

What is the Energy Company Obligation Scheme (ECO)?

The Energy Company Obligation (ECO) is a UK government scheme designed to reduce carbon emissions and tackle fuel poverty by obligating large energy suppliers to fund energy efficiency improvements in eligible households. The scheme focuses on low-income, vulnerable, and fuel-poor households, providing measures such as insulation, boiler upgrades, and renewable heating systems. ECO operates under the oversight of Ofgem and aligns with the UK's net-zero targets and Building Regulations.

The ECO scheme is a critical component of the UK's strategy to improve energy efficiency in residential properties. It is primarily targeted at households that struggle to afford heating or are at risk of fuel poverty. Energy suppliers with over 150,000 domestic customers are legally required to participate, funding measures that reduce energy consumption and lower carbon emissions.

Synonym(s): ECO Scheme, Energy Efficiency Obligation

Key features of ECO include:

1. **Eligibility Criteria:** Households must meet specific income or vulnerability criteria to qualify for ECO-funded measures.
2. **TrustMark Certification:** All installers and measures must be certified under the TrustMark scheme, ensuring quality and compliance with Building Regulations.
3. **Approved Measures:** These include cavity wall insulation, loft insulation, boiler replacements, and renewable heating systems like air source heat pumps.
4. **Alignment with Building Regulations:** ECO-funded improvements must comply with Part L (Conservation of Fuel and Power) of the Building Regulations, as outlined in Approved Document L.

Practical Examples:

- A low-income household in Manchester receives ECO funding to install loft insulation, reducing their energy bills by 20%.
- A vulnerable elderly couple in London qualifies for a new energy-efficient boiler under the ECO scheme, improving their home's heating system and lowering carbon emissions.

Related Terms:

1. **TrustMark Certification:** A government-endorsed quality assurance scheme for home improvement trades.
2. **Fuel Poverty:** A situation where a household cannot afford to heat their home to an adequate temperature.
3. **Part L (Building Regulations):** The section of UK Building Regulations that focuses on the conservation of fuel and power.
4. **Ofgem:** The Office of Gas and Electricity Markets, the government regulator for the energy

sector.

5. **Net-Zero Targets:** The UK's commitment to achieving net-zero carbon emissions by 2050.
6. **Air Source Heat Pump:** A renewable heating system that extracts heat from the outside air to warm a home.
7. **Cavity Wall Insulation:** A method of insulating the gap between the inner and outer walls of a property to reduce heat loss.