

## **U-value consultation workshop**

**Hannah Clapham**  
01/03/2016

ofgem

# Workshop

**Aim:** opportunity to share thoughts on the proposals in the consultation which **closes Monday 7 March 2016.**

## Timings

1. Introduction (30mins)
2. Breakouts for discussion (1 hour – including 10 minute comfort break)
3. Breakout feedback and summary (20mins)
4. Next steps (5mins)

# Introduction

- Purpose of this consultation is to address concerns around default U-values being overwritten to an unreasonably high value.
- We have put forward a number of proposals which aim to provide assurance that the score that is notified for these measures is correct.
- The proposals taken forward should provide a consistent approach for the supply chain to follow and assurance to suppliers enabling delivery of CWI to these properties.
- Consultation split into three sections:
  - 1.** Introducing an upper limit for overwritten U-values
  - 2.** Stipulating the evidence that should be in place and how inputs should be collected
  - 3.** a regime to monitor these measures

# Upper limit

- Consultation proposes a  $1.6 \text{ W/m}^2\text{K}$  limit to properties in age band B-K. Following further engagement with stakeholders a new proposal has been suggested that we would like to hear your thoughts on.
- The proposal involves implementing new default U-values by age band for use in situations where a cavity wall is not insulated. For example where a cavity wall is unfilled yet it is in an age band where RdSAP assumes that it is filled, the installer would use the relevant new start default U-value.
- This approach would require evidence for the age band of the property and evidence that no insulation is present. Reducing difficulty around measuring and evidencing each element of the wall required for a U-value calculation.
- **If you agree that this new proposal would provide assurance that U-values are being accurately overwritten for CWI measures please ensure that you state this in question 6.2 of the response template.**

# Evidence and collection requirements

- Proposed an intrusive inspection in order to collect each element of the wall.
- Proposed set evidence to be in place when overwriting a U-value:
  - U-value calculation
  - Evidence that the person is suitably qualified
  - Evidence supporting each of the inputs
  - Site notes
- Proposed that the inputs needed for a U-value calculation could be collected by an independent person.

# Monitoring regime

- ***Additional score monitoring (SM) process***
  - Aligns with current and understood approach to monitoring measures
  - Framework in place
  - Limited resource burden
  - Are TMA's appropriately qualified?
- ***Ongoing monitoring – 5% of suppliers measures monthly***
  - Would ensure good sample of measures are checked
  - Extra burden for Ofgem and suppliers, duplicating aspects of SM process
  - This could operate in a similar way to monthly score verification
- ***Audit regime (one off or multiple)***
  - Cost effective solution
  - Would this provide sufficient assurance in a timely manner?

# BREAKOUT GROUPS

1. U-value limit and new default U-values (15 mins)
2. Evidence and collection requirements (15 mins)
3. Monitoring Regime (15 mins)

# Feedback from breakouts

## **U-value upper cap (1.6 W/m<sup>2</sup>K)**

- Feedback showed that this cap was a broad brush approach and could limit delivery to a small amount of properties.
- Concerns were raised around this cap being seen as a target rather than a limit and about consistency with SAP/RdSAP conventions. It was however suggested that this change could be introduced via the ECO scoring tools.

## **New proposal – default U-values for an unfilled cavity**

- Feedback on this proposal was generally positive, stakeholders felt that this was a balanced approach.
- Concerns were raised around consistency with SAP/RdSAP conventions, however it was suggested that it could be introduced through the ECO scoring tools.
- Feedback indicated that there would need to be a minimum of a 3 month lead in time to implement this and some thought that the costs of implementation may be too high given uncertainty of ECO scheme going forward.
- Feedback indicated that there may be a need to vary the approach for properties with partial fill or other existing wall insulation. It was also pointed out that post-installation U-values would need to be considered as well as pre-installation U-values.



## **Intrusive inspection**

- Feedback indicated that stakeholders would be in favour of making this mandatory as this is already happening for the majority of installations.

## **Evidence requirements**

- Feedback indicated that clear evidence requirements would be favourable however, they would need to be very specific as there are concerns around how to evidence the inputs for a U-value calculation. There were also questions raised around the assurance that borescope images provide, assurance could possibly be limited to evidencing that an intrusive inspection had been conducted, rather than the condition of the wall.
- The group indicated that this approach would have an immediate impact on reducing intentional misuse of the option to overwrite U-values.

## **Independent collection**

- There were mixed views on whether the cost of this extra visit would make costs prohibitive. There were also concerns raised about who would be deemed a suitably qualified independent person.
- However, some stakeholders believed that this approach would provide enough assurance to continue delivery to properties where an overwritten U-value was required.

## **Additional score monitoring**

- The group was not in favour of utilising the existing score monitoring process. They felt inspections would be more useful pre-installation and questioned whether monitoring agents were qualified to answer/verify these new questions.
- System changes would likely take 3-6 months to implement prior to the quarter in which the changes came into effect. This might be prohibitive considering the length of the scheme which remains.

## **Ongoing monitoring**

- A number of stakeholders were positive about this proposal as it provided on-going assurance and could be tailored according to the level of change to a U-value. It was also suggested that rates could be reduced where low failure rates were seen.
- Minor system changes would be needed so that these measures could be easily identified for selection. They also questioned the value of a desk based review but this would largely depend on the evidence requirements that are implemented.
- Some stakeholders however, felt this may be too burdensome at this stage in the scheme.

## **Audit Regime**

- Feedback on the proposal for ad hoc auditing was that it did not provide timely assurance and would result in pots of 'at risk' measures.

# Next steps...

- Consultation deadline: **COP Monday 7 March**
- Please note that this workshop does not constitute your response.
- We have provided a response template for your feedback, allowing you to indicate to what extent you agree/disagree with the question and provide supporting evidence or reasons for your response
- Please consider the new proposal within your response, if this is your preferred approach please make this clear in **question 6.2** of the consultation.
- We aim to publish a response and decision on this consultation in April.

**Ofgem is the Office of Gas and Electricity Markets.**

**Our priority is to protect and to make a positive difference for all energy consumers. We work to promote value for money, security of supply and sustainability for present and future generations. We do this through the supervision and development of markets, regulation and the delivery of government schemes.**

**We work effectively with, but independently of, government, the energy industry and other stakeholders. We do so within a legal framework determined by the UK government and the European Union.**