

Obligated CERT Suppliers

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*Promoting choice and value for  
all gas and electricity customers*

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Date: 18 November 2011

Dear supplier

**CERT: accreditation of CFLs promoted between 1 January and 31 March 2011**

We wrote to you on 3 December 2010 to inform you that our determination of the carbon emissions reductions associated with retail CFLs would no longer be based on the assumption that all the lamps promoted were being installed. In that letter we asked you to test this assumption by conducting a monitoring exercise.

We received two responses to this letter from the Energy Retail Association. The first was received in December 2010 and a meeting between Ofgem and the CERT obligated energy suppliers was held on 12 January 2011. We received the second response from the ERA later in January 2011. On 17 February 2011 we wrote again confirming that we would be requiring the CERT obligated energy supply companies to conduct a monitoring exercise, with the final report to be submitted no later than 31 May 2011.

ICM were engaged by the CERT obligated energy suppliers to conduct the survey on their behalf, via the ERA. The final report was submitted to Ofgem at the end of May 2011. Headlines from the report indicated that around 75% of the CFLs purchased through retail outlets, between 1 January and 31 March 2011, had been installed (by 31 March 2011). In addition, those surveyed who had not installed some or all of the lamps purchased had been asked when they were likely to do so. Around 98% of the consumers surveyed indicated that all the lamps that they had purchased had been or would be installed at some point in the future.

Legal advice received by Ofgem indicated that we should accredit all lamps that had been installed and that would be installed by the end of the CERT programme (31 December 2012). Therefore in order to conduct our analysis further information was sought from ICM, via the ERA. This information was used to estimate the number of lamps that would be installed.

Following discussions and a number of iterations this information was received towards the end of September 2011. Our analysis is therefore based on the initial report submission together with the additional information received from the ERA and ICM over the summer.

**Analysis**

In order to assess the total number of CFLs that had been, or would be installed by the end of the programme we have had to make a number of assumptions. In addition we had difficulty in reconciling all the data in the report exactly, but the differences could have been due to rounding.

It is clear that 75.2% of the CFLs purchased during the period had been installed. Our analysis therefore focused on the lamps that will be installed by 31 December 2012. We included all lamps that consumers suggested would be installed within a year.

By far the largest category of lamps that would be installed were those that would be installed "when the next bulb breaks". Having received a breakdown of how many lamps consumers had left to install, data from the Lighting Association and other historical information on the usage patterns of lamps, we consider that consumers will use two of the lamps they have purchased that fell into this category, by the end of the programme.

In summary, 75.2% of lamps had been installed. Householders reported that 2.8% of lamps would be installed within one year. We have calculated that a further 11.0% will be installed "when the next bulb breaks" before the end of CERT. This leads to an overall total of 89% of lamps being installed by the end of CERT.

**We therefore consider that 89% of the CFLs purchased between 1 January and 31 March 2011 will be installed by the end of the CERT programme and propose that this percentage be applied to all supplier CFL schemes for activity during this period.**

### **Response**

We would like to provide an opportunity for CERT obligated parties to respond, prior to making our final determination. I would therefore be grateful if responses could be received, no later than 2 December 2011.

If you have any questions in the meantime or would like to discuss the letter in more detail the please contact me.

Yours sincerely

Steve McBurney  
Head of Energy Efficiency