


## Template for response to “Administration of the Boiler Upgrade Scheme” consultation

<p>This template relates to “Administration of the Boiler Upgrade Scheme” consultation and contains all the questions posed within the document. Through this template we’re aiming to collect your feedback on our proposals on how we will administer the Boiler Upgrade Scheme. We welcome your views and encourage you to respond to the questions on the questions that are of most interest. Please provide your contact details in the fields below. To respond, please provide your views in the space below the relevant question.</p>	
Organisation Name:	Association for Renewable Energy and Clean Technology (REA)
Organisational Type:	Trade Association
Completed by:	Pablo John
Contact details:	
Confidential response:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Partially <input type="checkbox"/> Anonymous

## Questions on the proposed administration of the Boiler Upgrade Scheme

<p>1. Do you agree or disagree with the proposed approach to evidencing existing heating systems? If you disagree, please say why.</p>
<p>Yes, we agree with this proposed approach as it can easily be confirmed by installers and minimises inconvenience to the consumer, which could discourage consumers from signing up to the Boiler Upgrade Scheme.</p>
<p>2. Do you agree or disagree with installers being the party to provide evidence to Ofgem regarding custom-build properties? If you disagree, please say why.</p>
<p>Yes, we agree installers should be the party to provide evidence to Ofgem. Installers possess the technical knowledge needed to successfully assess and report custom-built properties to Ofgem.</p>
<p>3. Is there any other evidence we should request to prove that properties are custom-build?</p>
<p>No</p>
<p>4. Do you agree or disagree with the proposed approach to evidencing that a property is not social housing? If you disagree, please say why.</p>

<p>Yes, the definition given under section 68 of the Housing and Regeneration Act 2008 gives clear precedence and legislative clarity for the definition of social housing. Using existing legislation will prevent confusion among local authorities. It will also prevent arbitrary or contested definitions of social housing.</p>
<p>5. Do you agree or disagree with the proposal to use an API to access the information we need from a property's EPC? If you disagree, please provide alternative suggestions, including any evidence, to support your response.</p>
<p>Yes, using an API and taking an EPC reference number from installers will create the most seamless way of gathering evidence, preventing the burden from falling on consumers or installers.</p>
<p>6. Do you agree or disagree with the approach to administering insulation exemptions? If you disagree, please say why.</p>
<p>Yes, we agree with the approach to administering insulation exemptions. However, when a letter is required, we would like to see further clarity on the contents of the letter, the information provided, and the source the letter would need to originate from to be considered acceptable.</p>
<p>7. Is there any other evidence that Ofgem should consider when determining the eligibility of a low carbon heating system?</p>
<p>While we agree with the use of the PEL to determine eligible products for the scheme, guidance should also be stated on the process of getting a product approved and added to the PEL. This will be important should a new suitable system be introduced to the market, but not currently listed.</p>
<p>8. Do you agree or disagree with our proposed approach to evidencing whether a property is connected to the gas grid? If you disagree, please provide alternative suggestions, including any evidence, to support your response.</p>
<p>Yes, requiring installers to declare whether a property is on the gas grid seems the most reasonable approach as it takes the need to understand grid connections away from the consumer and minimises the amount of paperwork on the consumer end</p> <p>However, a tool for checking a postcode against a database of on gas grid properties should be made available to applicants so they can be confident in their declaration. It may not always be possible for an installer to know about a capped or clamped gas supply, especially if done several years previous to the current heating systems that is being replaced</p>
<p>9. Do you agree or disagree with our proposed approach to evidencing whether properties are in a rural area? If you disagree, please provide alternative suggestions, including any evidence, to support your response.</p>
<p>Yes, we agree with the use of the ONS tool as appropriate for determining if a property can be considered rural.</p> <p>However, Ofgem must make available a suitable portal for installers to check their clients' properties against the ONS tool and data. It is very likely that there will be cases in which, to the installer's best knowledge, the building in question is in a rural area. Given the definition is vague in terms of rough population of 40,000, but with no stated geographical boundary for that population threshold to be reached, it is to be expected that there could be discrepancies between what an installer assumes is a rural property and what is stated on the ONS data.</p>

