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EURISOL

CERT 2008 – 2011 Supplier Guidance

Responding to the OFGEM call for evidence

September 14th 2007

Introduction

Eurisol is the trade association representing all the UK manufacturers of mineral wool insulation – Knauf Insulation, Rockwool, Isover and Superglass. Mineral wool is the most widely used insulation in construction, offering, in the one product, the four benefits of thermal insulation, fire resistance, acoustic performance and sustainability. The use of insulation remains the most practical, carbon efficient and cost effective means of reducing the UK's energy use and greenhouse emissions.

Under CERT 75% of all the carbon savings are expected to come from the installation of products made by the Eurisol members.

Eurisol has only responded to the questions where the industry has direct experience or practical expertise.

Should OFGEM want any further information or need clarification on any of the points made then Eurisol would be happy to respond in writing or by meeting in person.

Responses to specific questions:

Microgeneration

Eurisol recognises the need to introduce and develop further technical measures, such as Microgeneration. From an overall cost effectiveness viewpoint a whole house approach is vital. As with the Low Carbon Building programme, cost effective insulations measures should be a pre-requisite when undertaking microgeneration measures.

In order that confidence can be built and maintained in microgeneration performance the use of an appropriate accreditation scheme is a requirement.

DIY

3.49 Eurisol fully supports the move to submission of a marketing plan to demonstrate the additionality of the sales. There is no evidence to suggest that the market has transformed, indeed, little material is sold in this channel when offers are not available. We recognise that true business data does not exist so we see the marketing plan as the only practical way forward.

Fuel type

3.50 and 3.51 Eurisol support the move to a single weighted average across the domestic sector fuel types.

Reduction factor

3.52 Whilst Eurisol continue to dispute the level of reduction factor, we support the proposal not to reduce it further for tile hung walls and conservatories.

Age Bands

3.53 Eurisol agree with the logic and proposed approach to remove the two age bands.

LI thickness categories

3.54 Eurisol support the move to simplify the loft top up categories to above and below 60mm.

New build loft thicknesses are increasing with the new building regulations. Whilst an 'overall' building energy efficiency (carbon emissions) is specified via SAP, loft thicknesses are typically 300mm and the amount of 350mm is increasing as the new regulation flows through. Following the publication of the "building regulation forward look" 400mm of loft insulation is anticipated. In this context the final thickness of insulation should be reviewed and increased to at least 350mm.

In addition to reviewing the final thickness to be achieved, the minimum thickness of top up should be stated as 150mm to ensure that the relatively small numbers of existing lofts which are above 150mm are toped up by a worthwhile amount.

Biomass

Consistent with the Eurisol CERT response to DEFRA, Biomass measures should only be installed when all practical energy efficiency measures have been installed. Without this, as biomass is very carbon efficient, the incentive to ensure efficient fuel use is reduced. This has the obvious consequences of limiting its availability to other potential users as it is a renewable but limited resource. As with microgeneration above, it should be stipulated that cost effective insulations measures should be a pre-requisite when undertaking biomass measures.

Market transformation

As a consequence of the increase in scheme size it was anticipated that the Market transformation uplift would be increased in CERT. Whilst the overall level was subject to consultation as is currently with DEFRA, the inclusion of the uplift within the cap is unlikely to have been expected in the DEFRA consultation responses.

Whilst there may be specific reasons for changing the manner in which the calculation is performed, this must either be factored into the final decision on the level of maximum uplift allowed or revert back to the EEC2 method of calculation.

Solid wall

Looking forward to future solutions the market development of "new" measures is extremely important. Significant within these is solid wall insulation both external and internal. The Post 2011 mix of measures indicates a significant emphasis on these solutions from a very low base. Further, by 2011 the vast majority of cost effective measures for the PG will have been exhausted so measures such as solid wall insulation need to be moved from niche to mainstream. In order to deliver this considerable progress needs to be made in seeding and developing this market. It is recommended that SWI is eligible for the uplift on the basis of its very low uptake in previous EEC schemes.

Start Date for Notification of proposed actions

Insulation activity is currently low and this is causing considerable difficulties. Considering the significant increase in activity anticipated this hiatus is very unhelpful and inefficient. One mechanism to assist would be for OFGEM to accept notifications of schemes as soon as the order has been passed.

Eurisol members rely on the OFGEM activity level reports to project likely future activity levels. Currently this has a level of uncertainty because energy companies are not required to "bank" the work in a consistent and timely manner. As the CERT scheme is projected to be a significant percentage of Eurisol members businesses this uncertainty becomes more significant. We, therefore, we request that banking should take place within a reasonable period of time after the work has been completed.