Carbon Emissions Reduction Target 2008-2011 - Supplier Guidance

E.ON UK Consultation Response

Author: Andrew Blower	Printed: 30/08/2007
Document	Version: 1.2
File Location:	

Contents

1. Introduction

1.1. No specific questions.

1.2. Additional Comments

1.2.1. We welcome the opportunity to respond to Ofgem's supplier guidance for the Carbon Emissions Reduction Target.

2. Setting Carbon Obligations

2.1. No specific questions.

2.2. Additional Comments

2.2.1. We support the proposals for setting suppliers CER targets based on customer number proportions.

2.2.2. We also support the proposal that the target is based on quarterly customer numbers.

2.2.3. With reference to the proposed timescales for notification of customer numbers we would like to draw attention to the fact that if Ofgem used the 31st of January each year rather than the 14th of January each year suppliers would be able to provide an accurate year end figure without the need for suppliers to estimate the gains and losses in the last 2 weeks in December.

3. Qualifying Action

3.1. Specific Questions

3.1.1. **Question 1 – We propose to simplify the initial scheme notification procedure to involve the submission of the scheme notification pro forma only. This will be modified to capture the information about energy savings and cost contributions currently provided on the EEC scheme spreadsheet.**

Response – We welcome the removal of the requirement to submit a detailed energy saving spreadsheet along with the submission pro forma. We would suggest that the cost contribution information be kept at a high level, for example suppliers provide a 'typical' cost contribution for a measure rather than detailing costs for each house type. We would also argue that fulfilment costs associated with measures such as CFLs be included within a suppliers cost.

3.1.2. **Question 2 – To reflect changes in the cold appliance market, consultees are asked to consider whether we should approve just the A+ and A++ appliances, or whether we should accredit A-rated appliances based on a change in the market share resulting from a suppliers scheme.**

Response – Our preferred option would be to accredit only A+ and A++ appliances under CERT. We feel that this option would be simpler for suppliers and would reduce the administrative burden, we would also retain the option to run trade-in schemes.

3.1.3. **Question 3 – To reflect the changes in the boiler market we propose that it is no longer appropriate to accredit sales for replacing B-rated with A-rated boilers.**

Response - We appreciate that the market for boilers has been transformed and that the opportunities for suppliers are limited at best.

3.1.4. **Question 4 – In the absence of recent monitoring data, what would be an appropriate methodology for revising the Fridgesavers savings: a percentage reduction, an increase in the number of points to qualify, or an alternative? Suggestions are invited.**

Response - We would suggest that in the absence of more accurate information on this delivery route suppliers should continue to claim savings for Fridgesavers type schemes as in EEC2. However our preferred option of the two listed above would be a percentage reduction in the savings claimed per appliance.

3.1.5. Question 5 – Are the proposals for accrediting CFLs in the light of the phase out of GLS lamps appropriate?

Response – We welcome the proposals to phase out tungsten bulbs and will be happy to work with retailers to achieve the same. The CERT administration rules should support suppliers and retailers to achieve this. To this end suppliers should not be penalised for working with retailers to transform the market for CFLs during CERT. For example where a supplier chooses to work with a retailer to transform the market for CFLs they will subsidise the cost of the CFL to the customer. The retailer will then remove the tungsten equivalent from sale resulting in that retailers customers achieving lower carbon emissions. This is clearly the optimum outcome and hence under this situation suppliers should not be penalised from the fact that there is no perceived additionality. This is clearly a better outcome than when a supplier works with a retailer but the phasing out of tungsten bulbs does not occur. Hence in summary suppliers should continue to be able to claim CFLs for the entire CERT period even after the tungsten equivalent has been removed from sale. This will provide an non-distortionary incentive for suppliers to work with retailers to transform the market for lighting.

3.1.6. Question 6 – Is the use of a declaration an appropriate way to ensure that savings from microgeneration are additional to those from other policies, e.g. the Merton rule?

Response – The adoption of the Merton rule by many planning authorities varies widely with some authorities opting for a higher percentage requirement for on-site renewables than others. We would suggest that in order for suppliers to be given the freedom to support microgeneration technologies under CERT they should not have to prove additionality with regards to the Merton rule. This would allow suppliers access to a ready market for microgeneration installations in the UK.

