



ECO3 – what local authorities should know

Say YES to lower energy bills

Who are YES?



- We are a growing CIC business
- Our values are: Green, Great and Gracious
- Our mission is simple: sustainably reduce FP across the UK and reduce the impacts of climate change
- As a CIC we have no shareholders to pay dividends to. We reinvest any surplus in doing more great 'stuff' in the communities where we work across GB.
- We are growing – able to help more people who find themselves in the dilemma of 'heat or eat'.



Contents

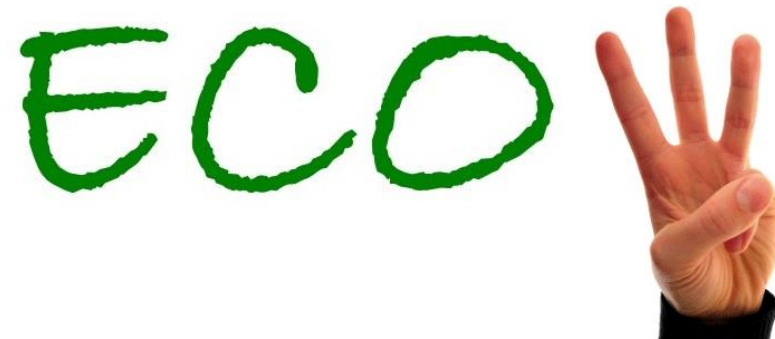
1. What is ECO3?
2. How do you get ECO funding?
3. How do you use it?
4. What's the catch?
5. Why bother?
6. Guiding you the next steps



What is ECO3?



- The Energy Company Obligation (ECO)
- Government initiative which requires major Energy Companies to fund energy saving home improvements
- The funding comes from customers energy bills
- Focus is now HHCRO – Home Heat Cost Reduction Obligation
- Runs from Oct 2018 – Mar 2022



How targets are achieved



Each obligated energy company either:

1. Funds their own internal installer divisions
2. Funds installers directly
3. Sells off their obligations to other obligated energy companies
4. **Funds managing agents that work with multiple installers**

Or a blend of the above



What's new?

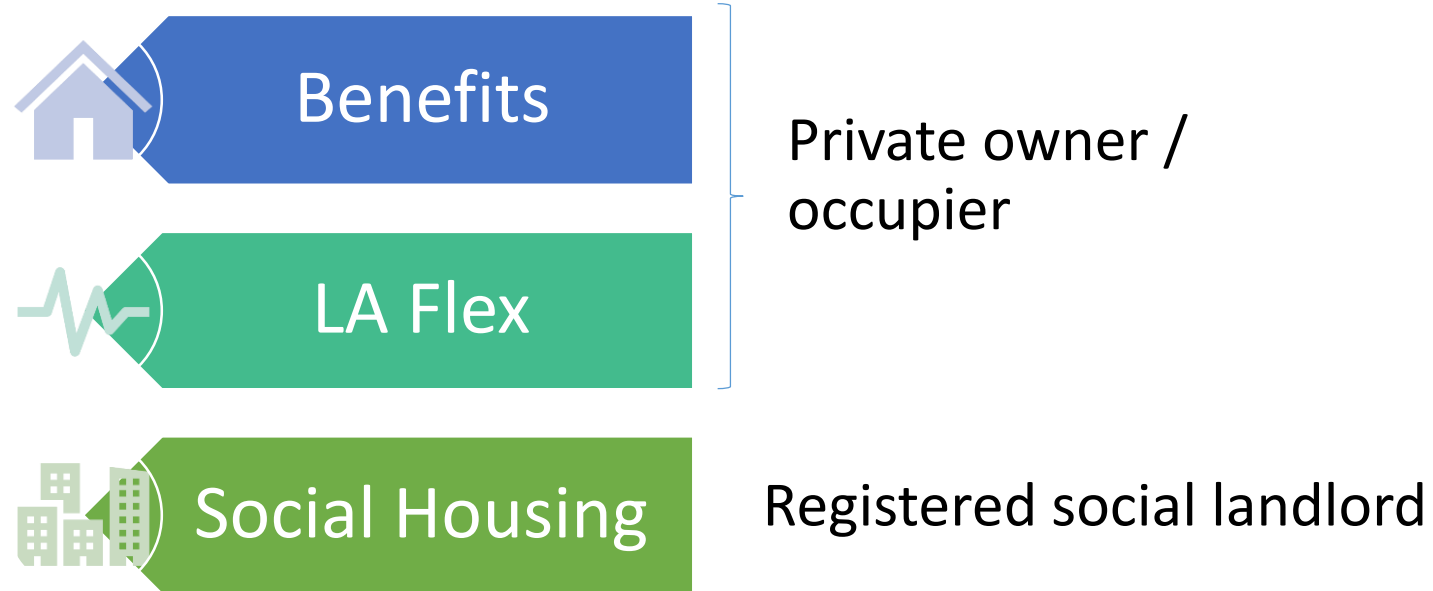
- More energy companies obligated
- 100% HHCRO (CERO is axed)
- HHCRO benefit criteria broadened
- Social Housing – more opportunities
- Restrictions on Private Sector Landlords
- Changes to boiler funding
- 15% rural sub-obligation
- Solid Wall Minimum – at least 17,000 properties
- New Deemed Scores (with uplifts for certain situations)
- No ECO with RHI – apart from Ground Source Heat Pumps
- New innovation funding strand



