



Delivering Energy Efficiency Locally

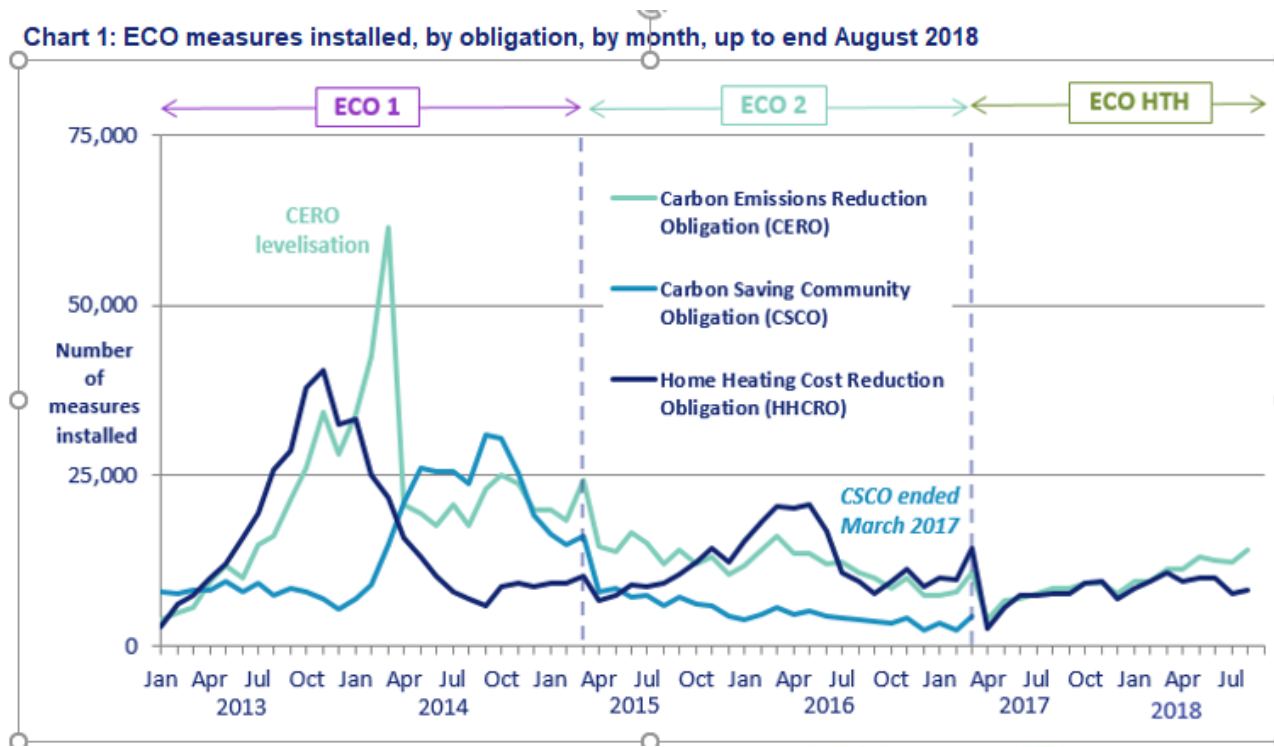
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Energy Company Obligation



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- ECO commenced in 2012 following on from CERT
- Over 2.3 million measures installed in approximately 1.9m homes
- ECO has moved from a focus on carbon savings to a reduction in energy bills for low income households



