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:	Engie (Places & Communities)
Organisation type:	Installer
Completed By:	Charlotte Rossiter
Contact Details:	charlotte.rossiter@engie.com

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.

No we do not agree as taking the 2.1 u-value as well as the 30% uplift reduces the deemed scores significantly.

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.

No we do not agree as all fuel prices are reviewed every 6 months and with this being a 3 year ECO period we believe that this should be reviewed at least every year.

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.

We do not agree with this as we will still need to evidence that we have met above or below 67% which would include the same adminstrative duty that POPT entails. It would also be harder to challenge Technical Monitoring fails if we are not recording the POPT. We proprose that we do not remove POPT.

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.

We would question whether or not the survey is a reliable source of data. We would also like to highlight that there are no mention of the Scotland Housing Survey which would provide more accurate data for Scotland's average treatable areas.

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.

Again we would tend to disagree with this due to the reliability of the data and the lack of inclusion of the Scottish Survey Data.

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.

We strongly disagree when looking at average treatable areas for RIRI as from our experience installing RIRI each install is looked at individually due to the different methods used to install RIRI and therefore would not accurately reflect the average treatable areas for different households.

Due to the difficulty of installing park home insulations we have little experience in claiming ECO for this measure however, we believe this would also be hard to determine an accurate average treatable area.

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.

Yes we agree as we believe that we should be sticking with completing POPT calculations for all measures

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 agree however, we would need further clarity on how we will be working out POPT for measures under 67% for example will the 20% rounding rule still be in play if so how would this work.

We would also point out that this minimum requirement could leave householders open to fraudulent activity for example installing only 70% of the measure as they are able to claim 100% funding.

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.

Yes we agree with this approach

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.

We agree with the proposed format

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.

Yes we agree

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.

We strong disagree with this. Table 3 we believe shows uneccessary data in which RIRI measures would not be installed for example in houses built post 2006. Most RIRI are installed to house pre 1966 and would account for the majority our installations of this measure. We would like to propose that there is a deemed score for each band.

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.

No comment to provide

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.

We do not have a response on this

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.

We do not agree with this, the main issues being that to qualify for ECO you have to undertake the wall, floor and ceiling insulation you cannot simply upgrade one element and claim ECO funds.

On the basic deemed scores table the ECO funding figures were derisory and did nothing towards making the scheme viable without the client putting the majority of the budget in, whilst the enhanced deemed scores where all 3 elements have to be at a U value of 1.7 or above before the measures are installed and a U value of 0.3 of lower after the measures are installed produced a far better level of funding, with the trade-off that the measures were more costly and challenging to deliver.

As a result out of a client budget of £75k it was only viable to deliver 7 or 8 units under the basic deemed scores, which grew to around 14 to 15 properties on the enhanced scores and as a result the client decided it wasn't worthwhile continuing with the scheme as they were not open to asking the residents for a financial contribution towards the cost despite the fact we had the ability to signpost them towards sources of cheap finance. Reducing the deemed scores back will again make installing this measure near impossible under ECO.

A further issue is that you cannot easily obtain the guarantees required for Park Homes insulation due to issues with the existing structures you are fitting the works to.

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.

We have no further comments