

British Gas New Energy

Orbis 1
1 Lovett Road
Egham
Middlesex
TW18 3AR

Will Broad
Head of ECO, Centre of Excellence
ECO Team
Ofgem
9 Millbank
London
SW1P 3GE

Sent via e-mail: eco.consultation@ofgem.gov.uk

20th June 2013

Re: Energy Company Obligation (ECO): Consultation on how to account for the percentage of measure installed when calculating ECO scores

Dear Will,

British Gas welcomes the opportunity to respond to this consultation. We are committed to delivering our Energy Companies Obligation in a way that is cost-effective, efficient, and has maximum benefit for the energy consumers who are funding it. As a Green Deal Provider and installer, we are also mindful of the practicalities of delivering measures in accordance with the legislation and Ofgem's Guidance.

ECO has been a big departure for the whole supply chain from delivering CERT and CESP, with different measures, and a new way of working. It is inevitable that it has taken companies considerable time to understand the complex new requirements, and to design and deliver new processes and systems in accordance with this. Many companies in the supply chain are still going through this process, so we believe it is too soon to introduce further change.

We agree with the principle that it is important to have an accurate system in place for calculating the carbon or cost saving associated with the measures installed under ECO, but have concerns with the proposal that Ofgem have put forward for the following reasons:

- Although the proposal of removing 'P' appears to be a minor change, implementing this change will involve changes to processes, retraining of assessors and amending of systems. All of this will take some time to be disseminated through the supply chain.
- Changes will have a knock on impact on software development, an area which has already been adversely affected by the complexity of ECO Guidance.
- We believe that the materiality of the change will be minor – the largest inaccuracies are seen for internal solid wall insulation in properties with focal point heaters, but the disruption to the supply chain will be large.

We therefore believe that Ofgem should not change the Guidance at this moment, and instead monitor the number of instances where 'P' has been used. No changes should be made until it had been demonstrated that this is a material problem.

In general, we do not believe that changes to the Guidance should be made so soon after it has been published. If there are further changes suggested, these should instead be reviewed in the whole, involving the installation supply chain in this exercise, to ensure that potential issues can be addressed collectively and concurrently.

If Ofgem are minded to implement the proposed changes then sufficient time must be allowed for these to be implemented throughout the whole supply chain, our experience suggests this would be a minimum of 3 months after Ofgem publishing their decision.

Given the low level of confidence in the energy efficiency market at present, during the transition from CERT and CESP to ECO and Green Deal, it is important that the supply chain has certainty in being able to claim their ECO funding. Whilst it is important to achieve accuracy in scoring measures, there needs to be a balance when considering the administration and operation of the obligation, and the effect on delivery partners.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chetan Lad', with a horizontal line above it.

Chetan Lad

Head of Policy

British Gas New Energy