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Date: 20 January 2015

Dear Sir/Madam

Response to *Energy Company Obligation 2015-2017 (ECO2): ECO2.2 Consultation* (published on 4th December 2014)

Question 1:

(a) Do you agree with our proposed requirements for pre-existing roof insulation? Please provide reasons for your answer.

We do agree that these standards are fair and not so onerous that they would encourage some installers to try and circumvent them, which is a consistent issue with loft insulation.

(b) Do you have any further comments or suggestions relating to this policy area?

No.

Question 2:

(a) Do you agree with our proposal that a wall with a section of cavity narrower than 40mm cannot be insulated? Please provide reasons for your answer.

We do agree. The gap is too narrow to fill without substantial risk of air pockets, bridging and damage to the structure.

(b) Do you agree with our proposal that a wall which adjoins a wall which cannot be insulated also 'cannot be insulated'? Please provide reasons for your answer.

We agree. There are too many risks involved, and they are of the sort that are nearly impossible to remedy without drastic measures should something go wrong.

(c) Are there any other scenarios where a cavity wall cannot be insulated? Please provide reasons for your answer.

We know of no other scenarios where a cavity wall cannot be insulated.

(d) For compliance purposes, how can suppliers demonstrate that a cavity wall cannot be insulated?

The standard methods used in determining whether a cavity wall is Hard-to-Treat should also be sufficient here.

(e) Do you have any further comments or suggestions relating to this policy area?

No.

Question 3:

(a) Do you agree with our preferred approach (Option 1) for calculating the lifetime for multi-fuel DHS upgrades? Please provide reasons for your answer.

We are not involved in district heating at this time and have little insight to the technology or market, so we will refrain from answering Question 3.

(b) If you do not agree with Option 1, do you agree with any of the other proposed options for calculating the lifetime for multi-fuel upgrades? If not, can you propose an alternative approach for calculating the lifetime for multi-fuel DHS upgrades?

We are not involved in district heating at this time and have little insight to the technology or market, so we will refrain from answering Question 3.

(c) Do you have any further comments or suggestions relating to this policy area?

We are not involved in district heating at this time and have little insight to the technology or market, so we will refrain from answering Question 3.

Question 4:

(a) Do you agree with our proposed definition of a 'broken down' ESH? Please give reasons for your answer.

We generally agree with this definition. Our main concern is with how it could be exploited, or be otherwise open to uses not in keeping with the spirit of the scheme, as broad as the definition is. We suggest there should be a declaration (if there is not one already) that the installer is not aware of any attempt by anyone to disable or tamper with the ESH prior to inspection. Crippling a liquid fuel boiler is very dangerous for a layperson to attempt, but the relative ease of tampering with an ESH for the purpose of gaining a new one, enough to make it 'broken down' under this wide-ranging definition, could leave the scheme open to abuses.

(b) Do you agree with our proposal for judging that an ESH cannot be economically repaired? Please give reasons for your answer.

We agree. A similar approach for mains gas boilers seemed to work well and we can see little reason why it should not work as well for ESHs.

(c) Do you agree with the thresholds given in the ESH Economic Repair Cost Comparison Table? Please give reasons for your answer.

Not being expert with the technical aspects of ESH, we broadly agree with the thresholds as long as they are consistent with the same approach used for determining whether gas-fuelled boilers are economically repairable. We believe that the approach used for liquid fuel boilers was fair and effective, so as long as the determination for electric storage heaters is at least as strenuous as that, we agree with it.

(d) Do you have any further comments or suggestions relating to this policy area?

We are pleased to see electric storage heaters are going to be qualifying measures, given that proportion of energy users in fuel poverty who have ESHs. We also sympathise with the difficulties that DECC face in shaping an approach to ESHs that is both successful at reducing carbon emissions and is not ripe for abuse. We believe this approach will be far more effective at addressing fuel poverty than addressing inefficient and broken mains gas boilers has been, and hope that auditing of these ESH installations will be rigorous, to safeguard the health of the scheme and the householders alike.

Question 5:

(a) Do you agree that 'boiler and system sludge' and 'unstable firing' alone are insufficient reasons for a boiler to be replaced? Are there any other faults which on their own are insufficient reasons for a boiler to be replaced? Please give reasons for your answers.

We believe that 'boiler and system sludge' and 'unstable firing' can in some cases be sufficient reason for a boiler to be replaced. The deciding factors would be the root cause of the fault in the case of unstable firing, and the severity of the sludge build up in the system. What concerns us is that where these cases are severe enough to warrant a replacement of the boiler, those customers will likely be among those who need the help the most, only to be disqualified by the new rules. Similar unintended consequences come along often in Government policies regarding fuel and carbon savings, where the most needful of help are removed from eligibility, and we fear that this change will have that kind of an effect.

