



# SEA response

## Consultation on MCS equivalence for the Domestic RHI scheme

**Deadline 29 May 2015**

### Executive summary

In general we support the principles proposed for the MCS equivalence for the domestic RHI scheme. On some specific areas we have outlined the need for clarity of information including:

- Ensuring any timelines also take into consideration other ongoing consultations elsewhere in the scheme such as the third party finance consultation and the 2015 scheme review.
- Ensuring the scheme requirements do not result or allow for a scenario where one renewable technology is advantaged over others e.g. if a very efficient technology specific MCS equivalent scheme emerged.
- Making sure valuable data on the schemes is available not only to Ofgem but also in a public database.
- Taking steps to limit margin for error where equivalent documentation must be provided. And also ensuring that by establishing additional governing committees the competency or the important role of these committees is not inadvertently diluted – at risk to scheme standards.
- Taking consideration for how MCS equivalence can be verified by a member of the public or an installer.
- Taking into consideration the ability of an organisation to deliver on the principles outlined as well as display competency in the principles.
- Acknowledging the ability not just to deal with changes to the current scheme but also future schemes.

### About SEA

The SEA represents a broad range of stakeholders: installers, manufacturer's merchants and suppliers of energy in buildings. We work with leading commercial organisations, trade associations and policymakers to promote sustainable energy in the built environment. Our approach is founded on integrating energy efficiency and generation of low carbon heat and power with the wider energy system.

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## Answers to questions

### Chapter 3 questions

3.1 Do you have any comments relating to the consultation process we have selected?  
Please provide an explanation, including any supporting information, with your response.

No.

3.2 Do you have any comments on the timescales outlined?

The specific timelines outlined seem appropriate. However, what must also be taken into consideration are the timelines for other potential scheme changes scheduled for 2015 and any impacts of these. For example, options for third party finance are currently being explored and any implications for MCS will need to be considered once legislation is in place. In addition, the first domestic RHI review is scheduled for 2015 the scope of which is unknown and therefore any implications for MCS will need to be considered as they become apparent.

### Chapter 4 questions

4.1 Do you agree with these principles?  
Please provide an explanation including any supporting information with your response.

Yes.

4.2 Do you have any comments on the principles outlined in this section, such as suggestions to make them more appropriate?

No.

4.3 Are there any areas not mentioned that you feel should be covered?  
Please provide an explanation including any supporting information with your response.

This section of the consultation focuses very much on the principles required and not the ability of an organisation to deliver these principles. This to some extent is referenced later in the paper and is an important part of the consideration for MCS equivalence.

### Chapter 5 questions

5.1 Do you agree with our proposals on MCS equivalence criteria?  
Please provide an explanation including any supporting information with your response.

Yes but additional considerations are set out below.

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## 5.2 What additional criteria, if any, do you suggest should be considered?

Please provide an explanation including any supporting information with your response.

- In section 5.5 a requirement is included under 'Product workmanship and quality' to 'maintain and develop product standards for at least one of the renewable technologies currently within the scope of MCS'. Under 'Installer workmanship and competency' the requirement is to 'develop and maintain installer standards for the heat technologies currently in scope of MCS'. Whilst the latter seems appropriate, in the former the decision to only require one technology may not provide technology neutrality from an MCS equivalent scheme. MCS is technology neutral. For example, the risk of a scenario where one technology receives an advantage to deployment because of a very good equivalent scheme which focussed on this technology should be considered. If this risk is real then then alternative or additional requirements should be explored to avoid any unfair advantage.
- Section 5 refers to importance of data being made available to Ofgem but scope of publicly available data is not outlined. Currently, MCS provides a number of useful reports on the website including the MCS Installation Database (MID), the MCS certified installers report, a certified installer search and a certified installation search. It is unclear whether such reports will be made available through a central body or across several. A central database would make data more accessible.
- Under 'Equivalent scheme and specific requirements and outcomes' the scheme standards for products and installers are outlined. A requirement to provide 'similar document' to the overarching set of standards is included. In producing 'similar documentation' the margin for confusion is potentially high. More detailed guidance would be needed as to what would be suitable 'similar documentation'. For example, the ability to use or duplicate existing MCS documents may limit margins of error but detailed checks would be required from those that chose to produce their own.
- Related to the above is that the detailed standards are governed by a series of committees involving a large number of industry experts. These groups are an important requirement but by their nature take commitment and time from industry experts. If a number of equivalent schemes were to emerge industry experts may be spread more thinly and in addition the definition of an expert could become diluted. A risk to scheme standards.
- Once equivalence has been established it is not clear how consumers and installers be able to check the equivalent scheme is legitimate. It is expected this will emerge in a later stage in the process, for example, a look up section on the Ofgem website. The risk of inadequate information is of installers or consumers being led to believe that they have the required equivalence but at a later date being unable to claim incentive payments or receive any consumer protection.

## Chapter 6 questions

6.1 Do you agree with our approach on assessment of criteria from a scheme claiming to be MCS equivalent? If not, can you suggest an alternative assessment process?

Please provide an explanation including any supporting information with your response.

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- Yes but in particular we reiterate the point made on availability of data. Chapter 6 also refers to data the equivalent scheme would need to make available to Ofgem but scope of publicly available data is not outlined. Currently, MCS provides a number of useful reports on the website including the MCS Installation Database (MID), the MCS certified installers report, a certified installer search and a certified installation search. It is unclear whether such reports will be made available through a central body or across several. A central database would make data more accessible.
- In addition, as also mentioned previously the consultation focusses very much on the documentation and assessment requirements but not the ability of the equivalent organisation to deliver. It is assumed this will become apparent as part of the assessment but is an important part of the consideration for MCS equivalence and therefore could be made more explicit.

6.2 Do you agree with our proposals on the audit and verification of MCS equivalence by a scheme claiming equivalence?

Please provide an explanation including any supporting information with your response.

See answer to question 6.1.

6.3 Are there any other aspects relating to the assessment of an alternative scheme's claim to MCS equivalence that you feel we should consider?

Please provide an explanation including any supporting information with your response.

6.4 Do you think that there are or should be alternative methods that equivalence to MCS could be demonstrated to Ofgem?

Please provide an explanation including any supporting information with your response.

6.5 What ongoing evaluation of an equivalent scheme do you think is needed and how often?

- The ability to deal with future schemes will be relevant here. Changes to RHI legislation are mentioned and providing a timeframe for the equivalent scheme to comply. However, future schemes that may require the use of MCS are unknown and therefore the ability to accommodate these should be acknowledged.

6.6 Are there any additional points that you want to make?

- Whilst the consultation states that comments on MCS itself are not sought, there are some comments relevant to both MCS and an equivalent scheme. Particularly because a fundamental part of any certification scheme should be that it is not too complex either for the administrator or for participants.
- Concerns have been raised about the number of duplications already in existence including the product eligibility list (PEL) in addition to the MCS certified product list. The Gas Safe scheme provides an example of a scheme which ensures that installers are educated to a certain standard. A similar approach would reduce the administration for each installation by an MCS installer.

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- Product impartiality should also be an important part of any scheme and some elements of the current MCS scheme provide a different methodology for different technologies. Consideration should be given as to whether there are reasons which make this appropriate or whether actions could be taken to make improvements to the scheme or its equivalent.