3.1.7. **Question 7 – Is use of installers and products accredited under the BRE microgeneration certification scheme (UKMCS) the most appropriate way to ensure high quality microgeneration products are used and installations are carried out under CERT?**

Response – We support the introduction of the UKMC scheme within CERT but we do have some concerns about its future application and viability. Firstly we are concerned by the small number of particularly installers that are part of the programme which could potentially limit the volume of installations under CERT. Secondly we are aware that the MC scheme only currently operates in England and Wales which could present some challenges for supplier's trying to operate a nationwide microgeneration scheme with potentially variable specifications. We are also concerned by the suggested timescales and delays which have affected the scheme to date. We suggest that DEFRA and DBERR reconsider the timeline of the scheme in light of introduction into CERT and work with industry and BRE to ensure that the scheme is operational in April 2008. Introducing competition amongst certifiers (beyond BRE) would remove a considerable amount of industry resistance to the scheme. If these issues and delays continue to hold back the implementation of the scheme it may impact CERT delivery. We would suggest that if these delays continue Ofgem should suspend the introduction of the scheme into CERT until April 2009 to allow for the scheme to 'bed' in. In the interim we would suggest that supplier's microgeneration schemes are assessed on a case by case basis or alternatively Ofgem work with the relevant trade bodies to determine the most appropriate process for each technology.

3.1.8. **Questions 8 - Comments are invited on the aspects of the EEC2 procedures relating to qualifying action and measures that we intend to keep the same. These are listed in appendix 3.**

3.1.9. The guidelines for suppliers and project partners distributing CFLs at events are not clear and we request clarification. Where suppliers are distributing free CFLs at an event we are required to cross check our database to ensure customers receive the correct number of bulbs. However where a partner is distributing free CFLs we ask the partner to collect this information on our behalf and sign a declaration form. Due to data protection issues our partner organisation is unable to

provide us with details of names and addresses of these customers to cross check on our database and vice versa. We propose that where CFLs and other measures are distributed free of charge in person at events (3.35) we have the option to provide customers with a freepost address if they wish to return the product. This would give customers the ability to return the product for free if they no longer require them and hence provide Ofgem with confidence that they will be used and result in a reduction in energy use.

3.1.10. There are some third party costs that suppliers are not party to for certain delivery mechanisms. For retail lighting schemes suppliers do not have access to the cost contributions from the retailer and hence would be unable to provide this information on the pro forma.

3.1.11. Where a supplier's cost contribution towards a measure is low we do not feel it necessary or appropriate to have the project partner sign an additional declaration confirming the measures could not have been installed without the suppliers funding. We would argue that certain delivery routes and measures offered by suppliers provide partners and customers the only opportunity to take advantage of an energy saving measure. For example fuel switching is potentially one of the best energy saving measures available to customers and partners however the opportunities to take advantage of this measure are limited. The market is particularly disjointed with different parties involved in each stage of the process. If a supplier offered a scheme providing a turnkey solution for switching fuels for both social partners and private customers this represents a proposition few other organisations could offer particularly with regards to the private 1 off market hence this should be classed as additional. It is not simply a suppliers funding that should be considered when determining additionality but a wider view of the delivery mechanism and a suppliers ability to offer something new or simple to partners and customers.

3.1.12. We suggest that when a supplier is working with a Social Housing Partner to deliver measures they should have the option of utilising one declaration form that would apply to a number of measures. This would limit the amount of data that suppliers have to hold on each individual scheme and provide a much more appropriate solution to confirming additionality.

3.1.13. We propose that instead of suppliers providing Ofgem with copies of all declarations received from project partners we provide Ofgem with a list of all partners and declarations received on a particular scheme and that Ofgem select a percentage (10% for example) of these which the supplier must then provide to Ofgem to ensure compliance. This is of particular importance to CFL schemes where the volume of data suppliers are required to retain is becoming unmanageable.

3.1.14. We suggest that the SHP declaration can be used in a flexible manner in order that it can be used by other project partners. We have already agreed with Ofgem an extended version of the CFL declaration that is suitable for charities and other project partners, we would suggest that this declaration is developed so that it can be used for other partners and schemes. For example we suggest that a declaration could be used to confirm the priority group percentage from a partner's private housing stock or used by a contractor to provide priority group information.

3.1.15. We support the proposals to remove the age bands for cavity wall insulation and feel that this will reduce the administration required on such schemes.

3.1.16. We support the proposals to change the claimed depths of loft insulation to 0-60mm and 60mm and above and feel that this will reduce the administration required on such schemes.

