ofgem E-Serve Promoting choice and value for all gas and electricity customers

Community Energy Saving Programme 2009 - 2012 Generator and Supplier Guidance

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Target Audience: CESP obligated electricity and gas suppliers, CESP obligated electricity generators, government departments, environmental bodies and other interested stakeholders

Overview:

The Community Energy Saving Programme 2009-2012 (CESP) has been created as part of the government's Home Energy Saving Programme. It requires gas and electricity suppliers and electricity generators to deliver energy saving measures to domestic consumers in specific low income areas of Great Britain. CESP has been designed to promote a 'whole house' approach and to treat as many properties as possible in defined areas.

This document sets out how Ofgem E-Serve will discharge its functions under the Electricity and Gas (Community Energy Saving Programme) Order 2009. It explains what obligated generators and suppliers need to do to demonstrate compliance with the Order and the timescales for doing so.

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Context

The Community Energy Saving Programme 2009-2012 (CESP) is a policy instrument for improving energy efficiency standards across Great Britain in given geographical areas. It was a key part of the Prime Minister's announcement of the launch of the Home Energy Saving Programme on 11 September 2008. The CESP obligation period will run from 1 October 2009 to 31 December 2012. It requires certain gas and electricity suppliers and certain electricity generators to meet a carbon emissions reduction target. The Department of Energy and Climate Change (DECC) is responsible for setting the overall CESP target and the policy framework. Ofgem E-Serve is responsible for administering the programme.

The consultation on Ofgem E-Serve's proposal for administering CESP closed on 15 September 2009. The responses received to the consultation helped inform this guidance.

This document sets out how Ofgem E-Serve will discharge its functions, under the Electricity and Gas (Community Energy Saving Programme) Order 2009, in administering CESP.

Associated Documents

- The Electricity and Gas (Community Energy Saving Programme) Order 2009 http://www.opsi.gov.uk/si/si2009/pdf/uksi_20091905_en.pdf
- Explanatory Memorandum to the Electricity and Gas (Community Energy Saving Programme) Order 2009 http://www.opsi.gov.uk/si/si2009/em/uksiem_20091905_en.pdf
- Community Energy Saving Programme (CESP): full consultation document published February 2009 http://www.decc.gov.uk/en/content/cms/consultations/open/cesp/cesp.aspx
- Community Energy Saving Programme (CESP) Consultation Response and Analysis published June 2009 http://www.decc.gov.uk/en/content/cms/consultations/open/cesp/cesp.aspx
- Summary of Responses to Ofgem E-Serve's Consultation on the CESP Generator and Supplier Guidance http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/cesp/Documents1/Summary%20of%20Responses%20to%20CESP%20Guidance%20E-Serve.pdf
- Community Energy Saving Programme (CESP) 2009-2012 Generator and Supplier Guidance http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/cesp/Documents1/CESP%20Generator%20and%20Supplier%20Guidance%201.pdf

- Carbon Emissions Reduction Target (CERT) 2008-2011 Supplier Guidance Amendments - Version 2
  http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/InfProjMngrs/Documents1/CERT%20supplier%20guidance.pdf

- Carbon Emissions Reduction Target (CERT) 2008-2011 Technical Guidance Manual
  http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/InfProjMngrs/Documents1/TM%20Guidance.pdf

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Summary

The Community Energy Saving Programme 2009-2012 (CESP) has been created as part of the government's Home Energy Saving Programme. The government consulted on the proposals on how to structure CESP and set their decisions out in the Electricity and Gas (Community Energy Saving Programme) Order 2009 ("the Order").

This document sets out the key aspects of the Order, and how Ofgem E-Serve[1] will administer these. They include:

- the delivery of professionally installed insulation, heating and microgeneration
- the inclusion of home energy advice packages
- the promotion of district heating projects
- the delivery of measures to domestic energy users in the most deprived Lower Super Output Areas (LSOAs) in England and Wales and Data Zones in Scotland
- the provision of an incentive (individual measure adjustment) for the promotion of solid wall insulation, replacement boilers, heat generation technologies and micro combined heat and power units
- the provision of a whole house bonus to incentivise treating the entire property in defined areas, and
- the provision of an area bonus for targeting more than 25 per cent of properties in a particular area.

This document sets out how Ofgem will discharge its functions as the administrator of CESP including:

- setting each generator and supplier's obligation
- approving generators and suppliers' proposals for complying with their CESP obligation
- determining the reduction in carbon emissions resulting from generators and suppliers' activities
- monitoring generators and suppliers' compliance with their obligations, and
- where necessary, enforcing compliance with the requirements of the Order.

The timescales and format for suppliers and generators to notify Ofgem of their proposed and completed activities are presented in this document. The factors to determine the additionality of actions are also included.

This document also discussed how Ofgem will manage the risk of double counting of measures between the Carbon Emissions Reduction Target 2009-2011 (CERT) programme and CESP.

This document reflects the responses to our consultation on the CESP Generator and Supplier Guidance which closed on 15 September 2009.

[1] Ofgem E-Serve is a new business unit of the office of the Gas and Electricity Markets Authority ("the Authority") responsible for administering CESP. The term Ofgem E-Serve is used interchangeably with "Ofgem" and the "Authority" in this document

1. Introduction

CESP Order

1.1. On 11 September 2008 the Prime Minister announced the launch of the Home Energy Saving Programme[2] to help families reduce their energy bills. The Community Energy Saving Programme 2009-2012 (CESP) was created as a key delivery mechanism for this programme.

1.2. In the Heat and Energy Saving Strategy[3], the government set out a vision of the continuous delivery of carbon savings from the domestic sector using some form of obligation until at least 2020. Improvements in energy efficiency are one of the most cost effective ways of achieving reductions in carbon emissions. Reducing energy consumption can also improve productivity, contribute to improved security of supply and help alleviate fuel poverty.

1.3. The government's consultation on CESP closed in May 2009 and set out the draft Electricity and Gas (Community Energy Saving Programme) Order 2009 ("the Order"). This Order was made on 20 July 2009 and came into force on 1 September 2009.

1.4. The Order requires energy suppliers and, for the first time, electricity generators to comply with an overall carbon emissions reduction target of 19.25 million lifetime tonnes of carbon dioxide ($MtCO_2$). Obligated suppliers and generators must meet their obligations between 1 October 2009 and 31 December 2012.

1.5. The Order requires all licensed gas and electricity suppliers that have at least 50,000 domestic customers and all licensed electricity generators that have generated on average 10 TWh/yr or more in a specified three year period to meet a carbon reduction obligation. The Order also sets out a broad framework for how this target needs to be achieved. The underlying analysis of how this target is expected to be achieved is set out in the Explanatory Memorandum to the Order.

1.6. CESP will also contribute to the government's Fuel Poverty Strategy by requiring actions to be delivered in geographical areas selected using the Income Domain of the Indices of Multiple Deprivation (IMD) in England, Scotland and Wales. In England the lowest 10 per cent of areas ranked in IMD will qualify and in Scotland and Wales the lowest 15 per cent of areas will qualify.

Administration proposals

1.7. Ofgem is required to administer CESP by setting each eligible generator and supplier's obligation, monitoring each supplier's and generator's activity and, where

[2] http://www.number10.gov.uk/Page16807
[3] http://hes.decc.gov.uk/

necessary, enforcing compliance. This document sets out how we will discharge our functions in administering CESP. It also sets out how we will approve generators and suppliers' proposed actions, determine the reduction in carbon emissions to be attributed to their completed actions and monitor generators and suppliers' progress in meeting their obligation.

1.8. These administration procedures have been finalised in conjunction with the responses received to the consultation on the Generator and Supplier Guidance, which closed on 15 September 2009. A document summarising the responses to the CESP Generator and Supplier Guidance consultation is available from the Ofgem website[4].

1.9. Chapter 2 of this document explains how Ofgem will determine the obligated parties and their carbon emissions reduction obligation. The criteria used for determining whether an action is a qualifying action are set out in Chapter 3. This chapter also explains how Ofgem will calculate a reduction in carbon emissions attributed to a qualifying action. Chapter 4 sets out the format of the notification of intended and completed actions. In Chapter 5, we outline the procedures for suppliers and generators to demonstrate compliance. Chapter 6 outlines monitoring requirements on suppliers' and generators' activities.

1.10. The administration of CESP is, as far as possible, similar to the Carbon Emissions Reduction Target 2008-2011 (CERT) programme. The key aspects of the CESP administration are in relation to:

- the additionality of promoted actions
- the reduction in carbon emissions attributed to actions
- submissions of intended actions, and
- monitoring and determining compliance.

Interaction with the CERT programme

1.11. CERT programme runs alongside this programme to reduce carbon emissions from existing households. As specified in the primary legislation Ofgem is named as the administrator of both programmes. In this document we outline procedures for how the administration of the CERT and CESP can run alongside each other.

Enforcement

1.12. Under article 27 of the Order, any requirement placed on generators and suppliers under the Order is a relevant requirement for the purposes of Part I of the Electricity Act 1989 and Part I of the Gas Act 1986. Ofgem may take action if it has grounds to believe that a supplier or a generator is contravening or is likely to contravene a relevant requirement. Such action may be by way of an order for

[4] http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/cesp/Documents1/Summary%20of%20Responses%20to%20CESP%20Guidance%20E-Serve.pdf

securing compliance. Where a supplier or generator has contravened or is contravening a relevant requirement, Ofgem may take action by the imposition of a penalty of up to 10 per cent of the energy company's global turnover. This is stipulated in Part I of the Electricity Act 1989 and Part I of the Gas Act 1986. The penalty imposed on the energy company would be proportionate to how the relevant requirement had been contravened.

2. Setting carbon emissions reduction obligations

This chapter describes the process that Ofgem will follow for setting and reviewing each supplier's and generator's carbon emissions reduction obligation. Trading of obligations is also discussed here.

Overall carbon emissions reduction target

2.1. The overall carbon emissions reduction target under the Order is 19.25 $MtCO_2$. Half of this overall target, 9.625$MtCO_2$, is imposed on the qualifying generators and the remaining half is imposed on the qualifying suppliers.

Definitions under the Order

Generator

2.2. A generator is defined under article 4(1) of the Order as a person that holds a generation licence and who has generated a mean of 10TWh/yr or more of electricity in any of the specified generation periods[5]. For administrative purposes, the term 'generator' is used to define both a generator and a new generator as defined in the Order, unless otherwise indicated. Where a generator and a new generator are treated separately this will follow the definition in the Order.

2.3. Generators who have generated a mean of 10 TWh/yr or more in any of these generation periods will be set an obligation by Ofgem. Where a generator belongs to a group and the mean of electricity generated by the group is 10 TWh/yr or more in any of the generation periods, each of the generators in the group will be set an obligation.

Supplier

2.4. A supplier is defined under article 5(1) of the Order as a person that holds a supply licence under section 6(1)(d) of the Electricity Act 1989 or section 7A of the Gas Act 1986 and supplies electricity or gas to at least 50,000 domestic customers on 31 December of the years 2008, 2009, 2010 or 2011. For administrative purposes the term 'supplier' is used to define both a supplier and a new supplier as defined in the Order, unless otherwise indicated. Where a supplier and a new supplier are treated separately this will follow the definition in the Order.

2.5. Ofgem will therefore only set an obligation on suppliers that supply at least 50,000 customers. Where a supplier belongs to a group of companies that supply gas

[5] Generation period 1 - 1 January 2006 to 31 December 2008
Generation period 2 - 1 January 2007 to 31 December 2009
Generation period 3 - 1 January 2008 to 31 December 2010
Generation period 4 - 1 January 2009 to 31 December 2011

or electricity to more than 50,000 customers on 31 December of the years 2008, 2009, 2010 or 2011, each supplier in the group will be set an obligation by Ofgem.

2.6. Where a supplier holds both electricity and gas supply licences, they will be treated as a separate supplier in respect of each supply, as is set out in article 5(4).

Carbon emissions reduction obligation

Generator

2.7. By 14 September 2009, generators were required to notify Ofgem in writing of the amount of electricity generated in gross terawatt hours (TWh) between 1 January 2008 and 31 December 2008. For the purpose of defining a generator's eligibility we also asked for the amount of electricity generated between 1 January 2006 and 31 December 2006 and 1 January 2007 and 31 December 2007. The notification needed to detail the group of companies that the generator belongs to. Under the Order, "group of companies" is defined as (a) a holding company; and (b) the wholly-owned subsidiaries of that holding company (group of companies). Under the Order, a holding company has the same meaning as in section 1159 of the Companies Act 2006.

2.8. By 1 March 2010, 2011 and 2012, generators must notify Ofgem of the amount of electricity generated between 1 January 2008 and 31 December 2009, 1 January 2008 and 31 December 2010 and 1 January 2008 and 31 December 2011 respectively. The notification needs to detail the group of companies that the generator belongs to.

2.9. Two weeks before the notification deadline Ofgem will e-mail generators a template to provide their generation data. Generators should complete the template and submit it in electronic format to cesp@ofgem.gov.uk.

2.10. If a generator did not notify Ofgem by 14 September 2009, or does not do so by 1 March 2010, 1 March 2011 or 1 March 2012, Ofgem will use information available to it to determine the amount of electricity generated by that generator and will use those figures to determine that generator's obligation. This is set out in article 6(4) and (5) of the Order.

2.11. Following the submission of the amount of electricity generated by the generator by 14 September 2009, Ofgem calculated each generator's carbon reduction obligation and notified the generator of its obligation by 28 September 2009. In the following years, generators will be notified of their obligations by 14 March 2010, 14 March 2011 and 14 March 2012 as required by article 9(4) of the Order.

2.12. The timetable for determining and reviewing a generator's carbon reduction obligation is detailed in Appendix 1.

Supplier

2.13. Suppliers are required to notify Ofgem of their customer numbers on 31 December of years 2007, 2008 or 2009 under the CERT Order. As the notification of data for obligation setting purposes in years 2008 and 2009 in CESP is the same as that under the CERT programme, suppliers did not have to submit to Ofgem their customer numbers under the CESP Order in 2009 and will not have to do so in 2010.

