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Dear Charles,

Energy Efficiency Commitment 2005-2008 - Innovative Action

Thanks for giving BEAMA the opportunity to comment on the proposals for an Innovative action part of EEC 2005-2008. The groups within BEAMA that have an interest in this sector of the market include: TACMA – Controls; BEMCA – metering systems; TEHVA electric heating and mechanical ventilation. These groups all support the principle of rewarding innovation to stimulate market growth which in our view is the basis of the innovation action proposals. There are however a number of general points which we feel need to be addressed for the proposals to deliver innovation and the subsequent energy and carbon reductions.

- 1 The list of innovative measures should not be limited to the product sections listed in the proposals. There are likely to be developments in a number of sectors which will fall outside the established products groups.
- 2 There is a need for a clear and published methodology for the approval of products and the carbon savings attributable to their use. A comment made by many of our members is that the route to gaining approval for their new, innovative products is unclear. This is both in terms of the methodology and the organisations involved. In order to encourage companies to put forward innovative measures the route to approval for EEC must be clear and well understood.

In addition to these general points the following are specific comments relevant to product sectors:

A Heating Controls

- The recognition in the consultation that heating controls can deliver increased savings is welcomed. However the somewhat arbitrary 20% improvement figure proposed would not be helpful in encouraging members to innovate and bring forward new products to the market. There are a number of reasons for this:
 - o There could be many new types of innovative controls that provide benefits above the savings from 'B Regs controls'. Some of these, although new and innovative, will deliver savings at a similar level to the advanced controls presently included in some schemes. Under the proposals these products would not be encouraged although innovative and not used in schemes previously. We propose that any product delivering equivalent savings to the existing advanced controls products in EEC are included as innovative action. This would give a much greater incentive to manufacturers and suppliers to invest in better controls, even for the short term 2-3 years of EEC2.
 - o The savings figures need to be flexible and able to be adjusted as either the controls become better, or the assessment methodology attributes more savings to the products. For example a weather compensation

controller is presently given a 2% saving figure. However this figure is based upon the SAP assessment, which in turn is based on data about 15 years old. The savings expected with modern condensing boilers are expected to be higher than this figure. If this is shown to be the case the new saving figure needs to be recognised, and could possibly be treated as an innovative measure.

- The future of heating control will involve a much more complex interaction between the different elements of any system. The current mechanism for assessing the energy saving benefits of measures is based on individual products. In the future this will become less relevant and a more system approach will be required.
- BEAMA and its controls group TACMA are at the start of a project with BRE under DEFRA's Market Transformation Program. It aims to develop a methodology to assess the energy efficiency benefits of any advanced control system. This is likely to have the support of the boiler manufacturer members of SBGI. It is essential that this project has the full support and involvement of OFGEM, DEFTA particularly SAP, the EST and the energy suppliers. A successful outcome of the project will deliver the solutions for EEC2 and further programs to assess all advanced controls products and controls strategies for all heating types. It is proposed that these new measures would be initially included in the Annex Q of SAP, which will be a feature of the new SAP format for 2006.

It is suggested that OFGEM takes all these points into consideration when deciding how advanced controls will fit into EEC2 and in particular the innovative action.

B Metering

Smart metering solutions for electricity and gas have been under discussion as potential EEC measures for some time. It is understood that OFGEM believes that there is evidence for short term energy use reductions of 5-10%, but that the longer term effects are unclear or unproven. The use of smart metering solutions therefore has the potential to reduce energy use by 5% for each dwelling, which is comparable to many of the other measures under consideration for inclusion in the innovative action program. A big opportunity for energy reduction is being missed.

We believe that the EEC program could assist suppliers and manufacturers to develop a project to develop the rules for the inclusion of smart metering into the EEC process. It must also be borne in mind that the draft European Directive, 'Energy End use and ESCOs' includes a clause requiring a significant increased level of billing data for consumers. This in combined with an EEC initiative would provide the incentive for the industry to deliver better, smarter metering and deliver energy and carbon reductions.

C Ventilation products

The use of efficient mechanical ventilation equipment is becoming increasingly important as buildings are built tighter. The use of standard efficiency equipment can actually add to the carbon emissions for buildings, but if modern highly efficient equipment is used there can be a net reduction in energy use, and a significant reduction compared to the use of standard equipment. In fact, using DC technology and through efficient heat exchangers gives a coefficient of performance that provides a positive energy benefit when compared to natural ventilation. Annex Q of SAP will allow the differing efficiencies and performance criteria to be recognised officially. The ventilation group in BEAMA is presently working with the SAP team, and will report the results and opportunities for EEC to OFGEM on completion. In addition, TEHVA's work on SAP will correlate with its submission of an Energy Efficiency Recommended proposal for positive energy ventilation products (projected completion – August 2005).

To our knowledge the use of efficient ventilation equipment has never been used in EEC programs although we are aware of some energy supplier research produced with EST back in 1999 that supports the positive energy attributes of mechanical ventilation products. TEHVA is using this work to underpin its SAP and EER project.

I hope the comments made here are helpful in your planning for the innovative action part of EEC2, and that you agree with us that there are a number of opportunities for inclusion in EEC that have not yet been used, and that could lead to significant energy and carbon emission reductions.

Yours sincerely

Dr Howard Porter

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