

Energy Companies Obligation (ECO)

Polypearl response to Ofgem consultation on the requirements for demonstrating characteristics of hard-to-treat cavities. 24. 09. 2013

Introduction

Polypearl are the designers and manufacturers of a cavity wall insulation system which is recognised by many organisations to be ideally suited for the hard to treat properties that are targeted by ECO. This document aims to assist Ofgem understand the difficulties facing assessors and installers, and also provide some clarity to the definition of “hard-to-treat”, together with our recommendations for independent monitoring of the work carried out in order that Ofgem can be confident that the requirements of ECO are being satisfied economically and the installations are technically secure.

Background

The cavity wall insulation industry has evolved over the last 15 years from the need to cut carbon emissions and being one of the few measures that can show a large saving at relatively low cost, grown rapidly to a level of being able to complete over 10,000 installations per week. This number of jobs has resulted in somewhere close to 2000 installing technicians, together with approx 500 surveyors being employed in the industry. Government’s policy of obligating Energy Suppliers to fund these measures has greatly aided the growth of the industry. However the recent switch from CERT to Green Deal has changed the funding mechanism for the majority of the work away from being subsidised by the Energy Supplier to a pay as you go scenario which is reliant upon actual energy savings to cover the cost of doing the work.

This fundamental change in how the funding is to take place has impacted negatively, with consumers now being very slow on the uptake. Installers of cavity wall insulation are consequently faced with either standing down a large proportion of their workforce or finding ways of increasing the number of hard-to treat jobs they install and which can therefore be subsidised with ECO funding by the Energy Companies. This we believe has led to the situation we are now facing were Ofgem has a major concern over the validity of the work and have asked the industry to respond to a consultation document which makes three specific proposals to address the issues.

Specific Proposals

1. 100% verification of Narrow HTTC Measures

We do not believe it is practical for an independent person to carry out the measurement of the cavity width and complete the declaration form whilst an installation crew is on site standing-by in readiness to do the work, as defined in the notes to assessors for the measuring of a cavity, particularly if this is to be an employee of an Energy Supplier or independent of the supply chain. To have the independent assessor on site at same time as the install team would potentially be a logistical nightmare and almost impossible to co-ordinate.

Our recommendation would be that the team leader of the installation crew be made responsible for the verification of the cavity width and for him to confirm by way of signature on the form of declaration that the original survey report had correctly identified the narrowness of the cavity and the point on the elevation which was less than 50mm. By taking this approach it would not therefore be necessary to engage an independent person to carry out the survey.

2. Increased requirement on HTTC measures that require a chartered surveyor's report

We support Ofgem's proposal that the chartered surveyor's report is carried out prior to the installation of the measure.

In order to give a truly independent recommendation of which system is the most suitable for a particular hard to treat cavity, chartered surveyors must be fully conversant with the technical capabilities of all systems being used. This can only be achieved with full training being provided by system designers, and each chartered surveyor having attended a variety of training courses. Ofgem can then rely upon the RICS accreditation for the independence of the reports and it should not be necessary for a suitably qualified surveyor to be independent of the supply chain.

If however Ofgem insist that the chartered surveyor is independent of the supply chain then this must also include independence from the Energy Suppliers otherwise there is a potential for inconsistencies.

It is our considered opinion therefore that the timescales proposed by Ofgem to introduce these proposals on 1st October 2013 are unrealistic and they should not be introduced until the membership of RICS have been fully prepared for the task they have been set.

2. Increased technical monitoring

Polyp pearl support the proposal that increased monitoring should be introduced to provide a clearer picture of the types of errors that are occurring, but we believe that the 5% technical monitoring should be increased to 10% when it has been identified that errors in notifications of HTTC measures exist. The increased level of monitoring should be as a consequence and a penalty to the organisations that are non compliant, rather than introduce 10% across the board from the beginning. We believe that introducing 10% monitoring on everyone can only bring further delays and time constraints on an industry that has run into some extreme difficulty over the first 9 months of the new schemes.

Executive Summary and Overview

The changes brought about by the transition from CERT to Green Deal/ECO has seen large volumes of traditional work on conventional cavities disappear from the market place. This has been instrumental in driving a large section of the cavity wall insulation industry into actively looking for work on hard-to-treat properties, whereas under the CERT scheme, HTT Cavities were routinely identified as those jobs which “*could not be done by conventional methods*” or “*not suitable for standard CWI*” and these jobs would have been passed on to a handful of specialised firms installing a cavity wall insulation system which is more technically suited to these type of properties.

The change of emphasis has encouraged the designers of less capable systems to widen the scope of their systems and seek certification for HTTCs. This has resulted in many more installing companies than ever before wanting to offer cavity wall insulation for HTTCs and consequently the market place is now somewhat distorted.

Polypearl also believe that in many cases the statutory definition of a HTTC is unclear and can be interpreted in more than one way. We consider that a genuine “hard to treat cavity” is a cavity that could not have been insulated in 2012 using standard cavity wall insulation materials and methodology. This is basically properties that require advanced technology and or specialist products. Unfortunately the product differentiation that existed in 2012 under the CERT scheme, which identified better performing non standard products, has not been transferred into ECO and therefore the benefit of using these products has not been recognised particularly in the hard to treat properties. It is essential that HTTC’s continue to be insulated using specialist products and advanced technology, and we urge Ofgem to re-introduce a method of accrediting better performing products, both in terms of carbon scoring and technical advancement to ensure these are the products that are recommended for use on HTTCs by the chartered surveyors.

Ofgem should exercise their powers to qualify the definitions more fully to eliminate any grey areas and state in no uncertain terms what can be classed as HTTC and what cannot. Never the less the over-riding priority should be to get as many as possible of the HTTC properties insulated in a technically robust manner and at an economical cost. We would therefore encourage Ofgem to meet with experts from the insulation industry and to thrash out an agreement as to the type of property that can genuinely be classed as “hard to treat”. Polypearl would welcome the opportunity to be part of these discussions either as a member of a group or individually which ever Ofgem consider the most appropriate.

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