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for energy consumers

Ofgem's summary of responses following our consultation on the requirements for demonstrating characteristics of hard-to-treat cavities

This document summarises the issues and suggestions raised in the response to our consultation on the requirements for demonstrating characteristics of hard-to-treat cavity walls (HTTC)¹, published 27 August 2013 (consultation). The consultation closed on 24 September 2013.

We explain the changes we have made to our proposals as a result of the consultation and detail where we were unable to incorporate suggestions made by respondents. Some responses raised issues relating to the overall policy design of the Energy Companies Obligation (ECO). We have passed these comments on to the Department of Energy and Climate Change (DECC) for their consideration as they are responsible for ECO policy and legislation.

As a result of this consultation we have published the Energy Companies Obligation (ECO): Supplementary Guidance on Hard-to-Treat Cavity Wall Insulation ('the guidance'), which can be found on our website².

Background to consultation

ECO is an energy efficiency scheme which places obligations on larger energy companies to install energy efficiency measures to domestic premises. Ofgem administers the scheme on behalf of DECC.

We have information suggesting that a significant number of HTTC measures notified under ECO has been installed to cavity walls that do not meet the statutory definition of a 'hard to treat cavity'³. More information on the issues we identified is provided in our consultation.

Ofgem takes compliance with the ECO scheme very seriously. This is to ensure that consumers are not subsidising measures which are ineligible for delivery under ECO. Given the problems we have found we need additional assurance that the notified information about the cavity is accurate. As a result, we placed a number of HTTC measures on hold while we conducted additional checks on their eligibility. We have written to suppliers directly on how they can provide assurance about the eligibility of the measures placed on hold.

¹ The consultation documents can be found here: <https://www.ofgem.gov.uk/publications-and-updates/energy-companies-obligation-eco-consultation-requirements-demonstrating-characteristics-hard-treat-cavities>

² Available at: <https://www.ofgem.gov.uk/publications-and-updates/energy-companies-obligation-eco-supplementary-guidance-hard-treat-cavity-wall-insulation>

³ See The Electricity and Gas (Energy Companies Obligation) Order 2012: http://www.legislation.gov.uk/uksi/2012/3018/pdfs/ukxi_20123018_en.pdf

For HTTC measures delivered in the future, we developed a new set of requirements that would provide us with sufficient assurance that these measures meet the statutory definition. We invited stakeholders to express their views, through consultation, on the proposed requirements. The consultation closed on 24 September 2013.

Responses were received from six energy suppliers and 47 other stakeholders. A full list of consultation respondents can be found in Annex 1. Their responses are published on our website⁴.

We have taken on board many of the comments and suggestions made in these responses and have revised our original proposals for demonstrating the characteristics of HTTCs accordingly. We believe that this will significantly reduce the cost and resource impact of the new requirements, which are far lower than the cost of potentially incorrect measures that consumers would otherwise bear (based on our reviews of the measures initially submitted to us).

Below we summarise the responses received to the consultation. These are split into four sections:

1. Narrow HTTCs
2. HTTCs requiring a chartered surveyor report
3. Additional technical monitoring
4. General issues

1. Responses to the proposal for 100 percent verification of narrow HTTC measures

15 respondents commented on the proposed introduction of a declaration recording the cavity width for narrow HTTC measures. Of these, 12 agreed with the proposal for this declaration (or equivalent) to be completed. However, there was a significant level of disagreement with the proposals for who would complete the declaration.

Additional cost of implementing requirements

21 respondents had concerns over the additional cost if the requirement for 100 percent independent verification of narrow HTTCs was implemented.

Several reasons and potential outcomes were raised to support these concerns, including:

- The increase in demand for appropriately skilled independent assessors would increase the cost of their services;
- The proposals are disproportionate to the problems identified;
- The affected measures would become uneconomical to install under ECO;
- The 'carbon rate' currently offered does not cover this additional requirement.

⁴Available at: <https://www.ofgem.gov.uk/publications-and-updates/energy-companies-obligation-eco-consultation-requirements-demonstrating-characteristics-hard-treat-cavities>

As a result of these concerns we have amended the initial proposals to the following:

- The person who completes the declaration (the verifier) must not be an employee of any party responsible for the installation of the measure to which the declaration relates. However, the verifier may be an employee of a party responsible for installation of the measure if:
 - a. the verifier is a chartered surveyor; and/or
 - b. the verifier is using certain technology.

