

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



## **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](mailto:eco.consultation@ofgem.gov.uk) by **close of business on Wednesday 16<sup>th</sup> May 2018**.

## **1. Respondent Details**

Organisation Name:	EDF Energy
Organisation type:	Energy Supplier
Completed By:	Nicole Fontana-Hennessy
Contact Details:	Nicole.Hennessy@edfenergy.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/m<sup>2</sup>K?

- ☐ 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.

Yes we agree.

**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.

Yes we support the proposal of using the most up-to-date available fuel prices, currently December 2017, and keeping these fixed for the duration of ECO3.

## 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.

Yes we agree with the change from POPT to average treatable areas.

**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.

Yes we agree.

**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.

Yes we agree.

**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 do not agree with the percentage awarded for the average treatable area for Park Homes (80%). The volume of data used for this calculation is low and we propose that to ensure consistency along with other measures with a low uptake, the percentage awarded for 67% or more installed is 100%.

**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.

**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.

Yes we agree.

It is important to ensure questions for score monitoring inspections identify where 100% was possible but not installed. This will deter installers from doing less than 100% of the measure where 100% was viable.

**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, although it is important for Ofgem to make clear as soon as possible whether the score awarded will be from the total score of the measure rather than the average treatable area and whether this will be rounded and to what percentage.

### 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.

Yes, we are in support of this change.  
The released format is simpler and will enable us to get additional/amended score data into the system in a shorter time period. The previous worksheet was found to be cumbersome.





#### 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 disagree with Ofgem's proposal. The review of elements for room in roof measures has significantly decreased the starting u-value for these measures. Room in roofs built from 1991 will largely not be targeted nor treated as they are assumed already insulated and to include these in the weighted average is not an accurate representation of room in roofs which are likely to be treated. We propose using the weighted average for pre 1966 - 1990 properties. This weighted average u-value would change to 1.77 and therefore show a realistic u-value for those premises which are likely to be treated with room in roof insulation.

## 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.

Yes we agree.

**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 believe other industries are best placed to answer this question.

## 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 agree for the removal of Park Homes II as a separate deemed score.  
The new methodology provides a fairer way of assessing scores for the pre and post install.

## 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 data which has been used to identify the treatable areas for Park Homes is low due to the volume of measures installed over the course of the ECO program. This is because of the low level score attached to the measure. We recommend the score awarded for Park Homes is changed. In current legislation Park Homes have to be 100% insulated (Loft, walls and under floor). This is the only property type where 100% of the measure must be installed to order to obtain the full EWI\_Park Home deemed score. We recommend that the EWI\_Park Home deemed score is brought in line with the deemed score associated with detached bungalows as this is the nearest property type to park homes. A case study carried out (attached to our response) identifies that for the majority of Park Homes only EWI can be installed and the proposed score awarded would be too low to support the installation to these property types and would not be cost effective to deliver. As ECO3 is focused on treating fuel poor households, adjusting the EWI\_Park Home score to be in line with the detached bungalow deemed score will support more Park Homes being targeted where the households are often elderly, potentially vulnerable and on a fixed income.

We would ask Ofgem to develop scores for FTCH where the existing heating type is eligible to be claimed under FTCH but is broken. At present there only seems to be a score for FTCH to replace working heating systems rather than use the scoring methods for current heating systems which assumes the electric room heaters baseline (i.e. no heating present) when the system is deemed to be broken. We recognise that this score could then be subject to the reduced lifetime of 3 years but would argue that the 400% multiplier would also be eligible to be applied in this situation. This would then be consistent with BEIS' proposal for replacing broken heating systems as well as encourage suppliers to fund the installation of more FTCH measures.

In our response to the ECO3 consultation we highlighted our SHINE scheme in central London and proposed that there should be an uplift applied to small properties with fewer bedrooms which are located in the inner city areas. To support this proposal I have attached our case study to this response. As outlined in our case study there are a large number of small properties (converted flats, purpose built flats and terraced houses) where people are in fuel poverty or vulnerable to the effects of living in a cold home and the low score associated with these properties will deter the supply chain from installing measures in these dwellings. In addition, it means the install of measures to smaller properties are unfavorable and makes them prohibitive. We would like Ofgem to consider including an uplift in their deemed scores to smaller properties in inner city areas to enable these to be targeted and receive treatment or energy efficiency measures where effective.

We would ask Ofgem to review the name of 'Upgrade' within their deemed scores where the pre main heating source is 'no heating system'. For example, ESH\_Upgrades\_HHR\_solid suggests the heating measure is an upgrade, however this would be inaccurate in instances where you are installing a heating system in a property which has no prior heating system.

