

Q1

Having read the BRE ECO3 Deemed Scores Methodology document, it is difficult to argue with Ofgem's reasoning behind their proposal but was the reduction in deemed scores considered by BEIS in their Impact Assessment.

The issue is that the rate required to provide reasonable funding levels will have to increase to offset reductions in the deemed score.

Q2

We agree with the proposal in principle but have the PCDB average fuel prices considered the tariffs that are often used by households in fuel poverty i.e. often on pre-payment type meter tariffs.

Q3

We agree with the proposal although I would dispute that in BRE's original methodology report that they envisaged that 100% would be treated for every measure especially for roof insulation.

Q4

We agree with the proposal.

Q5

We agree with the proposal.

Q6

We agree with the proposal although it is unlikely that the amendments will improve upon the low numbers of Park Homes being treated in the current scheme.

Q7

We agree with the proposal.

Q8

We agree with the proposal in part but as there is a recognised disparity between the RiRi POPT and other insulation measures (hence the large reduction in the RiRi POPT), should there not be a lowering of the minimum for RiRi?

e.g. a company only needs to insulate 67% of a cavity wall to claim the full deemed score (which has been reduced to 95% in ECO3). Because the RiRi POPT has been reduced to 85% for ECO3, should the minimum area treated be nearer 55% than 67%.

However it must be emphasised to the supply chain, that treating a minimum area is only 'acceptable' if the installed measure complies with the product specification or appropriate PAS Annex and would pass a technical monitoring, manufacturer's or a system designer's inspection.

Q9

We agree with the proposal.

We agree with the proposed simplified method of formatting the deemed scores however we believe that uplifts should also be awarded to other measures and certain properties in order to increase the number of measures in these categories.

Q10

Because there are no minima attached to different property types, properties that are more likely to be occupied by those in fuel poverty (typically small terraced houses/semi-detached bungalows will again be overlooked as the deemed scores assigned to them will mean that to ensure no customer contribution, funding levels (£/LTS) would have to be substantially higher than those offered for larger properties.

E.g.

	Install	Acquisition	Admin	Minimum funding p/£ LTS
Cavity Wall Insulation				
2 bed gas heated semi-detached bung (2,557 LTS)	£400	£150	£100	25p
2 bed ESH heated mid-terrace house (7,603 LTS)	£400	£150	£100	8.5p
4 bed gas heated detached house (10,700 LTS)	£600	£150	£100	8p
Loft Insulation (less/equal 100mm)				
2 bed gas heated semi-detached bung (2,684 LTS)	£350	£150	£100	20.5p
2 bed ESH heated semi-detached bung (8,358 LTS)	£350	£150	£100	7p
Room in Roof Insulation				
2 bed gas heated mid-terrace house (4,064 LTS)	£2,500	£150	£100	68p
2 bed gas heated semi-detached bung (5,945 LTS)	£3,000	£150	£100	55p
2 bed ESH heated mid-terrace house (18,107 LTS)	£2,500	£150	£100	15p
4 bed ESH heated detached house (21,370 LTS)	£5000	£150	£100	24.5p

Costs are indicative and don't allow for any profit.

Based upon the above, there is *little* chance that smaller gas heated properties will receive **any** measures without an uplift and *no* chance for RiRi measures to be installed without one.

Therefore, we believe that uplifts should be assigned to any measure where a typical install cost exceeds 15p/£LTS

There should also be an additional uplift for replacing open-flued gas back-boilers.

They are often 25+ years old and their efficiency (even when new) would be well short of what would now be considered to be acceptable and have been consistently overlooked by previous energy company obligations and government schemes (i.e. Warmfront).

Irrespective of the property type, the cost of replacing these units far exceeds the cost of a replacement like-for-like balanced flue wall mounted boiler due to the alterations required to the existing system and physical disruption to the property. Unless the property is a 4+ detached house (again not typically occupied by someone in fuel poverty), funding levels will not be high enough to ensure that these measures are free-of-charge to the householder.

