REA response to the Carbon Emission Reduction Target (CERT) 2008-11 Supplier Guidance Consultation

The Renewable Energy Association was established in 2001 to represent British renewable energy producers and promote the use of sustainable energy in the UK. Currently we have 500+ members representing installers and manufacturers of renewable energy technology and bodies with an interest in this growing sector. We are the largest body in the UK that represents the Renewable Energy Industry.

REA's main objective is to secure the best legislative and regulatory framework for expanding renewable energy production in the UK. We undertake policy development and provide input to government departments, agencies, regulators, NGOs and others.

We have a number of Resource Groups, some looking at individual technologies, others focused on industry sub-sectors this includes an On-Site Renewables Resource Group, a Renewable Heat Group and a Solar PV Resource Group all who have been kept informed of the CERT Consultation process and were invited to contribute to this REA response.

Chapter 3

Question 3

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

REA Comments – The REA agrees with this statement for fossil fuelled boilers.

Rationale:
We would suggest, however, while biomass boilers are being included in the Microgeneration and CHP sections of CERT the replacement of fossil fuelled boilers for biomass boilers will provide significant carbon savings. While SEDBUK A and B boilers are generally newer boilers, the imperative for providing stable fuel prices at lower costs (some councils and communities are already developing biomass supply chains) and the ability to save significant amounts of carbon may provide the drivers required for boilers to be exchanged. It would be helpful if suppliers could have the credits for replacing fossil fuel boilers with biomass boilers,

particularly from the older D-rated fossil fuel boilers which would otherwise be replaced with fossil fuel condensing boilers.

This would also provide the added advantage of the biomass boiler systems being treated as mainstream appliances, thereby reinforcing the point that the whole life costings of biomass systems are a good way of demonstrating to the end-user that these appliances are not demonstration units and that they are an appropriate way of reducing the carbon footprint.

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?

REA Comments – The use of a declaration is appropriate. If, however, the government effectively abolishes the Merton Rule by placing greater emphasis on a site specific approach in the new PPS on Planning and Climate Change it will increase pressure from developers to utilise limited CERT funding for all the microgeneration component of new buildings.

Rationale:
Without a locally determined, specific minimum target for microgeneration in new developments there will be a greater pressure on CERT resources to deliver any microgeneration requirement agreed between planners and developers.

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?

REA Comments – The REA have willingly supported and participated in the development of the MCS, which is any industry owned scheme. We believe it is important that there is only one microgeneration certification scheme used for Microgeneration technology up to 50kW Electrical and 45kW Thermal within CERT to provide continuity of product and installer standards across the technologies. For systems larger than this, such as, Biomass community and district heating there is no current scheme. However, most of the installations [above these sizes] being carried

out in the UK are likely to be carried out by companies that have signed up to the MCS for their smaller systems. It would be the REA's suggestion that for larger systems ofgem approves the installers and appliances on a company by company basis.

Rationale:

A key component of gaining acceptance for Microgeneration technologies in the CERT programme will be to provide confidence to suppliers and end-users that the technology utilised delivers the required carbon savings and fuel cost savings promised through the reliability of the system and how it has been installed. The REA believes the Microgeneration industry can deliver 20% of the UK's total energy by 2020. CERT over the three years (2008-2011) can play an important role in helping to deliver the increased acceptance of Microgeneration technologies in the domestic market, however, our members have some concerns that leaving the CERT supplier's to pick and chose how they deliver the carbon savings and restricting the Microgeneration industries' contribution to 5% of the CERT programme is a missed opportunity in integrating low and zero carbon energy generating technologies into mainstream consumer choices. While the REA appreciates the principles of market forces prevailing, sometimes a clearer carrot and stick approach is required to stimulate a culture change. This opportunity through CERT may have been missed by not requiring a percentage of the carbon savings to come from Microgeneration and combined heat and power.

While there are some issues with the MCS that are being resolved, we would also caution that the MCS does not create barriers to entry through undue burdens, such as, costs and heavy handed assurance requirements. It is the REA's belief that suppliers and end-users are supported and protected with quality products, installations and customer service that deliver the carbon savings promised. This can be best delivered through coherent, appropriately established assurances schemes; the MCS and REAL consumer assurance code have been established to provide this additional confidence.