3.1.17. We support the proposal to remove the requirements to collect fuel types for major insulation measures and feel this will reduce the administration of such schemes.

3.1.18. We would like the terminology used to describe lighting products to be standardised to enable easier understanding of bulb types and descriptions. We often find that the information provided by the EST on recommended products uses different terminology than that used by Ofgem.

3.1.19. We propose that the limit on the number of CFLs that can be distributed for free be relaxed in order to achieve a significant shift in customer behaviour and use of low energy lighting. A recent report carried out by the Lighting Association (In Home Lighting Audit: Ownership of Lighting products and their energy consumption in the home among the GB population (August 2006)) suggests that the average number of bulbs in the

UK home is 23.98, the current information used by DEFRA during the target setting suggested that the average UK household has 2 CFLs fitted. This leaves an average of 21.98 bulbs per house that are not low energy. Under the proposed rules suppliers are limited to distributing a maximum of 4 CFLs for free, setting aside the proposed ban on incandescent bulbs at this rate of penetration it would take in excess of 5 more CERT programmes or 15 years to reach market saturation. If suppliers are to transform the market for CFLs particularly for those low income groups that most need suppliers support the limit on the number of bulbs should be removed or at a minimum capped at 8 & 4 during CERT.

3.1.20. We propose that the limit of a maximum of 10 bulbs being purchased through mail order be removed and suggest that customers should be allowed to purchase as many CFLs are necessary. This represents a major constraint to integration of this type of activity into energy propositions. We do not view stockpiling as an issue with this delivery route as the customer is paying for the bulbs. The requirements for exclusion of trade and other purchases will ensure that only domestic customers can exploit this route. The reality is that if a customer wants to purchase more than 10 CFLs they will find a way to do so hence this constraint seems unrealistic.

3.1.21. We suggest that limiting the fitting of luminaires to high use fittings only goes against the relaxation of the rules around CFLs. Luminaires will save energy in an ongoing manner for 30 years whether they are installed in a low use or high use fitting. We suggest all this serves to do is stifle the development of this product and add an unnecessary level of complexity to project partners.

3.1.22. The requirement for suppliers to provide a detailed marketing plan when running a retail lighting scheme needs to be removed. We cannot provide details of marketing activity from a third party, this information is highly confidential and would limit the activity suppliers can carry out. We would also be concerned about such information remaining confidential especially in light of the new freedom of information act. We would question why Ofgem requires this information.

3.1.23. We propose that the requirement for suppliers to prove additionality, using confirmation from manufacturers etc, over and above any voluntary industry agreements should be

removed. We agree that suppliers should have to prove additionality over and above mandatory energy saving targets for particular measures but unless a target is legally binding suppliers should not have to prove additionality. If a partner organisation (manufacturer) does not have any legal obligation or associated penalty (financial or other) to reduce the energy consumption of their product(s) suppliers should be able to claim this as qualifying action. Saving energy and reducing carbon emissions is becoming an increasingly popular part of companies Corporate Social Responsibility programmes and often these targets are aspirational and voluntary which limits measures and services that suppliers can target to save energy. CERT is a very useful tool in helping to educate and encourage third parties (including manufacturers) to save energy during both design and manufacturing of a product.

3.1.24. With regard to additionality when working with new build developers we would suggest that thought is given to the different building regulations in the devolved nations to ensure that we do not have several different versions of the declaration.

3.1.25. The requirement for suppliers to provide a year's worth of EPOS data from a retailer when supporting A-rated appliances should be removed. We propose that the same methodology used for DIY loft should apply and that it is very difficult to distinguish business as usual sales from the activity of suppliers in this market.

3.1.26. The requirement for suppliers supporting appliances to provide a covering letter from the partner or manufacturer confirming the marketing subsidy previously provided should be removed. It is unlikely that a retailer or manufacturer would be able to or wish to divulge this type of confidential information to Ofgem. This information will provide the supplier with information about historic activity from a competitor which could end up in the public domain.

3.1.27. The requirement for suppliers to install draught proofing only in properties with high air infiltration rates should be removed. This limitation simply makes the administration of such a scheme nearly impossible. There is no standard test or process other than a very costly air pressurisation test to prove a property is draughty. The implication of this requirement is that draught proofing is much less likely to be carried out under CERT.