100% HHCR0



Focus on vulnerable people in or at risk of fuel poverty



HHCRO LA Flex



25% of ECO targets can be delivered through LA Flex.

- Councils set their own criteria around:
- Residents at risk of fuel poverty
- Residents with health conditions made worse by living in cold homes

Councils must publish a **Statement of Intent (Sol)** defining their criteria.

Many have followed the NICE guidance.



Statement of Intent (Sol)



If you have it - update it

If you don't – write one

Questions to ask yourself:

- Is it supporting our fuel poverty strategy?
- Does it focus on addressing the needs of our vulnerable residents?
- What can we learn from other Sol's?
- Do we have enough data to make decisions?
- How will we deliver the strategy?

 Department for
Business, Energy
& Industrial Strategy

ENERGY COMPANY OBLIGATION: ECO3, 2018 – 22 FLEXIBLE ELIGIBILITY GUIDANCE

Guidance for local authorities on engaging
with energy suppliers to identify households
that would benefit from energy efficiency
improvements

February 2019

Creating a Sol

- Government guidance on writing a Sol <https://bit.ly/2Hb0G3I>
- The website has a list of all the local authorities who are taking part (Excel spreadsheet available)
- Many local authorities are using the NICE guidance to help determine their Flexible Eligibility criteria
- We are happy to help

Please note - Flexible Eligibility is just another way to help vulnerable people access HHCRO funding. **It is not new funding.**

Keep your Sol clear and straightforward.

Match Funding

In many (most) cases ECO will not cover the full cost of installing an energy saving measure. To truly help people in fuel poverty, match funding is required:

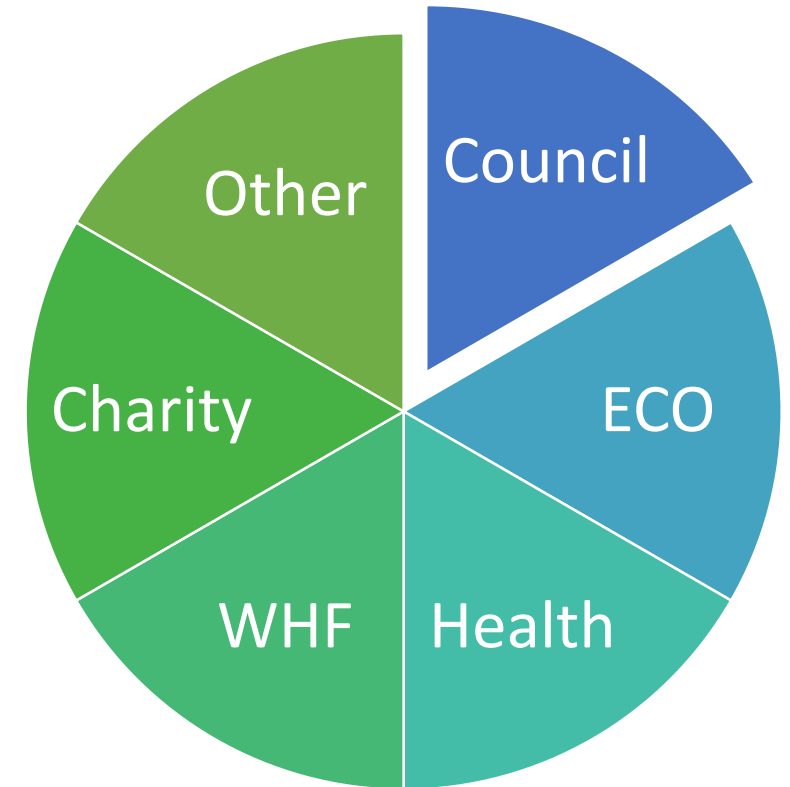
- Council capital funds
- External funding (Warm Homes Fund/FPNES, etc.)
- Credit union loans
- GDN Funds
- Charities
- Scottish Government schemes HEEP/ABS



Blending funding



- There is a need to work with others
- Local authorities need to start thinking creatively about how they implement energy efficiency schemes through a blended funding approach.



