is ready for 1 April 2017. BEIS has published a consultation response setting out the changes coming into effect. While Ofgem is yet to finalise its guidance, energy suppliers are gearing up for the next phase of ECO based on the recent announcements.

The key policy decisions made by BEIS include:

- an 18 month extension to the ECO scheme (April 2017 – September 2018)
- the Affordable Warmth Group is increased to 4.7m from 4.0m (in consultation) households. This has been achieved by increasing the income thresholds for eligibility
- social housing properties in EPC bands E, F or G are eligible for insulation and first time central heating under Affordable Warmth
- local authorities can employ the 'flexible eligibility' mechanism, which suppliers can use for up to 10% of their Affordable Warmth obligation – read on for more details
- solid wall insulation minimum will increase from the proposed equivalent (in consultation) of 17,000 measures per year to 21,000 per year
- 'deemed scores' will be introduced so carbon will be scored on a few characteristics of a property and the measure installed, rather than an EPC assessment, and Ofgem will increase these scores by approximately 30% to maintain similar levels of installation
- Renewable Heat Incentive can be claimed alongside ECO funding local authorities will have a limited opportunity to determine non-fuel poor households as eligible for Affordable Warmth in order to facilitate the installation of solid wall insulation – aimed at private tenure flats, maisonettes, terraces or detached properties next door to each other.

One of the major changes will be the introduction of 'flexible eligibility'. Local authorities will be expected to make a statement of intent which outlines the criteria for selecting households and will need to post what addresses are eligible under this criteria. **RE:NEW** is exploring options for coordinating this initiative across London.

Please contact Keith for more information on RE:NEW's services or ECO funding.
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