2.14. Suppliers will be required to notify Ofgem of the number of their domestic customers on 1 March 2011 and 1 March 2012. Suppliers must notify Ofgem of the number of their domestic customers on the previous 31 December. The notification needs to detail the group of companies that the supplier belongs to. Under the Order, "group of companies" is defined as (a) a holding company; and (b) the wholly-owned subsidiaries of that holding company (group of companies). Under the Order, a holding company has the same meaning as in section 1159 of the Companies Act 2006.

2.15. Two weeks before the notification deadline Ofgem will e-mail suppliers a template to provide their customer numbers. Suppliers should complete the template and submit it in electronic format by emailing it to cesp@ofgem.gov.uk.

2.16. If a supplier does not notify Ofgem by 1 March 2011 and 1 March 2012, Ofgem will use information available to it to determine the number of domestic customers supplied by that supplier and will use those figures to determine that supplier's obligation. This is set out in article 7(3) and 7(4) of the Order.

2.17. Ofgem will calculate each supplier's carbon reduction obligation. Where a supplier holds more than one licence, a separate obligation will be set in respect of each licence held. Following the review of the customer numbers in September 2009, each supplier was notified by Ofgem by 28 September 2009 of its obligation. In the following years, as required by article 10(5) of the Order, Ofgem will notify each suppliers of its obligation by 14 March 2010, 14 March 2011 and 14 March 2012.

2.18. The timetable for determining and reviewing a supplier's carbon reduction obligation is detailed in Appendix 1.

Determining the carbon emissions reduction obligation

Generator

2.19. Ofgem will divide the total generators' target between each obligated generator on the basis of the amount of electricity generated by each generator. This is illustrated by the following formula and set out in Article 9 of the Order:

$$Z_{date}=X_{date}/Y_{date} \times 9.625\ MtCO_2$$

Z_{date} is a (new) generator's obligation set as specified in Table 1.

X_{date} is the amount of electricity generated by the (new) generator for whom the obligation is being calculated as specified in Table 1.

Y_{date} is the total amount of electricity generated by relevant obligated generators. The years to be taken account of in the calculation are illustrated in the appropriate Y row of Table 1.

Table 1. Calculation of Y when determining a carbon reduction obligation for generators

Date reference		October 2009 generator	April 2010 generator	April 2011 generator	April 2012 generator
Z		September 2009	April 2010	April 2011	April 2012
X		2008	2009	2010	2011
Y	Y_{2009}	2008			
	Y_{2010}	2008, 2009	2009		
	Y_{2011}	2008, 2009, 2010	2009, 2010	2010	
	Y_{2012}	2008, 2009, 2010, 2011	2009, 2010, 2011	2010, 2011	2011

2.20. The obligation period for generators who are set a carbon emissions reduction obligation on 28 September 2009 commences on 1 October 2009. These generators are defined as an 'October 2009 generator'.

2.21. An 'April 2010 generator' is a generator for whom the obligation period commences on 1 April 2010. The obligation period for an 'April 2011 generator' and an 'April 2012 generator' commences on 1 April 2011 and 1 April 2012 respectively.

2.22. Under article 4(2) of the Order, a person who continues to hold a generation licence but ceases to generate a mean of 10 TWh/yr or more in generation period 2, 3 or 4 will continue to be treated as a generator for the purpose of the programme and its carbon emissions reduction obligation will be adjusted accordingly.

Supplier

2.23. The total suppliers' target will be divided between each obligated licensee according to the number of customers on the licence, as set out in Article 10(2) of the Order, and is illustrated below:

$$O_{date}=S_{date}/T_{date} \times 9.625\ MtCO_2$$

O_{date} is a (new) supplier's obligation set as specified in Table 2.

S_{date1} (for an October 2009 supplier) is the number of customers as specified in Table 2.

S_{date2} (for all other suppliers) is the mean of the number of customers as specified in Table 2 and zeros for each date prior to that date until 31 December 2008.

T_{date} is the average of total customers supplied by all obligated suppliers as set out in the relevant T row of Table 2.

Table 2. Calculation of T when determining a carbon reduction obligation for suppliers

Date ref		October 2009 supplier	April 2010 supplier	April 2011 supplier	April 2012 supplier
O		September 2009	April 2010	April 2011	April 2012
S		31 December 2008	31 December 2009	31 December 2010	31 December 2011
T	T_{2009}	31 December 2008			
	T_{2010}	31 December 2008	31 December 2009		
	T_{2011}	31 December 2008	31 December 2009	31 December 2010	
	T_{2012}	31 December 2008	31 December 2009	31 December 2010	31 December 2011

2.24. The obligation period for suppliers set a carbon emissions reduction obligation in September 2009 commences on 1 October 2009. These suppliers are defined as an 'October 2009 supplier'.

2.25. An 'April 2010 supplier' is a supplier for whom the obligation period commences on 1 April 2010. The obligation period for an 'April 2011 supplier' and an 'April 2012 supplier' commences on 1 April 2011 and 1 April 2012 respectively.

2.26. Under article 5(2) a supplier must supply at least 50,000 domestic customers on 31 December in each of the relevant years. Where a person continues to hold a domestic supply licence but ceases to supply more than 50,000 domestic customers on 31 December 2009, 2010 or 2011, it will continue to be treated as a supplier by Ofgem, but its carbon reduction obligation will be adjusted accordingly.

Reviewing the carbon emissions reduction obligation

Generator

2.27. Ofgem must review each generator's carbon emissions reduction obligation annually as set out in article 12(1)(a) of the Order. The formula for reviewing an existing generator's obligation and new generator's obligation is illustrated below:

$$Z_{date}=X_{date}/Y_{date} \times 9.625\ MtCO_2$$

Z_{date} is an existing generator's obligation set as specified in Table 3.

X_{date} is the total amount of electricity generated by an existing generator. The relevant years to be taken account of in the calculation are specified in Table 3.

Y_{date} is the total amount of electricity generated by the relevant generators. The years to be taken account of in the calculation are illustrated in the relevant row of Table 3.

Table 3. Calculation of X and Y when reviewing a carbon reduction obligation for generators

Date reference		October 2009 generator	April 2010 generator	April 2011 generator	April 2012 generator
Z		April 2010	April 2011	April 2012	
X and Y	X_{2010} and Y_{2010}	2008, 2009	2009		
	X_{2011} and Y_{2011}	2008, 2009, 2010	2009, 2010	2010	
	X_{2012} and Y_{2012}	2008, 2009, 2010, 2011	2009, 2010, 2011	2010, 2011	2011

Supplier

2.28. Under Article 13(1)(a) of the Order, Ofgem must review each supplier's carbon reduction obligation annually throughout the obligation period. The formula showing how we review an obligation for the existing supplier is set out below:

$$O_{date}=S_{date}/T_{date} \times 9.625\ MtCO_2$$

O_{date} is an existing supplier's obligation set as specified in Table 4.

S_{date} is the average of the supplier's customer numbers as specified in Table 4. The customer numbers prior to the first used until 31 December 2008 are deemed to be zero.

T_{date} is the average of the total customer numbers across all the suppliers. The relevant years to be taken account of in the calculation are illustrated in Table 4.

Table 4. Calculation on S and T when reviewing a carbon reduction obligation for suppliers

Date reference		October 2009 supplier	April 2010 supplier	April 2011 supplier	April 2012 supplier
O		April 2010	April 2011	April 2012	
S and T	S_{2010} and T_{2010}	31 December 2008	31 December 2009		
	S_{2011} and T_{2011}	31 December 2008	31 December 2009	31 December 2010	
	S_{2012} and T_{2012}	31 December 2008	31 December 2009	31 December 2010	31 December 2011

Trade of obligation

2.29. Under article 21(1) Ofgem may agree to the whole or part of a supplier's or a generator's carbon reduction obligation being traded to another supplier or generator. Each of the obligated licensees wishing to make such a trade must make a written request to cesp@ofgem.gov.uk. If the trade is agreed, Ofgem will adjust the relevant parties' obligations.

2.30. Ofgem may reject such a trade request if it has reasonable grounds to believe that if the trade was approved, the increased carbon emissions reduction obligation of the transferee would not be achieved. In assessing whether a party will comply, Ofgem may require the party to demonstrate how it is intending to meet the increased obligation.

2.31. Ofgem appreciates that a group of companies may choose to deal with its supply or generation licences centrally. However, by carrying out CESP work centrally each licensee in the group may not be eligible for the relevant bonuses. For example, if two measures are delivered to the same property by a single group of companies with each measure attributed to a separate licence, these measures will not be eligible for the whole house bonus.

2.32. Ofgem therefore anticipates that where there is a request for trade of obligation from groups of licensees to a single licensee in the group, the obligation will be transferred to the licensee who is best able to achieve the increased carbon emissions reduction obligation (for example, the licensee with the largest obligation in a group would have more capacity to achieve the increased obligation than smaller licensees in that group).

3. Qualifying actions

This chapter sets out the procedures by which Ofgem will approve qualifying actions, according to the Order. The term 'qualifying action' is explained here. This chapter covers the criteria by which reductions in carbon emissions will be accredited. For further information on technical standards for measures please refer to the CERT Technical Guidance Manual.

Definitions

3.1. Throughout this document a carbon saving product, for example solid wall insulation, will be referred to as a 'measure'. The provision of this product will be referred to as an 'action' as set out in the Order.

3.2. For the purpose of CESP, 'domestic energy users' who are to benefit from the promotion of these measures are people who use energy in domestic premises in Great Britain wholly or mainly for domestic purpose.

3.3. Ofgem will consider 'domestic premises' as a self-contained dwelling (i.e. with its own kitchen and bathroom) used wholly or mainly for domestic purposes. For these reasons, accommodation such as university halls of residence or residential care homes will not be considered domestic premises by Ofgem. People living within Housing of Multiple Occupation (HMO) will be considered to be domestic customers where HMO is their permanent residence and the property is used mainly for domestic purposes. For example, those in shared houses would be considered domestic customers but not those staying in temporary hostels. Measures to be installed in communal areas of, for example, flats, may be eligible depending on the individual circumstances.

A 'qualifying action' is defined in article 15(1) of the Order as an action promoted for the purpose of:

a) achieving improvements in energy efficiency
b) increasing the amount of electricity generated or heat produced by microgeneration
c) increasing the amount of heat produced by any plant (plant includes any equipment, apparatus or appliance) which relies wholly or mainly on wood, or
d) reducing energy consumption.

3.4. In order to assess whether a proposed action can be considered a qualifying action, Ofgem must be satisfied that a reduction in carbon emissions is achieved through the:

a) promotion of measures in Schedule 2 of the Order. The measures and their definitions from the Order are listed in Appendix 2 to this document
b) promotion of actions in relation to domestic energy users

c) promotion of actions in relation to consumers living in the most deprived areas in Great Britain, and
d) additionality of promoted actions in respect of:
   (i) legal requirements
   (ii) suppliers' and generators' activity, and
   (iii) other programmes.

3.5. To demonstrate that actions achieve a reduction in carbon emissions, under article 16(2)(b) of the Order, generators and suppliers must provide sufficient information to Ofgem on how they intend to promote measures to consumers.

3.6. Ofgem must notify generators and suppliers of its decision on the approval of all proposed qualifying actions and give reasons for that decision.

Delivering measures

Promotion of measures in Schedule 2 of the Order

3.7. Ofgem must be satisfied that the measures promoted by a generator or supplier are listed in Schedule 2 of the Order.

3.8. Suppliers and generators will also be required to demonstrate to Ofgem that the way that they are promoting these measures leads to a reduction in carbon emissions.

Promotion of actions in relation to domestic energy users living in the most deprived areas in Great Britain

3.9. The eligible areas in Great Britain are defined as those with the lowest income decile under IMD in England and the lowest 15 per cent in Wales and Scotland. In England and Wales these areas are referred to as Lower Super Output Areas (LSOA). In Scotland, they are defined as Data Zones.

3.10. When promoting measures generators and suppliers must identify whether the property they provide measures to is within an eligible LSOA or Data Zone. The eligible areas are listed on the DECC website[6]. The LSOA or Data Zone boundaries will remain fixed for the duration of CESP, as will the number of properties in each LSOA or Data Zone. The number of dwellings in each eligible LSOA or Data Zone is based on the 2007 Council Tax Register in England and Wales and the 2008 Council Tax Register in Scotland.

3.11. To determine that a measure has been provided to a domestic energy user living within an eligible area, Ofgem requires that details of each installation at each

[6] http://decc.gov.uk/Media/viewfile.ashx?FilePath=Consultations\CESP\1_20090630123736_e_@@_DECCCommunitesareasoflowincomeCESP.pdf&filetype=4

property are provided at the time of notification of a completed action. When promoting district heating, details of each property connected to that energy centre should be provided. The details required are the full house address, including the house name or number, street name and full postcode.

Additionality of promoted actions

Legal requirements

3.12. Ofgem must be satisfied that a supplier's or generator's notified action will achieve a reduction in carbon emissions. This must be additional to that required as a result of other legal requirements. The Building Regulations 2000, for example, require reasonable provision for the conservation of fuel and power in domestic premises. As there is already a legal requirement to meet the Building Regulations, an action must lead to a reduction in carbon emissions in addition to that achieved due to the requirements of the Building Regulations.

3.13. The Building and Approved Inspectors (Amendment) Regulations 2006 Document L1[7] provides guidance on compliance. Ofgem will approve actions that will result in a reduction in carbon emissions which exceed the legal requirements as amended. Suppliers and generators' actions must exceed requirements in the Building Regulations in respect of:

a) the efficiency of boilers installed in domestic premises
b) the rating of window glazing in domestic premises
c) the type of heating controls installed, and
d) the efficiency of new build domestic premises, where reasonable provision must be made for the conservation of fuel and power in dwellings by limiting the heat loss through the fabric of the building, providing space and hot water systems which are energy efficient and providing efficient lighting systems.

3.14. Ofgem will approve actions in Scotland that will result in a reduction in carbon emissions which exceed these legal requirements[8] in respect of:

a) the efficiency of boilers installed in domestic premises
b) the type of heating, and
c) the efficiency of new build domestic premises, where reasonable provision must be made for the conservation of fuel and power in dwellings by limiting the heat loss through the fabric of the building, providing space and hot water systems which are energy efficient and providing efficient lighting systems.