3.1.28. We would ask that any queries relating to scheme submissions and approvals should be asked while the scheme is in discussion/being approved. We have had instances where we have been asked to provide additional commercial information to Ofgem after a scheme has been approved. We have also had several instances where project managers have been asked the same qualifying questions relating to a scheme submission on multiple occasions.

3.2. Additional Comments

3.2.1. We do not support a minimum price for sale of CFLs this is because the goal of lighting in CERT should be to achieve parity in price with the tungsten equivalent. This will be brought about by further manufacturing cost saving combined with significant subsidies from energy suppliers.

3.2.2. With reference to point 3.33 it is unclear as to the exact information suppliers will be required to supply in order to prove that their fuel switching activity is leading to an increase in activity. We would suggest that any funding offered by suppliers for fuel switching activity via an integrated CERT scheme would lead to an increase in fuel switching activity. For example a supplier offering an integrated scheme that covers the 3 key stages required for fuel switching (1 - extension of the gas main to a new area, 2- the provision of gas supply to the customers property and 3 – the replacement of the old heating system) should count as additional particularly if this is offered to private and social sector properties. Similarly if a supplier offers a scheme to private sector households to switch fuels this should be classed as additional simply as few other organisations can carry out this activity. It is not simply a suppliers funding that should be used to determine additionality, the wider delivery route and proposition offered to customers and partners should also be considered.

3.2.3. We welcome the proposal to remove the requirement to demonstrate a 20% increase in sales when promoting DIY loft Insulation or radiator panels. The scale of supplier's activity makes it very difficult to prove an uplift in sales for such measures compared to business as usual.

4. Innovation

4.1. Specific Questions

4.1.1. **Question 1 - Ofgem can only approve a demonstration qualifying action if it is satisfied that suitable monitoring arrangements will be put in place to assess the effectiveness of the measure at reducing carbon emissions. Respondents are asked to consider the list in 4.3 and whether any other categories should be considered?**

Response – We have no additions to the information suppliers need to submit as part of their demonstration qualifying action submissions.

4.1.2. **Question 2 – Consultees are asked to consider the format of the reports the suppliers publish as part of their demonstration qualifying action.**

Response – We would propose that suppliers should provide Ofgem with a short report which outlines the study and provides a brief summary of the results. Suppliers who carry out this type of activity should be able to utilise any competitive advantage gained by trialling products and if the full range of data collected is made public this advantage disappears. One option is for Ofgem to accredit suppliers with an uplift in savings if they provide a full report which is made public. This will incentivise suppliers to benefit further where they share full reports and data from a demonstration action. If a supplier does not wish to provide the full data set then they will still be able to claim the basic uplift only.

4.1.3. **Question 3 - Consultees are asked to consider the requirements for information in demonstration qualifying action submissions provided in Appendix 16, and are invited to comment on these proposals.**

Response – Please see the above response relating to the types of reports required for demonstration qualifying action. With reference to the monthly reporting requirements we suggest that establishing a standard interim report capable of comparing trials would be very difficult. With the range of activity suppliers could undertake it will be very difficult to provide a one size fits all report. While we appreciate that some of the information will be

similar across trials in reality the data items will vary widely. With reference to the provision of a breakdown of observed reduction in energy use, while we appreciate the need to determine how an action has led to a reduction in energy use it will be impossible to accurately assess the reduction in usage observed as a result of 'other factors' until the study has been completed. It is feasible for suppliers to conduct surveys of trial participants to establish if there have been any changes to the household circumstances during the trial period, however calculating a reduction in energy use associated with these changes is very challenging. In addition to the above criteria we would like the flexibility to trial customer specific activity aimed at the priority and non priority group only. Suppliers should not have to submit details of similar activity, overlap with other trial(s) or details of any other trial(s) undertaken as this has no impact on a supplier's ability to run and manage a trial. Whilst we agree that a project outline should be submitted a full and detailed project plan should not be necessary to gain approval for an action, we suggest a summary of the key milestones and dates should suffice this would exclude project risks, controls and contingencies. Suppliers should not be required to have the statistical soundness of the trial confirmed by an independent third party; this is both costly and unnecessary. Suppliers should only have to provide a basic outline of the costs of the trial, it should not be necessary to break these down by type of expenditure or dates of spend. We suggest that these requirements are honed down significantly if suppliers are to take advantage of this part of the CERT proposals.

