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Dear Will

Energy Companies Obligation (ECO): consultation on requirements for demonstrating characteristics of hard-to-treat cavities

This is npower's formal response to Ofgem's consultation on Hard To Treat Cavities (HTTC).

npower understands Ofgem's concerns and can see that it is a significant issue; thus we can see the need to take action. However, we have some concerns with proposed implementation and thus detail below some issues;

General comments

It is not believed to be possible to implement effective improvements by 1st October and it is thus instead suggested that whatever solution is found that the implementation date be delayed until 1st January 2014 in order to give the industry 3 months to make the necessary changes. Note that npower already have contracts in place with installers that were signed some months ago and thus imposing changes quickly would be difficult to implement.

npower would like to see some investigation into the large number of false HTTC that have been found by Ofgem to determine whether the issue is merely one of mistakes, or a major fraud. If it is the latter then npower would want the organisations involved brought to account in an appropriate manner. We understand that there is a new industry fraud prevention and compliance committee and thus recommend that potential fraud be referred to this committee.

A clear indication needs to be given into how cavity widths have been measured by the auditors to date and from this a precise method needs to be stated as to how cavities should be measured going forward so that the major errors with wrongly submitted widths do not re-occur. Npower are looking to trial new technology to assist with accurate and recordable measurements of cavities, such as device that will photograph a measurement and give its GPS location, thereby giving written proof of the width of a cavity.

There is already an accreditation for Green Deal Providers to adhere to and thus it is suggested that when issues are found they should be referred back to the accreditation body, rather than asking the suppliers to police.

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Specific comments with regard to the proposal put forward by Ofgem

1) 100% verification of narrow cavities

Independent verification of narrow cavities is seen as an expensive solution to this problem. Poor customer experience has been noted with the existing number of inspections. There is also the logistical problem of arranging visits at the same time as installer visits on 100% of measures. Thus an additional visit by an independent inspector is not recommended. As an alternative npower suggest that 100% pre-installation declaration/verification be undertaken by the supply chain. In addition to this, suppliers would perform a desk based assessment of a percentage of documentation.

2) Increased requirements on HTTC measures that require a chartered surveyor's report

We suggest that the requirement for a chartered surveyor to personally visit every property will increase costs unnecessarily and result in a worse customer journey. Instead a chartered surveyor should be required to consider evidence in an agreed list of survey documents prior to either signing off a measure or choosing to visit the property, if the surveyor considers that a particular issue needs more detailed consideration.

3) Increased Technical Monitoring

npower are willing to increase the rate of technical monitoring on narrow and other relevant HTTC measures to 10% as a key way of ensuring that narrow HTTC are effectively verified.

Notification of measures

npower request that measures rejected by OFGEM are notified timely. Note that npower operates a **zero tolerance to non compliance**, this provides us with the opportunity to address any concerns and process issues with installers swiftly, in order to ensure submissions conform to the standards expected.

We would be pleased to discuss our response further as necessary.

Yours sincerely



Bob Jackson

Head of Obligations