

CERT obligated suppliers and
other interested parties

*Promoting choice and
value for all customers*

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Dear colleague

Carbon Emissions Reduction Target ('CERT') Super Priority Group: suppliers' proposal for 'SPG percentage'

On 29 October 2012 we published an open letter informing CERT obligated energy companies of our 'minded to decision' to accept an agreed super priority group percentage of 32% for eligible super priority group installations in social housing properties. The open letter invited comments by 12 November 2012.

We received a total of six responses; five were supportive of our minded to decision and one raised concerns. The concerns focussed on the size of the survey sample and the timing of the decision (i.e. late in the programme). The timing of the decision is simply based on the timing of the proposal i.e. when it was received and considered. In relation to the survey sample size our letter of 29 October indicated that we considered the statistical information presented (including the sample size and spread of the sample across the country) provided a reasonable basis on which to agree an SPG percentage for social housing. Having considered the concerns raised we remain of this opinion.

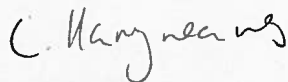
Ofgem is therefore accepting the percentage figure put forward by the energy companies, for SPG households in social housing, of 32%.

This agreed percentage will be administered in line with the principles set out in our letter of the 29 October:

- suppliers may only use one methodology (verification or agreed percentage) per social housing provider and must notify Ofgem if they wish to use the agreed percentage;
- the decision applies to all eligible social housing activity from 1 August 2010;
- in order to claim secondary measures address level information is required, therefore it is unlikely that secondary measures will be able to be claimed in social housing where the agreed percentage is used.

This letter provides an additional route to verify the proportion of SPG customers in Social Housing. It does not change any other aspect of the CERT Guidance. Detailed operational guidance on how to implement this decision will be discussed with, and issued to, the CERT obligated energy companies over the coming weeks.

Yours faithfully



Charles Hargreaves
Associate Director, Environmental Programmes