4.1.4. **Question 4 – Respondents are asked to consider the broad types of demonstration qualifying action listed in paragraph 4.6 and whether there are other categories which should be included.**

Response – We would like the following category added to the list of demonstration qualifying action "trialling customer's behaviour and reaction to tariffs and financial rewards for reducing carbon emissions".

4.2. Additional Comments

4.2.1. With reference to 4.12 it is unclear as to the exact nature of the costs to be included or excluded from the submission. We have commented on the requirements in appendix 16 and do not feel these costs are appropriate for

suppliers to confirm as part of this activity. While we agree that Ofgem needs to be satisfied that the suppliers costs are accurate we would suggest Ofgem should be explicit about what costs can be included. Simplicity and speed are essential for suppliers to make the most of this opportunity within CERT, if the requirements for information are too onerous then it will take suppliers longer to set up this type of activity making it a less attractive option.

4.2.2. With reference to 4.25 we welcome the option open to suppliers to extend the EDR pilots and use this as demonstration qualifying action under CERT.

5. Priority Group Flexibility

5.1. Specific Questions

5.1.1. **Question 1 – Suppliers applying to reduce their Priority group percentage are required to provide Ofgem with the information outlined under article 15(1). We propose to adapt the scheme notification pro forma so that suppliers can provide this information. Respondents are invited to consider whether this is the most appropriate way of dealing with these applications?**

Response – We feel this is the most appropriate way to handle these submissions, we do not feel it necessary to develop a new set of documents to deal with these schemes.

5.2. Additional Comments

5.2.1. We agree with Ofgem's interpretation of the draft order.

6. Submission of schemes

6.1. No specific questions

6.2. Additional comments

6.2.1. We welcome the proposals to remove the requirement for a completed scheme submission spreadsheet when submitting a scheme to Ofgem.

6.2.2. While we welcome the proposal to remove the requirement for a completed scheme submission spreadsheet at submission stage we would suggest simplifying the scheme submission pro forma. We propose utilising a document that automatically displays the required information for a particular scheme, measure or delivery route a more appropriate solution. For example where a scheme is promoting cavity wall insulation to the private sector, only questions relevant to this measure and delivery route are required, the remaining questions are 'greyed-out'.

6.2.3. We welcome the suggestion to include a section in the scheme submission pro forma that can be copied into the Ofgem quarterly report.

6.2.4. While we appreciate the need to confirm additionality with regards to costs (6.15) we suggest that this requirement be removed from the submission pro forma or simplified to ensure that this information is relevant.

6.2.5. We propose that fulfilment costs associated with measures such as CFLs should be included in supplier's costs when making submissions to Ofgem. While we appreciate that there are some costs that should not be included here we consider this a direct cost associated with a supplier's activity.

6.2.6. With reference to 6.9 we do not agree that suppliers should have to notify Ofgem of changes to the scheme such as working with another manufacturer or retailer. As long as a supplier is delivering the scheme as per the original submission and delivery route it is irrelevant as to which manufacturers or retailers a supplier is working with. In light of the removal of the ability suppliers had under EEC2 to claim savings from 1 month previous to submission this limits the flexibility suppliers have to make quick commercial decisions in the market.

6.2.7. With reference to 6.15 we suggest that marketing, fulfilment and promotional costs should be counted towards a suppliers funding towards a measure. Suppliers direct costs for mail order schemes will involve a cost for the product, a cost for fulfilment of the product and the associated marketing costs. We propose that these costs are all direct costs in order to achieve an energy saving.

7. Reporting and Compliance

7.1. Specific Questions

7.1.1. **Question 1 - Where a supplier has used the Priority group flexibility option, we propose that the fuel poverty measures are treated as a scheme for administrative purposes and a final report is submitted on the pro forma in the same way as a conventional scheme. Comments are invited on this.**

Response – we welcome this proposal and suggest that this is the most appropriate way to deal with these schemes. As per the earlier comments on priority group flexibility submissions we do not feel it necessary to develop a new methodology for these scheme submissions.

7.1.2. **Question 2 – Consultees are asked to consider the changes proposed to the data which suppliers should submit on a quarterly basis, outlined in 7.19. Are these changes appropriate?**

Response – We have no issues with providing this additional information to Ofgem as part of the quarterly report.