An independent contractor is not an employee for the purpose of this provision. The parties responsible for installation of a measure include the installer and any party that has control or ownership of the property to which the measure is installed – but do not include the supplier who notifies the measure under ECO.

These options provide flexibility but also sufficient assurance that the declaration accurately describes the characteristics of the cavity wall to which it relates. We have allowed the verifier to be employed by the supplier. Ofgem has regulatory powers over obligated energy companies. We believe that these powers act as a deterrent against a supplier (including its employees) making false statements to Ofgem and provide for appropriate redress if problems do emerge.

Impact on industry

10 respondents raised concerns about the potential impact of the proposed Narrow HTTC Declaration on industry. Their concerns related to the additional cost, complexity, logistical and capacity burdens which the suggested proposal would place on industry. One possible outcome identified was a reduction in the installation of future measures.

Some suggestions to reduce the impact of the measures on industry focused on the targeting of any additional requirements at those companies who submitted 'false' narrow HTTC measures, with new requirements relaxed for companies who can demonstrate compliance.

The requirement for a Narrow HTTC Declaration to be completed will apply to every narrow HTTC insulation measure installed under ECO from the date of effect. This is necessary to provide up front assurance that measures are eligible under ECO and to minimise the need for drilling of cavity walls to determine the width where concerns are raised post-installation. Additional checks have shown that 'false' HTTC measures have been notified across a number of suppliers. For this reason we will be implementing the additional requirements across all suppliers. Whilst we want to avoid unnecessary costs to industry we must ensure that measures are eligible in order to protect customers who are paying for ECO.

Modifications have been made to the original proposal in order to make the completion of the declaration less disruptive to industry. A range of options on how the declaration can be completed has been provided in the supplementary guidance on HTTCs.

Method of verification

Eight respondents requested further clarity on the methodology to be used to determine whether a cavity meets the ECO definition of a 'narrow cavity'. The responses received suggested that there is some confusion within the supply chain regarding:

- i. the approach to be used for measuring the width;
- ii. the type of evidence that could be used to verify the width;
- iii. the area of the wall which must be narrow in order for that wall to be eligible as a narrow HTTC; and
- iv. the number of holes which must be drilled.

In order to ensure that all relevant parties use a consistent methodology to measure cavity widths and to address questions raised during the consultation period regarding the determination of whether a wall can be classed as a narrow HTTC under ECO, we have published supplementary guidance. This guidance includes a clear methodology for measuring the cavity width.

One approach to measuring the cavity width that was proposed during the consultation relied on the use of silicon mastic to plug the holes drilled by the installer, so that the verifier can measure the cavity width without the need for additional drilling. The advantages of this approach were to minimise the impact on the customer and negate the need for the verifier to be present on site at the same time as the installer. This suggestion has been incorporated into the guidance and methodology for measuring the cavity width.

Further clarification on the number of inspection holes required to verify the cavity width for each elevation in a block of flats was requested. The supplementary guidance on HTTCs now clarifies that measurements taken at ground level can be used to complete the Narrow HTTC Declaration for premises located on a higher floor.

There was a suggestion that where properties in an estate are of the same construction type, the measurement of the cavity width could be completed for a sample to demonstrate that all properties have a cavity of less than 50mm. This suggestion has not been adopted because it does not offer sufficient assurance that every property treated meets the statutory definition of a narrow HTTC cavity.

Another suggestion received in relation to cavity widths was for a tolerance level to be set to allow some flexibility around the interpretation of the cavity width, due to differences in measurements taken with different tools and at different times. The requirement for narrow cavities to be less than 50mm is set in legislation. The methodology published in our supplementary guidance uses an average value from three measurements per elevation, which provides greater assurance that a section, rather than a point, on the wall is less than 50mm.

