

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:	Kensa Heat Pumps Ltd
Organisational Type:	MCS Registered Installer & Manufacturer of Ground Source Heat Pumps
Completed by:	Ally Tout – MCS Compliance Team Leader
Contact details:	<div style="background-color: black; width: 100%; height: 1.2em;"></div>
Confidential response:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Partially <input type="checkbox"/> Anonymous <input type="checkbox"/>

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>Agree – The conditions for the system capacity and heat pump minimum SCOP are not clearly defined. BEIS have indicated to us that your proposal to use the MCS certificate as the benchmark for these things is acceptable. It would be helpful for us for this to be formally agreed between you, as the draft regulations put the power for the definition on this with the secretary for state. This will however lead to an inconsistency as the system capacity and SCOP figures on the MCS certificate are defined at different operating conditions. As heat pump output and efficiency vary significantly with operating conditions this could have a significant impact.</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>Disagree - The evidence suggested is often not available until after the heating system is purchased, installed, and commissioned. This has been possible for RHI applications that occur after commissioning but will not be for voucher applications in advance. Registrations and VAT refund requests are carried out once the build is completed, so are</p>

unlikely to be available during either application or redemption stage. Suggestions on alternative evidence is listed below.
3. Is there any other evidence we should request to prove that properties are custom-build?
We suggest that evidence of Planning Permission, SAP or an Architects Invoice would be appropriate and available at the time of voucher application (when the building may not yet be built). Other than this a declaration from the architect or end user could be appropriate.
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.
Agree
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.
Agree
6. Do you agree or disagree with the approach to administering insulation exemptions? If you disagree, please say why.
Agree
7. Is there any other evidence that Ofgem should consider when determining the eligibility of a low carbon heating system?
No
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.
Agree – We are surprised that data isn't available to Ofgem, the gas market regulator, to more robustly identify properties with a gas connection. Similarly, the data retrieved from the EPC would be a good third-party source of this information.
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.

Agree
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.
Agree that the proposal matches the regulations – The potential to use the BUS to connect to existing shared ground loop arrays (additional connections to an existing district heating system) would have been a great example of joined up Government policy. This opportunity appears to have been lost here.
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.
Agree
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?
<p>There are a number of different business models in play in the market. There are many scenarios where some of the works are contracted directly with the end user with design oversight from the MCS installer. In the ground source market for example it is common that some or all of the ground works are performed by subcontractor to the end user with design and installation oversight from the registered MCS installer. In these cases the MCS installer will not have a quote that covers the entirety of the costs. It is important not to exclude these business models (which are compliant with MCS) from this scheme and so the quotation available for the voucher application process must only require the total cost of the elements of the work performed by the MCS installer.</p> <p>Potentially a disclaimer for the property owner to agree during consent that they are fully committed to the installation of the renewable system with the installer applying on their behalf. This may reduce the risk of multiple voucher applications being made for the same property which is guided by the property owner.</p>

14. Do you agree or disagree with the proposed approach to obtaining evidence of property owner consent? If you disagree, please say why.
Agree
15. Do you agree or disagree with the 7-day period for property owners to provide consent? If you disagree, please say why.
Agree
16. Is there any additional information that you think should be included in the boiler upgrade voucher notification?
No
17. Do you agree or disagree with our proposed approach to issuing vouchers? If you disagree, please say why.
Agree
18. Do you agree or disagree with the proposed approach to administering applications for voucher redemption? If you disagree, please say why.
<p>What is the service level agreement to reviewing applications? If the vouchers expires whilst it's waiting to be reviewed for redemption, will the installer have to re-apply for the voucher?</p> <p>There is a concern with the validity period for custom build and renovations. Property owners struggle to engage an EPC assessor to carry out an EPC until the builds are fully signed off by building control. Due to supply chain issues, this can be many months after the heating system is commissioned. This has always been a negative hurdle with RHI, but we have been able to overcome this by delaying commissioning, but this will not be possible for BUS. SAP reports demonstrate the heating system and the fabric of the build, although API may not be possible to use, could this be a consideration along with a statement of truth at redemption instead of a registered EPC? This may reduce the knock-on effect of additional administration for OFGEM needing to process voucher re-applications due to delays with obtaining an EPC.</p>
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 – This should also be featured in OFGEM’s correspondence to the property owner when obtaining consent.
21. Do you agree or disagree with our proposed administration of withholding payments? If you disagree, please say why.
Agree – It is important that the default position is to withhold the payment for that isolated project, to retain installer confidence. There is a concern that multiple projects will be held, which would be financially detrimental to installers if no faults are found. This scheme does create huge financial risks for installers, but it is understood that consumers and the funding also require an element of protection.
22. Do you agree or disagree with our proposed administration of offsetting payments and requiring repayments? If you disagree, please say why.
Agree
23. Do you agree or disagree with our proposed administration of the right of review? If you disagree, please say why.
Agree
24. How frequently would you like Ofgem to publish reports on vouchers issued and available budget? Please provide a frequency and you’re reasoning behind it.
Monthly
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?
<ul style="list-style-type: none"> • Number of vouchers applied for. • Number of vouchers approved. • Current lead times for application review. • Budget allocated to approved vouchers. • Number of vouchers Redeemed. • Current lead time for redemption approval. • Budget used on redemption so far. • Overall remaining budget (confirmation if this is for the year or the whole scheme)

Additional Questions:

1. Are there restrictions on age of quotes for Voucher applications?
2. Total install requires third party involvement where the end user has a direct contract, so the installer is not necessarily involved e.g Ground workers, borehole drillers, electricians. Is there a minimum that is required to be shown on an MCS Installers quotation, so long as it's clear that it doesn't not include third party costs?
3. Will the voucher validity period start from initial application date or approval date?
4. If a project is delayed due to materials etc and no fault of the installer or property owner and the voucher expires but the BUS scheme is closed to new applicants, is it fair for the Installer/property owner to lose out on their already allocated funding as there is no extension facility in place? The acceptance of the BUS Voucher may have been the deciding factor in the property owner installing a renewable technology!
5. If the scheme temporarily closes due to over subscription, will there be a facility to register interest and be held in a queue once/if the applications should open again?