

# 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:	Happy Energy Solutions Ltd
Organisation type:	Scheme Manager/Installer
Completed By:	Adrian Wright
Contact Details:	adrian@happyenergy.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/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.

We believe that this will penalise solid wall insulation installers and unfairly reduce the deemed scores for those properties that do fit the 2.1 W/m<sup>2</sup>K property type

**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.

**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.

**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.

We see that first time central heating has an average POPT factor of 0.96. Whilst this may be appropriate for boiler upgrades, we strongly believe that a new central heating system is likely to cover 100% of the property, as it should. The evidence used is based on a number of existing homes, some of which are not fully heated, this would not apply to a new installation where the factor should be 1.

**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.

These estimates create a significant drop in scores for these measures, on top of other reductions that are proposed by BRE in the consultation. Given that the deemed score for heating in a park home has a proxy of a detached solid wall bungalow, we would suggest taking a weighted average of the average POPT factors for EWI, loft insulation and floor insulation, and then apply that to park homes, which seems more scientific than industry opinion?

**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.

**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.

I would recommend smaller bands however, either bands of 5% or moving back to 10%, 20% will be too high

### 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.

Much as in the same way as the 2 loft depths, we believe that there should be 2 scores for room in roof insulation, pre 1966, which would assume no pre-existing insulation in the slopes, and post 66, which would take a weighted average of the various age bands past this. Unless this is done, those properties that most need the help, those being the pre 66 properties, will miss out in favour of people targeting smaller, and easier more modern homes.



## 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.

This is likely to lead to even less park home insulation activity at a time when the park home scores are already very low. Park homes tend to be occupied by the vulnerable and elderly and any opportunity to allow the ability to claim a higher score where appropriate should be retained.

## 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 current deemed scores severely underscore large detached bungalows, which can often be just as large as detached houses. At the recent Ofgem deemed score consultation event, I raised this matter as being a significant issue in Devon and Cornwall, where bungalows frequently have 4 or more bedrooms, especially those which have a room in the roof. The question was posed to the room as to whether this was a national issue, or just limited to the southwest, and it was agreed that large detached bungalows with more than 3 bedrooms exist across many parts of the country. There is no logical reason why the bungalow scores, both semi detached and detached, should not be extended to match semi detached and detached house, with the latter being extended up to 6+ bedrooms. The English House Condition Survey is a relatively small sample, and large bungalows could easily be missed from this tiny cohort, however, the national EPC database can be used to verify the likely percentage of bungalows that exceed the current bedroom count and estimate floor areas. Using the EPC data, and an assumption about how many habitable rooms equate to numbers of bedrooms, in Cornwall, around 25% of all detached bungalows have 4 or more bedrooms.

Also, from our discussions with BEIS, broken storage heaters can be replaced with FTCH on an unlimited basis, however, Ofgem have only produced a deemed score for broken storage heaters being replaced with other storage heaters, and not other forms of heating, including full gas central heating systems. It is my understanding that BEIS intended to score broken storage heaters being replaced with FTCH with a pre-heating system of on peak electric heaters, but this has not been reflected in the deemed scores that you have published? I understand that Andrej may have raised this with Ofgem?

