

Press release: Energy reforms come into force today

- Energy suppliers to focus help on vulnerable households
- Part of plan to improve energy efficiency of 1 million homes by 2020

Homes across Great Britain will get extra support to make their homes cheaper and easier to keep warm thanks to Government reforms that have come into force today.

Changes to the Energy Company Obligation (ECO) will make sure energy companies give support to people struggling to meet their heating bills, with plans to extend the scheme from April 2017 to September 2018 also confirmed.

Consumer Minister, Margot James said:

The big energy firms already have to help households save gas and electricity bills, by improving homes so they are easier and cheaper to keep warm.

We're strengthening this obligation today and making sure they prioritise low income households as part of our plan to insulate 1 million homes by 2020.

The reforms, which were consulted on last year, will simplify the scheme, with energy companies required to provide struggling households with energy efficiency measures to make their homes warmer and bring their bills down.

As well as an increased focus on low income and vulnerable homes, eligibility will be extended to social housing tenants in EPC bands E, F and G, and local authorities will also be able to help match people with energy suppliers.

Suppliers will also be required to install a minimum 21,000 solid wall insulations per year, up from the earlier proposal of 17,000.

There will be continuing protection for the delivery of energy efficiency measures in rural areas, with a requirement that 15% of suppliers' Carbon Emissions Reduction Obligation be delivered in these areas.

ECO has proved a very effective delivery mechanism with around 2.2 million measures installed in around 1.7 million properties between 2013 and the end of January 2017.

Notes to editors

- The Energy Company Obligation (ECO) is focused on insulation measures (e.g. solid wall insulation, cavity wall insulation, loft and room in roof insulation amongst others).

- Under the part of the part of ECO focused on fuel poverty, households can also receive heating measures, including first time central heating and more efficient boilers.
- The energy companies obligated are British Gas, The Co-operative, EDF Energy, EON Energy, First Utility, npower, OVO Energy, Scottish power, SSE, Utilita, Utility Warehouse, Extra Energy, Spark Energy, Flow Energy, Economy Energy.
- There are three ways to qualify under the Affordable Warmth element of the scheme: i) those in receipt of certain means tested benefits ii) those living in social housing with an EPC of E,F or G and iii) those referred to suppliers by local authorities under the newly-introduced flexible eligibility. Suppliers can also refer households who are in or at risk of fuel poverty or vulnerable to living in a cold home.
- The 18-month extension will provide industry with time to adapt their IT and delivery models to deliver insulation rather than boilers to fuel poor households.
- Eligibility for certain measures under Affordable Warmth is extended to social housing in Energy Performance Certificate (EPC) bands E, F and G in order to allow measures to be provided to social tenants who are most in need and more likely to be fuel poor.
- Households are usually identified by the installation companies who fit the energy efficiency measures on behalf of energy companies.
- A small proportion of customers are also referred via the Energy Saving Advice Service.
- For independent, expert advice and to find out if you are eligible for support, contact the Energy Saving Advice Service on 0300 123 1234. Calling hours: Monday to Friday, 9am to 8pm. (Calls cost no more than a national rate call)