

Carbon Emissions Reduction Target (CERT) 2008-2011 Supplier Guidance Amendments

August 2009

Northgate Public Services Response

Introduction

1. Northgate warmly welcomes the opportunity to respond to Ofgem's consultation on the Carbon Emissions Reduction Target (CERT) 2008-2011 Supplier Guidance Amendments.
2. Our brief response focuses on issues raised by the consultation where we believe our experience or expertise gives us insight into possible solutions, or where we believe we have a contribution to make in terms of a substantive issue.
3. The response draws upon our experience of working for over fifteen years in innovative partnerships designed to promote energy efficiency and develop sustainable communities, as well as working with a range of stakeholders in the field of energy efficiency including local authorities, surveyors, architects and most recently domestic energy assessors.

General comment

4. Under the changes in the amendment order, the revised CERT obligation has increased by 20 per cent to 185 million lifetime tonnes of CO₂. Further to this, real time displays (RTDs) and home energy advice packages (HEAs) have been included as qualifying actions, each with a score specified in legislation.
5. Northgate particularly welcomes the inclusion of RTDs and HEAs in the qualifying actions. Both of these measures will provide consumers with invaluable information on energy usage and help to promote behavioural change.
6. In our earlier response to the CERT amendments consultation, we welcomed the requirement on suppliers to deliver a certain proportion of measures to a Priority Group consisting of vulnerable customers. We continue to support this requirement, and believe that suppliers should be committed to this obligation. In this response we call for the way in which the Priority Group obligation is measured to be more accurate so that those who really need assistance actually receive it.
7. We welcome the government's commitment to monitoring the effect that measures are having on consumers. However, we believe that it would be advisable to notify consumers from the outset about the monitoring process and provide them with the opportunity to opt out if they wish.

Questions and Answers

Chapter 2

Question 1

8. Suppliers providing RTDs will now be required to provide accompanying details on the method by which the unit is powered. An RTD powered by a disposable battery must be accompanied by evidence pertaining to the expected lifetime of the battery. The government are seeking views on what evidence should be provided by suppliers to satisfy Ofgem of the lifetime of the battery.
9. We believe that RTD's are essential tools which help to promote behaviour change amongst domestic consumers. It is therefore essential that information provided on the expected lifetime of batteries included within the unit is accurate. Northgate considers it appropriate to provide specific research on the issues which would includes examples of the battery life during practical use. Further to this, follow up research could be conducted by the supplier to gauge how long batteries lasted before consumers had to change them. Findings from this could then be used to influence their use and design in the future.

Question 2

10. Where partner organisations are involved in the distribution of RTDs, the government will require a declaration signed by the organisation representative which would show that:
 - all RTDs that the supplier has provided to the partner have been distributed;
 - all RTDs were requested by the households receiving them;
 - steps have been taken to ensure that no more than one has been provided to any address;
 - that the appropriate batteries were provided with each RTD, being either short life or long life dependant on the details of the scheme;
 - how the Priority Group percentage has been determined and that the correct definition and relevant benefits have been used for this purpose.
11. The proposals outlined offer a robust set of guidelines which will protect the consumer and ensure that third party organisations act in the way that is required for CERT. However, we are particularly concerned that evidence proving that these requirements have been met may be hard to deliver. We support the government in their assertion that suppliers using RTD declarations must be satisfied that their project partners will address the requirements. We would consider it a responsible step for suppliers to conduct

their own appraisal of the process used by a third party supplier for RTD declarations before the installation programme begins.

Question 3

12. The government proposes that the Priority Group percentage is determined either by checking documents (benefits, credits and income, or date of birth) of all recipients in receipt of measures or, where action does not involve a visit to the consumers home, monitoring a random sample of recipients. An RTD partner declaration would use a variety of evidence, such a database information, to determine the Priority Group percentage.
13. The Priority Group is defined as such because it contains the most vulnerable consumers who are in need of extra assistance to help them combat a variety of energy issues, including fuel poverty. For this reason it is imperative that suppliers fully meet their requirement to deliver a certain percentage of measures to the Priority Group. We believe that determining the Priority Group percentage by means of checking documents individually or using database information from local partners is appropriate. However, we are concerned that using a random sample of recipients may skew the actual percentage, especially if measures being considered are ones which have been delivered by a whole area approach.

Question 4

14. The consultation points out that Ofgem, in conjunction with the Department for Energy and Climate Change (DECC), considers that RTDs should be monitored in order to assess usage patterns and any shifts in behavioural change. The suggested questions that would be asked during this monitoring include:
 - if a single, working and appropriate RTD was installed in the dwelling;
 - if the householder has altered their behaviour in any way, and if so, in what way; and
 - to what extent the RTD encouraged this alteration in behaviour. The sample size would not exceed five per cent of the measures distributed, and the monitoring might take the form of a short telephone call.
15. We welcome the government's proposal that RTDs should be monitored and welcome the suggested approach. We believe that the importance of the monitoring process should be highlighted to the consumer at the beginning of the CERT process where they will be given to opportunity to opt out of being involved in the monitoring process.

