

# Energy Company Obligation (ECO) U-Value Consultation Questionnaire – Feb 16



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## Background

The questions below relate to the consultation on requirements for over-writing U-values for cavity wall insulation measures which can be found on our website :

<https://www.ofgem.gov.uk/publications-and-updates/eco2-consultation-requirements-overwriting-u-values-cavity-wall-insulation-measures>

Our proposals consist of three main parts:

- a. introducing an upper limit for overwritten U-values,
- b. stipulating the evidence that we expect to be in place when a U-value is overwritten and how we expect inputs to be collected, and
- c. a regime to monitor these measures; we suggest three approaches for implementing monitoring.

## Notes For Completion

Please complete all relevant sections of the document by selecting an answer for the question and then providing reasons/evidence for your response in the box provided. If you do not wish to answer a question please select 'N/A'. The questionnaire should be completed in typeface and returned via email to [eco.consultation@ofgem.gov.uk](mailto:eco.consultation@ofgem.gov.uk) by close of play **7 March 2016**.

## Respondent Details

Organisation Name:	EDF Energy
Completed By:	Dave Nutt
Contact Details:	david.nutt@edfenergy.com

## 1. U-value Limit

**1.1** Do you agree that it is unreasonable for the U-value of a cavity wall measure to exceed 1.6 W/m<sup>2</sup>K in premises in the age bands B-K?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide details and supporting evidence for your response below.

The proposed band is too wide given that Building Regulations did not start in England and Wales until 1966 and 1964 in Scotland. We understand that properties within band E/F to K would be more unlikely to have u values exceeding 1.6.

**1.2** Do you agree that we should implement a limit of 1.6 W/m<sup>2</sup>K for overwritten U-values for cavity wall measures in premises in age bands B-K?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Dont Know
- N/A

Please provide details and supporting evidence for your response below.

This change would require a system update to the ECO scoring software to impose a wall u value cap which could take a long time to implement and add further costs to the programme. This could also set 1.6 as a target rather than a limit, and prevent delivery of these measures to certain properties.

## 2. Evidence Requirements

**2.1** Do you agree that relevant inputs should be collected for the U-value calculation via an intrusive inspection, using a borescope for example?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

We understand that a borescope inspection prior to cavity wall insulation is performed as standard within the industry so this proposal aligns with current practice.

**2.2** What types of evidence do you suggest would support the inputs used for a new U-value calculation?

Please provide reasons for your response below.

Where a borescope inspection is performed, it is not unreasonable to assume that photographs could be obtained, however we are concerned how much assurance these would provide. Unfortunately, as we understand it the types of evidence that normally support the inputs for the U-value calculation "knock test" (tapping the wall), and the "dot and dabbed" (brick/mortar pattern), inspection through the roof etc are not easy or practical to evidence. Site notes/ diagrams could be an alternative or additional option where the individual confirms that they've visually inspected via a boroscope.

**2.3** Do you agree that the types of evidence listed in paragraph 2.5 are practical to provide?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree

- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

We believe these are practical to provide going forward as long as clear guidance is issued as there may currently be inconsistency across the industry.

**2.4** Do you agree that the evidence listed in paragraph 2.5 is sufficient to support an overwritten U-value?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

Yes, we believe that the evidence already listed is extensive and have no further suggestions to make. This evidence would have been provided by someone who is accredited to do so and suppliers should be able to trust in these accreditations rather than police them further.

**2.5** Do you agree that the inputs for a U-value calculation should be collected by an independent person to increase confidence in the accuracy of overwritten U-values for CWI measures?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

No, we do not see how using an independent person would increase confidence. The evidence should be collected by a suitably qualified individual such as a DEA/OCDEA, who is already subject to auditing through their accreditation body.

**2.6** Do you agree that an independent person collecting the inputs for a U-value calculation would be practical to implement taking into consideration cost, time and customer journey implications?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

We believe this proposal would result in additional cost, additional customer visits, and is impractical to implement given the short lead time between survey and install – a combination of these could stop delivery of these measures.

### 3. Option 1 – Additional Monitoring Questions

**3.1** Do you agree that option 1 would increase confidence in the accuracy of overwritten U-values for CWI measures?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

No, because we do not believe that Score Monitoring agents are best placed to answer the proposed questions. They do not currently conduct borescope inspections (which we believe should not be conducted post-install in any case) or have sufficient access to the roof.

**3.2** Do you agree that option 1 would be practical to implement, taking into consideration cost and time implications?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree

- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

No, because this would require additional training and require further system updates which would add costs to the overall programme. We also feel the additional monitoring would add time to the customer journey

**3.3** Do you agree that a score monitoring agent is suitably qualified to answer the proposed questions relating to the U-value inputs?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

No, because the current requirement for a Score Monitoring agent is to be a trained DEA, not OCDEA. As per our answer to 3.1, if they are required to use a borescope to answer these questions and then remedy the work, this is something they are not currently trained or contracted to do as part of their normal duties.

**3.4** Do you agree that the proposed additional score monitoring questions are appropriate for identifying where overwritten U-values are incorrect?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know

N/A

Please provide reasons for your response below.

