

Best Practice Guidelines for organisations involved in the delivery of DIY and/or Professionally Installed Loft Insulation under the Carbon Emissions Reduction Target (CERT)

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Version 2

Introduction

These guidelines have been developed to provide guidance for energy suppliers, retailers, professional insulation installers, and any other organisations involved in sale and installation of CERT funded insulation material.

1. Guidelines purpose

The purpose of these guidelines is to prevent professional insulation installer companies from purchasing insulation that is meant for DIY consumers; thus preventing double counting of carbon dioxide in the Carbon Emission Reduction Target (CERT).

2. Aims

The aims of the guidelines are to:

- Prevent trade (professional insulation installers, new build installers, etc) from purchasing and using insulation in their CERT schemes which has been subsidised under CERT for use by DIY consumers.
- Raise greater awareness within retail outlets of those DIY insulation products which have already attracted CERT funding and so cannot be used elsewhere on other CERT funded activity.

3. CERT DIY Insulation Best Practice Guidelines

This section provides guidance for the regulator, energy suppliers, insulation retailers, insulation manufacturers and insulation contracting industry to help prevent double counting of carbon dioxide measures.

4.1 CERT programme regulator

- a. The regulator is responsible for reviewing, updating and communicating relevant changes to the CERT 2008-2011 Technical Guidance Manual¹ and the CERT 2008-2011 Supplier Guidance².
- b. The regulator is responsible for ensuring that suppliers are taking necessary steps to ensure that DIY loft insulation is not used in Professional Installation Schemes.
- c. The regulator will make energy suppliers aware of any organisations found to be abusing the CERT principals.
- d. The regulator has a duty to ensure material purchased through DIY retail outlets is not used in new build or non domestic premises

4.2 CERT energy supplier

- a. The energy supplier is responsible for communicating and agreeing the best practice guidelines and processes with their insulation supply chain and Ofgem and using their reasonable commercial endeavours to ensure that double counting is prevented within their schemes.
- b. The energy supplier is responsible for the governance of the best practice guidelines across their Ofgem approved DIY loft insulation schemes and ensuring that any updates are agreed and circulated to relevant stakeholders (Ofgem, Retail Partner, Loft Insulation Manufacturer, Professional Insulation Installation Partner).
- c. Energy suppliers should present their marketing plans to Ofgem, which should include actions planned to minimise sales of loft insulation used in professionally installed retrofit, new build or non domestic premises.
- d. The energy suppliers are responsible for monitoring whether their supply chain is satisfactorily following the best practice guidelines. The results of this monitoring will be provided to Ofgem upon request in scheme audits. This monitoring should include:
 - i. Monthly management reviews
 - ii. Six monthly audits following at minimum, the checklist questions in Appendix 1;

¹<http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/InfProjMngers/Documents1/TM%20Guidance.pdf>

²<http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/InfProjMngers/Documents1/CERT%20supplier%20guidance.pdf>

- iii. Mystery shopping of at least 5%, up to a maximum of 10 stores, of their retail partner's outlets every 12 months to ensure the retailer is not selling insulation quantities greater than that required to insulate a 100m² loft to maximum depth of 270mm to consumers in single transaction. The mystery shopping will also check to see whether the retailer is using reasonable commercial endeavours to minimise for use in professionally installed retrofit, new build or non domestic premises purchase of DIY insulation. This will be documented and any non-conformities reviewed and addressed by the retailer;
- iv. Collection of evidence using ongoing reviews, mystery shopping and audits that guidelines have been followed for points of sale, product labelling, press adverts and online marketing. Evidence could include artwork, photographs, screenshots as in the following example:



- v. Obtaining evidence that staff training, as outlined in Appendix 2, has been completed at regular intervals (quarterly) and that content/material is appropriate and reinforces the code and rules of CERT. This will be monitored through supplier audits, review meetings and during mystery shopping.
 - vi. If retailers are not using their reasonable commercial endeavours to follow the guidelines then suppliers will take action to remedy the situation (which could include implementing an action plan to correct Marketing Plans and/or Product Labelling and/or Staff Briefings and should a sustained failure and no effective remedial action taken occur possible withdrawal of CERT funding.)
- a. The energy supplier should also write to all Professional Installers of loft insulation within their network to ensure:
 - i. That products sold for DIY are not used in professional installations funded under CERT (see Appendix 3 for an example letter).
 - ii. That installers are aware that suppliers will be monitoring installed insulation jobs to identify if DIY material has been used.
 - b. When a supplier is involved with Professional Insulation Installation CERT Schemes, they are responsible for ensuring that additional checks are incorporated into their

technical monitoring process to ensure that the correct insulation product is used. These checks could include a visual check for:

- i. products that are clearly marked as DIY
 - ii. encapsulated products e.g. Space Blanket
 - iii. products sold exclusively through DIY outlets e.g. recycled plastic bottle insulation
- c. Where any evidence of use of DIY products is found in professionally installed jobs, the energy supplier is responsible for:
- Reporting non-compliance to the installation contractor
 - Excluding any carbon dioxide associated with the professional insulation job from their CERT submission. The carbon will be deducted by the supplier who owns the professional installation job, as they have the contractual relationship with the installer who has undertaken then work. Where the origination of the material can be determined, e.g. retail outlet, the carbon loss will be shared equally between the supplier operating the retail schemes and the supplier who owns the professional installation
 - Notifying other energy suppliers
 - Energy suppliers will take action against any installers found to be abusing the rules for the CERT programme

4.3 Insulation retailers

- a. Retailers will use their reasonable commercial endeavours to exclude all sales from their schemes which are for use in professionally installed retrofit, new build or non domestic premises.
- b. The retailer should ensure that CERT funded DIY insulation products (wherever practical), POS, Press adverts and online marketing material contain the following statement to prevent double counting of carbon dioxide savings:

'For DIY use only - This product is subsidised under the Carbon Emissions Reduction Target. It is not for use in new buildings. Further subsidies cannot be claimed by professional installers on this product.'
- c. To ensure bulk purchase of DIY material does not occur the retailer should:
 - i. cap product sales at that required to insulate a 100m² loft to maximum depth of 270mm (approx.18 packs) per transaction.