[7] England and Wales: http://www.planningportal.gov.uk/england/professionals/en/4000000000562.html

[8] Scotland: http://www.sbsa.gov.uk/tech_handbooks/tbooks2007.htm

3.15. We will monitor any potential changes to the Building Regulations throughout CESP and will discuss any implications of this on the measures with the suppliers and generators.

3.16. When a supplier or generator is delivering microgeneration measures in new build premises, we will require the energy companies to obtain a signed statement from their project partners to confirm the percentage of on-site renewables that the supplier or generator has funded. This will ensure that the microgeneration that has been funded via CESP is additional to any planning requirements regarding on site microgeneration commitments as part of the planning permission for the development. For example, if the local authority required a minimum of 15 per cent of the new development's electricity demand to come from on-site renewables and the supplier's or generator's scheme was responsible for a further 10 per cent, then the declaration would state that the supplier had promoted 10 per cent of the total electricity supply for the building. The Microgeneration Declaration is in Appendix 3.

3.17. Each local authority that has an on-site microgeneration commitment in place needs to sign the Microgeneration Declaration. If there is no minimum percentage of on-site microgeneration in new build developments required by the local authority, suppliers and generators need to obtain a signed New Build Declaration from their partners. The New Build Declaration is in Appendix 4.

Suppliers' and generators' activity

3.18. In order to approve an intended action, Ofgem needs to be satisfied that the reduction in carbon emissions associated with that action is additional to what would have happened without CESP. Where a generator or supplier is undertaking actions in partnership with third parties, Ofgem must be satisfied that these actions are additional to those that would be achieved by the project partner without the generator's or supplier's funding.

3.19. Where an action is delivered in the social housing stock, Ofgem will require each social housing provider (SHP) to sign a declaration to confirm that they would not have gone ahead with these actions without the additional funding from the supplier or generator. The declaration may be signed before or after the installation is completed. If the declaration is signed beforehand and a material change occurs, the SHP is required to sign another declaration once the action is completed. The SHP Declaration is in Appendix 5.

3.20. Where a supplier or generator is in partnership with a SHP to deliver microgeneration measures in new build properties, each SHP will be required to sign a New Build Declaration in addition to the SHP Declaration.

3.21. As the uptake of professionally installed measures by owner occupiers is generally low, we will not require generators or suppliers to demonstrate additionality for insulation, heating or microgeneration actions which are promoted to and installed in the private housing stock.

Other programmes

3.22. Suppliers and generators may undertake actions in conjunction with another government programme, for example Warm Front. To demonstrate the supplier's or generator's action is additional, there must be a clear and upfront agreement with other programmes to ensure that there is no double counting between CESP and other programmes. To ensure that these partnerships are qualifying actions under CESP, the energy companies will need to demonstrate to Ofgem that no retrospective installations are being claimed and that there has been no double counting of measures between CESP and the other programme by obtaining a letter from the government's or the devolved administrator's lead contractor confirming these aspects.

3.23. When undertaking actions with another government programme, suppliers and generators must clearly demonstrate that the action could not have taken place without their involvement. They will be required to confirm that the actions have exceeded those of the government programme and that the measures could not have been installed without the supplier's or generator's funding.

3.24. Suppliers and generators will be required to declare that the measures would not have been installed without the supplier's or generator's funding. Energy companies will also need to demonstrate to Ofgem that no retrospective installations are being claimed and that there has been no double counting of measures between CESP and the other programme by obtaining a letter from the government's or the devolved administrator's lead contractor confirming these aspects.

3.25. For retrofit microgeneration measures in conjunction with a SHP, the SHP Declaration will be required to ensure that no double counting with other government schemes has occurred.

3.26. When offering microgeneration suppliers and generators should ascertain whether a householder has applied for another government grant, for example the Low Carbon Building Programme grant. To avoid any potential for double counting, where the suppliers and generators have not planned to work with a government programme, they should:

a) inform recipients up front that they are unable to apply for a government grant, and
b) monitor whether the recipients have in fact benefited from a government grant.

3.27. To ascertain whether the recipients have received a government grant, generators and suppliers should monitor recipients through customer satisfaction monitoring or contact the programme's managing agent.

3.28. For actions that are partially funded by the government, generators and suppliers will be accredited with a reduction in carbon emissions proportional to their

cost contribution to that action. This is provided that they demonstrate that the actions could not have been installed without the supplier or generator funding.

3.29. When suppliers and generators undertake district heating schemes in conjunction with third parties it needs to be clearly demonstrated to Ofgem that the energy companies and third parties fund discrete aspects of the district heating project if a full reduction in carbon emissions is to be attributed to the energy company's scheme. For example, if an energy company's funding has gone towards funding a communal boiler plant and the main network and pipes have been funded by a third party, the energy company will then receive a full reduction in carbon emissions for that action.

Promotion of actions due to the supplier's or generator's activity

3.30. Ofgem must be satisfied that the supplier and generator's action has led to a reduction in carbon emissions and that this reduction is not due to other factors. There can be no retrospective agreements to provide funding for measures already installed.

G-rated boilers

3.31. Boilers for early replacement must be identified as G-rated and confirmed as working. The identification of G-rated boilers to be replaced must be conducted by an independent party and via an Energy Performance Certificate.

District heating

Connection or upgrade

3.32. When delivering district heating schemes, generators and suppliers should ensure that the reduction in carbon emissions associated with commercial buildings are excluded from their claim. This will need to be demonstrated to Ofgem.

3.33. A feasibility study must be submitted with a notification of a district heating scheme. This will be used to estimate the reduction in carbon emissions as set out in article 18(1) of the Order.

Home energy advice

3.34. Home energy advice (HEA) provided to the householder should enable them to achieve energy efficiency savings or energy savings. To ensure that a householder will benefit from a HEA package, it should be requested by the consumer.

3.35. To provide more clarity on the type of request required, suppliers and generators must demonstrate that when a HEA package is promoted in conjunction

with another measure, the consumer must be offered the package and must request it in writing or by telephone. For example, a consumer might call a hotline advertised in the press, return a voucher, or sign a declaration that they have been offered HEA and accepted it.

3.36. Ofgem considers that where an initial offer for HEA occurs face to face or via an outbound call, there is a particular risk that measures could be delivered in the absence of a request. Ofgem will expect to see written evidence from the householder that the request has been made, such as a signed declaration that they have been offered HEA and accepted it, along with evidence of how suppliers and generators utilising this route will ensure that this risk is minimised.

The content of a home energy advice package

3.37. HEA should enable the householder to achieve energy efficiency savings or energy savings. As defined in Schedule 1 of the Order, a home energy advice package means:

a) a home energy survey
b) home energy assistance, and
c) a home energy report.

3.38. Ofgem considers that a home energy survey consists of a visual inspection undertaken by an energy advisor with the householder present. The purpose of this survey is to establish whether lower cost and cost-effective measures such as insulation are installed, and the nature of the space and water heating systems, lighting systems and appliances of the dwelling.

3.39. Home energy assistance means information provided by an energy assessor to a domestic energy user, in person, at the time of the home energy survey.

3.40. The home energy report should cover the recommendations and behaviours discussed during the advice visit. As is required in the legislation, this report should also include the contact details for the Energy Saving Trust (EST), which should be clearly displayed. This report should be provided to the householder within three months of the advice visit, as set out in the Order. However, we recommend to suppliers and generators that 'good practice' is to deliver the report within one month of the advice visit.

Home energy assistance

3.41. "An assessment as to whether [a boiler which provides heating or hot water for the property] is working efficiently" provided as part of the home energy assistance means advice based on a visual inspection of that boiler only. This visual inspection should ascertain whether the boiler and/or hot water thermostat(s) are set at an appropriate temperature. It should also seek to ascertain whether any special

features are set – for instance, a 'keep-warm' hot water feature that may be found on some combination boilers.

3.42. For the avoidance of doubt, Ofgem notes that information collected in relation to the assessment of boiler efficiency should be used for advice on potential energy savings only. We consider it necessary to safeguard against any potential for householders to misconstrue such advice as reassurance that their boiler is working properly and/or working safely. Suppliers and generators should ensure that advisors clearly communicate that the visual inspection will not ascertain the safety and/or health of the boiler.

3.43. A pro forma for the general behavioural advice topics to be covered during home energy assistance has been developed in conjunction with DECC, and can be found in Appendix 6. We note that, if Ofgem became aware of major changes to this standard advice, this check list may change. In these circumstances suppliers would be notified of these changes and a new check list may be issued.

3.44. During home energy assistance, any recommendations from the energy survey should be discussed with the householder. These should be in line with current industry standards, such as that advice provided by the government's Act on CO_2 campaign, the Act on CO_2 calculator and the EST.

3.45. In addition to this, during the home energy assistance energy saving behaviours relevant to the householder should also be discussed. The topics covered and the actual advice given should be relevant to the householder's circumstances. For example, it should be recognised if a householder is in fuel poverty, the advice provided to this householder should reflect that.

3.46. The reduction in carbon emissions is based upon the behavioural advice delivered in HEA. Whilst this does not preclude advisors from providing information about 'hard measures', in order to maximise the likelihood of carbon reductions being realised, the following guidelines should be followed:

- Advice should be presented in format that is beneficial to the householder. It is essential that sufficient time is dedicated to the energy behaviours portion of the assistance. Similar and sufficient amounts of time should be dedicated to the recommendations from the energy survey and advice on behaviours during the assistance.
- Energy saving behaviours relevant to the householder should be identified and explained, with support and motivation provided to steer householders towards the adoption of these.
- Individual energy saving behaviours vary widely in their impact on a home's carbon dioxide emissions and the domestic fuel bill; for example, carbon savings from turning a thermostat down by one degree are significantly higher than those from unplugging mobile phone chargers. Suppliers must ensure that energy assessors understand these relative impacts and communicate these clearly during the assistance and in the resulting report.

Home energy assessors

3.47. Suppliers and generators should put in place appropriate checks to ensure that energy assessors are fit and proper persons to provide advice. In doing this, suppliers and generators should comply with standard licence condition 13.1d[9] with regards to recruitment of meter readers, and apply this to all energy assessors providing HEA. This includes checking previous criminal convictions and obtaining independent character references.

3.48. Ofgem recognises that, whilst the qualifications listed in the Order should provide advisors with a basic knowledge in energy efficiency and fuel poverty, there is a need to ensure that this knowledge is up-to-date. Energy companies promoting HEA should ensure that appropriate resources are accessible to advisors so as to ensure that they are aware of any significant changes to advice. For example, the Energy Efficiency Partnership for Homes currently produces regular updates aimed at UK energy advice providers.

Mis-selling of energy efficiency products during advice

3.49. We consider that householders are likely to view an energy assessor performing HEA as an expert. Ofgem therefore want to ensure that energy assessors acting on behalf of an energy company do not misadvise consumers on the purchase of an energy efficiency or energy-related product. Suppliers and generators should be mindful of the conduct of energy assessors, also the boundaries of energy assessors' expertise, and should ensure that appropriate procedures and training are applied.

3.50. With respect of conduct, conditions and guidance already in place for the sales and marketing of energy products should be followed in the same spirit in this different context. There will be some elements of these which relate specifically to energy products and thus will not be applicable; common sense should be used.

a) Standard Licence Condition 25[10] deals with marketing energy to domestic customers. Related activity before, during and after an HEA visit should be in the spirit of this condition.
b) In our consultation on proposed retail market remedies[11], Ofgem proposed overarching standards to help consumers engage effectively in the energy market. These have been kept intentionally broad in order to capture the full range of supplier interactions with consumers.
c) The Energy Sure code of practice relating to the face-to-face marketing of energy supply[12] is also relevant, and we encourage suppliers and generators to adhere to the relevant elements of this code.

[9] Standard conditions of electricity supply licence, Ofgem consolidated 4 April 2009
[10] Standard conditions of electricity supply licence, Ofgem consolidated 4 April 2009
[11] Energy supply probe – proposed retail market remedies consultation, 15 April 2009 www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=97&refer=Markets/RetMkts/ensuppro
[12] Code of practice for the face-to-face marketing of energy supply, EnergySure 2008 www.energy-retail.org.uk/documents/EnergySureCodeBookwebcopyhighres.pdf

3.51. Whilst there are qualifications specified in the Order to ensure a basic quality of advice is provided, suppliers and generators should consider the expertise of assessors. We expect that advice on the suitability of installation is only provided by those suitably qualified. If the advisor is not suitably qualified to recommend a measure - for example, because a site survey for a microgeneration installation would be necessary - the householder should be referred to a suitably qualified person or organisation before direct sales or marketing activity is commenced.

Complaints Procedure

3.52. Provision of HEA necessitates a home visit. To ensure that customers in receipt of HEA are able to voice complaints about inappropriate or misleading advice and behaviour, Ofgem considers that all energy companies should have in place a HEA complaints procedure. This should include who to contact, in what way a complaint will be acted upon, and which body to contact in the event of a customer being unsatisfied with the outcome of the complaint process. Furthermore, the energy company promoting HEA under CESP should be identified to the householder.

3.53. This complaint procedure should be communicated to the householder in writing. However, as the home energy report will be delivered to a householder up to three months after an advice visit, we do not consider this to be an appropriate delivery channel. The complaint procedure should therefore be communicated in writing at the time that an appointment is made for HEA, or during the advice visit itself. For example, this could be provided in a letter confirming the appointment time, or with paperwork or information delivered at the time of the visit.

Establishing a reduction in carbon emissions attributed to the qualifying actions

3.54. The CESP target is set in lifetime tonnes of carbon dioxide. It represents a reduction in carbon emissions over the lifetime of all qualifying actions under the Order modified by various adjustments or uplifts.

3.55. A lifetime reduction in carbon emissions will be determined for each qualifying action. The lifetime reduction in carbon emissions represents the difference in energy used before and after the promotion of the qualifying action multiplied by the carbon coefficient of the fuel used multiplied by the qualifying action's expected lifetime. The carbon coefficients are set out in Schedule 3 of the Order. This is illustrated as follows:

tCO_2 lifetime=(annual energy used before - annual energy used after) x carbon coefficient x measure lifetime.

3.56. For measures to which existing legal requirements apply, for example the Building Regulations 2000, the energy consumption of the consumer's property after the installation will be compared with the energy consumption of the property once it

is compliant with the requirements. This methodology will be applicable to any installations that may be required to comply with the Building Regulations.

