

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:	Renewable Energy Assurance Ltd, administrator of RECC
Organisational Type:	Administrator of Consumer Codes and Certification Schemes including Renewable Energy Consumer Code (RECC)
Completed by:	Virginia Graham
Contact details:	<div style="background-color: black; width: 150px; height: 1.2em;"></div>
Confidential response:	Yes <input type="checkbox"/> No <input 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>It isn't clear whether Ofgem will use the EPC or the installer's declarations as evidence of the previous heating system.</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 that Ofgem should check the relevant construction documents as evidence of an individual new build project.</p>
<p>3. Is there any other evidence we should request to prove that properties are custom-build?</p> <p>The audit trail for new build properties can be complicated, with multiple contractors involved. It is essential that Ofgem understands who these contractors are as evidence of the new build status of the property.</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>

We agree that installers should be asked to make the necessary declarations. What about shared ownership, however? Commonly properties are partly owned by a social housing provider and partly by an individual.
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.
We agree that using an API is a practical way to access EPC data. However, it is important that private data is protected in line with the regulations.
6. Do you agree or disagree with the approach to administering insulation exemptions? If you disagree, please say why.
We agree that Ofgem should check the bona fides of anyone whose opinion is relied on in seeking an exemption. Such letters can easily be forged. Properties situated in the west that are subject to the prevailing weather are also unsuitable for cavity wall insulation. We consider that solid wall insulation should also be a pre-requisite for a BUS grant.
7. Is there any other evidence that Ofgem should consider when determining the eligibility of a low carbon heating system?
We are concerned that installers are not the best parties to declare the adequacy of the system to provide the total heating and hot water needs of the property. Obviously they will say that it does. Ofgem must carry out random inspections to ensure that the <i>in situ</i> performance is consistent with the declarations made on redemption of the voucher.
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.
We agree that Ofgem should require the installer to declare whether the property is on the gas grid or not when applying for a grant. However, Ofgem has access to this information through the GDNs and should carry out random checks to ensure that it is accurate.
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.
We agree that Ofgem should use the ONS data to evidence whether a property is situated in a rural area.
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.
We agree with this classification and consider it to be useful. We are not sure that the commissioning certificate will be sufficient to ensure that the classification has been complied with.
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>We consider it essential that the 'authorised signatory' of an installer setting up a business account for work under the BUS be someone with a legal position in the company. We agree that the signatory should be a registered director, the COO, the CEO or the Company Secretary. We agree that Ofgem should check the identity of the 'authorised signatory' on Companies House, and that this person should retain liability for the actions of the business throughout the process. We agree that Ofgem should check photo ID, particularly if the business owner is a sole trader. Sometimes installers are partnerships (LLPs). These are not publicly listed and so are harder to check routinely. At the very least a signatory of a business in this category should be a listed partner.</p>
<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.</p>
<p>So long as the 'authorised signatory' takes ultimate responsibility for all the activity on the account then we agree that it is acceptable for that person to request permissions for additional users. The 'authorised signatory' must authorise each additional permission request.</p>
<p>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>
<p>We consider that Ofgem should require the installer to upload the HPSPE it provided to the homeowner as part of the voucher request process. It is essential that Ofgem can be certain that the homeowner understood the likely performance and output of the heating system before agreeing to the contract. (Bear in mind that the HPSPE is only an estimation, and that a very different result can often be obtained following the room-by-room survey: this would not be an onerous requirement since the HPSPE would already exist.)</p>
<p>14. Do you agree or disagree with the proposed approach to obtaining evidence of property owner consent? If you disagree, please say why.</p>
<p>We agree with Ofgem's proposals to require homeowners to confirm their consent that they have instructed the installer to install a heating system on their behalf. We also agree that homeowners should be informed that their property and their system could be audited as part of a random inspection programme.</p>
<p>15. Do you agree or disagree with the 7-day period for property owners to provide consent? If you disagree, please say why.</p>
<p>It will be important to check that the email has been well received and has not been filtered into the homeowners' junk folder. This is particularly important if the homeowner only has 7 days in which to complete the confirmation process.</p>
<p>16. Is there any additional information that you think should be included in the boiler upgrade voucher notification?</p>
<p>We remain concerned that there will be difficulties with the EPC requirements. We know from long experience with the DRHI that homeowners do not understand the EPC requirements clearly and are easily confused by them. We urge Ofgem to make the regulations very clear for homeowners. We consider that they should be asked to give their separate agreement that they have understood the EPC requirements if they fall into the category of homeowners with outstanding insulation measures to be carried out.</p>
<p>17. Do you agree or disagree with our proposed approach to issuing vouchers? If you disagree, please say why.</p>

<p>Yes, we agree with Ofgem's proposed method for issuing vouchers. It is essential that homeowners and installers are aware of the conditions and limitations that apply to the vouchers, and homeowners should be asked to confirm that they understand them at the point of issue.</p> <p>We are aware that installers are experiencing serious supply-chain issues currently. It may be that the proposed 3-month voucher validity period is not practical in some cases (6 months for GSHPs).</p>
<p>18. Do you agree or disagree with the proposed approach to administering applications for voucher redemption? If you disagree, please say why.</p>
<p>We would like to understand any rationing or queueing system that Ofgem might adopt should the available grant funds be exhausted. We are currently dealing with quite a lot of complaints that have resulted from the Green Homes Grants scheme: installers signed up to too much work and then were unable to complete it in time to redeem the voucher.</p>
<p>19. Do you agree or disagree with weekly payment cycles? If you disagree, please set out why?</p>
<p>Yes, we agree with Ofgem's proposed weekly payment cycles. We think it is important that, where Ofgem decides that a voucher cannot be redeemed, that the relevant amount be ear-marked in case any appeal that the installer might bring is upheld.</p>
<p>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.</p>
<p>We consider that Ofgem should inform homeowners directly that their installation may be subject to a random inspection. We consider that it would be much better for Ofgem to provide this information directly rather than through the installer.</p>
<p>21. Do you agree or disagree with our proposed administration of withholding payments? If you disagree, please say why.</p>
<p>We consider it to be essential that there is complete transparency around the conditions on which payments could be withheld. We would welcome the chance to work with Ofgem on our audit and monitoring programme. Where our activities lead to payments being withheld, we would need to ensure that we have legal protection and that installers are fully informed.</p>
<p>22. Do you agree or disagree with our proposed administration of offsetting payments and requiring repayments? If you disagree, please say why.</p>
<p>We suggest that Ofgem issues strong conditions to installers who are required to repay grants or who are the subject of grants being offset against future grants. These conditions would prevent installers from reclaiming the grants from the homeowners. We have long experience of where homeowners have been required to repay DRHI payments they have received when the non-compliance has entirely been on the part of the installer. We therefore consider that homeowners must not be subjected to grants being reclaimed (or additional payments demanded). Any contractual terms that allow for this possibility should be considered unfair and banned. This is very important indeed.</p>
<p>23. Do you agree or disagree with our proposed administration of the right of review? If you disagree, please say why.</p>

We consider that Ofgem should set up an independent panel to consider any revocation reviews. We consider that this would provide comfort to installers and homeowners that their review is being independently reviewed and lead them to have confidence in the decision.

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 consider that quarterly reporting is sufficient for most stakeholders. However, we consider that Ofgem should provide a real-time indicator showing how much grant funding remains in any given period. The weekly voucher redemption process would provide the data on which the real-time indicator would be based.

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?

We consider that the reports should include the maximum amount of information about the installations that have been funded: capacity, geographical location, technology type, fuel source replaced, cost, gas grid status, rural, suburban or urban setting &c.