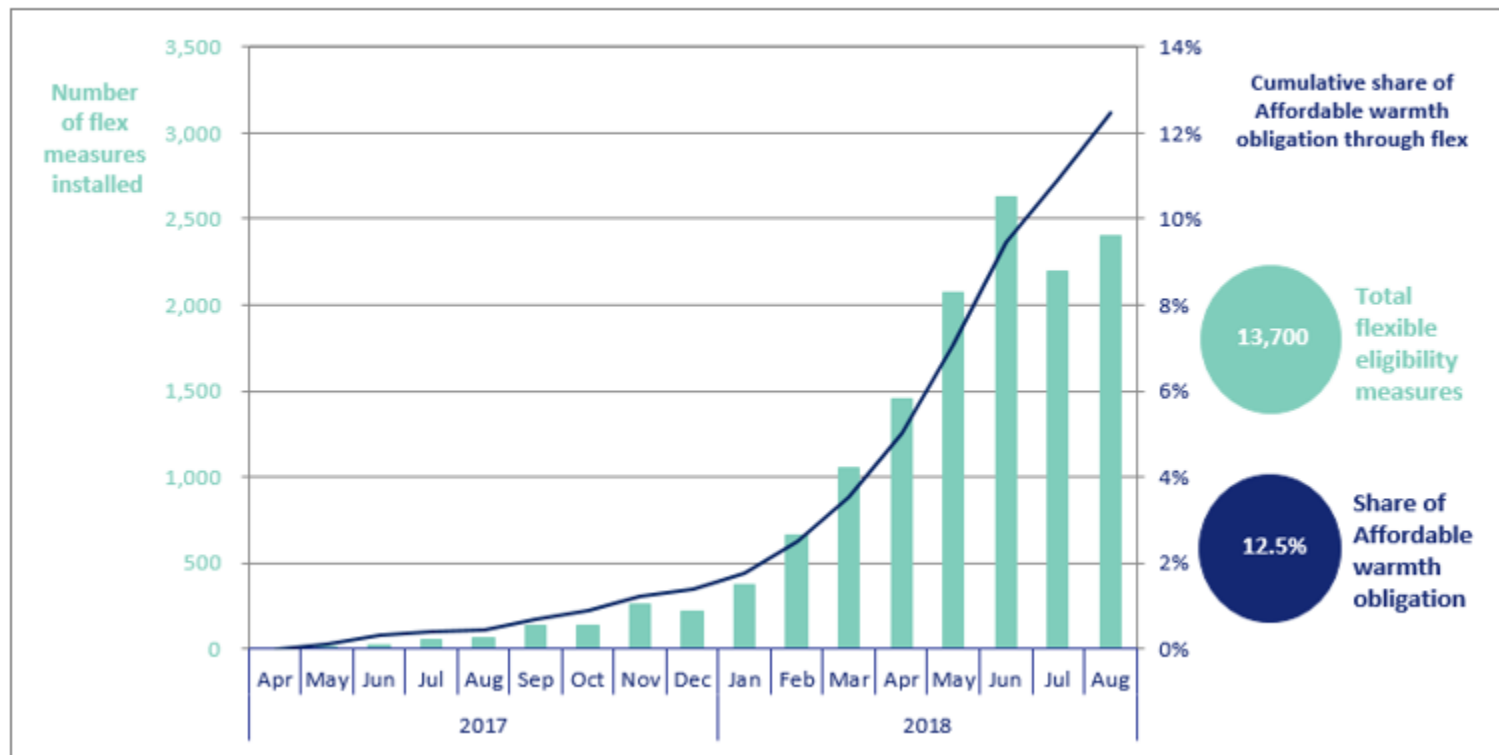
Current Delivery



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Under ECO2t 10% of ECO delivery could use criteria as defined by a local authority using a Statement of Intent

Chart 5: Number of Flexible Eligibility Measures by installation month and share of Affordable Warmth obligation delivered through flex, up to end August 2018



Flex so far....



- Single LA's have SOI's
- Multiple LA's under one SOI
- High variability in eligibility criteria
- BEIS have concerns that some criteria do not meet their objective
 - Use of age as a stand-alone criteria
 - Varying levels of disposable income with no household composition
 - Qualifying by EPC alone
- Not all LA's have a SOI

WM delivery of ECO Flex



80% of West Midlands Local Authorities were covered by a Statement of Intent under ECO2t

ECO Help-To-Heat measures installed¹, by obligation, up to end June 2018

		Carbon Saving Target (CERO)	Affordable Warmth (HHCRO)	of which Flex ^{3,4}	ECO measures installed	Percentage of Flex measures installed
E12000005	WEST MIDLANDS	9,791	10,992	427	20,783	4.7
E06000019	Herefordshire, County of	365	552	19	917	0.2
E06000051	Shropshire	656	899	48	1,555	0.5
E07000195	Newcastle-under-Lyme	118	145	5	263	0.1
E07000196	South Staffordshire	159	138	11	297	0.1
E07000197	Stafford	207	162	14	369	0.2
E07000218	North Warwickshire	97	86	26	183	0.3
E07000220	Rugby	237	81	35	318	0.4
E07000221	Stratford-on-Avon	251	137	37	388	0.4
E07000222	Warwick	316	68	13	384	0.1
E08000027	Dudley	349	567	74	916	0.8
E08000029	Solihull	325	214	32	539	0.4
E07000234	Bromsgrove	180	123	53	303	0.6
E07000235	Malvern Hills	160	143	24	303	0.3
E07000238	Wychavon	301	157	14	458	0.2
E07000239	Wyre Forest	49	167	9	216	0.1
	Others ⁶	6,021	7,353	13	13,374	0.2

⁶ Where a LA has less than 5 flexible eligibility measures their flex together with CERO and wider Affordable warmth measures will be shown in "others". Due to disclosure control, "others", where present, will be based on at least 3 LAs so will incorporate other LAs in a region with the least flex measures where needed.

¹ This table only includes ECO Help-To-Heat measures and excludes any measures which have been rejected by Ofgem or

Local Examples



Worcestershire Statement of Intent

- Covers 6 Local Authorities
- Initial SOI wanted to encourage low cost measures so eligibility was 'flexible'
- Majority of measures were in rural areas and were for heating measures specifically oil and LPG
- Between April and September £593,000

Solihull Metropolitan Borough Council

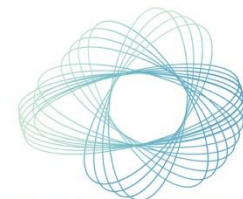
- Single SOI
- Focus was for low cost measures
- Majority of measures were insulation
- Between April and September 84 insulation measure under flex £110,000 of funding

Stratford upon Avon District Council

- Single SOI
- SOI developed for low cost measure
- Majority of measures were actually heating - oil and LPG
- Between April and September - 156 measures £350,000

The above LA's have recently updated their SOI's and introduced an additional income cap across their eligibility criteria.

ECO 3 and Beyond...



- 25% of obligation approximately £560m over 3.5 years
- LA guidance due imminently

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Opportunities for ECO 4

- Regional allocation of funds?
- Choice of measures?
- Whole house approaches?
- Eligibility set locally
- Use of local supply chain

Challenges

- Need for policy support from BEIS/WMCA/local authorities/utilities
- procurement?
- Up skilling of LA's

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Thank You
Any Questions

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