3.57. For qualifying actions that are installed to the physical fabric of a consumer's property, for example solid wall insulation or loft insulation, Ofgem will accredit the reduction in carbon emissions based on the type of the property and the number of bedrooms that property has. Ofgem will use a disaggregation of average property sizes and types that are representative of the housing stock in Great Britain. This disaggregation will involve a range of property types with a varying number of bedrooms and will be based on average floor areas.

3.58. If qualifying actions are installed in a property that is larger than average, Ofgem will adjust the reduction in carbon emissions according to the floor area of that larger property. Suppliers and generators wishing to benefit from this adjustment will be required to record the non-standard property type, its number of bedrooms and the floor area of that property.

3.59. As far as possible, Ofgem intends to base the annual reduction in carbon emissions and lifetime of all qualifying actions in DECC's illustrative mix[13]. The underlying data will be consistent with those for calculating the lifetime reduction in carbon emissions used in CERT. The methodology used in the calculations of reductions in carbon emission for the measures is set out in Appendix 7. For more information about the parameters and underlying information used in the calculations refer to Appendix 1 of the CERT Technical Guidance Manual.

3.60. A CESP calculator listing the reductions in carbon emissions quantified for certain actions will be available from the Ofgem website.

3.61. For actions where the reduction in carbon emissions has not been quantified, suppliers and generators will be required to demonstrate that the action achieves a reduction in carbon emissions and to quantify this reduction.

Metering

3.62. Suppliers or generators wishing to promote district heating metering for individual houses will be required to undertake a field trial to demonstrate that this action achieves a reduction in carbon emissions. Details of such a monitoring trial should be agreed with Ofgem before any work is undertaken.

3.63. The Order does not make provision for estimating a reduction in carbon emissions for a district heating meter for individual house billing. To promote district heating metering for individual houses, generators and suppliers will be required to agree a monitoring trial with Ofgem as part of a submission. The trial results should be reported to Ofgem once monitoring is completed, which can be when the scheme

[13] a mix of measures presented within DECC's consultation indicates how suppliers and generators might meet their carbon emissions reduction target

is completed. The reduction in carbon emissions attributed to district heating metering will then be determined.

Interaction with CERT

3.64. There will be the potential for overlap between CESP and CERT as suppliers will be able to promote the same actions through either programme. Under article 14(5) of the CESP Order, an action that is approved under the CERT programme is not a qualifying action under CESP.

3.65. As CESP will include incentives for area based delivery and the whole house approach, Ofgem will need to capture data for each house where actions were delivered. Information to this level of disaggregation is not submitted to Ofgem for the purpose of CERT compliance, however it is held by the CERT obligated parties.

3.66. We are working with the suppliers to set up a reporting timetable for the provision of CERT property data to Ofgem. We will liaise with the suppliers to ensure that a complete set of CERT data is received several months before the submission deadline for the final report to the Secretary of State for Energy and Climate Change.

3.67. Where a supplier or generator has been identified claiming the same measure(s) twice, Ofgem may take action by the imposition of a penalty.

4. Submissions of schemes

This chapter describes the process for suppliers and generators to submit notifications of intended and completed actions for approval. This chapter also covers Ofgem's final calculation of the reduction in carbon emissions in relation to the suppliers' and generators' completed activity.

Submission of intended actions

4.1. A generator or supplier must notify Ofgem of their intended actions for the purpose of compliance with their carbon emissions reduction obligation. This must include information on which qualifying actions they intend to promote, which local authority area they are planning to work in and how the intended action will achieve a reduction in carbon emissions. Their proposals must comply with the Order and the requirements published in this document.

4.2. Such a notification must be made within one month of the action being commenced as set out in article 16(1) of the Order and must be approved by Ofgem to be considered a qualifying action under the Order. It is recommended that suppliers and generators obtain approval in advance of commencing any work. This will ensure that any issues arising can be resolved before any cost has been incurred. Ofgem approval determines whether the proposed action qualifies under the Order as a qualifying action.

4.3. For the purpose of administration we will refer to all notifications of actions as 'schemes'.

Format for notification of schemes

4.4. Notifications of schemes must be made in writing. Ofgem has designed a notification pro forma that will provide a consistent format for a written description of how the proposed scheme will be set up and which of the measures generators and suppliers are intending to promote. The CESP scheme notification pro forma will be available from the Ofgem website.

4.5. The CESP scheme notification pro forma includes a set of questions for each of the measures to ensure that sufficient information has been provided to Ofgem. This will enable us to ascertain whether or not the proposed scheme will achieve a reduction in carbon emissions. This is covered under Article 16(2)(b).

4.6. As is set out in Article 16(2)(a) of the Order, generators and suppliers must include a written confirmation from the local authority in whose area qualifying actions will be promoted. This will confirm that the local authority has been consulted on the promotion of the qualifying actions in its area. This letter must be submitted with the notification. The local authority letter template is in Appendix 8.

4.7. To facilitate administration Ofgem will require the notification pro forma, a signed local authority letter and other relevant supporting documents to be emailed to cesp@ofgem.gov.uk.

4.8. Before submitting a scheme to Ofgem suppliers and generators should give each scheme a unique reference number. This number will be referred to throughout CESP for scheme related correspondence. Details on the scheme naming convention are in Appendix 9. Suppliers and generators should contact Ofgem to obtain own supply/generation licence codes which represent the first four characters of the scheme code (AAAA).

4.9. Notifications of schemes should be made by the first working day of every month. The notification schedule is provided in Appendix 10.

4.10. Ofgem will aim to respond to the suppliers and generators who submitted their scheme for the deadline within ten working days. If all queries are clarified within five working days we should be able to approve such a scheme within one calendar month.

4.11. When reviewing CESP schemes Ofgem will consider whether:

a) the proposed measures are listed in Schedule 2 of the Order
b) the way a supplier or generator proposed to deliver an action is eligible
c) the supplier or generator will work in one of the eligible areas, and
d) whether the energy companies can ensure that the relevant technical standards will be adhered to.

4.12. Once Ofgem is satisfied that the scheme will satisfy article 17(2) of the Order, the supplier or generator will be notified in writing. We will require a signed letter of authorisation from suppliers and generators to confirm that the action will be taken in line with what has been agreed with Ofgem.

Resubmissions

4.13. Any changes to a scheme which has been approved as a qualifying action may mean that that action can no longer be considered a qualifying action. In such situations suppliers and generators should again notify Ofgem under article 16(1) of the Order by making a resubmission.

4.14. Suppliers or generators wishing to add measures or delivery routes to their existing schemes will be required to make a scheme resubmission to Ofgem. The resubmission will also be required if the scheme is to target another area, which is not covered by the existing local authority. Suppliers and generators will submit the CESP scheme notification pro forma covering the changes/additions to the existing scheme and provide a letter from a local authority, if required. The resubmissions will be looked at in accordance with the scheme submission schedule.

4.15. The notification date of any additions would be the date that resubmission was received by Ofgem. New activity relating to these changes carried out prior to one month before the notification date of the resubmission will not be eligible to count towards a supplier's or generator's obligation.

Compliance

4.16. Article 22(1) of the Order requires a supplier or generator to notify Ofgem no later than 31 January 2013 of:

a) the overall number and type of qualifying actions they have completed
b) the number and type of qualifying actions provided at particular premises, and
c) the number of qualifying actions provided in a particular area of low income.

4.17. The notification should include details of each property that measures were delivered to. It would be helpful if suppliers and generators would submit these notifications as soon as possible after completion of a scheme to enable Ofgem manage the flow of information efficiently.

4.18. To facilitate the administration of CESP it would be helpful if suppliers and generators report on all activity promoted in a LSOA in one scheme.

Progress reports

4.19. A supplier or generator can make notifications under article 22(1) of the Order at any time throughout the programme. Ofgem will also accept a notification when part of a scheme has been completed, known as a progress report.

4.20. Ofgem encourages the suppliers and generators to submit progress reports throughout the duration of CESP. Progress reports should cover the details of the action that has been completed once a suitable point has been reached in the delivery of a scheme. Progress reports should only cover the activity the suppliers and generators wish to bank and it should not include previously banked information.

4.21. Ofgem is mindful of the complexity of the CESP scoring system and considers that both we and energy companies need to have confidence on the progress that has been made towards compliance. We therefore recommend that suppliers and generators submit their completed activity on a regular basis, for example annually. We will liaise individually with the energy companies to agree a provisional timetable for submitting progress reports.

Format and timetable for notification of completed schemes

4.22. To facilitate the administration of CESP, Ofgem will require two templates to be submitted at the time of notification of action taken. Ofgem has designed a standard CESP scheme template for suppliers and generators to indicate which actions they installed on a property by property basis and where they were delivered.

4.23. The second template, the CESP scheme notification pro forma, will provide a format for a written description of the action that took place and how it was achieved in relation to consumers in the low income areas. Monitoring results and other supporting evidence should also be included at the time of notification of completed schemes.

4.24. Ofgem will need to be notified in writing once a scheme is completed. When making a notification of a completed scheme, suppliers and generators should refer to the scheme code given when they submitted a notification of intended actions. Once the notification spreadsheet and the required information are received by Ofgem this will be considered as a notification under the article 22(1).

4.25. Ofgem will require that the completed CESP scheme notification pro forma and other relevant supporting documents, except the property data, are e-mailed to cesp@ofgem.gov.uk.

4.26. Sensitive information, such as property details where the measures have been installed, will be required to be submitted via a secure route. Once the data is received from the suppliers and generators, it will be loaded into an internal system and processed to determine compliance.

4.27. Currently, we are liaising with the suppliers and generators to agree the most secure and practical option for submitting sensitive data to Ofgem.

4.28. We will accept notifications of completed schemes (progress and completed reports) by the first working day of every month from July 2010. The notification schedule is provided in Appendix 10. Progress reports will be accepted until 30 September 2012. From 1 October 2012 Ofgem will only accept completion reports from suppliers and generators.

4.29. Ofgem will aim to respond to suppliers and generators who submitted their schemes for the deadline within ten working days. If all queries are answered within five working days we should be able to approve such a completion report within one month.

4.30. Ofgem will then determine the reduction in carbon emissions to be attributed to the qualifying actions using the appropriate bonuses according to articles 24 and 25 of the Order.

4.31. If all the relevant information has not been provided to enable Ofgem to determine the reduction in carbon emissions then the notification will not be considered as complete and Ofgem will be unable to make a determination.

Determination

4.32. Once Ofgem has received all completed schemes from a supplier or generator it will determine whether the following limits have been adhered to (as it is set out in article 14(3) of the Order):

a) no more than 4 per cent of a generator's or a supplier's obligation is achieved through the provision of loft insulation
b) no more than 4 per cent of a generator's or a supplier's obligation is achieved through the provision of cavity wall insulation, and
c) no more than 1 per cent of a generator's or a supplier's obligation is achieved through the provision of the home energy advice package.

4.33. The check whether the limits have been adhered to will be based on unadjusted reductions in carbon emissions.

4.34. If a supplier or generator exceeds any of the above limits, they will be notified and asked to remove excess actions from their schemes. The excess action will not be considered as a qualifying action under the Order. The responsibility of data reconciliation lies with the supplier or generator and if they fail to remove the excess action Ofgem will not be in a position to consider any of the promoted loft insulation, cavity wall insulation or home energy advice package activity as a qualifying action.

4.35. Under article 23 of the Order, Ofgem will then determine the reduction in carbon emissions to be attributed to the qualifying actions using the appropriate bonuses according to articles 24 and 25, and notify the suppliers and generators by 30 April 2013 whether they have complied with their obligations.

4.36. Ofgem will produce a CESP calculator to allow suppliers and generators to estimate the reduction in carbon emissions that can be attributed to each scheme. The calculator will include an option to apply the relevant bonuses, including an area bonus. The CESP calculator will be available from the Ofgem website.

4.37. If two or more energy companies work in the same area, they will be awarded the relevant bonuses relating to the actions that they alone have delivered. This means that if two companies deliver one measure each to the same property they will not be eligible for the whole house bonus.

Transfer of qualifying action

4.38. Under article 20(1) of the Order, Ofgem may agree to the whole or part of a supplier's or generator's carbon reduction obligation being treated as having been

achieved by an action, which is approved by Ofgem as a qualifying action and completed, that is undertaken by another supplier or generator. Energy companies wishing to transfer qualifying actions must make a written request to Ofgem. Requests should be sent to cesp@ofgem.gov.uk.

4.39. As part of this notification both parties must submit a written request and provide a completed CESP scheme spreadsheet outlining which qualifying actions they wish to transfer. This is set out in article 20(3) of the Order.

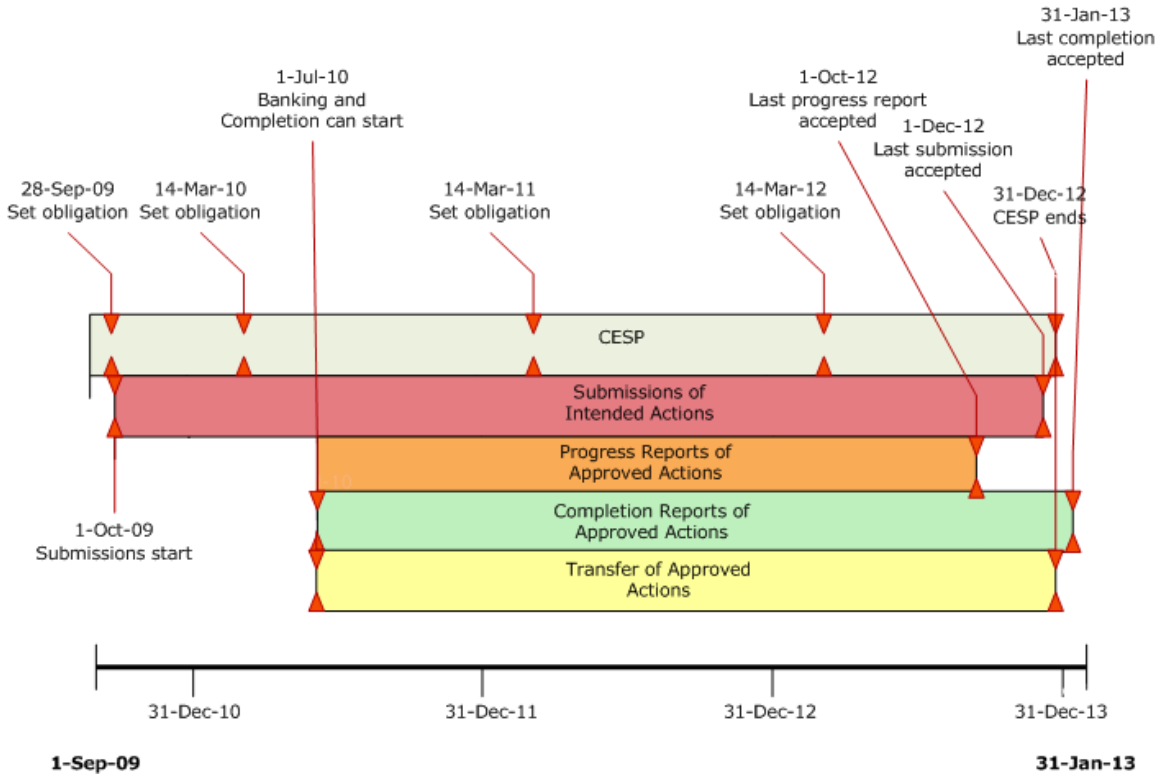
4.40. Ofgem may reject such a request if it has reasonable grounds to believe that the transfer of qualifying action from one party to another may restrict one party's ability to demonstrate compliance with the obligation. This is set out in article 20(4).