Why bother?



Support your fuel poverty strategy

Support your environmental strategy

- Declared climate emergency
- Plan to get to the target date

Commercial opportunity for Council to deliver

- You can go direct to the energy company
 - **You manage** the risks: late, lost, duplicate or failed delivery

To do list

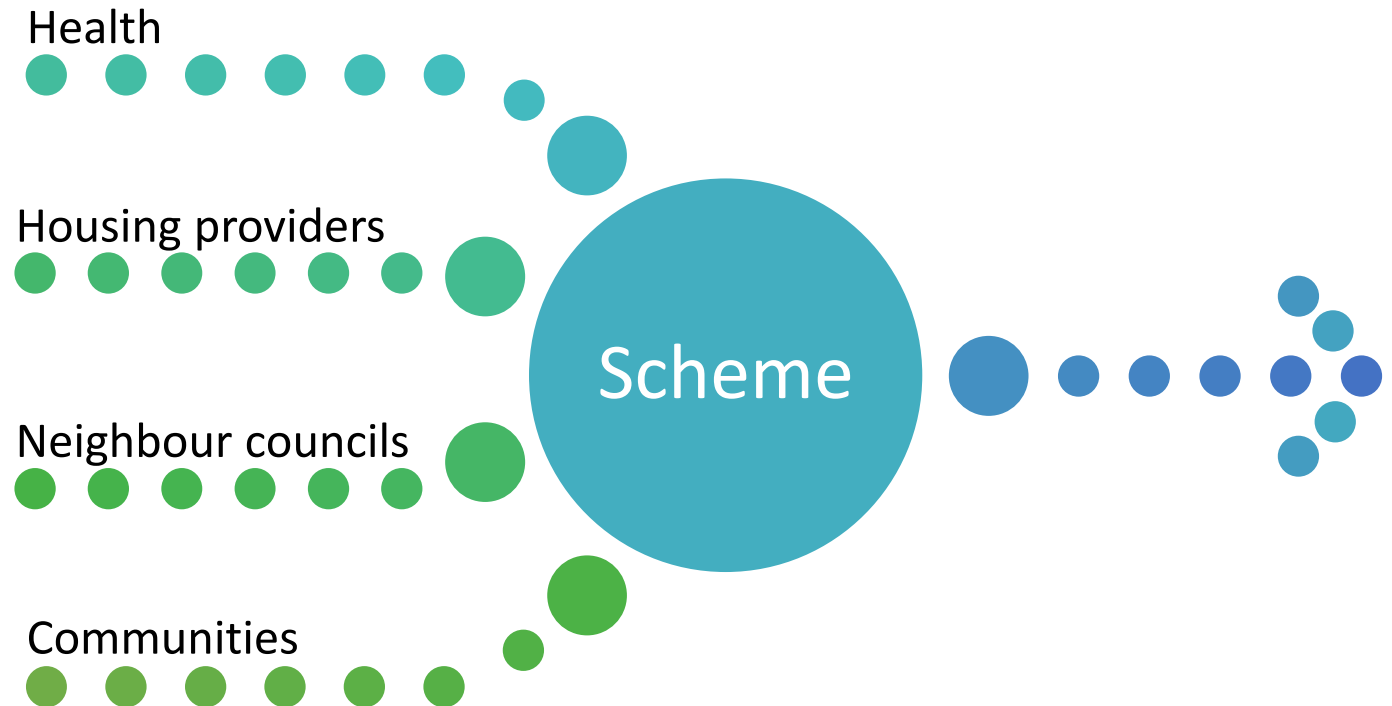
- Build partnerships
- Get help and advice – APSE or YES

Health - potential funding, deliver greater social value/benefit, access data

Housing associations and private sector landlords - to highlight and maximise ECO opportunities

Neighbouring Councils – consolidate approach, share resources, economies of scale