7.1.3. **Question 3 – We invite comments on the proposal to require suppliers to bank two thirds of their in-progress activity by 1 September 2010. This will enable a manageable flow of data throughout the programme.**

Response - While we appreciate that Ofgem have an enormous task in collating information from suppliers and approving schemes towards the end of the programme the suppliers first priority must be to achieve the overall CER target. In light of the doubling of the target this situation will be exacerbated, if suppliers have to spend time and resources on meeting such a subset of the target within this timeframe it may jeopardise meeting the overall CER target. It is unclear from the proposals whether suppliers will have to bank 1) 2/3^{rds} of a suppliers CER target or 2) 2/3^{rds} of activity delivered by 1st September 2010. If the proposal is to bank 2/3^{rds} of all activity this is essentially setting a sub-target within the CERT and this requirement should be removed. This removes the flexibility of suppliers to deliver schemes and also puts enormous strains on resources during the final year of CERT.

7.2. Additional Comments

7.2.1. We propose that the deadline for submitting the quarterly report is moved backwards in order to allow suppliers time to reconcile the previous months finances and hence provide a much more accurate picture of progress to date.

7.2.2. We propose that Ofgem develop a banking checklist for each generic scheme type to inform project managers of exactly what information they have to submit to Ofgem in order to gain approval.

7.2.3. The information that suppliers are required to supply to Ofgem as part of the banking process should be based solely on the original scheme submissions and subsequent approval. We have had instances during banking where we have been asked to supply additional information that was not requested during the submission and approval process, to support our banking submissions.

8. Monitoring

8.1. Specific questions

8.1.1. **Question 1 – Consultees are asked to consider whether the proposal to reduce the requirement on suppliers to monitor free CFL utilisation from 1 per cent to a maximum of 1,000 is appropriate.**

Response - We welcome the introduction of a cap of 1,000 on the amount of consumer utilisation forms suppliers need to collect when running free CFL schemes. We would suggest however that these 1,000 do not need to be representative of each distribution route within a particular scheme submission. We would also ask that this cap applies to other bulb types such as halogens. We would also like this limit of 1,000 consumer utilisation forms to be applied to consumer electronics and other measures to limit the administrative burden on suppliers.

8.1.2. **Question 2 – We propose to use the same level of monitoring for microgeneration as used for energy efficiency measures (5 per cent technical and 1 per cent customer satisfaction). Consultees are asked to comment on whether this is a suitable level.**

Response – We welcome the proposals for 5% technical monitoring and 1% customer satisfaction monitoring for microgenetration measures.

8.1.3. **Question 3 – Respondents are asked to consider the technical monitoring questions for microgeneration proposed in Appendix 7, and suggest additions or amendments as appropriate.**

Response - We propose the following changes to the technical monitoring question for microgeneration detailed in appendix 7:

General Comment – The wording of these question should be considered by Ofgem and some thought put into who the target audience is. For example in some circumstances the end user or customer will be responding to these questions but for social and other tenants the landlord will be the most relevant person the answer these queries.

All electricity generating technologies – We suggest that the question “Has the dwelling been fitted with CWI, loft insulation to 270mm and draught excluders where appropriate? If not please detail why these were not appropriate:” should be removed. Firstly it is unlikely that a surveyor will be qualified to assess both insulation and microgeneration measures hence this could mean a second visit to the property to answer one question. Secondly while we agree that a wider whole house approach to energy efficiency is best practice it is not mandatory for suppliers to install draught excluders, cavity wall and loft insulation in properties where microgeneration technologies are being installed.

PV – We would suggest that the questions “Is this an appropriate size for the dwelling?” and “Is the citing appropriate e.g. south facing if possible and unobstructed?” are more applicable at the initial design and specification stage and should not be checked after the installation has taken place. While we appreciate the need to ensure the measure will deliver the necessary energy savings suppliers have an obligation to customers during the sales and survey process to ensure that this information is collected and an adequate size and position for the technology is established before installation.

Micro Wind/hydro – We would suggest that the questions “Is this an appropriate size for the dwelling?”, “Is the citing appropriate e.g. is flow of wind/water obstructed?”, “What is the load factor?” and “Is this the most appropriate microgeneration technology for the site? are more applicable at the initial design and specification stage and should not be checked after the installation has taken place. While we appreciate the need to ensure the measure will deliver the necessary energy savings suppliers have an obligation to customers during the sales and survey process to ensure that this information is collected and an adequate size and position for the technology is established before installation. We would also suggest that “What is the downtime, if known?” is difficult to estimate or determine unless there is some on site monitoring present.