4.41. In assessing whether a party will comply, Ofgem may require the party to demonstrate how it is intending to comply with its obligation following the transfer of its completed actions.

Timeline

4.42. The key expected submission dates during the CESP administration are illustrated below.

Figure 1. The expected CESP submission timetable



5. Reporting

This chapter covers Ofgem's reporting duties, including reporting to the Secretary of State for Energy and Climate Change. Auditing of suppliers' and generators' schemes is also discussed here.

Reporting

5.1. In order to report to the Secretary of State annually as required by articles 19(4) and 26(2) of the Order, Ofgem will regularly collect information from the suppliers and generators relating to the delivery of the qualifying actions.

5.2. Ofgem will report to the Secretary of State on the progress made by suppliers and generators under CESP by 1 May 2010, 1 May 2011 and 1 May 2012. The report will be based on the information discussed in this section and will set out:

a) each generator and supplier's progress towards complying with their carbon emissions reduction obligation
b) b) progress made towards achieving the carbon emissions reduction target, and
c) c) progress made towards achieving the overall carbon emissions reduction target.

5.3. By 1 May 2013, Ofgem is required to submit a final report to the Secretary of State setting out:

a) whether each generator and supplier has complied with its carbon reduction obligation
b) whether generators and suppliers have achieved their carbon emission reduction target, and
c) whether the overall carbon emissions reduction target has been achieved.

5.4. The final report will be based on the data submitted by the energy companies for the purpose of compliance outlined in Chapter 4.

Six monthly reports

5.5. We will design and provide a CESP reporting pro forma for the suppliers and generators which will need to be submitted at the times stated in Table 5. The first reporting period will comprise of three months and will inform Ofgem's report to the Secretary of State in May 2010.

5.6. Subsequent reporting periods are set half-yearly as is set out in a table below. The CESP reporting pro forma should be returned by the 10th working day of month following the receipt of the pro forma.

Table 5. Reporting timetable

Period	Timescale	Ofgem provides the pro forma to suppliers and generators	Suppliers and generators return the completed pro forma
Period 1	1 October 2009 - 31 December 2009	29 December 2009	13 January 2010
Period 2	1 January 2010 - 30 June 2010	28 June 2010	12 July 2010
Period 3	1 July 2010 – 31 December 2010	29 December 2010	12 January 2011
Period 4	1 January 2011 – 30 June 2011	28 June 2011	12 July 2011
Period 5	1 July 2011 – 31 December 2011	29 December 2011	12 January 2012
Period 6	1 January 2012 – 30 June 2012	28 June 2012	12 July 2012
Period 7	1 July 2012 – 31 December 2012	27 December 2012	11 January 2013

5.7. We will require suppliers and generators to detail the number of households benefiting from the measures and the estimated reduction in carbon emissions both including and excluding the relevant bonuses attributed to all approved schemes. Suppliers and generators will also be required to provide the number of the following measures installed either disaggregated by scheme or overall:

- cavity wall insulation
- loft insulation
- solid wall insulation
- replacement boilers
- fuel switching
- home energy advice package
- heat pumps
- solar water heater, and
- biomass boilers.

5.8. As part of the report to the Secretary of State, Ofgem may undertake more detailed analysis on a geographic breakdown of suppliers' and generators' activities by matching local authority information provided at scheme submission and the reduction in carbon emissions estimated by the energy company for that scheme.

5.9. Ofgem will use the information collected from the energy companies to produce a half-yearly CESP newsletter. This will inform interested stakeholders of the energy companies' progress against the overall target and the number of measures installed to date.

Auditing

5.10. Auditing is a very important aspect of the CESP administration to ensure that the programme is delivered effectively. It will be undertaken to address all aspects of generators and suppliers' schemes. Each energy company that has set up schemes to comply with its obligation will be audited. Under article 19(2) suppliers and generators must provide Ofgem with information that we may reasonably require in relation to their activity.

5.11. Ofgem will appoint an independent auditor to carry out audits during the period of the Order. Auditing will ascertain whether:

a) the proposed actions are being delivered as notified under article 16(1)
b) procedures are in place for technical and other monitoring required for that action and that the quality of installation is maintained, and
c) whether there is a clear distinction between actions reported through CESP and other programmes and what safeguards suppliers have in place to make this distinction.

6. Monitoring

This chapter covers monitoring requirements that must be conducted after a measure has been installed. These requirements will be used by Ofgem in determining the reduction in carbon emissions.

Monitoring

6.1. In order to ensure that the reduction in carbon emissions in relation to a completed action has been achieved, Ofgem needs to be satisfied that the measures have been installed and conform to the relevant quality standards. The following monitoring will be required for certain actions:

- technical monitoring of a sample of households of recipients is necessary for certain measures to ensure that the relevant quality standards have been met. Suppliers and generators should adopt appropriate quality standards with their project partners and contractors before commencing projects. Further guidance on the relevant technical and quality standards for common energy efficiency and microgeneration measures is provided in the CERT Technical Guidance Manual[14]

- customer satisfaction monitoring is required when installing measures such as heating and insulation in homes. It is not required when working in conjunction with SHP as they are likely to be aware of any issues which may arise. Although it is not necessary to monitor satisfaction in relation to other actions, suppliers and generators are encouraged to monitor consumer satisfaction over the course of CESP so that they can offer the best possible service to consumers, and

- customer utilisation and evaluation monitoring are required for HEA to ensure that the measures are being used and that carbon emissions reductions are therefore being realised.

6.2. Details on the monitoring requirements are outlined in Appendix 11. Suppliers and generators should provide a summary of the monitoring results and sample customer satisfaction, quality monitoring and evaluation monitoring questionnaires as relevant. If these include personal data details such as a consumer's name and address, these details should be blanked out before submitting the questionnaires to Ofgem.

6.3. Once Ofgem has received a notification under article 22 of the Order it will determine the reduction in carbon emissions that will result from the completed action, as set out in Chapter 3. If monitoring results are not included with the supplier's or generator's notification, Ofgem will not be able to determine whether the measures have been installed to industry standards. In this case Ofgem will reject the notification.

[14] Technical and quality standards required in CESP are the same as those in CERT

Technical monitoring

6.4. To ensure consistency, suppliers, generators and their project partners are required to use the standard monitoring questions provided in Appendix 12. Suppliers and generators can add additional questions if appropriate. If the questions we have provided are not used we will consider the monitoring inadequate and will require further monitoring to be carried out using the standard questions.

6.5. We will require technical monitoring on professionally installed insulation and heating measures. Draught-proofing needs to be monitored if installed with another action.

6.6. A suitably qualified person should monitor at least 5 per cent of recipient dwellings in an independent manner to ensure that the installation meets the required standards. A sample of dwellings to be inspected should be selected in a random manner.

6.7. Ideally, the monitoring should be conducted within two months of installation and should cover each of the delivery mechanisms and contractors involved in an action.

6.8. If technical monitoring identifies that a measure has not been installed to the correct standards, the contractor must rectify this. If the installation has not been rectified, Ofgem will not be able to determine a reduction in carbon emissions.

6.9. Technical monitoring of large CHP installations can be demonstrated by the provision of a CHP Quality Assurance (CHPQA) certificate. If CHPQA is not available, another form of technical monitoring will be required to ascertain whether the CHP unit is fully operational.

6.10. The technical monitoring questions are divided into major and minor failures. While we expect that minor failures will be addressed and minimised, a supplier or generator will only fail an inspection for major failures and only these should be included in the percentage reported to Ofgem. These relate to safety, legal requirements or have a major impact on the reduction in carbon emissions that can be achieved. All major failures identified must be rectified.

6.11. It the major failure rate exceeds 25 per cent then any issues discovered should be raised with the contractor and where appropriate further monitoring could be required. All installations that fail on safety grounds must be re-inspected.

6.12. Technical monitoring is not necessary for microgeneration measures. Use of installers and products accredited by the Microgeneration Certification Scheme (MCS) or an equivalent scheme will ensure a suitably high standard of installation.

6.13. If for commercial reasons it is not possible for a supplier, generator, or their partners to use MCS accredited installers, it will be the responsibility of the supplier and generator to propose an alternative solution which achieves the same objectives as the MCS. Ofgem will review these proposals on a case by case basis.

Customer satisfaction monitoring

6.14. Suppliers and generators will be required to carry out customer satisfaction monitoring on 1 per cent of randomly selected recipients.

6.15. Ofgem considers that it may not be necessary to monitor consumer satisfaction of the recipients of a communal CHP installation in every case, particularly where no work has been carried out in consumers' homes. This information may not influence the reduction in carbon emissions that will result.

6.16. Ofgem considers that consumers' reaction to and satisfaction with microgeneration should be monitored. Customer satisfaction monitoring should be carried out on 1 per cent of recipients. Where an installer is a member of the REAL Assurance code or equivalent, customer satisfaction may not be required.

Utilisation and evaluation monitoring

6.17. Monitoring of HEA should be conducted on a statistically significant sample or 5 per cent of recipients, whichever is smaller, to monitor usage patterns and resultant behavioural change in domestic energy use. A sample of recipients should be selected in a random manner.

6.18. A statistically significant sample means one which represents a confidence level of 95 per cent with a confidence interval of 1. For the avoidance of doubt, statistical sampling should be used for determining sample size when 183,000 or more HEA have been distributed. This is presented in Table 6.

Table 6. Calculation of monitoring sample sizes

Number of HEA recipients	Monitoring level required	Sample size
100	5 per cent	5
1,000	5 per cent	50
10,000	5 per cent	500
100,000	5 per cent	5,000
200,000 and greater	statistically significant sample	9,164

6.19. This monitoring should be conducted independently and might, for example, take the form of a short telephone survey, online questionnaire or feedback form.

6.20. To ensure consistency between suppliers and generators and clarity of administration, suppliers, generators, their project partners and contractors are required to use the standard utilisation monitoring questions provided in Appendix 13.

6.21. In order to evaluate activity once any changes in behaviour have been established, evaluation should occur between 3-5 months after completion of the measure. In the case of HEA, completion would be after the delivery of the energy report. Furthermore, in order to establish whether the householder has adopted energy saving behaviour, it is important that evaluation is initiated before the householder is reminded of HEA. Therefore, this monitoring should be conducted before utilisation monitoring.

6.22. Ofgem considers that an effective evaluation monitoring study could be conducted across suppliers and generators as a whole, and that this would require a smaller total sample size than if each supplier or generator monitored activity separately. Evaluation monitoring should be conducted either by using the standard evaluation monitoring questions provided in Appendix 13, or by means of an in-depth, joint monitoring exercise with other suppliers and generators. Any such joint monitoring will need to be agreed with Ofgem before it commences.

6.23. We encourage suppliers and generators to make regular contact with the consumers benefiting from HEA to ascertain whether energy savings behaviour has been sustained. We welcome a summary of this activity with suppliers and generators' progress and completion reports.

Appendices

Index

Appendix 1 - Timetable for determining and reviewing the carbon reduction obligation

Generators

Data to be notified	Data required for obligation setting	Generator provides info to Ofgem	Ofgem notifies generator of its obligation
New generator			
2006, 2007, 2008	2008	14 September 2009	28 September 2009
2007, 2008, 2009	2009	1 March 2010	14 March 2010
2008, 2009, 2010	2010	1 March 2011	14 March 2011
2009, 2010, 2011	2011	1 March 2012	14 March 2012
Existing generator (September 2009 generator)			
2009	2008, 2009	1 March 2010	14 March 2010
2010	2008, 2009, 2010	1 March 2011	14 March 2011
2011	2008, 2009, 2010, 2011	1 March 2012	14 March 2012
Existing generator (April 2010 generator)			
2010	2009, 2010	1 March 2011	14 March 2011
2011	2009, 2010, 2011	1 March 2012	14 March 2012
Existing generator (April 2011 generator)			
2011	2010, 2011	1 March 2012	14 March 2012

Suppliers

Date of domestic numbers	Supplier provides domestic consumer numbers to Ofgem	Ofgem notifies suppliers of their obligation
31 December 2008	By 14 September 2009	28 September 2009
31 December 2009	By 1 March 2010	14 March 2010
31 December 2010	By 1 March 2011	14 March 2011
31 December 2011	By 1 March 2012	14 March 2012

Appendix 2 - Qualifying actions

1.1. Qualifying actions in Schedule 2 of the Order:

a) cavity wall insulation
b) a connection to a district heating scheme
c) a district heating meter for individual house billing
d) draught-proofing
e) external solid wall insulation
f) flat roof insulation
g) fuel switching
h) glazing
i) heating controls when provided with a new heating system
j) a heat pump
k) a home energy advice package
l) internal solid wall insulation
m) loft insulation
n) microgeneration measures other than a heat pump
o) a replacement boiler
p) under-floor insulation, and
q) an upgrade of a district heating scheme.