Communities – to support data collection and engagement



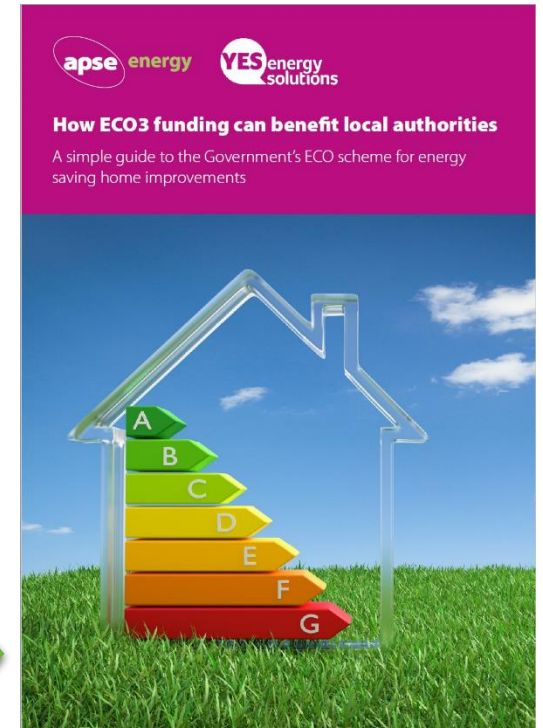
Guiding your next steps

Say yes to YES



We are working with local authorities to develop effective energy saving schemes using ECO and other funding channels.

Continue to work with APSE to produce guidance and support



Ethical approach

- As a CIC, we have no shareholders, so invest the profit we make in our social mission:
 - Experienced project managers
 - ECO3 funding in place
 - Dedicated funding team
 - National network of SME installers
 - Strong links with energy companies, installers, manufacturers, community organisations and innovators

Reducing CO₂ &
alleviating fuel
poverty



Multi award winning



Our proactive collaborations have been applauded by the wider industry.



National Energy Efficiency Awards 2018
Funding Provider of the Year



West Midlands Energy Efficiency Awards
Regional Large Scale Project of the Year



Women in Housing Award
Finance, Compliance of Governance Team of the Year

Thank You

Any questions?

YES Energy Solutions

T: 01422 880100

W: www.yesenergysolutions.co.uk



The devil is in the detail



- Back pocket slides for reference and information

HHCRO Benefits



Existing benefits

Pension Guarantee Credit
Income Based Job Seekers Allowance
Income Support
Income Related Employment &
Support Allowance
Working Tax Credit*
Child Tax Credit*
Universal Credit*

**Income thresholds now removed*

New benefits

Disability Living Allowance
Personal Independence Payment
Attendance Allowance
Carer's Allowance
Severe Disablement Allowance
Industrial Injuries Disablement Benefit
War Pensions Mobility Supplement
Constant Attendance Allowance
Armed Forces Independence Payment
Child Benefit (income thresholds apply)

Private landlord restriction

Landlords can't use ECO to meet MEES (Minimum Energy Efficiency Standards) requirements.

Only households in EPC band E or above can receive ECO funding.

Or band F or above for Solid Wall Insulation.

HHCRO Social Housing

Properties in EPC band E, F or G can qualify for support.

- No personal qualification required
- Measures restricted to insulation and first time central heating (FTCH)
- Electric storage heater restriction removed for FTCH

Funding for boilers

Broken heating system cap

Funding to upgrade broken boilers / heating systems
– capped at 35,000 installs per year.

This is only available to homeowners.

Heating system upgrades

Inefficient boilers and heating systems can also receive funding but at a lower rate. Each install must be coupled with a primary insulation measure (excluding loft insulation).

First time central heating

Properties with no form of central heating qualify (e.g. no radiators).

Any existing electric storage heaters must be broken or deemed inefficient (*responsive rating of 0.2 or less*)

Gas, LPG and renewable heat technologies can be used. Oil is excluded.

Rural

Rural sub-obligation introduced.

Obligated energy companies must meet 15% of their ECO target in rural communities.

Uplifts provided on insulation measures.

Solid Wall Insulation Minimum

Collectively, obligated energy companies must fund 17,000 solid wall insulation installs per year.

More flexibility to meet obligation (*using other insulation measures*).

In-fill mechanism introduced to support EWI schemes.

Innovation

Innovation – a measure or technique that is new to the market that has not had wide-scale roll out.

Energy companies can fund up to 10% of their ECO targets through the innovation stand.

Social Housing in EPC Band D can be included.

Slow roll out for innovation expected.



Uplifts

Certain measures will receive uplifts in their deemed scores in certain circumstances:

- Insulation measures in rural areas get an uplift
- Measures funded through LA Flex installed in properties in EPC Band F or G receive an uplift
- All 'innovation' measures will receive an uplift

Better funding allocation