Biomass - We would suggest that the questions “Is this an appropriate size for the dwelling?”, and “Is this appropriate technology for the site?”, “What is the output in kW?” and “Have the ventilation requirements of the dwelling been adequately increased where necessary?” are more applicable at the initial design and specification stage and should not be checked after

the installation has taken place. While we appreciate the need to ensure the measure will deliver the necessary energy savings suppliers have an obligation to customers during the sales and survey process to ensure that this information is collected and an adequate size and position for the technology is established before installation. The question "Is there a local supply of fuel?" is also difficult for the surveyor carrying out the assessment to determine unless they have prior knowledge of the accessibility of fuels in all areas. This question is also something that the customer and the supplier would need to determine before the installation has taken place, a customers is unlikely to pay for a biomass boiler if they don't have local access to fuel.

8.1.4. **Question 4 – Comments are invited on the aspects of the EEC2 procedures relating to monitoring that we intend to keep the same. These are listed in Appendix 4 and 5.**

Response – With reference to 8.13 (h) in appendix 3 we would suggest that as there is no longer a distinction between low use and high use fittings with regard to CFLs it is no longer appropriate to install dedicated luminaries only in high use fittings. We would suggest that by its nature a luminaires will save energy regardless of where it is installed in the property.

8.2. Additional Comments

8.2.1. We recognise the need for technical monitoring of certain types of installation and agree that these should be carried out independently of the installer. We would draw attention to the fact that the number of companies that could carry out this activity is very limited in the UK which may become an issue as the volume of work in CERT increases.

8.2.2. We would argue that any monitoring carried out by a SHP or new build developer be eligible for submission by suppliers. As long as a suitably qualified person carries out the technical checks the SHP partner or developer would be just as keen to ensure the installation is carried out to a high standard as a supplier. To be explicit where working with a SHP to install CWI suppliers should be able to use the Technical monitoring carried out by the partner to prove the installation was carried out to the required standards.

8.2.3. We support the introduction of the major and minor failures for technical monitoring and agree that this is a much more effective way to deal with this process. We agree that all failures on the basis of safety should be re-inspected as part of the technical monitoring process, however we do not agree with the classification of safety failures used in the questions in appendix 7. We agree with the classification of air vents and flues used for combustion appliances as a major safety failure and agree that all failures on this point for cavity wall insulation and solid wall insulation should be re-inspected. We would suggest that the classification of other air bricks and eave vents not related to a combustion appliance should not be included as a major safety failure and we would propose that 10% of these failures are re-inspected for both cavity wall insulation and solid wall insulation.

8.2.4. With reference to the technical monitoring questions for cavity wall insulation in appendix 7, we do not consider it appropriate to classify the lack of a CIGA or alternative 25 year cavity wall guarantee as a major failure. While we agree that all cavity wall installations should carry a guarantee we have concerns about the timescales for issuing these certificates to customers. Suppliers have an aspirational target to carry out technical monitoring checks within 2 months from the date of installation, we are aware that some installers apply for CIGA guarantees in batches which delays the issuing of the CIGA to the customer and hence would constitute a failure. We therefore propose that this point is classified as a minor failure.

8.2.5. We wish to ensure that the 1% requirement for customer satisfaction relates to the number of properties and not the number of measures installed.

8.2.6. We welcome the introduction of the cap in volume of consumer utilisation questionnaires required and agree that this is a much more appropriate scale bearing in mind the information that has already been collected during previous programmes.

8.2.7. We would like confirmation of the adjustment factor to be applied to DIY loft insulation and DIY radiator panels for any panels or insulation not installed.

8.2.8. It is unclear what the requirements will be for monitoring of ‘brown goods’ schemes. The current guidance suggests that this will be agreed on a case by case basis, we

would propose that if a supplier has previously run this type of scheme this should be used as guidance for other suppliers.

9. Appendices

9.1. No specific Questions

9.2. Additional Comments

9.2.1. With reference to the Social Housing provider declaration form in appendix 12, this document does not make any attempt to confirm that the end users that benefit from suppliers activity are social housing tenants. Whilst it is obvious that this declaration should be used by social housing providers a clear distinction must be made in order to stop suppliers using this declaration form to confirm the priority group percentage for private tenants. We would welcome the introduction of a standard declaration form which can be used for both social and private partners and feel this is a more appropriate way to confirm the priority group percentage.