1.2. The Order includes definitions for some of these terms. They are explained below:

- district heating system means a system that delivers heat through pipes to two or more domestic premises
- fuel switching means changing the primary heating fuel used by a domestic energy user from coal, electricity or oil to a mains gas supply
- home energy advice package has the meaning given in Schedule 1 of the Order
- microgeneration has the same meaning as in section 26 of the Climate Change and Sustainable Energy Act 2006
- replacement boiler means a boiler which replaces a G-rated boiler and which meets the requirements of Part L of Schedule 1 to the Building Regulations 2000
- solid wall insulation means internal or external insulation which lowers the U-value of the walls to 0.5W/m^2K or less, and
- upgrade of a district heating system means an alteration or improvement to a district heating system which enables the system to deliver heat to domestic properties at a lower value of kilograms of carbon dioxide per kilowatt hours of heat delivered.

Appendix 3 - Microgeneration Declaration

This declaration must be signed by all local authority partners of suppliers and generators promoting microgeneration in new build developments.

For the purposes of the declaration, the following applies:

Organisation (Local Authority) ……

Name of signatory, authorised to sign the declaration for and on behalf of the Organisation: ……..…….

Position in the Organisation……..……

Address: ……

……..

…….. Post Code ……

Telephone number: ……

Fax number: ……..

Email address: …….

Energy Company:…….

Energy Saving Project: [enter the name of the project, a brief description, or list the main measures involved]

……

Energy Saving Project timescales

from: ……./…..../…… to ……./…..../……

Percentage of onsite micro generation provided though this project required / supported by local or central government initiatives (other than the Electricity and Gas (Community Energy Saving Programme) Order 2009) (the 'Standard Percentage') :

…….

Percentage of onsite micro generation provided though this project in addition to that required / supported by local or central government initiatives (other than the Electricity and Gas (Community Energy Saving Programme) Order 2009) (the 'Additional Percentage'):

Provide details of any policies or programmes relating to the Standard Percentage:

Percentage	**Name of policy**
Eg: 10 per cent	'Merton rule' required for planning permission from London Borough of Merton

On behalf of the Organisation, I declare and confirm the following:

1) The energy company has only funded the additional percentage.

2)The measures accounting for this are additional to any local or central government requirement or scheme.

3) The installation exceeds the requirements of the Building Regulations*.

Signed …… Date……

Print Name……

* The Building Regulations 2000 (SI 2000/2531) and The Building (Approved Inspectors etc) Regulations 2000 (SI 2000/2532) as amended by The Building and Approved Inspectors (Amendment) Regulations 2006 (SI 2006/652). These apply in England and Wales. Building (Scotland) Regulations 2004 (SSI 2004/406) was amended by The Building (Scotland) Amendment Regulations 2006 (SSI 2006/534) apply in Scotland.

Appendix 4 - New Build Declaration

This declaration must be signed by all SHPs or housing developer partners of suppliers promoting measures in new build developments.

For the purposes of the declaration, the following applies:

Organisation ……

Name of signatory, authorised to sign the declaration for and on behalf of the Organisation:
……...…….

Position in the
Organisation……..……

Address: ……

……..

…….. Post Code ……

Telephone number: ……

Fax number: ……..

Email address: ……..

Energy Company:…….

Local authority granting planning permission for the development:

……

Energy Saving Project: [enter the name of the project, a brief description, or list the main measures involved]

……

Energy Saving Project timescales

from: ...../...../..... to ...../...../.....

On behalf of the Organisation, I declare and confirm the following:

1) The measures promoted by the scheme are additional to any other government programme.

2) The installation exceeds the requirements of the Building Regulations*.

3) The measures will not be used to demonstrate compliance with the Building Regulations*, i.e. each dwelling would have met building regulation if the energy company's funding / measure had not been provided.

Signed ..... Date.....

Print Name.....

* The Building Regulations 2000 (SI 2000/2531) and The Building (Approved Inspectors etc) Regulations 2000 (SI 2000/2532) as amended by The Building and Approved Inspectors (Amendment) Regulations 2006 (SI 2006/652). These apply in England and Wales. Building (Scotland) Regulations 2004 (SSI 2004/406) was amended by The Building (Scotland) Amendment Regulations 2006 (SSI 2006/534) apply in Scotland.

Appendix 5 - SHP Declaration

The SHP declaration can be signed before or after an action is taken. The following declaration is for SHPs to sign before an action commences.

For the purposes of the declaration, the following applies:

Organisation (Social Housing Provider):……

Name of signatory, authorised to sign the declaration for and on behalf of the Organisation: ……..……..

Position in the Organisation……..……

Address: ……

……..

…….. Post Code ……

Telephone number: ……

Fax number: ……..

Email address: ……..

Energy Company:……..

Energy Saving Project: [enter the name of the project, a brief description, or list the main measures involved]

……

Energy Saving Project timescales

from: ……./…..../…… to ……./…..../……

On behalf of the Organisation, I declare and confirm the following:

1) The Energy Company has agreed to provide the Social Housing Provider with funding for the purpose of the Energy Saving Project.

2) This funding will not count towards measures which were installed prior to this agreement being made.

3) The Energy Saving Project will not be able to proceed without the contribution from the Energy Company for the purpose of the Energy Saving Project.

4) The Social Housing Provider will provide the Energy Company with the information necessary for the Energy Company to complete the CESP Scheme spreadsheet (the CESP spreadsheet information) as soon as practicable after completion of the Energy Saving Project, and by no later than 31 December 2012.

5) The Social Housing Provider agrees that the CESP spreadsheet information can be passed to Ofgem for the purposes of demonstrating the Energy Company's compliance with their carbon emissions reduction obligations under the Electricity and Gas (Community Energy Saving Programme) Order 2009.

6) If there is a material change to the Energy Saving Project agreed with the Energy Company, a new declaration will be signed by the Organisation once the scheme has been completed. A material change is considered to be where a different measure type is added or if the Energy Company's average cost contribution decreases by 5 or more percentage points.

Signed ……. Date…….

Print Name……

The following declaration is for SHPs to sign once an action has been completed.

For the purposes of the declaration, the following applies:

Organisation (Social Housing Provider):……

Name of signatory, authorised to sign the declaration for and on behalf of the Organisation: ……..…….

Position in the Organisation……..……

Address: ……

……..

…….. Post Code ……

Telephone number: ……

Fax number: ……..

Email address: …….

Energy Company:…… …….

Energy Saving Project: [enter the name of the project, a brief description, or list the main measures involved]

……

Energy Saving Project timescales

from: ……../…..../…… to ……./…..../……

On behalf of the Organisation, I declare and confirm the following:

1) The Energy Company has provided the Social Housing Provider with funding for the purpose of the Energy Saving Project.

2) This funding was not counted towards measures which were installed prior to this agreement being made.

3) The Energy Saving Project could not have proceeded without the contribution from the Energy Company for the purpose of the Energy Saving Project.

4) The Social Housing Provider has provided the Energy Company with the information necessary for the Energy Company to complete the CESP Scheme spreadsheet (CESP spreadsheet information) as soon as practicable after completion of the Energy Saving Project, and by no later than 31 December 2012.

5) The CESP spreadsheet information can be passed to Ofgem for the purposes of demonstrating the Energy Company's compliance with their carbon emissions reduction obligations under the Electricity and Gas (Community Energy Saving Programme) Order 2009.

Signed ……. Date…….

Print Name……

Appendix 6 - HEA behavioural advice check list

During the provision of the home energy assistance portion of an HEA, advice should be provided to the householder with regard to the following energy saving behaviours. If Ofgem becomes aware of major changes to this standard advice, this check-list may change. In these circumstances suppliers and generators would be notified of these changes and a new check list may be issued:

Lighting, Appliances and Cooking

- Turning off unused lights. For example when leaving a room, or outdoor lights during daylight hours
- Turning off unused appliances such as televisions and computers, and turning them off fully instead of leaving them on standby
- Using the economy or low temperature cycles on dishwashers and washing machines
- Waiting to use washing machines and dishwashers until they are full
- Drying clothes naturally rather than using a tumble dryer
- Only boiling the water needed when filling the kettle
- Cooking in an energy efficient manner, for example placing lids on pans and oven-cooking multiple rather than single dishes at a time
- The benefits of Real Time Displays and how to use them
- Other behavioural advice related to lighting and appliances as relevant to the circumstances of the householder.

Hot Water

- Having a shorter shower to save hot water
- Having a shower rather than a bath, noting that power showers may use more unless they are short
- Not running the hot taps unnecessarily. For example, by not leaving a tap running when rinsing dishes
- Other behavioural advice related to hot water as relevant to the circumstances of the householder.

Space Heating

- Only using the heating when it is needed. For example, programming or turning it off half an hour before you leave for work or bed
- Preventing heat from escaping unnecessarily. For example stopping draughts from open windows and doors
- Controlling the heating system effectively. For example:
  - If householder has programmer, is this fully understood and does the householder know how to correctly set timings? This should include warm up and cool down timings
  - If householder has a room thermostat, how to use this effectively, and the benefits of turning down by one degree

  - If householder has a thermostat on the hot water cylinder, this should be correctly set to 60°C
  - If householder has storage heaters, setting the input and output controls correctly.
- Other behavioural advice related to space heating as relevant to the circumstances of the householder.

Note: It is expected that the home energy survey, which precedes the home energy assistance, should establish which of these energy saving behaviours is relevant; however, all topics should be covered where relevant.

Appendix 7 - Measure information

Insulation

1.1. A single weighted average reduction in carbon emissions across the domestic fuel mix will be applied to all insulation measures according to the fuel mix in the target setting methodology.

1.2. In the methodology for estimating carbon reductions a comfort factor[15] of 40 per cent has been used in the carbon saving calculations. This is higher than in CERT because various studies of households in a similar financial position to those targeted under CESP have demonstrated a higher level of comfort taking.

Solid wall insulation

1.3. A reduction in carbon emissions for solid wall insulation is based on assumptions in the Building Research Establishment's Domestic Energy Model (BREDEM).

1.4. In line with the definition of solid wall insulation in the Order, Ofgem will approve as a qualifying action internal and external solid wall insulation which would decrease the U-value[16] of the wall to less than 0.5W/m^2K.

1.5. Two sets of reduction in carbon emissions have been calculated for solid wall insulation, where solid wall insulation (internal or external) can achieve a U-value of 0.35W/m^2K and 0.45W/m^2K when installed in a wall with a U-value of 2.1W/m^2K or higher.

1.6. If the installation is carried out on a wall with a U-value of less than 2.1W/m^2K or the 'after' U-value has been improved to a different standard to 0.35 W/m^2K or 0.45W/m^2K, specific calculations should be carried out to evaluate a reduction in carbon emissions from such an installation. A calculator is available from the Ofgem website[17].

1.7. The lifetime of solid wall insulation is 30 years.

[15] Comfort factor represents a reduction in actual energy savings from efficiency improvements resulting from improved comfort, which expresses satisfaction with the thermal environment
[16] Means the measure in W/m2K of heat transmission through the wall, floor or roof
[17] http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/InfProjMngrs/Documents1/Carbon%20Emissions%20Reduction%20Target%20Carbon%20Reduction%20Matrix.xls

Cavity wall insulation

1.8. Ofgem will use BREDEM as the basis for determining a reduction in carbon emissions attributable to cavity wall insulation. In the methodology for estimating carbon reductions the reduction for cavity wall insulation has been reduced by 65 per cent. This reduction factor includes an allowance for underperformance and a higher level of comfort taking outlined in paragraph 1.2 above; it will be built in to the reduction in carbon emissions calculations for cavity wall insulation in CESP.

1.9. The underperformance factor has been quantified following the analysis of field trial results. These field trials covered a large number of properties and are likely to have included properties with conservatories and properties with tile hung areas. Ofgem will therefore accredit the average reduction in carbon emissions across all houses. We do not consider it appropriate to reduce further the reduction in carbon emissions determined for properties with conservatories or with tile hung areas. However, it is important to guard against anomalous situations; this rule will apply to homes where the supplier or generator would still expect to insulate two thirds of the wall area. If the share were to fall below this then a separate accreditation would be appropriate.

1.10. Ofgem considers that mineral wool, polystyrene beads and urea formaldehyde foam are appropriate materials for insulating cavities. The reduction in carbon emissions has been quantified for two sets of materials, with a thermal conductivity of 0.044W/mK and 0.033 W/mK and represent a weighted average of the improvement to the U-value of the cavity wall in pre '76, '76-'83 and post '83 age bands according to the number of cavity wall households in each of these age bands.

1.11. The lifetime of cavity wall insulation is 40 years.

Loft insulation

1.12. Ofgem will use BREDEM as the basis for determining a reduction in carbon emissions attributable to loft insulation. In the methodology the reduction in carbon emissions for loft insulation has been reduced by 65 per cent. This reduction factor includes an allowance for underperformance and the comfort factor (see paragraph 1.2 above); it is built in to the reduction in carbon emissions calculations for cavity wall insulation in CESP.

1.13. The reduction in carbon emissions for loft insulation is available for two starting depths:

a) from 0 to 60mm;
b) over 60mm to 160mm.

1.14. We will not accredit the reduction in carbon emissions for loft insulation where the starting depth is over 160mm.

1.15. The reduction in carbon emissions has been quantified for insulation materials with a thermal conductivity of 0.044W/mK.

1.16. The lifetime of loft insulation is 40 years.

Draught-proofing

1.17. A reduction in carbon emissions has been quantified for professionally installed strip and brush type systems installed in properties with high infiltration rate to all openable doors and windows. The calculations will be based on assumptions in the BREDEM model.

1.18. In line with DECC's illustrative list of actions, Ofgem will accredit a 20-year lifetime to draught-proofing for installations that are covered by the 20-year lifetime guarantee.

Glazing

1.19. A reduction in carbon emissions has been quantified for windows with a rating above 'E'. Ofgem will accredit glazing with the rating exceeding the requirements of the Building Regulations 2000.

1.20. The reduction in carbon emissions has been calculated on a per square metre installed basis.

1.21. The lifetime of glazing is 20 years.

Flat roof insulation

1.22. A reduction in carbon emissions from installing flat roof insulation have been calculated based on an improvement in the typical U-value for an un-insulated flat roof with a 150mm slightly ventilated air layer (2.48 W/m^2K) to the improved threshold U-value required when upgrading retained thermal elements, 0.25 W/m^2K (as in the Building Regulations 2000).