The consultation responses supported the use of evidence such as photographs or GPS-stamped photographs to verify the location of the inspection points used for measuring the cavity width and/or to demonstrate that cavities are narrow. We agree that the verifier must clearly record the location of each inspection hole used for measuring the cavity width and this requirement was already included in Version 1.1 of the ECO

Guidance for Suppliers (ECO guidance)⁵. Use of technology to record the measurement without a site visit by an independent verifier or chartered surveyor has also been included in our supplementary guidance as one of the three options for verifying a cavity is narrow.

Independence of the verifier

30 respondents commented on the proposal for the 'verifier' to be an employee of the supplier or independent of the supply chain (this includes independence from the installer, third party agents, surveyors, social housing providers etc, but does not require independence from the supplier). Almost all respondents disagreed with this independence requirement. In particular, there was concern that this requirement for the verifier to be independent would add an additional level of complexity and administrative burden to the process and take considerable time to implement in an established industry. In addition, respondents were concerned that the industry lacks the capacity to provide sufficient appropriately skilled and experienced independent verification of narrow HTTCs.

Several respondents suggested alternative approaches. These included:

- The use of an external firm of assessors contracted by the installer subject to appropriate safeguards.
- The use of a Green Deal Assessor (who may be employed by the contractor) and a RICS ECO Assessor (REA) chartered surveyor to review documentation, carrying out a site visit if necessary.
- An employee of the installer.
- Suppliers carrying out desk top audits prior to notification to Ofgem.
- Percentage pre-installation checks by a third party, independent of the installer.
- REA assessor/verifier company working with a member of the supply chain if the company is an independent company with no financial interest in the installation of the measure.
- Use of chartered surveyors to verify narrow cavities in line with other HTTCs requiring a chartered surveyors report.

Following review of these responses we have amended the proposed requirements to a more flexible approach to obtaining independent verification of the cavity width (see 'Additional cost of implementing requirements' above).

Concern over the 'customer journey'

15 respondents had concerns over the number of visits a consumer would be subjected to as part of an installation. There was concern that the additional visit would increase household 'drop out' rates and potentially stifle interest in the uptake of measures.

Whilst we understand this concern, we have a responsibility to ensure that measures installed under ECO comply with legislation. This level of verification is important in providing assurance that the HTTC measures that have been installed to cavity walls do meet the statutory definition of 'hard to treat cavity'. In recognition of the concerns

⁵ <https://www.ofgem.gov.uk/ofgem-publications/75775/energycompaniesobligationecoquidanceforsuppliers-version11.pdf>

raised, we have amended the proposals to allow the Narrow HTTC Declaration to be completed by existing members of the supply chain, where possible, or to allow the installation company to commission or contract the verifier. These changes are expected to avoid the need for an additional visit in some cases or to make it easier to coordinate site visits by different parties.

Definition of appropriate skill and experience

Seven respondents stated that the definition of a person of appropriate skill and experience was unclear.

The supplementary guidance contains a clear methodology for measuring the cavity width and completing the Narrow HTTC Declaration. This removes the need for the verifier to demonstrate 'appropriate skill and experience'. Instead, the only requirement is for the verifier to have measured the cavity width in accordance with the methodology in the guidance.

Verifier

Some respondents asked that the term 'assessor' (which was used to describe the person completing the Narrow HTTC Declaration) be changed to the term 'verifier'. This would avoid confusion with assessors under the BBA assessor scheme.

We have taken this suggestion on board and made amendments to the Narrow HTTC Declaration and supplementary guidance to refer to those measuring narrow cavities as a 'verifier'.

2. Responses to the proposal for increased requirements on HTTC measures that require a chartered surveyor report

Of the 53 responses received 11 were supportive of one or more aspects of the proposal relating to increased requirements on HTTC measures that require a chartered surveyor report.

Two respondents broadly supported the proposals and eight respondents supported the requirement for a chartered surveyor report to be dated before installation of the measure.

However most respondents had concerns regarding specific details of the proposals and/or provided alternative suggestions. These are detailed below.

Increased cost of requirements

Of the 53 responses received, 25 had concerns that the increased requirements on HTTC measures that require a chartered surveyor report would result in increased cost to ECO.