REA General Comments on Chapter 3

Fuel Switching – Biomass

While there is an acceptance that there is a market for fuel switching from one heating fuel (fossil) to another, the REA would highlight the opportunities for additional carbon savings from the suppliers by provide **fuel switching** opportunities at a local level (through local distributors) **of biomass fuels**, thereby ensuring

closed loop supply and demand systems are created and maintained.

Market transformation uplift

The REA have already commented on the restrictions, in terms of percentage to be delivered by Microgeneration technologies (i.e. limiting it to 5%). However, Para 3.57 effectively adds additional restrictions by incorporating the 50% uplift into the 5% as opposed to it being additional to the 5% as was the case in EEC2. The REA **strongly disagrees** with this approach to what is an unduly restrictive access to the CERT programme already for Microgeneration.

Chapter 4

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.

REA Comments – For Microgeneration demonstration qualifying actions it will be important for ofgem when considering suppliers submissions to correctly allocate a baseline fossil fuel to establish carbon savings against.

Rationale:
The REA's concern would be that the full benefits of the carbon savings from Microgeneration technologies are not appropriately attributed under "determine whether the action has reduced carbon emissions" as reports to government have had a history of downplaying the role of what Microgeneration can achieve in meeting the UK's energy commitments.

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.

REA Comments – Appendix 16 only refers to energy efficiency measures and impacts to behavioural change. This may be a legacy from EEC2, however, other forms of demonstration qualifying action submissions could be submitted which are difficult to fit into these requirements, for example: -

- The demonstration of emerging Microgeneration technologies or
- The uptake of fuel switching to biomass fuels,

which while in themselves may not directly provide energy efficiency savings will provide carbon savings.

Rationale:
The REA believes consumer behaviour is changing towards Microgeneration technologies, however, some of the current barriers to entry may be lifted through the CERT programme. Appendix 16 at present does not allow for any "demonstration qualifying action" that does not demonstrate energy savings. For Microgeneration there is a case that we could be providing carbon reductions without necessarily implementing energy savings directly through the measures being provided.

The Appendix 16 should have additional clauses that allow for the above.

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.

REA Comments – There should be an additional bullet for "trialling fuel switching to non-fossil fuels"

Rationale:
We would re-iterate the point made in question 3 that the whole ethos of the demonstration qualifying actions is predicated on energy savings. Microgeneration saves energy by in some cases off-setting the fossil fuels used. This needs to be embraced demonstrated within the guidance documents.

See above example in Question 3

Chapter 8

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.

REA Comments – Without having evidential data to back up these percentages it is hard to assess whether these are the correct measures. However, we would comment that uptake of the technology while saving carbon can also be very much motivated by other things. This may lead to the customer satisfaction percentage needing to be higher.

Rationale:
With climate change and all the traumas this could bring being discussed daily in the media and fears of ever increasing fossil fuel prices, microgeneration technologies are being installed for a multitude of reasons. The REA supports the necessity to reduce energy consumption and hence save carbon, however, just looking at energy savings or costs of fuel are not necessarily all the drivers for microgeneration technologies. With very long lifecycles, Microgeneration technologies are starting to be included in consumer projects for other reasons, such as, a) help the next generation reduce the impact of climate change; b) future proofing selling a property by ensuring its energy rating will be low on a HIPs form, etc.

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

REA Comments – There appears to be some inconsistency between the questions asked for each technology. While some questions are clearly technology specific, the likes of Solar thermal and PV have many common issues, such as, orientation and obstructions and yet the questions are not compatible.

Rationale:
- Fuel switching, Boilers and Controls - should include in the installer membership if the installer was a member of the MCS scheme.
- Microgeneration - should include in the installer membership if the installer was a member of the MCS scheme.
- Biomass – While the question is asked about whether there is a supply of fuel locally, there is no question about whether it is fit for purpose for the installed appliance. This may seem pedantic; however, the quality of the fuel is key to the performance of the appliance. Therefore there should be a question such as, “Is the fuel specified to the European standards?”, “What fuel is being put in the appliance?”, “How much fuel is available at short

notice or the appropriate standards?", "Is the fuel certified under any certification scheme?" (the REA and others are looking at establishing a UK wide Solid Biofuel certification scheme) or "Is there a supply certificate".

If the REA and its members can be of any further assistance in developing the guidance we would welcome the opportunity to discuss the issues with you.

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