1.23. A reduction in carbon emissions has been calculated on a per square metre installed basis.

1.24. The lifetime of flat roof insulation is 30 years.

Under-floor insulation

1.25. A reduction in carbon emissions for under-floor insulation is calculated based in an improvement in the U-value of the ground floor area to the U-value required

when upgrading retained thermal elements, 0.25 W/m^{2}K (as in the Building Regulations 2000).

1.26. A reduction in carbon emissions has been calculated on a per square metre installed basis.

1.27. The lifetime of under-floor insulation depends on where the insulation is situated. Insulation which is actually under the floor has a 40-year lifetime. Insulation which is over the floor and under a floor covering will have a shorter lifetime and will be assessed on a case by case basis

Heating

1.28. Across all heating measures, except for fuel switching, there will not be a requirement for suppliers and generators to report in the fuel type of the dwelling. A single weighted average reduction in carbon emissions across the domestic fuel mix in Great Britain will be applied.

Fuel switching

1.29. In line with the definition in the Order, suppliers and generators will be accredited with actions where the primary heating fuel is changed from oil, coal or electricity to mains gas supply.

1.30. The reduction in carbon emissions attributed to fuel switching will distinguish between a full switch, where the original system was a full system, and a partial switch, where the previous system was heating part of the property.

1.31. The lifetime of fuel switching is 20 years.

Replacement boiler

1.32. A list of G-rated boilers (make and model) has been collated and is available from the Ofgem website[18].

1.33. In line with the definition of replacement boiler in the Order, Ofgem will approve as a qualifying action a replacement of a G-rated boiler, with a seasonal efficiency of less than 70 per cent, with boiler that complies with the Building Regulations 2000.

1.34. A reduction in carbon emissions will be accredited based on the increase in efficiency from G (65 per cent) to A/B rated (market average, 88.3 per cent). The 65

[18] http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/InfProjMngrs/Documents1/SEDBUK%20G%20Rated%20Boilers%20List.xls

per cent figure represents G-rated efficiency of 66 per cent minus 1 per cent to account for the poor controls that are likely to accompany an old boiler.

1.35. A 12-year lifetime has been used in the methodology for estimating carbon reductions a 12-year lifetime has been used in the carbon saving calculations.

Heating controls

1.36. Schedule 2 of the Order allows for the provision of heating controls when they are installed at the same time as a replacement boiler. Ofgem will accredit those controls that are additional to the minimum standards required by the Building Regulations.

1.37. Ofgem will calculate a reduction in carbon emissions for heating controls with 'intelligent' features and thermostatic radiator valves.

1.38. The lifetime of heating controls is 12 years.

Microgeneration

1.39. The list of sources of energy and technologies for the purpose of microgeneration is defined in the Climate Change and Sustainable Energy Act 2006. In CESP, heat generation technologies and micro combined heat and power (mCHP) units will be referred to as 'microgeneration' if they supply heat to one property.

1.40. Reductions in carbon emissions from heat generation technologies and mCHP are highly dependent on the electrical output of the system, which in turn is dependent on the heat requirement of the property. To ensure that reductions in carbon emissions are achieved from these technologies Ofgem considers they should only be installed with a suitably high heat load after the property has been fully insulated. Ofgem considers that fully insulated means fitted with 270mm loft insulation and where appropriate cavity wall insulation.

1.41. Electricity generation technologies and mCHP will be assessed on a case by case basis as a reduction in carbon emissions in relation to these technologies has not been quantified by Ofgem.

Solar thermal

1.42. A reduction in carbon emissions has been calculated on an installation basis of a suitably sized panel for a property type. Roughly $4m^2$ flat plate or $3m^2$ evacuated tube panel are assumed to be suitably sized for all property types.

1.43. The lifetime of solar thermal is 25 years.

Heat pumps

1.44. When promoting heat pumps, a measured or calculated seasonal coefficient of performance (CoP) must be submitted at the time of notification to Ofgem to enable Ofgem to ascertain whether the action will lead to a reduction in carbon emissions.

1.45. A European standard procedure BS EN 14511: 2007 can be used to verify a seasonal CoP for ground source heat pumps. As the performance of air source heat pumps at low temperatures is not certain a field trial should be carried out for air to establish the seasonal CoP. Details of how the trial should be set up are in Appendix 5 of the CERT Technical Guidance Manual.

1.46. To calculate a reduction in carbon emissions for heat pumps, suppliers and generators will be required to confirm the following information:

- fuel that is being displaced
- whether or not the heat pump will provide 100 per cent of the heating and hot water demand for a home
- seasonal CoP for space heating and hot water; and
- fuel that will provide supplementary heating for space heating and hot water.

1.47. The reduction in carbon emissions for heat pumps will be calculated on a per installation on the basis of the information provided. The calculator is available from the Ofgem website[19].

1.48. The lifetime of ground source heat pumps is 40 years. Air source heat pumps will be awarded a 20-year lifetime.

Biomass boilers

1.49. A reduction in carbon emissions for domestic biomass boilers less than 45kW has been calculated using BREDEM. The reduction in carbon emissions has been calculated for:

a) wood burning stoves providing space heating and hot water
b) wood burning stoves providing secondary space heating.

1.50. The lifetime of biomass boilers is 20 years.

[19] http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/InfProjMngrs/Documents1/Carbon%20Emissions%20Reduction%20Target%20Carbon%20Reduction%20Matrix.xls

District heating (connection or upgrade)

1.51. A reduction in carbon emissions from an installation or upgrade of a communal boiler or a combined heat and power (CHP) unit will be calculated using the communal heating spreadsheet by comparing the energy used before and after a connection to or an upgrade of a district heating system. The communal heating spreadsheet is available from the Ofgem website[20]. Where a proposed scheme falls outside the remit of the communal heating spreadsheet, Ofgem will assess each district heating on a case by case basis.

1.52. A reduction in carbon emissions attributed to HEA is based on a reduction in gas and electricity use through energy saving behaviour and equates to 0.675 tCO_2 lifetime. It is based on savings of 1 per cent of electricity and 2 per cent of gas in an average household for a lifetime of 7.5 years.

[20] http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/InfProjMngrs/Documents1/CERT%202008-2011%20CHP%20Spreadsheet%20V11.xls

Appendix 8 - Local Authority letter

For the purpose of the declaration the following applies:

Organisation (Local Authority):……

Name of signatory authorised to sign the declaration for and on behalf of the

Organisation:…….

Position in the
Organisation:…….

Address:…….

……

……Post Code:…….

Telephone number:……

Fax number:……

E-mail address:……

Energy Company:……..

On behalf of the Organisation, I declare and confirm the following:

The Energy Company has consulted the Local Authority on the measures to be promoted in its area for the purpose of complying with the Electricity and Gas (Community Energy Saving Programme) Order 2009.

It has been agreed with the Energy Company that the following measures will be installed in the Local Authority area [delete as appropriate]:

Cavity wall insulation
A connection to a district heating scheme
A district heating meter for individual house billing
Draught-proofing
External solid wall insulation

Flat roof insulation
Fuel switching
Glazing
Heating controls when provided with a new heating system
A heat pump
A home energy advice package
Internal solid wall insulation
Loft insulation
Microgeneration measures other than a heat pump
A replacement boiler
Under-floor insulation
An upgrade of a district heating system

Signed:……Date:…….

Print Name:……

Appendix 9 - Scheme naming convention

When making a notification to Ofgem regarding a proposed or completed action, a unique code must be provided on the CESP scheme notification pro forma. This code should be referred to in all scheme related correspondence. It will identify which carbon programme it refers to, the energy company involved, the year of notification, the measure type(s) employed and the sequential scheme number. The format of the code is as follows:

CESP AAAA BB C DD

Where:

AAAA is the licence code

BB is the year of notification. For example, 2010 is 10

C is the measure type

DD is the sequential scheme number. For example, the first scheme submitted is 01, the second 02 etc

The scheme measure types are as follows:

B Behaviour

I Insulation

H Heating

M Mix of measures

R Microgeneration

T Transfer of qualifying action

Appendix 10 - Scheme notification schedule

Month	Notification from the supplier or generator	Ofgem will respond to the supplier or generator by this date	Supplier or generator to respond to any further information requests by this date	Ofgem notifies the supplier or generator by this date
December 2009	Tuesday 1st	Monday 14th	Monday 21st	Thursday 31st
January 2010	Monday 4th	Friday 15th	Friday 22nd	Friday 29th
February 2010	Monday 1st	Friday 12th	Friday 19th	Friday 26th
March 2010	Monday 1st	Friday 12th	Friday 19th	Wednesday 31st
April 2010	Thursday 1st	Friday 16th	Friday 23rd	Friday 30th
May 2010	Tuesday 4th	Monday 17th	Monday 24th	Friday 28th
June 2010	Tuesday 1st	Monday 14th	Monday 21st	Wednesday 30th
July 2010	Thursday 1st	Wednesday 14th	Wednesday 21st	Friday 30th
August 2010	Monday 2nd	Friday 13th	Friday 20th	Tuesday 31st
September 2010	Wednesday 1st	Tuesday 14th	Tuesday 21st	Thursday 30th
October 2010	Friday 1st	Thursday 14th	Thursday 21st	Friday 29th
November 2010	Monday 1st	Friday 12th	Friday 19th	Tuesday 30th
December 2010	Wednesday 1st	Tuesday 14th	Tuesday 21st	Friday 31st
January 2011	Monday 5th	Friday 18th	Friday 25th	Monday 31st
February 2011	Tuesday 1st	Monday 14th	Monday 21st	Monday 28th
March 2011	Tuesday 1st	Monday 14th	Monday 21st	Thursday 31st
April 2011	Friday 1st	Thursday 14th	Thursday 21st	Friday 29th
May 2011	Tuesday 3rd	Monday 16th	Monday 23rd	Monday 31st
June 2011	Wednesday 1st	Tuesday 14th	Tuesday 21st	Tuesday 28th
July 2011	Friday 1st	Thursday 14th	Thursday 21st	Thursday 28th
August 2011	Monday 1st	Friday 12th	Friday 19th	Friday 26th
September 2011	Thursday 1st	Wednesday 14th	Wednesday 21st	Wednesday 28th
October 2011	Monday 3rd	Friday 14th	Friday 21st	Friday 28th
November 2011	Tuesday 1st	Monday 14th	Monday 21st	Monday 28th
December 2011	Thursday 1st	Wednesday 14th	Wednesday 21st	Friday 30th
January 2012	Wednesday 4th	Tuesday 17th	Tuesday 24th	Tuesday 31st
February 2012	Wednesday 1st	Tuesday 14th	Tuesday 21st	Tuesday 28th
March 2012	Thursday 1st	Wednesday 14th	Wednesday 21st	Wednesday 28th
April 2012	Monday 2nd	Tuesday 17th	Wednesday 24th	Monday 30th
May 2012	Tuesday 1st	Tuesday 15th	Tuesday 22nd	Tuesday 29th
June 2012	Friday 1st	Thursday 14th	Thursday 21st	Thursday 28th
July 2012	Monday 2nd	Friday 13th	Friday 20th	Friday 27th
August 2012	Wednesday 1st	Tuesday 14th	Tuesday 21st	Tuesday 28th
September 2012	Monday 3rd	Friday 14th	Friday 21st	Friday 28th
October 2012	Monday 1st	Friday 12th	Friday 19th	Friday 26th
November 2012	Thursday 1st	Wednesday 14th	Wednesday 21st	Wednesday 28th
December 2012	Monday 3rd	Friday 14th	Friday 21st	Friday 28th

Appendix 11 - Summary of monitoring requirements

Monitoring requirements for qualifying actions	Technical Monitoring 5 per cent	Customer Satisfaction 1 per cent	Utilisation and Evaluation Monitoring 5 per cent	Other
Insulation				
Loft Insulation	√	√		
Flat Roof Insulation	√	√		
Cavity Wall Insulation	√	√		
Solid Wall Insulation	√	√		
Draught proofing	√	√		
Glazing	√	√		
Under Floor Insulation	√	√		
Heating				
Replacement Boiler	√	√		
Heating Controls	√	√		
Fuel Switching	√	√		
District Heating				
District Heating (large scale CHP)	√ or CHPQA	√		
District heating (mini CHP, boilers)	√	√		
Microgeneration				
Microgeneration (all)		√ Or REAL Assurance Code		MCS or equivalent
Behaviour				
Home energy advice			√	

Appendix 12 - Technical monitoring questions

General questions

Survey company				
Name of surveyor completing form				
Name of householder				
Address of householder				
Date of installation				
Date of inspection				
Was the energy efficiency work on a new dwelling?		Yes		
		No		
		Not known		
What is the dwelling type?				
End Terrace		Detached Bungalow		
Mid Terrace		Semi Bungalow		
Semi Detached		Flat		
Detached				
How many bedrooms does the property have?		1		4
		2		5
		3		Specify other
Which fuel is used for heating?		Gas		Oil
		Electric		LPG
		Solid		Specify other

Cavity Wall Insulation

	Type	**Classification**
Is the work guaranteed by a CIGA warranty?	Customer sat. / safety	Major
If not, has another form of guarantee for 25 years been provided?	Customer sat. / safety	Major
What insulation was used? This question is for the installer to complete or can be checked by the inspector from the CIGA guarantee	Savings / Customer sat. (damp)	Minor

Is the use of this insulation material appropriate to the exposure zone of the dwelling?	Customer sat. (damp)	Minor
Does the drilling pattern used ensure that the insulation material is distributed as evenly as possible throughout the cavity?	Savings	Major
Does the drill pattern suggest that cavity brushes were used, if appropriate?	Savings	Minor
Have the injection holes been made good?	Customer sat. / savings	Major
Do the materials match the existing wall finish?	Customer sat. (appearance)	Minor
Are all the air bricks and vents (not associated with combustion appliances) clear of insulation material?	Safety	Major
Have the air bricks been sleeved to prevent material moving in the cavity and blocking the vent at a later date?	Safety	Major
Are all air vents for combustion appliances clear of insulation material and in compliance with HSE and CIGA guidance?	Safety	Major