There was concern that a cost increase would result from the requirement for a chartered surveyor to personally assess each site on which s/he is reporting and that a lack of availability of chartered surveyors is likely to increase the market rate for

chartered surveyors. One respondent also had concern over the additional carbon expenditure of additional site visits by chartered surveyors.

Having taken these responses into account we have amended our proposals. We state that surveyors should ensure a minimum of 20 percent of reports are based on site visits undertaken by the chartered surveyor. This amendment is designed to reduce the cost implications of the new requirement, while providing us with sufficient assurance that the measures installed comply with the ECO Order.

From the responses received we are aware that a chartered surveyor would carry out site visits as a matter of course. 20 percent site visits are current practice in industry and we understand there is sufficient resource in industry to support this. There will be a periodic review of the new requirements, including whether the 20 percent minimum should be revised.

Impact on industry

Of the 53 responses received, 19 respondents had concerns relating to how the proposals for increased requirements on HTTC measures that require a chartered surveyor report would affect industry.

The majority of these stated that there are not a sufficient number of chartered surveyors currently in the industry. There was also concern for job losses in the industry for those currently performing the role of verifying HTTCs. One respondent also stressed the risk of investing in additional chartered surveyors when the increased cost of the delivery (as a result of this, proposals in the consultation) may cause a decrease in demand.

We have removed the requirement for 100 percent site visits and instead state that surveyors should ensure a minimum of 20 percent of reports are based on site visits undertaken by the chartered surveyor.

Independence of the chartered surveyor

Of the 53 respondents, 24 respondents commented on the requirements for independence of the chartered surveyor. Of these, almost all were opposed to the proposals relating to the independence of the chartered surveyor.

Respondents stated that a chartered surveyor should be deemed as independent:

- due to their RICS chartered status;
- if they hold a RICS ECO Assessors (REA) qualification;
- if they hold an REA qualification and their remuneration is not subject to the results; and
- if they are independent from the supply chain and from the supplier.

One respondent had concerns regarding suppliers directly contracting chartered surveyors as the installer would not have the same control over the quality of service provided by the chartered surveyor.

Our supplementary guidance on HTTCs allows chartered surveyors to be employed by *any* party involved in the installation of a measure.

100 percent site visits

Of the 53 responses received, 29 commented on the requirement for a chartered surveyor to visit 100 percent of properties on which they are reporting. Two were supportive of the requirement and 27 were opposed.

18 respondents suggested alternative approaches for the verification of HTTC measures in place of 100 percent site visits. These suggestions included:

- a sample of site visits by the chartered surveyor
- site visits to be carried out at the discretion of the chartered surveyor
- Ofgem agreed terms of engagement under which a chartered surveyor should operate
- Evidence-based verification of HTTCs to include photographs, GPS data, survey documents and document checklists
- Use of a person of appropriate skill and experience to verify a HTTC prior to sign off by a chartered surveyor
- No requirement for RICS ECO Assessors to carry out site visits
- Regular inspections by Ofgem
- Independent third party to perform pre installation checks on-site

As a result of this consultation we have removed the requirement for 100 percent site visits and instead state that surveyors should ensure a minimum of 20 percent of reports are based on site visits undertaken by the chartered surveyor.

Chartered surveyor report

14 respondents commented on the proposed amendments to the 'Chartered surveyor report for hard-to-treat cavity measures'. 11 supported the revised template. Five respondents asked for further revisions to the revised HTTC report. Suggestions included more explicit technical guidance, clarification on existing guarantees, questions relating to independence, a section for the individual who provided measurements and photographic evidence.

Some responses stated that chartered surveyors demonstrate independence through their chartered status and their professional indemnity insurance. We agree that professional indemnity insurance, which is mandatory for all chartered surveyors, serves as a deterrent to the production of inaccurate reports due to the potential for a claim to be made against the professional indemnity insurance.

Having received these suggestions we have made further amendments to the revised chartered surveyor report for hard-to-treat cavity measures to include:

- a) the addition of references to the professional indemnity insurance and chartered status held by the chartered surveyor;
- b) clarification that the chartered surveyor should not receive payment that is subject to the result of their assessment;

- c) confirmation by the chartered surveyor that they have been provided with sufficient evidence to make their assessment; and confirmation by the chartered surveyor that they hold on file a copy of all evidence reviewed in support of their assessment.
- d) confirmation by the chartered surveyor that they hold on file a copy of all evidence reviewed in support of their assessment

Customer journey

Based on the proposed requirement for a chartered surveyor to visit 100 percent of properties on which they are reporting, eleven respondents raised concerns over the additional visit a consumer would be subjected to as part of an installation. There was also concern that the requirement would be prohibitive due to logistics.

