



## Sustainable Energy Association

### Stage 2 consultation on MCS equivalence for the Domestic Renewable Heat Incentive Scheme

This response is submitted on behalf of the Sustainable Energy Association (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.

We would also like to declare a non-material interest. The SEA's Chief Executive, Dave Sowden, is currently a director of the MCS Services Company. He was asked to perform this role by the previous Minister, Rt Hon Greg Barker MP (now Lord Barker) on behalf of the broader interests of the industry. His sole focus was to assist the Government, the industry and the current Management Panel in shaping the enduring governance arrangements, as well as to ensure good practice and financial stewardship of the scheme during the transitional phase once funds were released from Gemserv's control to that of the MCS Services Company.

Dave Sowden wrote to the current Minister, Lord Bourne of Aberystwyth, in October 2015 saying he intended to resign this position once fiduciary responsibility for the scheme's finances become the responsibility of the newly-established MCS charity, marking the end of the transitional phase he was asked by Greg Barker to oversee in a non-Executive capacity.

Dave Sowden's company, Ecuity Consulting LLP, billed £2,375 for Dave's time spent on this project during the period Jan 2013 - Jan 2015.

This consultation response is submitted without Dave Sowden's current role in the MCS scheme being a relevant consideration, and has been approved by the SEA's Executive Committee.

**For more information on any of the responses in this document or on the Sustainable Energy Association, please contact: [lesley.rudd@substainableenergyassociation.com](mailto:lesley.rudd@substainableenergyassociation.com)**

## Executive Summary

In general the SEA supports the principles proposed for the MCS equivalence and the assessment of it for the domestic RHI scheme. However, we would stress the importance of some specific areas.

- This consultation focusses on whether scheme requirements and assessments are appropriate for equivalence to MCS. However, this does not address the issue that many SEA members have that MCS is already over burdensome. So even if the guidelines are correct to make it equivalent they are probably not suitable overall.
- Although SEA members would welcome a reduction in the cost and bureaucracy of certification and accreditation, the standards that currently exist in MCS have been developed over many years with considerable input from a wide range of manufacturers, installers, trade associations, and professional bodies. It is important that, through the acceptance of any MCS equivalent scheme, consumer protection is not compromised, and that necessary technical requirements to ensure proper performance of some technologies are not watered down or compromised.
- Technologies must be treated fairly and the scheme or schemes must not advantage one technology over another.
- Any MCS equivalent scheme should have an open, transparent and participative governance process that allows legitimate representation in its development of standards from affected parties, and any changes to standards should be subject to a proper impact assessment and public consultation.
- Data on any MCS schemes should be available publically, and not just to Ofgem.
- Collaboration and streamlining between certification schemes will ease the process of certification for the operator. It is important therefore that there is a commitment to similar principles, methodologies, and high standards between MCS and any equivalents. Collaboration between schemes will allow for ease in the auditing process and make it more effective and cost efficient, and remove any incentive for manufacturers and installers to “shop around” for the lowest quality standard available.

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## Consultation Question 1: The scheme requirements

**1.a. 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.**

ANSWER:

In our opinion the proposed scheme requirements appear sufficient to ensure that an equivalent scheme is set up appropriately. We would stress that consideration needs to be taken of the ability of an organisation not only to deal with the current scheme but also any changes to it in the future. It is essential that the scheme requirements do not result in or allow for a situation where any renewable technology is advantaged over others. For example if a technology specific MCS equivalence scheme was introduced. It is also important that data is not just held by Ofgem but available to the public, as with MCS.

Although SEA members would welcome a reduction in the cost and bureaucracy of certification and accreditation, the standards that currently exist in MCS have been developed over many years with considerable input from a wide range of manufacturers, installers, trade associations, and professional bodies. It is important that, through the acceptance of any MCS equivalent scheme, consumer protection is not compromised, and that necessary technical requirements to ensure proper performance of some technologies are not watered down or compromised.

A robust and efficient complaints procedure should be included in any scheme.

**1.b. In your opinion, do the 'fundamentals' of a certification scheme 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.**

ANSWER:

ISO/IEC 17067:2013 describes the fundamentals of product certification and provides guidelines for understanding, developing, operating or maintaining certification schemes for products, processes and services." This International Standard outlines how schemes for product certification can be structured and managed. It identifies common assessment techniques that are used as a basis for product certification, such as product testing, inspection and auditing.

EN ISO/IEC 17067 provides certification scheme fundamentals and many of the SEA members produce products which are certified by certification schemes in accordance with EN ISO/IEC 17067 and which then need to satisfy additional requirements to comply with MCS.

The requirements outlined to satisfy MCS equivalence appear appropriate. However, although EN ISO/IEC 17067 do not contain any requirements that are not necessary for equivalence to MCS, there are additional requirements over and above those required by EN ISO/IEC 17067 which are required to satisfy the needs of MCS and would be required for any equivalent. It would be useful therefore to investigate whether, without compromising standards or consumer protection, the burden on industry could be lessened.

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## Consultation Question 2: The assessment panel

**2.a. 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.**

ANSWER:

The terms of reference for the assessment panel appear appropriate and sufficient.

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

ANSWER:

The following would suitably qualify someone to be a representative of this panel:

- Member of European committees helping to develop the European Standards.
- Relevant Technical qualifications
- Technical expertise across all of the technologies to be assessed (the panel in total not necessarily one individual)
- Relevant practical experience
- Knowledge of relevant regulations and legal aspects including consumer protection
- Independent
- Appropriate representation of both strategic and specific technology issues affected by certification and accreditation issues

The number of suitably qualified, experienced and independent people who can sit of this type of panel is limited. We need to ensure that creating MCS equivalent schemes and panels to assess their equivalence does not increase the cost and already significant regulation of low carbon technologies.

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### Consultation Question 3: The assessment process

**3.a. In your opinion, will the proposed assessment process [outlined in Section 6] enable Ofgem to robustly assess scheme equivalency to MCS? If not, please explain your answer.**

ANSWER

The process outlined appears robust enough for Ofgem to assess equivalence to MCS.

However, there may be some risk to the consumer and some consumer protection issues. For example, on page 16 route a) for the assessment process where the domestic RHI applicant makes an application using an equivalent scheme and in part 2 technical and operational review assessing a portfolio of RHI applications. For the applicant(s) there may be a delay in receiving RHI payments whilst the assessment takes place and also a risk that Ofgem will rule the scheme is not equivalent and reject the application.

**3.b. In your opinion, does the proposed assessment process [outlined in Section 6] contain any additional stages that are not necessary for assessing equivalence to MCS? If so, please explain your answer and provide examples.**

ANSWER

We are not aware of any unnecessary stages in the process outlined.

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