Energy Company Obligation (ECO) consultation: Updating Deemed Scores for ECO3 Questions

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Background

The questions below relate to the consultation seeking views on our approach to updating the deemed scores for ECO3, should it be introduced as set out in the Government consultation. The consultation can be found on our website.

This consultation is open for six weeks from 4 April to 16 May 2018.

Notes For Completion

Please complete all relevant sections of the document by selecting an answer for the question and then providing reasons/evidence for your response in the box provided. The questionnaire should be completed in typeface and returned via email to eco.consultation@ofgem.gov.uk by **close of business on Wednesday 16th May 2018**.

1. Respondent Details

Organisation Name:	Polypearl Limited
Organisation type:	Manufacturer/System Designer
Completed By:	Andrew Tebb
Contact Details:	andrew@polypearl.co.uk

1. Updates related to RdSAP and Fuel Prices

Q1. Do you agree with our proposal to apply the RdSAP v9.93 updates across all wall types which currently use a pre-installation U-value of 2.1 W/m²K?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer and include as much detail and evidence as possible.

Q2. Do you agree with our proposal to use the most up to date fuel prices available from the Product Characteristic Database (PCDB) for the deemed scores throughout ECO3?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer and include as much detail and evidence as possible.

2. Proposed Alternative to Percentage of Property Treated

Q3. Do you agree with our proposed approach to removing POPT for the majority of measures by identifying average treatable areas and adjusting the scores accordingly?

- ○ Strongly Agree
- ○ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ◉ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, and if applicable provide an alternative approach including as much detail and evidence as possible.

This approach would allow cavity wall installers to ignore some areas of wall, such as immediately above and behind conservatories, and leave it uninsulated, when in fact it would be possible to insulate that area by using a different system, which has been assessed by BRE/BBA and proven to be able fully insulate these areas. Your approach is therefore wrong as it will allow a large number of properties to be poorly insulated just because of the presence of a conservatory when there are systems available that are capable of fully insulating those areas. More and more homes are having conservatories built as a way of extending their living space and there is now a very large number of dwellings with conservatories already added and it makes no sense to exclude the area of wall affected by the conservatory just because some products are unable or find it difficult to do.

Q4. Do you agree with our use of English Housing Survey data to identify average treatable areas for SWI, CWI, loft insulation, flat roof insulation and underfloor insulation?

- ○ Strongly Agree
- ○ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ◉ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, and if applicable suggest an alternative source of data with justification including as much detail and evidence as possible.

It is not necessary to identify average treatable areas of cavity wall when there are systems on the market that have been assessed by BRE and proven to be capable of fully filling the cavity. These systems also have BBA certification which confirms BRE's assessment.

Furthermore BRE have tested multiple cavity wall insulation systems and are fully aware that some of the systems are capable of fully filling the areas of wall that Ofgem are now assuming cannot be treated. Ofgem should therefore insist that BRE provide them with a full suite of information which will evidence that some systems are capable of fully filling cavities and some systems are not. This can then be the basis for allowing product differentiation into the scoring mechanism rather than using average figures to hide the fact that some systems are better at adequately filling walls than others.

Robust information to confirm these facts is in the hands of BRE and this should therefore be made available to Ofgem so that Ofgem can appropriately score those products that are able to demonstrate they have been successfully assessed by BRE as having this extra capability. If Ofgem experience any difficulty obtaining this robust information from BRE please contact us and we will gladly provide a lot of the details from our own files.

Q5. Do you agree with our use of English Follow up Survey data to identify average treatable areas for heating measures?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, and if applicable suggest an alternative source of data with justification including as much detail and evidence as possible.

Q6. Do you agree with our use of Ofgem data and industry opinion to identify average treatable areas for RIRI and park home insulation measures?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, and if applicable an alternative approach with justification including as much detail and evidence as possible.

Q7. Do you agree with our proposed approach for measures for which there is insufficient data available to identify treatable areas?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, and if applicable suggest an alternative source of data with justification including as much detail and evidence as possible.

Q8. Do you agree with our minimum requirement that at least 67% of the property is treated in order to qualify for the full ECO3 deemed score?