As a result of this consultation we have removed the requirement for 100 percent site visit requirement and instead state that surveyors should ensure a minimum of 20 percent of reports are based on site visits undertaken by the chartered surveyor. This will reduce the number of site visits when compared to the proposal but, alongside the other requirement outlined in the supplementary guidance, will still provide adequate assurance that the measure meets the statutory definition of a HTTC.

Alternatives to a chartered surveyor

Three respondents supported the proposal that a chartered surveyor report must be prepared by either a chartered building surveyor or a chartered surveyor who has qualified through the residential survey or valuation pathway. However, a large proportion of respondents suggested alternatives to a chartered surveyor for the completion of HTTC reports. These included:

- Domestic Energy Assessors (DEAs)
- Home Inspectors
- Architects
- Architectural technicians
- Chartered builders
- Chartered services engineers
- Residential Property Surveyors
- Public Buildings Energy Assessors
- Domestic & Level 4 Commercial Energy Assessors
- Relevant competent professionals

We are unable to take these suggestions into account. The definition of a 'hard to treat cavity' provided in the Order refers directly to chartered surveyors.

As such, a cavity wall which is not suitable to insulate with standard insulation materials or techniques or which is not suitable to insulate without substantial remedial works to the building must have a report from a chartered surveyor confirming this hard-to-treat designation in order for the measure to be eligible as a hard-to-treat cavity insulation measure under ECO. A report by someone other than a chartered surveyor could not substitute for this legal requirement without a legislative change.

We have, however, widened our examples of appropriately qualified chartered surveyors to:

- a) a chartered building surveyor;
- b) a chartered surveyor who has qualified through the residential survey or valuation pathway; or
- c) a chartered surveyor who has completed either the RICS ECO Assessor training and is included on the RICS register of RICS ECO Assessors or equivalent training.

Expertise of chartered surveyors

Some respondents asked for clarity regarding the types of chartered surveyors that would have appropriate expertise to complete the chartered surveyor report for HTTCs. As a result we have expanded our definition of appropriately qualified chartered surveyors to include a chartered surveyor who has completed either the RICS ECO Assessor training and is included on the RICS register of RICS ECO Assessors or equivalent training. If suppliers are aware of an equivalent course, they are encouraged to inform us of the course so that we can confirm whether it is an acceptable alternative.

Definition of relevant HTTCs

One respondent called for further clarification on the definition of the HTTCs which require a chartered surveyor report (i.e. non-standard insulation materials and techniques, substantial remedial works and uneven cavity in natural stone walls).

We are working to produce a document with further information for chartered surveyors to provide greater clarity on ECO HTTC measures. This will be published on our website.

3. Responses to the proposal for increased technical monitoring

Of the 53 responses received, 30 respondents did not comment on the proposal to increase the level of technical monitoring (TM). Of those who did respond 25 were in favour of the proposals and five were opposed. The concerns raised related to the following areas:

- Existing TM regime
- Increased costs
- Ratio of pre:mid:post technical monitoring
- Review phase
- Focused implementation
- Definition of 'a suitably qualified third party'

Existing TM regime

One respondent suggested that the original requirements for audit and technical monitoring are sufficient for the purposes of ECO. Three respondents suggested that, as technical monitoring questions (released in July 2013) have only been used on a

relatively small number of HTTC measures, that we allow further time before taking any decision to impose new monitoring arrangements.

Technical and documentary audits undertaken to date have suggested there have been widespread errors in notification of narrow HTTCs, cavities requiring substantial remedial works and cavities requiring non-standard materials or techniques ('relevant HTTC measures'). In order to be able to assess the impact of the new requirements we have increased the sample size for technical monitoring by five percent. This will enable us to conduct a more thorough analysis of the results, and potentially implement a more targeted approach for ongoing verification requirements. We will review the results of technical monitoring periodically and consider whether it is appropriate to amend this requirement by reducing or removing it.