Making a tool available in advance will allow installers to easily check and provide further confidence in the declaration they are making to assure Ofgem that the property is in a rural area. We are keen to avoid any instances in which Ofgem later suggest an applicant was inaccurate in their declaration, through no fault of their own, just because their assumption did not match those on the ONS database.
10. Do you agree or disagree with our classification of parts that can and cannot be used before the heating system is first commissioned? If you disagree, please say why.
No further comment
11. Do you agree that the 'authorised signatory' for business accounts should be an individual with legal authority to represent the organisation eg a Director, Chief Operating Officer, Chief Executive Officer or Company Secretary? If you disagree, please provide alternative suggestions, including any evidence, to support your response.
<p>Yes, the use of an authorised signatory will simplify the process as it will give Ofgem a clear senior contact at each business to discuss Boiler Upgrade Scheme installations and any issues that might come up during the lifetime of the scheme.</p> <p>We also support the intention that the authorised signatory will be able to then add users to their account and set suitable permissions, inline with their own voucher management processes.</p>
12. Do you agree or disagree with the proposed sets of user permissions? If you disagree, please provide alternative suggestions, including any evidence, to support your response.
Agree
13. Should we collect other information contained on the quote for the purposes of assurance that the property owner has been consulted and reducing speculative applications?
No, the information collection set out in this consultation seems enough. We also appreciate the proposed flexibility in information collection - allowing provisional quotes at the application stage. This will give renewable heating installers much needed flexibility in making applications and changes to any quotes made.
14. Do you agree or disagree with the proposed approach to obtaining evidence of property owner consent? If you disagree, please say why.
<p>Yes we would agree, we especially support the ability for property owners to confirm online. This gives flexibility to consumers allowing them to confirm their consent in a manner that works best for them.</p> <p>We do, however, encourage Ofgem to consider what further data may be usefully collected from applicants, beyond what is needed in the quote requirements, to allow themselves and BEIS to be able to monitor the success of the scheme. This may include information of the size of the system being installed and details about the property it is being installed</p>

into. While not necessarily relevant to the provided quote, this information will help government understand the nature and success of the systems being installed.
15. Do you agree or disagree with the 7-day period for property owners to provide consent? If you disagree, please say why.
No, our members have raised concerns that seven days might be difficult especially for consumers with a lack of computer literacy. We would like to see a longer period, possibly fourteen days. This would accord with the statutory 14-days minimum cooling off period for goods and services set out by the Consumer Contracts Regulations. We would support chasing phone calls and emails to ensure property owners are made aware of the need to directly grant consent. If consent fails to be provided in fourteen days there should be a mechanism for late consent to be granted in exceptional circumstances.
16. Is there any additional information that you think should be included in the boiler upgrade voucher notification?
No further comment
17. Do you agree or disagree with our proposed approach to issuing vouchers? If you disagree, please say why.
Yes, however our biomass members have raised concerns that three months might be a challenging window for installations, especially if planning permission is involved. Thus we would prefer to see this extended to six months, or for there to be an appropriate system in place to see a vouchers validity extended for demonstrable reasons, rather than having to go through the process of submitting a new application. This is especially important if annual or quarterly scheme budgets are tight, which may result in a previously allocated and installed project losing its voucher and the new application for the installation falling beyond the scheme budget, resulting in cash flow constraints for both installer and customer.
18. Do you agree or disagree with the proposed approach to administering applications for voucher redemption? If you disagree, please say why.
Yes, however there should be chaser mechanisms in place such as phone calls or emails to remind installers of their obligations and deadlines.
19. Do you agree or disagree with weekly payment cycles? If you disagree, please set out why?
Agree
20. Do you agree or disagree that installers should be required to inform property owners about the possibility of audits at the application stage and to confirm this to Ofgem? If you disagree, please say why.
Agree, installers must be required to inform property owners and confirm this to Ofgem.

21. Do you agree or disagree with our proposed administration of withholding payments? If you disagree, please say why.
We would support giving further notice to installers by giving installers notice within 7 days of an Ofgem decision, rather than the longer window of 14 days. This will allow installers to fix whatever error has led to the withholding of payments and avoid multiple weeks of lost payment.
22. Do you agree or disagree with our proposed administration of offsetting payments and requiring repayments? If you disagree, please say why.
No further comment
23. Do you agree or disagree with our proposed administration of the right of review? If you disagree, please say why.
No further comment
24. How frequently would you like Ofgem to publish reports on vouchers issued and available budget? Please provide a frequency and your reasoning behind it.
We would like reports on vouchers issued to be published monthly. This will bring the Boiler Upgrade Scheme in line with other schemes such as the RHI. Information on available budget should be published through an interactive web chart and updated either weekly or bi-weekly so that industry has a good view of whether quarterly and annual caps are about to be hit. Alternatively, if only able to be updated monthly, Ofgem should have a system for issuing a budget notice to industry if allocated spending starts to get near to budget caps.
25. What additional information could be included in the reports? Do you have any suggestions for additional information that could be included in reports, or on the format of the reports?
<p>The consultation is unclear about what information is included in the statement of "information provided to Ofgem". However, we would expect reports to include:</p> <ul style="list-style-type: none"> <li>• Number of applications in each month, broken down by technology</li> <li>• Regional breakdown of applications and capacity</li> <li>• Size of installations</li> <li>• Total Capacity of installations</li> <li>• Average cost of installations by technology and size</li> <li>• Number of vouchers redeemed</li> <li>• Number of vouchers revoked and reasons why, e.g. not redeemed in time or due to audit concerns.</li> <li>• Amount of budget allocated</li> <li>• Amount of allocated budget recycled into scheme due to revoked vouchers</li> <li>• The heat technology the supported installation is replacing, giving an indication of displacement of fossil systems.</li> <li>• Number of audits taken place and number of non-compliant systems found</li> </ul>