External solid wall insulation

		Type	**Classification**
Nature of original wall	Cavity or Solid?	Savings	Major
	Thickness (mm)		
	Description		
What insulation was used? (Choose one)	Expanded polystyrene (and render)	Info	Minor
	Extruded polystyrene (and render)		
	Mineral wool slab (and render)		
	Urethane foam (and render)		
	Other - Please specify		
	Not known		
What is the thickness of the insulation?	mm	Savings	Major
Are all the air bricks and vents (not associated with combustion appliances) clear of insulation material?		Safety	Major
Are all air vents for combustion appliances clear of insulation material and in compliance with HSE and CIGA guidance?		Safety	Major

Internal wall insulation

		Type	Classification
Nature of original wall	Cavity or Solid?	Savings	Major
	Thickness (mm)		
	Description		
What insulation was used? (Choose one)	Phenolic foam (and plasterboard)	Info	Minor
	Urethane foam (and plasterboard)		
	Mineral wool quilt (timber battens and plasterboard)		
	Extruded polystyrene (and plasterboard)		
	Other Please specify		
	Not known		
What is the thickness of the insulation (mm)?		Savings	Major
Is the insulated dry lining continued at least 300mm along any party walls?		Savings	Major
If ground floor is suspended timber, is the insulated dry lining bedded on a strip of pre-compressed expanding foam nailed to the floor?		Savings	Major
If ground floor is suspended timber are air bricks clear?		Safety / Cust sat. (damp)	Major

Loft Insulation

	Type	Classification
What insulation was used?	Info.	Minor
Does the material comply with BS 13162:2008?	Savings	Major
Thickness of original insulation (mm)	Info.	Major
Total thickness of insulation (mm)	Info.	Major
Has insulation been applied beneath boarded areas?	Savings	Major

If the water storage tank is on the joists, has insulation been applied around the tank? If the water storage is elevated has insulation been applied around and beneath the tank?	Savings	Major
Has the loft hatch been fitted with effective draught seals?	Savings	Major
Has the loft hatch been insulated?	Savings	Major
Is the roof space adequately ventilated?	Safety (to prevent damp) / Customer sat.	Major
Have additional vents been fitted if required?	Safety (to prevent damp) / Customer sat.	Major
Have the pipes and tanks been insulated to an adequate standard?	Safety (to prevent burst pipes)	Major

Draught proofing

Draught-proofing external doors, thresholds (including letter box) and windows in all rooms. The sealing of loft hatches is covered in the 'Loft insulation' section)	**Type**	**Classification**
Do the draught strip materials comply with BS 7386: 1997?	Savings	Major
Have all locations been draught-proofed correctly, leaving all doors and windows fully operational?	Savings	Major
If trickle ventilators are not present, has a gap been left around one window to provide background ventilation in 'wet' areas (e.g. kitchens and bathrooms)?	Customer Sat. (damp)	Minor
Is there adequate ventilation for all open flue appliances?	Safety	Major

Glazing

	Type	**Classification**
What is the form of the glazing units? e.g. secondary, double, triple	Savings	Major
Are the glazing units kite-marked to BS 5713: 1979?	Savings	Major
What is the area of replacement windows installed		

within the property?	m^2

Flat roof insulation

	Type	**Classification**
What insulation was used?	Info.	Minor
Does material comply with BS 13163:2008?	Savings	Major
Thickness of insulation installed (mm)	Info.	Major
Have existing walls been built up to underside of new insulated decking to prevent cold bridging?	Safety/Savings	Major
Have existing cavity trays been raised and/or new ones provided at abutment of roof and wall (cavity walls only)	Safety	Major

Under-floor insulation

Suspended Timber Floor Insulation	**Type**	**Classification**
What insulation was used?	Info.	Minor
Does material comply with BS 13164:2008?	Savings	Major
Thickness of insulation installed (mm)	Info.	Major
Has insulation been supported in accordance with the manufacturer's requirements?	Info.	Minor
Have any/all previous issues relating to dampness below the floor been rectified?	Safety	Major
Is the floor void below the insulation deep enough to allow for cross ventilation (at least 150mm)?	Safety	Major
Have additional vents been fitted if required?	Safety	Major
Has all pipework (radiators/water service) been suitable insulated where it remains below the insulation?	Safety/Savings	Major
Has insulation also been installed in the gap between the last joist and an external wall?	Safety	Major
Have all service penetrations and floor edges been sealed adequately?	Savings	Major

Solid Concrete Floor Insulation	**Type**	**Classification**
What insulation was used?	Info.	Minor
Does material comply with BS 13164:2008?	Savings	Major
Thickness of insulation installed (mm)	Info.	Major

Fuel switching, Boilers and Controls

	Type	**Classification**
What was the replacement boiler?	Info.	Major
What is the fuel type of the boiler?	Info.	Major
What is the SEDBUK efficiency of the boiler?	Info.	Major
If the SEDBUK rating is unknown, the following details must be collected from the label on the boiler or the instruction manual.		
Make / Manufacturer	Info.	Major
Model		
Model qualifier		
Model Identity		
Other Please specify		
Was the installer a member of an industry body (e.g. Gas Safe, OFTEC)?	Legal requirement / Customer sat.	Major
Did the installer measure the property?	Savings / Customer sat. (appropriate installation)	Minor
Did the installer inspect or enquire about the levels of insulation in the property?	Savings	Minor
Has the pipe work between the boiler and the hot water taps been insulated where practical? [Only necessary where central heating has been installed]	Savings	Minor
If boiler is a regular one (i.e. not a combi) has primary pipe work between boiler and hot water cylinder been insulated with a minimum of 20mm insulation?	Savings	Minor
If boiler is a regular one, has any other pipe work directly connected to cylinder (e.g. vent pipe) been insulated for at least one metre? (NB The feed pipe need not be insulated)	Savings	Minor
If required what new controls were installed?		

Time switch or programmer	Legal (building regs.)	Major
Cylinder thermostat for a regular boiler	Legal (building regs.)	Minor
Thermostatic radiator valves throughout the dwelling	Info.	Minor
Room thermostat	Legal (building regs.)	Major
Load or weather compensator	Info.	Minor
Delayed start thermostat	Info.	Minor
Time and temperature controls	Info.	Minor
Boiler interlock	Legal (building regs.)	Major
Where there is a boiler interlock, are all the controls wired up so that the pump and boiler are switched off when there is no demand for heat?	Savings	Major
Was a new hot water tank installed? [Only necessary where central heating has been installed]	Info.	Minor
If 'yes' was the tank a high performance one as specified in General Information Leaflet 59?	Info. / Savings	Major

CHP or communal boilers

	Type	**Classification**
Is the equipment installed as set out in the notification / feasibility study?	Savings	Major
Has the equipment been appropriately commissioned and is it fully operational?	Savings	Major
Do the contractors reports and other information confirm the system's performance and that the forecast energy savings should be achieved?	Savings	Major
If you have answered 'no' or 'not known' to any question, please provide a full explanation.		

Appendix 13 - Utilisation and evaluation monitoring questions

HEA Utilisation monitoring questions

1. Do you remember receiving a home visit to advise you on energy saving and energy efficiency? Yes/No
2. Did you request this advice visit? Yes/No/Don't remember
3. A whole energy advice package consists of a survey of your home, a discussion and assistance from an energy advisor, and a paper report. Have you received more than one of these whole packages at your current address? Yes/No
4. Did the advisor discuss no-cost energy savings with you, such as turning off lights?
   a) Yes, no-cost energy savings were discussed
   b) Yes no-cost energy savings were discussed, and we also discussed actual installations of things, for example like draught-proofing and insulation
   c) No, we only discussed actual installations of things, for example like draught-proofing and insulation
5. {if yes to Q4} Approximately how much time was spent discussing no-cost energy savings?
6. Were you satisfied with the advice package you received?
   a) Yes, very satisfied
   b) Yes, quite satisfied
   c) No, not very satisfied
   d) No, very unsatisfied
7. {If no at Q5} Why were you unsatisfied with the advice package you received?

The list below sets out the evaluation monitoring questions for HEA. In order to evaluate activity once any changes in behaviour have been established, evaluation activity should occur between 3-5 months after completion of the measure. In the case of HEA, completion would be after the delivery of the energy report. It is important that evaluation is initiated before the householder is reminded of the HEA. Therefore, this monitoring should be conducted before utilisation monitoring.

HEA Evaluation monitoring questions

1. In the last 6 months, have you undertaken any energy saving behaviours?
2. Have you undertaken any of the following energy saving behaviours? {these should be asked on a 'tick rotate start'}
   a) Turned heating thermostat down by one degree
   b) Turned off lights when they weren't needed
   c) Turned appliances such as TVs and games consoles off standby
   d) Only boiled as much water in the kettle as needed
3. You mentioned that you had undertaken the following energy saving behaviours. How often did you do these? {Ask for those behaviours which were undertaken}
   a) All the time
   b) Some of the time
   c) Occasionally
   d) Never

4. Do you remember receiving an advice visit?
5. {If yes} To what extent was this advice visit helpful in you starting these behaviours {Ask for those behaviours which were undertaken}
   a) Very helpful: I would not have changed my behaviour if it were not for the advice visit
   b) Quite helpful: I might have changed my behaviour, but the advice visit helped
   c) Not at all helpful: I would have changed my behaviour anyway
6. What would have made the advice visit more helpful to you? {verbatim answer}

Appendix 14 - The Authority's Powers and Duties

1.1. Ofgem is the Office of Gas and Electricity Markets which supports the Gas and Electricity Markets Authority ("the Authority"), the regulator of the gas and electricity industries in Great Britain. This Appendix summarises the primary powers and duties of the Authority. It is not comprehensive and is not a substitute to reference to the relevant legal instruments (including, but not limited to, those referred to below).

1.2. The Authority's powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002 and the Energy Act 2004, as well as arising from directly effective European Community legislation. References to the Gas Act and the Electricity Act in this Appendix are to Part 1 of each of those Acts.[21]

1.3. Duties and functions relating to gas are set out in the Gas Act and those relating to electricity are set out in the Electricity Act. This Appendix must be read accordingly.[22]

1.4. The Authority's principal objective when carrying out certain of its functions under each of the Gas Act and the Electricity Act is to protect the interests of existing and future consumers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas conveyed through pipes, and the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors.

1.5. The Authority must when carrying out those functions have regard to:

- the need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met
- the need to secure that all reasonable demands for electricity are met
- the need to secure that licence holders are able to finance the activities which are the subject of obligations on them[23]
- the need to contribute to the achievement of sustainable development, and
- the interests of individuals who are disabled or chronically sick, of pensionable age, with low incomes, or residing in rural areas.[24]

1.6. Subject to the above, the Authority is required to carry out the functions referred to in the manner which it considers is best calculated to:

[21] entitled "Gas Supply" and "Electricity Supply" respectively.
[22] However, in exercising a function under the Electricity Act the Authority may have regard to the interests of consumers in relation to gas conveyed through pipes and vice versa in the case of it exercising a function under the Gas Act.
[23] under the Gas Act and the Utilities Act, in the case of Gas Act functions, or the Electricity Act, the Utilities Act and certain parts of the Energy Act in the case of Electricity Act functions.
[24] The Authority may have regard to other descriptions of consumers.

- promote efficiency and economy on the part of those licensed[25] under the relevant Act and the efficient use of gas conveyed through pipes and electricity conveyed by distribution systems or transmission systems
- protect the public from dangers arising from the conveyance of gas through pipes or the use of gas conveyed through pipes and from the generation, transmission, distribution or supply of electricity, and
- secure a diverse and viable long-term energy supply.

1.7. In carrying out the functions referred to, the Authority must also have regard, to:

- the effect on the environment of activities connected with the conveyance of gas through pipes or with the generation, transmission, distribution or supply of electricity
- the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed and any other principles that appear to it to represent the best regulatory practice, and
- certain statutory guidance on social and environmental matters issued by the Secretary of State.

1.8. The Authority has powers under the Competition Act to investigate suspected anti-competitive activity and take action for breaches of the prohibitions in the legislation in respect of the gas and electricity sectors in Great Britain and is a designated National Competition Authority under the EC Modernisation Regulation[26] and therefore part of the European Competition Network. The Authority also has concurrent powers with the Office of Fair Trading in respect of market investigation references to the Competition Commission.

[25] or persons authorised by exemptions to carry on any activity.
[26] Council Regulation (EC) 1/2003

Appendix 15 - Glossary

B	
BREDEM	Building Research Establishment's Domestic Energy Model
C	
CERT	Carbon Emissions Reduction Target 2008-2011
CESP	Community Energy Saving Programme 2009-2012
CHP	Combined Heat and Power
CHPQA	CHP Quality Assurance
CIGA	Cavity Insulation Guarantee Agency
CoP	Coefficient of Performance
D	
DECC	Department of Energy and Climate Change
E	
EST	Energy Saving Trust
G	
Generators	Defined in the Order in article 4 of the Order
H	
HEA	Home Energy Advice
HMO	Housing of Multiple Occupation
HSE	Health and Safety Executive
I	
IMD	Index of Multiple Deprivation
L	
LPG	Liquefied Petroleum Gas
LSOA	Lower Super Output Area
M	
mCHP	Micro CHP
MCS	Microgeneration Certification Scheme
$MtCO_2$	Million tonnes of carbon dioxide

N

New generator	Defined in the Order in article 4(5) of the Order
New supplier	Defined in the Order in article 4(5) of the Order

O

OFTEC	Oil Firing Technical Association
Order	The Electricity and Gas (Community Energy Saving Programme) Order 2009

R

REAL	Renewable Energy Assurance Limited

S

SEDBUK	Seasonal Efficiency of Domestic Boilers in the UK
Scheme	a description of action proposed or undertaken
SHP	Social Housing Provider
Supplier	Defined in the Order in article 5 of the Order

T

TWh/yr	terawatt hour per year

Appendix 16 - Feedback Questionnaire

1.1. Ofgem considers that consultation is at the heart of good policy development. We are keen to consider any comments or complaints about the manner in which this consultation has been conducted. In any case we would be keen to get your answers to the following questions:

- Does the report adequately reflect your views? If not, why not?
- Does the report offer a clear explanation as to why not all the views offered had been taken forward?
- Did the report offer a clear explanation and justification for the decision? If not, how could this information have been better presented?
- Do you have any comments about the overall tone and content of the report?
- Was the report easy to read and understand, could it have been better written?
- Please add any further comments?

1.2. Please send your comments to:

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Ofgem
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