By requiring additional TM on relevant HTTCs rather than placing reliance on the current regime, we can be sure that these categories of HTTC are monitored. Current TM requires a proportional split between measure types but there is no requirement for the monitoring to cover all sub-categories of HTTC. To ensure that reports are being completed accurately for the relevant HTTCs we require a second level of TM to be applied.

We have amended the ratio of pre:mid:post monitoring for the additional TM from the existing regime. Cavities requiring substantial remedial works and cavities requiring non-standard materials or techniques cannot be reliably monitored after the installation has occurred. In the case of narrow cavities, monitoring could be carried out post installation. However, the responses to this consultation highlighted significant concern about customer disruption and increased costs. By carrying out monitoring at the pre- or mid- installation stage these impacts are minimised. We may, however, allow post-installation monitoring of narrow cavities in some cases, although this will require measurement of the cavity width which is likely to involve drilling.

Costs of requirements

Seven respondents had concerns over the increased costs due to the proposal for increased TM. Respondents stated that if the other proposals within the consultation are implemented then there is no need for additional technical monitoring. One respondent stated that costs will also rise as increasing the level of TM would put a strain on the industry as there are not a sufficient number of accredited assessor companies.

As explained above the increase in TM is necessary in order to assess the degree to which HTTC measures notified under the new requirements are being notified correctly and are being installed to cavities which meet the statutory definition of a HTTC. This is necessary to avoid customers paying for ineligible measures. We will, however, review the results of technical monitoring periodically and consider whether it is appropriate to amend this requirement.

Ratio of technical monitoring

Eight respondents had concerns over the proposed ratio of pre:mid:post technical monitoring. Responses indicated that mid-installation technical monitoring visits would

be difficult to implement due to the short time frame for an installation and the difficulty in coordinating visits. The following alternatives were suggested:

- the ratio remains the same as for the current technical monitoring;
- the additional five percent technical monitoring focuses on post-installation only; and
- the additional five percent technical monitoring focuses on pre- and mid-installation

Following a review of these responses we have amended our proposal so that, in relation to the additional five percent sample (i.e. over and above what is required for other installations under ECO), inspections are conducted at either the pre- or mid-installation stage. The precise proportion of measures assessed at either pre- or mid-installation stage is flexible. In some situations suppliers may choose to conduct a proportion of the additional technical monitoring on narrow cavities at post-installation stage.

In relation to the existing five percent sample (i.e. the sample already required for relevant HTTC measures under the current technical monitoring requirements), the ratio of pre:mid:post installation inspections should be maintained at 0:60:40.

Targeted implementation

Eight respondents did not agree that increased technical monitoring should be applied across the board. It was suggested that increased technical monitoring is aimed at only those in the supply chain who had not been delivering measures in accordance with existing guidance. There was also suggestion that TM results be provided to Ofgem on an installer level and the level then be adjusted by installation company depending on the pass rate.

We do not currently hold information that would enable targeted sampling. However, these additional requirements will be reviewed periodically. Once more information has been received we will consider whether it is appropriate to remove, reduce or increase the requirements described above

In all cases where an obligated energy supplier has concerns that a relevant measure may not have been completed in accordance with these additional requirements, they should obtain and review copies of supporting documentation to verify that the information is correct. Should suppliers have concerns around specific installers as a result of technical monitoring it is their responsibility to take action to ensure that measures claimed under ECO are compliant.

Definition of 'a suitably qualified third party'

Two respondents thought that the definition of 'a suitably qualified third party' was unclear. Four respondents suggested the following as suitably qualified:

- Home Inspector
- Residential Property Surveyor

This consultation does not seek to change the requirements of a suitable technical monitoring agent. Please see the existing ECO Guidance document which outlines that a technical monitoring agent is someone 'who is independent from the supplier, installer, or any other party involved in the installation of the measure'.

Review phase

Four respondents also stated that installers achieving above a 95 percent pass rate for three successive months should drop back to the current five percent level of monitoring.