Question 5

16. The Amendment Order makes a number of recommendations as to what should be included in a HEA. This includes a visual inspection and a discussion of

energy saving behaviours.

17. We believe that the recommendations proposed for the HEA are appropriate in order to maximise the likelihood of carbon savings. In particular, we welcome the fact that Ofgem will expect to see evidence of the contents of the of the advice package before any such scheme is approved.
18. We also welcome the fact that Ofgem has expanded on the legislation and agree that the home energy survey should be in line with current industry standards.
19. We are pleased that Ofgem has said that sufficient time should be dedicated to the energy behaviours portion of the assistance and that similar weighting should be given to the recommendations from the energy survey and advice on behaviours during the assistance, and that suppliers will be expected to show how this will be achieved.
20. We agree that the relative impact of different behaviours need to be clearly communicated. We agree that suppliers should ensure that their energy assessors understand these relative impacts, and that these are contained in the assistance proforma and the resulting energy report.
21. We recommend that home energy reports should be provided to the homeowner within a maximum of one month from the date of the advice visit to ensure maximum impact.

Question 6

22. Ofgem proposes a number of requirements on suppliers promoting HEAs to prevent mis-selling of energy efficiency and low carbon products. We believe that the regulation of people providing HEAs is essential as they will be considered experts in the field and their advice will be seen as trustworthy. We believe that Domestic Energy Assessors (DEAs) are well placed to provide HEAs as they are suitably qualified and already active in the domestic energy market.

Question 7

23. DECC have asked Ofgem to gather information relating to the impact and utilisation of HEAs to ensure their delivery is effective. The monitoring would seek to establish:
 - If the householder received an advice visit, and how long the assistance portion of this visit lasted;
 - if the householder has installed any energy efficiency or low carbon measures as a result of receiving the energy efficiency advice provided;
 - if the householder has altered their behaviour in any way, and if so, in what way; and

- to what extent the advice received encouraged the householder to take up this purchase/change their behaviour.

24. Northgate believes that monitoring HEAs is a sensible approach and the proposed level of monitoring is appropriate to achieve the objectives. However, as we said in the response to question 4 which suggested that customers should be informed of the importance of monitoring process at the beginning of the CERT process, and then be given the opportunity to opt out if they don't wish to be involved.

Question 8

25. Ofgem raises a number of concerns within the consultation pertaining to domestic compact fluorescent lamps (CFLs). In particular, it highlights that direct mail has been a favoured approach of delivery under CERT, but this method runs the risk that these bulbs have not been installed. We think this is an appropriate representation and welcome the proposals regarding CFLs.

Question 9

26. The Amendment order introduces restrictions to CFL schemes which prohibit, as of 1st January 2010, the approval as a qualifying action, the provision of compact fluorescent lamps except where a supplier seeks to promote the purchase of CFLs through a retail outlet. We believe that these restrictions are suitable and sufficient to ensure that the carbon savings from this measure are maintained.

Question 10 & 11

27. Northgate agrees that all CFL schemes should be required to offer a choice of a variety of bulbs. The proposed range of bulbs is sufficient and will allow customers a choice whilst also ensuring the realisation of carbon dioxide savings. We also believe that the current restrictions in place for multi-pack and multi-purchase CFLs are set at the correct levels.

Question 12

28. DECC have removed direct promotions and giveaways under CERT from 1st January 2010. In the interim, the promotion of CFLs via free give-aways will be limited to those requested by a consumer. In our view it would be appropriate to consider a request as contact instigated by the consumer.

Question 13

29. Ofgem has placed specific monitoring requirements on CERT suppliers to ensure that they are meeting the requirements of the order. We believe that the requirements are appropriate and set at the correct level to ensure that suppliers meet their obligation.

Chapter Three

Question 1

30. The consultation points out that paragraph 1.7 in the Technical Guidance outlines that the government expect the whole loft to be insulated but that, where there is “good reason”, and as long as at least 2/3 of the area has been insulated, full savings will be awarded.
31. The government proposes adding a number of questions in the technical monitoring questions which will account for the instances where full loft insulation has not been installed. These questions offer an appropriate way for installers to account for reasons why complete insulation was not installed and also allow the government to analyse the reasons put forward.

Conclusion

32. We wholeheartedly welcome the CERT programme as a vehicle towards promoting behavioural change and reducing domestic carbon emissions. The proposed amendments enhance the programme and will increase its effectiveness in achieving the overall objectives.
33. We believe that suppliers have a responsibility to ensure that their requirement to meet the Priority Group obligation is fully met by using accurate reporting information.
34. Furthermore, positive engagement with the wider public is essential towards ensuring that the programme has a positive effect. For this reason, suppliers have a duty to ensure that any interaction they have with the public, be it through a HEA or follow-up survey, is positively received by the consumer.