For the same reason as above and discussed further in our response to Q15, an additional uplift should be introduced for Park Home insulation measures otherwise the dismally low numbers currently witnessed will continue.

Alternatively, if uplifts are not applied to these measures, a minimum could be introduced for these measure types as is currently the case with Solid Wall Insulation (SWI).

Q11

We agree with the proposal.

Q12

We strongly disagree with this proposal.

Although we agree with the principle behind the proposal, based upon the measures that we have received from our installer network, we believe that very few properties built after 1982 have received a RiRi measure in ECO to date due to the fact that they already insulated.

Therefore, it makes little sense as to why these properties' starting U-values should be included in a calculation to determine an average.

Based upon **Table 5** *Distribution of ages of room-in-roofs in the GB and associated U-values*, the average U-value of properties with RiRi built prior to 1982, is 2.01.

We believe that the deemed scores for RiRi measures should use this U-value and either omit properties built after 1982 unless it can be irrefutably proved otherwise that a post 1982 property was not insulated to the correct standard or alternatively have 2 deemed scores 'Not Insulated' or 'Insulated'.

Along with the reduction in the deemed score as a result of both the uplift removal and the average POPT, we believe that unless a property has an electric boiler or electric room heaters, the funding level required to ensure the measure is free of charge, will be in excess of that suggested by the impact assessment and definitely more than the suppliers will be prepared to offer as can be seen in our answer to Q10 (based upon the last 20 years of energy company obligations e.g. EESoP, EEC, CERT, CESP and ECO).

Q13

We strongly disagree with this proposal.

We have included our concerns regarding the lack of proposed uplifts for gas back-boilers in Q10, but the assumptions made regarding the efficiencies of non-condensing boilers would not consider the costs associated with the replacement of neglected, poorly maintained gas back-boilers as often found in households experiencing fuel poverty.

Q14

No opinion offered.

Q15

The question is irrelevant as this amendment will still not provide a deemed score high enough to attract sufficient funding to enable this measure to be installed without a substantial additional non-ECO3 contribution.

As per the current Ofgem statistics (end of March 2018), there has only been 1 Park Home insulation measure installed using HHCR0 funding in the whole of ECO2 and only 11 including those installed using CERO funding.

If the deemed score is inadequate, in order to increase the number of Park Home insulation measures being installed in ECO3, an uplift will need to be imposed.

Q16

(ii)

As per our ECO2T Deemed Score Consultation response, I didn't agree with the assumptions made by BRE in combining all existing loft insulation depths together to create one deemed score in ECO2T and I still don't for ECO3. As per **2.4.3 Figure 1** in their Methodology Report for ECO2T, the U-value used for the deemed score for all lofts was based upon the loft having 50mm of insulation however, the properties that should be targeted would have less than 50mm and therefore have a much higher starting U-value. As per **Figure 1 in section 2.5.3** of the current Methodology report, the worst U-values are for insulation depths of less than 50mm and according to **Figure 2**, BRE believe that there are close to 1 million homes with this level of insulation in. Therefore, as in previous schemes (EEC/CERT/CESP), the measures should be '<60mm' and '>60mm' with the appropriately amended starting U-value rather than ' $\leq 100\text{mm}$ ' as currently used.

As per the latest Ofgem statistics, there has been a sharp reduction in the number of loft insulation measures submitted in ECO2T compared to ECO and ECO2 which we believe is as a result of the lower levels of funding now available due to the reduction in the starting U-values.

We would also like to express our concerns at the removal of oil boilers from ECO3. Although we understand and agree with the need to de-carbonise fuel supply in the UK, surely it is preferable to replace old inefficient oil boilers in off-gas areas with new condensing ones.

Lastly, it is a concern as to the level of evidence that will be required to determine the variables especially how the POPT is calculated; there seems little point in simplifying and averaging deemed scores, if exhaustive proof is deemed necessary by the suppliers.

We feel that it is Ofgem's responsibility to lobby the suppliers in to adopting an approach to reflect the simplified nature of the new deemed scores.

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