(b) Do you agree that 'no boiler ignition' and 'unstable firing' should be considered separately? Please give reasons for your answers.

We can see no potential issues with regarding these two faults separately, other than the concerns we described in the answer above to Question 5a regarding unstable firing.

(c) Do you agree that the boiler fault list is suitable to identify faults with non-gas fuelled boilers? Please give reasons for your answers.

We agree with the fault list, taking into consideration that we are not installers ourselves, especially of non-gas fuelled boilers, and so are unaware of any unique characteristics of those boilers that may make them unique from gas-fuelled boilers, in particular oil-fuelled boilers.

(d) Do you have any further comments or suggestions relating to this policy area?

Our principal concern with these changes, as it is with all policy both new and revised, is that negative consequences impacting the neediest households are avoided. Often when a technical change is brought in, it inadvertently has a knock-on effect which causes hardship to some of those the scheme was designed to help. Keeping the scheme healthy helps everybody, or so it would seem, but in our view the scheme deteriorates if a population that belongs in the target group is disqualified from eligibility. We hope that this potential problem was considered when these new rules were being drafted.

Question 6:

(a) Do you think the proposed changes to our requirements will be effective in reducing false claims of virgin loft insulation? Please provide reasons for your answer in relation to each change.

See: Appendix A, Question 6(a)

(b) Do you see any difficulties in implementing these changes? Please provide reasons for your answer.

See: Appendix A, Question 6(a)

(c) Do you have any suggestions for other controls or requirements we could introduce to reduce or prevent such false claims? Please provide reasons for your answer.

See: Appendix A, Question 6(a)

(d) Where existing insulation is removed because it is posing health and safety risks and new insulation installed, should the measure be claimed as virgin or top-up loft insulation? Can you provide examples of health and safety risks that would require insulation to be removed and how a supplier could demonstrate these risks?

If there is a legitimate health and safety risk, then it should be regarded as virgin loft insulation. One example is if the loft is 'insulated' with unsuitable materials. Putting asbestos to one side, these would be DiY jobs with improvised insulation such as paper or fabric. Another example is where damp or rot has set in, or the material has been used either as a nest for animals, or roosting animals have ruined the insulation with their droppings. Photographic evidence of these scenarios, along with a declaration, should be sufficient.

Question 7:

(a) Do you agree it is more appropriate to assess quality of installation and the accuracy of scores separately?

We agree. The way ECO 1 worked, it was as if Ofgem was meant to enforce the quality of the installations through their audits, which of course was not the purpose of them. Somewhere along the line this misconception took root, and it has been hard to shake. It created a gap where proper installation quality monitoring should have existed. Leaving Ofgem to do cover their original remit, and creating a second force to audit installations, is an important correction to make.

(b) Do you agree with the proposed reactive monitoring process described in paragraphs 1.45 to 1.56 of Appendix 1? Do you think the monitoring rates are appropriate?

The process as outlined is good. The efficacy of it will be, as always, determined by how well it is executed. It would also serve to publicise the results of these audits, introduce articles surrounding the audits, and in all ways make it clear in the minds of the ECO community that audits are taking place. An audit is most effective when it causes the bad actors to worry if the hammer could fall at any moment and they would be caught out.

(c) Do you agree that technical monitoring agents should have certain qualifications as explained in paragraph 1.15 of Appendix 1? Can you suggest which qualifications are most appropriate for different categories of measure?

Technical monitoring agents should have certain qualifications. Qualifications for boiler inspections are easy to answer. For other measures, especially to do with building fabric, one idea would be chartered surveyors. They are generally a professional group who take their roles seriously and are committed to protecting their important role. For micro-generation, given how young this field is, the question is more challenging. We would suggest consulting with the Renewable Energy Association (REA) for their advice if that has not already been done. MCS certification is a minimum, but how to link that with inspections, we do not have a ready answer.

(d) Are the qualifications listed in paragraph 1.16 of Appendix 1 appropriate for score monitoring agents? Are there any other qualifications that you would suggest?

See: Appendix A, Question 7(d)

(e) Do you agree with the proposed timescales for remedial works and re-scoring to be conducted outlined in paragraphs 1.58 and 1.59 of Appendix 1?

We agree that these timescales allow sufficient time to address these types of issues.

(f) Do you have any further comments or suggestions relating to this policy area?

See: Appendix A, Question 7(f)