



Stage 2 Consultation on MCS equivalence for the Domestic Renewable Heat Incentive

Introduction

BEAMA is the Trade Association for the electro-technical sector, representing over 200 manufacturing companies across a range of sectors including domestic heat pumps. It is internationally recognised for its role in standardisation and product related policy.

Due to the nature of BEAMA's business, this consultation response focuses on product certification in the main and question 3 has not been dealt with.

Question 1: The scheme requirements

1a. In your opinion, are the proposed scheme requirements (outlined in Section 5) sufficient to ensure that an equivalent scheme is set up appropriately? If not, please explain your answer.

We do not believe the current MCS scheme model needs exact equivalence and would strongly contest this requirement, specifically related to product certification. MCS equivalence in this area is an outdated concept as legislation has stepped in to tackle perceived deficiencies that existed when MCS was created.

If we consider the required outcomes for MCS and the RHI related to products, these are simply to be able to recognise performance in accordance with a harmonised standard and ensure that the performance is consistently achieved with quality products.

Since the launch of MCS, there have been two product related developments in the renewable heat sector

- (i) Construction Product Regulations (CPR) were re-set in 2013 with a focus on:
 - a. Fitness for purpose
 - b. Constancy of Performance
 - c. Mandatory Declaration of Performance and application of CE Mark where EN standards apply.

Within the CPR there is a legal obligation for manufacturers to provide proof of their products 'fitness for purpose', including a requirement for factory production control which includes documented processes, internal control of production, initial inspection of plant, surveillance and audit testing.

(ii) Eco-design

Covering heat pumps and solar thermal (biomass from 2018), eco-design standards utilise prevailing standards or mandate their development to meet minimum performance criteria assessment.

In reality, all that the RHI requires is to mandate the use of CE marked heat technologies that comply with the Construction Products Regulation. These could be available on a central list but there would be no further testing needed outside of the CPR Factory Process Control (FPC) requirements. The central list could be randomly audited to oversee FPC documentation and would dramatically reduce costs to manufacturers as it is a simple process (MCS currently costs £1-2k per unit listed not including plus an estimated £3k for annual FPC plus re-assessment fees when minor product improvements are applied, whereas a simple audited database would cost the low hundreds of pounds to administer). This list could be made available to installer schemes approved as MCS equivalence.

The benefits of such an approach for products are:

- No gold plating of existing standards and regulations applied across the EU
- Reduced costs to manufacturers which can be factored into on-cost reductions to consumers
- A simplified model in which any manufacturer wishing to make products available within the EU can satisfy its obligations only once

With regards the availability of what could be referred to as a universal 'Renewable Heat Technology List', this would mean MCS equivalents would not need to have joined certification for installers and products. A dedicated product scheme could make its database freely available to installer schemes. We strongly oppose the requirement for joined installer and product schemes; in fact, even without a new central product list, a new installer scheme could refer to the existing MCS product database (or even OFGEM's) to prove it has a 'whole chain' offer.

Basically the RHI Product Eligibility List and the MCS product list would be combined

1b. In your opinion, do the 'fundamentals' of a certification as defined in EN ISO/IEC 17067 contain any requirements that are not necessary for equivalence to MCS? If so, please explain your answer and provide examples.

One major criticism of MCS has been its inability to set itself Key Performance Indicators with respect to complaint handling and de-listing of installers who do not comply at the sharp end of sales and installation services. BEAMA wishes to see greater emphasis on customer satisfaction based KPIs not only within MCS equivalents but also MCS itself and this should be part of the assessment criteria for the panel to refer to. If an equivalent

scheme comes to the fore for installers then it should operate Service Level Agreements with any 3rd party service providers. MCS should follow suit or else there will be market distortion.

We recommend OFGEM ensures all equivalent can demonstrate an improvement in the current problem being experienced with respect to the non-compatibility between MCS and RECC requirements through which installers are found to be non-compliant for RECC as customer estimates do not meet the pre-contract requirements to have a full design backed estimate. The issue here is that a heat pump design (for example) costs around £300 to prepare and not all customers wish to undertake this cost. As a consequence, the estimate may be just that at initial contract stage. In effect there needs to be a two stage process or the requirement dropped.

In general, the complaints management processes between RECC and MCS should be aligned and speeded-up and any equivalence should fall in line with this. Customer complaints should be investigated and resolved much quicker and not pass to and fro between 'the scheme' and 'certification bodies' (technical) and RECC (sales processes).

Question 2: The assessment panel

2a. In your opinion, are the terms of reference for the assessment panel (outlined in Appendix 2) appropriate and sufficient? If not, please explain your answer.

We are concerned with the wording 'determine if the outcomes are equivalent to MCS as well'. This pre-supposes MCS has an unchallenged record of outcomes which is not the case given the number of outstanding complaints which we know are not fully categorised. This takes us back to the point about SLAs and KPIs. If you are not measuring the performance outcomes of the base scheme then you can't measure the equivalents.

In addition, it will be difficult for equivalent schemes to mention a commitment to compliance with standards that are owned by MCS and referred to in RHI legislation. In other words, the standards mentioned in legislation must be explicitly enshrined in an MCS commitment to keep them open-source and publicly available.

2b. In your opinion what qualification, experience or organisational representation would suitably qualify someone to be a representative on this panel? Please explain your answer.

These must be impartial and independent of MCS. Trade Associations and possibly relevant politicians with a declared sector performance interest (e.g. Select Committee or parliamentary speeches/statements). Other parties need to act impartially but have relevant sector / product experience.