Results will be reviewed periodically and we will consider whether it is appropriate to remove, reduce or increase the requirements described above.

4. Responses to the consultation in general

Date of effect

Of the 53 responses received 17 had concerns over the date of effect. Seven respondents suggested an alternative date of effect. These included:

- 1 November 2013
- 1 December 2013
- 1 January 2013
- When RICS are prepared to carry out training for all chartered surveyors

Of the four respondents who commented on the proposal for early voluntary implementation, all were in favour. One respondent also suggested that the implementation date should vary by measure type.

We have considered these concerns and have amended the date of effect stated in our proposal. These additional requirements come into effect for HTTC measures from 1 January 2013. Based on the responses received this will allow obligated suppliers and the supply chain sufficient time to make the required changes and implement robust processes to ensure that all HTTCs are correctly notified going forward.

Progress under ECO

Of the 53 responses received four respondents were concerned that the proposals would slow the progress toward ECO due to increased site visits and the requirements for energy companies to recruit additional independent agencies.

We have amended our proposals to reduce the need for energy companies to recruit independent agencies and to limit the number of additional site visits required.

Penalties

Five respondents had concerns regarding penalties for companies who notify HTTC measures that have been installed to cavity walls that do not meet the statutory definition of a HTTC. Respondents asked for the following:

- Investigation and penalties
- Use of the industry fraud prevention and compliance committee
- Removal of PAS2030:2012 certification
- Strong and very high financial penalties imposed by Ofgem or other regulatory bodies
- Removal by RICS of authority to act as a chartered surveyor

Ofgem only has powers to take enforcement action against obligated energy suppliers. The additional requirements introduced for demonstrating the characteristics of HTTCs following our consultation will enable us to better identify measures which have not been installed in accordance with the statutory definition of a HTTC.

Breach of contracts as a result of the proposals

One respondent stated that if the proposals were implemented those in the supply chain with delivery-based contracts are at risk of breaching those contracts and would leave them open to legal action.

The contractual arrangements between obligated suppliers and the supply chain (including those within the supply chain) are not within the remit of Ofgem.

Provision of documentation between supply chain and suppliers

Three respondents asked that any new guidance published makes clear that, should a supplier request it, documentation needs to be made available by the installer. This should have a strong bearing on those Green Deal Providers selling through the brokerage channel.

In all cases where an obligated energy supplier has concerns that a relevant measure may not have been completed in accordance with these additional requirements, they should obtain and review copies of supporting documentation to verify that the information is correct.

Annex 1: List of consultation respondents

1. Abode Home Inspections Ltd.
2. Aldridge Property Services Ltd
3. Association for the Conservation of Energy
4. British Board of Agreement
5. British Gas
6. British Plastics Federation on behalf of the National Blown Bead Association
7. C F Cook (own views)
8. Carillion
9. CIGA
10. Climate Energy Ltd.
11. Devon and Cornwall Home Inspectors Association
12. Domestic and General Insulation Ltd.
13. E.ON
14. East Midlands Housing
15. Eco-Omg Ltd.
16. EDF Energy
17. Effective Energy
18. Energy Care Group Limited
19. Energy UK
20. EUM Consultants Ltd.
21. GB Design Services
22. Go Greena Ltd
23. InstaGroup Ltd
24. Institute of DEAs
25. Jon Bird, Dorset County Council
26. KNW Partnership Limited
27. Llewellyn smith
28. Manchester City Council
29. Mark Group
30. National Insulation Association
31. Nationwide Energy Training Services Ltd.
32. Npower
33. Osborne Energy Ltd.
34. Patrick Howarth (own views)
35. Peter Bladen (own views)
36. Polypearl Ltd.
37. Property & Energy Professionals Association
38. Property Care Association
39. Property Metrics
40. Redmond Group (Yorkshire) Ltd.
41. Residential Property Surveyors Association
42. RICS
43. Right Surveyors Asset Management Ltd.
44. Rockwool
45. Rowlinson Constructions Ltd
46. Saint-Gobain Delegation UK
47. ScottishPower
48. Solarwall Ltd.
49. SSE plc.
50. Sustain
51. The Association of Professional Inventory Providers
52. Thermabead
53. Yorkshire Energy Services