Eaga Partnership Ltd

Response to *Energy Efficiency Commitment 2005-2008: Innovative Action*

May 2005

Eaga Partnership Ltd – Background

Eaga Partnership welcomes the opportunity to respond to Ofgem's consultation on the *Energy Efficiency Commitment 2005-2008: Innovative Action*. In order to put our comments into context, it may be helpful to briefly outline Eaga Partnership's role in the provision of energy efficiency across the United Kingdom and Ireland.

Eaga is an employee-owned Social Enterprise working for Central Government, Welsh Assembly Government, Communities Scotland and Department for Social Development in Northern Ireland, Utilities and Local Authorities in managing the delivery of energy efficiency programmes throughout the UK for the past fifteen years. To date, over 5 million vulnerable households have received assistance from Eaga-managed energy efficiency schemes through the installation of heating and insulation measures, and received energy efficiency assessments.

Eaga also funds the work of the independent Eaga Partnership Charitable Trust (EPCT) which finances research into energy efficiency and fuel poverty, with a particular view to how these areas impact on standards of housing and health.

Moreover, Eaga has developed and is delivering a Benefits Entitlement Check service on behalf of Defra, the Scottish Executive and the Welsh Assembly Government. We also provide this service to energy utilities with customers who are disadvantaged or vulnerable; recent results have shown that approximately two households out of every five that receive a Benefit Entitlement Check find that a benefit has been missed, often leading to a real increase in household income that averages £27 per week.

Eaga is also committed to the renewable energy solutions of the future; this is best evidenced in the foundation of Zen Eaga Solar in October 2003; a joint venture between Eaga Partnership and the Dutch solar company Zen International, an organisation with over 25 years experience in delivering high quality solar solutions across Europe.

Eaga's remarks on specific points from document:

Introduction, para 1.4, p.1	Eaga would broadly support this point. Incentives should be offered to encourage innovation in products and services to maximise the opportunity for energy saving. This is particularly important for new products and services that need to break into the market and which will benefit from additional support available from EEC uplift.
Innovative action, paras 5.28-5.32, p.13	The use of internal and external wall insulation is a valuable measure in dealing with solid wall properties, which are generally 'hard to heat' homes. In order to achieve the broad objectives of EEC and of the national climate change programmes, it is essential that the more challenging properties are not overlooked in favour of those properties that are can be treated more conventionally. Further to this, Eaga would point out that in many instances, people living in 'hard to heat' homes are amongst the most vulnerable, further highlighting the importance of not overlooking their needs. **Eaga would therefore recommend that the proposed targets for the innovation uplift be eased to increase the attraction to tackle these more difficult properties.**
Innovative action, para 5.44, p.16	Further to the point made in this paragraph, Eaga would point out that extending the lifetime of CFLs does improve the energy savings of these measures and also has a positive effect on reducing waste electrical equipment. **Eaga would therefore propose that Ofgem allow the uplift to apply where innovation creates a CFL with an extended life time, for example 20% greater than current maximum life.**
Innovative action, paras 5.50-5.51, p.17-18	Eaga notes the point ref: *'solar water heating, for instance, reduces energy demand for the provision of hot water only'.* Whilst this is true, it does not acknowledge the fact that, as one of the most efficient forms of renewable energy available, the weight of saving that is delivered by a solar thermal system makes it, in relative terms, an extremely favourable option. A solar thermal system can meet up to 30% of the total heating needs of an individual household, and systems are up to 50% efficient, which compares to 10% efficiency for solar photovoltaic systems. **Therefore, whilst solar thermal systems solely handle hot water, they produce a much greater relative saving, and this point must be acknowledged.**

Innovative action, para 5.52, p.18	Eaga notes the reference here to a lack of clarity over whether an alternative heating system will be proposed under EEC 2005-2008. Given this, we would question when clarity is likely to be achieved, given that the deadline for utility companies to make their EEC submissions was 30th April 2005.
Innovative action, para 5.64, p.21	The promotion of A rated refrigeration appliances has, over a number of years, helped to transform this market. The introduction of A+ products is a recent development, which so far has had limited impact on the volume market. Focusing the uplift on A++ will have a very limited impact on the volume market, as there are currently very few products in the market place for suppliers to use, those products that exist are in niche sectors e.g. chest freezers. In order to maintain momentum to bring further improvements in this market more needs to be done to encourage volume sales. **Eaga would therefore urge that the uplift be applied to A+ (at least for the early stages of EEC2) in order to create action with a wider appeal to ensure that the net benefit is greater i.e. small gains multiplied by high volumes.**