No, because as stated previously, we do not believe the Score Monitoring agents are best placed to answer the proposed questions. Additionally, the extra time and intrusive nature of this monitoring would be detrimental to the customer journey.

**3.5** Are there any additional questions that you think would help to identify inaccuracies in overwritten U-value calculations?

Please provide reasons for your response below.

No, we have no further suggestions.

**3.6** Can you please estimate how long you think it will take for these new questions to be implemented into your systems?

Please provide reasons for your response below.

System upgrades are usually a minimum of 3 months to implement, however as this would also require a change to the SAP/RdSAP data extract that is run for the Score Monitoring agents, this change could take longer.

**3.7** Do you foresee any issues if the questions were implemented during a monitoring quarter?

Yes

No

Don't Know

N/A

Please provide reasons for your response below.

We will need advance notice ahead of new questions to be implemented so that we can make any necessary system updates and/or review training requirements. Monitoring reporting is already very complex and to have to try and implement a new set of questions within a quarter risks making it even complicated. If manual intervention is required this also risks mistakes being made in what is already a resource intensive process.



#### 4. Option 2 – Ongoing Monitoring

**4.1** Do you agree that option 2 would increase confidence in the accuracy of overwritten U-values for CWI measures?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

We believe that any ECO scoring should be in line with current SAP/RdSAP conventions and that we should be able to rely on qualified professionals to carry this out. As energy suppliers are not experts in this area, we feel there should not be an expectation on us to regulate another industry.

**4.2** Do you agree that option 2 would be practical to implement, taking into consideration cost and time implications?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

Yes, this would not introduce any significant additional time or cost into our current processes so would be a practical option for us to implement.

**4.3** If we were to implement a new monitoring regime in order to verify the accuracy of overwritten U-values for CWI measures, do you agree with the sample size and reporting timeframes outlined in paragraph 2.12?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

Yes, we agree this is a significantly representative sample size and in line with normal monitoring requirements. In order that more measures were not placed into doubt or have their approval suspended for any length of time unnecessarily, it is imperative that Ofgem set reasonable SLAs on both suppliers and themselves to conduct any review or investigation.

## 5. Option 3 – Audit Regime

**5.1** Do you agree that option 3 would increase confidence in the accuracy of overwritten U-values for CWI measures?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree

- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

We believe that any ECO scoring should be in line with current SAP/RdSAP conventions and that we should be able to rely on qualified professionals to carry this out. As energy suppliers are not experts in this area, we feel there should not be an expectation on us to regulate another industry.

**5.2** Do you agree that option 3 would be practical to implement taking into consideration cost and time implications?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

This option would not allow any certainty during the course of the programme that the evidence being collected was deemed suitable by Ofgem. It would introduce concerns into the supply chain and may lead to installers to walk away from installations rather than risk amending the u values.

## 6. Additional Questions

**6.1** Do you have concerns with U-values being overwritten for other ECO measure types?

Please provide details and supporting evidence for your response below.

We believe that any ECO scoring should be in line with current SAP/RdSAP conventions and that we should be able to rely on qualified professionals to carry this out. As energy suppliers are not experts in this area, we feel there should not be an expectation on us to regulate another industry.

**6.2** If you do not agree with any of proposals outlined, could you please suggest an alternative approach which you consider would provide assurance that U-values are being accurately overwritten for CWI measures?

Please provide details and supporting evidence for your response below.

We understand that Ofgem are considering a new proposal to use a set of assumed default u values per age band based on unfilled cavity walls. We are in favour of this option being implemented as a guidance table so that where a u value exceeded the expected range for that age band, additional evidence would need to be provided such as borescope inspection photographs, site notes for the u values calculations etc.

The benefit of a guidance table rather than using these u values in the calculation scoring engine would be that the u value used to calculate the ECO score would still align with the u value on the lodged EPC and with SAP/RdSAP conventions. Additionally, we anticipate this to require minimal system change as there would be no need to override the u value of the EPC in the calculation engine. The evidence for the cavity wall being unfilled should be covered under current compliance requirements of being recommended by a suitably qualified person such as a DEA or through a recommendation on a Chartered Surveyor's report or a GDAR. Similarly, the age band of the property could be evidenced through the use of a lodged EPC, or a sample check on Land Registry.

All amended starting u value calculations should be carried out by a suitably qualified person e.g. an OCDEA with a supporting u value declaration. We would urge Ofgem to issue this guidance and publish the declaration devised by the ECO working group on their website. This could be monitored as proposed in option 2, with a 5% sample being checked by Ofgem on a monthly basis.

**6.3** Do you agree that the proposals outlined above will enable U-values to continue to be overwritten for CWI measures where this is appropriate?

Please provide reasons for your response below.

As stated previously, we believe that this could lead to installers walking away from certain cavity wall insulation measures if they perceive there is risk involved or if the additional requirements mean it is not cost effective. We also believe customers may object to having additional and potentially intrusive site inspections.

Whichever option Ofgem choose, it needs to be practical and simple to implement, easy to understand for all parties and not add cost to the ECO programme. Anything that takes too long to implement will have negligible impact in a programme that only has 1 year to run.