- ○ Strongly Agree
- ○ Agree
- ○ Neither Agree Nor Disagree
- ◉ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, and if applicable an alternative approach including as much detail and evidence as possible.

We believe that this will give rise to areas being left uninsulated, when in fact it would be possible to treat these areas. we would recommend therefore that you set the minimum at 80%.

Q9. Do you agree with our proposed approach of using POPT to score measures which do not meet the 67% minimum requirement?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, and if applicable an alternative approach including as much detail and evidence as possible.

3. Updates to the format of deemed scores

Q10. Do you agree with our proposed format for deemed scores?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, and if applicable alternative suggestions with justification including as much detail and evidence as possible.

4. Updates to Room-in-Roof Insulation Scores

Q11. Do you agree with our proposal to update the assumed size of the floor area of the room-in-roof used to develop the RIRI score?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, and if applicable please suggest an alternative approach including as much detail and evidence as possible.

Q12. Do you agree with our proposal relating to the assumed levels of insulation in the elements of the room-in-roof used to develop the RIRI score?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, and if applicable an alternative approach including as much detail and evidence as possible.

5. Updates to scores for heating measures

Q13. With regard to upgrades for inefficient mains-gas and LPG boilers, do you agree with the assumptions we have used to identify the pre-installation efficiency for non-condensing boilers?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, including as much detail and evidence as possible.

Q14. Ofgem are responsible for determining what constitutes a similar efficiency rating to non-condensing boilers and for electric storage heating with a responsiveness rating of 0.2 or less. We are in the initial stages of developing our position on this area and we welcome views from stakeholders. In responding you may have regard to the following non-exhaustive examples of issues to consider;

(i) A methodology for determining this rating for each heating type
(ii) Data sources that we could use

Please provide reasons for your answer, including as much detail and evidence as possible.

6. Updates to scores for Park Home insulation measures

Q15. Do you agree with the proposed update to the park home insulation deemed scores?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ N/A

Please provide reasons for your answer, including as much detail and evidence as possible.

7. Invitation to Provide General Comments

Q16. We are also interested in high-level and material issues which are relevant to and likely to have a substantive impact on our approach to improving deemed scores for ECO3, for example, you may have views on:

(i) How could we streamline our administrative processes to further the main objectives of the deemed scores;
(ii) How could we amend the underlying assumptions or methodology to improve the deemed scores.

Please provide as much evidence and detail as possible in your response.

The BEIS consultation for ECO3 states that Ofgem will be given the responsibility to set deemed scores, we believe it is vital therefore that Ofgem take account of product differentiation when setting these scores. Without product differentiation within the deemed score for measures such as cavity wall insulation any R&D work goes unrecognised and therefore innovation is stifled. The present deemed scoring for CWI assumes that the performance of all systems are relatively similar and only vary by way of the thermal conductivity of the material as tested in a laboratory. This assumption is flawed, in reality there is far greater variance in performance of each system according to the amount and density of the material that is actually installed into the wall, obviously less material installed means less energy saved and also any variation to density of the material within the wall will also have a great impact on performance. Consequently systems which have improved installation techniques/technology that results in more material being installed or provide a consistent density of the material within the wall must be rewarded with a different deemed score than the systems with old and inadequate techniques/technology.

Alternatively Ofgem must introduce a mechanism which will award an uplift to the standard deemed score and reward better performing products which are able to robustly demonstrate a significant improvement with an appropriate uplift, as they did in CERT. If the intention is to support innovation and improve standards through the EHC review it is essential that better perfroming products are recognised and rewarded with an appropriately higher score.

Energy Companies should be encouraged to maximise bill savings by ensuring that they prioritise better performing products rather than looking for least cost options, the best way to do this is by product differentiation within the deemed scores. Product differentiation has been recognised in previous schemes such as CERT when Ofgem were able to vary the carbon scores according to product performance, when robust evidence was provided, unfortunately this was lost under ECO1 and 2 when deemed scores were first introduced and it is crucial that this error is rectified in ECO3