- d. The retailer should undertake regular staff briefings to ensure that all staff, involved with DIY insulation purchases are aware of the CERT rules. Training should be undertaken at regular interval (quarterly) and must incorporate key duties of the retailer, as laid down in this code (a training overview example can be found in Appendix 2). Evidence of training sessions, including material used, must be logged and presented to the supplier.
- e. The retailer should ensure that all new staff involved with the purchase or sale of DIY insulation are briefed on the code.

4.4 Manufacturers of DIY insulation

- a. Manufacturers should communicate with their clients, highlighting the key guidance principals and how they expect to follow them.
- b. Manufacturers should ensure that Insulation products to be sold under CERT DIY schemes are clearly labelled with the following:

For DIY use only This product is subsidised under the Carbon Emissions Reduction Target and is intended for insulating existing homes. It is not intended for use in new buildings or extensions. Further subsidies cannot be claimed by professional installers on this product.'

- c. Manufacturers³ should work with retailers to ensure products destined for the DIY market are appropriate (size of loft roll) and easily identifiable, including marking the loft product '*DIY USE ONLY*'

4.5 Insulation contracting industry

- a. The National Insulation Association (NIA) should to write to their members to inform them that material purchased through participating DIY outlets already attracts a CERT subsidy and cannot be used on professionally installed jobs that are subsequently claimed under a CERT scheme.
- b. Any evidence of insulation companies not complying with this code should be reported by the energy supplier to NIA. The NIA to take action under their code of practice.

³ As a result of additional costs required to comply with the Best Practice Guidelines and to ensure

Appendix 1

Audit Checklist Questions for suppliers

Supplier-retailer audit (where applicable)

- Does the retailer have processes in place to reflect that the guidelines are being followed?
- Has the retailer taken steps to ensure that DIY products are not sold for use in professionally installed retrofit, new build or non domestic premises:
 - Is there a CAP on the quantity of insulation being sold to consumers?
 - Is there sufficient evidence that staff training has taken place?
 - Has the retailer ensured that DIY products marketing material and POS contain the CERT statement?
 - Are the mystery shopping results satisfactory?

Supplier-manufacturer audit

- Has the manufacturer taken steps to distinguish DIY products from trade products e.g. labels on packaging and/or marking DIY products
- Has the manufacturer taken steps to minimise that DIY products are not sold to for use in professionally installed retrofit, new build or non domestic premises.

Supplier-professional installer audit (where applicable)

- Do they undertake technical monitoring to check on the materials being used.
- If the material is found to be used, what steps are taken?

Appendix 2: Staff training requirements overview

All staff involved with the sale of insulation should understand the following:

- CERT funded DIY insulation products should not be sold to for use in professionally installed retrofit, new build or non domestic premises

Appendix 3: Example letter to be send to professional installers

Example letter for from the Energy Supplier to their professional installers and contractors;

Address xx
Address xx

Dear xxxx

DIY Insulation Industry Best Practice Guide

As you may be aware, there has been some concern about the potential for DIY CERT funded loft insulation being sold into the professionally installed supply chain through retail outlets. The concern relates to the risk that CERT credits are double counted by the energy suppliers, once within their DIY schemes and secondly within professional installed programmes. This would dilute the CO2 savings achieved by the CERT programme.

In order to mitigate this risk, energy suppliers, in conjunction with Ofgem, have developed a voluntary Best Practice Guide. The aim of this Guide is to provide a framework to help eliminate the risk of double counting.

All CERT accredited loft material sold through major DIY outlets is subsidised at source by energy suppliers. This material cannot therefore be used on professionally installed loft insulation jobs that are subsidised under the CERT programme, otherwise double counting will occur.

Trade accounts sales from DIY outlets are excluded, as these sales are not counted towards supplier's CERT targets.

The DIY product can legitimately be used on any professionally installed job that is not funded under CERT. However, as the majority of professionally installed jobs are covered by this programme, including activity traded through Warm Front, installers should check if they are unsure.

As a further safeguard retailers and manufacturers have agreed to introduce "CERT Funded" labelling on products that have a greater potential to be used in the professionally fitted supply chain. This labelling will help you distinguish whether material is CERT funded. **Although you should assume all DIY insulation products sold through major retail chains are already funded by CERT. This material should not be used on professionally installed CERT jobs.**

Energy suppliers will incorporate into their technical monitoring process checks to determine if DIY products are being used. If an installer is found to be using DIY material on professional installed CERT jobs, we will be required to take action with the companies involved.

If you are aware of any installers who may be using DIY materials for CERT funded activity can you please let me know so we can write to them as well?

It is in all of our interests to ensure the CERT programme runs as smoothly and effectively as possible.

If you have any queries please let me know

Yours Sincerely

xxx.