

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



Making a positive difference
for energy consumers

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 by close of play **7 March 2016**.

Respondent Details

Organisation Name:	InstaGroup Limited
Completed By:	Peter O'Neill
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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/m²K 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.

We appreciate the logic of why this is being proposed and would agree that in 'a majority' of instances a U Value in excess of 1.6 would be unreasonable. There are however certain instances where U values may exceed this value. One working example of this would be dressed stone properties where there are suitable for CWI and covered under the system designer BBA certificate however due to the construction they sometimes exceed 1.6. Adopting a strict upper limit would therefore exclude these property types from ECO support.

On balance however I don't feel this upper limit would cause any major issues with delivery as we expect a vast majority to not exceed this limit anyway. The most important thing from InstaGroup's perspective is that clear rules are set which in turn will provide confidence to suppliers to include such measures within their ECO delivery portfolio. If this upper limit makes a significant contribution to providing this confidence then on balance this should be implemented.

Finally, it should be noted that perhaps by introducing an upper limit this may create an 'aiming point' for those installers seeking de-fraud this system.

1.2 Do you agree that we should implement a limit of 1.6 W/m²K 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.

As stated above in technical terms we believe a minority of properties may actually have a U Value above this limit. However we do not foresee this causing a major issue with delivery and the important thing is that the industry and suppliers gain the required confidence to continue trading and purchasing such measures.

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.

Whilst the accreditation bodies role remains limited to verification only of a suitably qualified person we do not see how anything other than this approach would be workable. Without this guidance of evidence requirements it is likely that suppliers would not gain the confidence required to continue supporting such measures.

In reality without gathering this information it would not be possible for the OCDEA assessor to evaluate and produce an accurate U Value for that property.

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.

There are fundamentally 4 aspects which should be supported:

1. Outer Block (type and thickness)
2. Inside the Cavity (depth and also current insulation levels) - using a boroscope. Ofgem need to provide clarity on whether a photo inside the Cavity itself is required rather than leaving this to interpretation.
3. Internal Block (Density)
4. Internal Finish (Plasterwork / Dot and Dab etc)

Careful consideration needs to be given to methodology, skills and knowledge around how to establish the density of an inner block.

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.

Yes, Without being able to evidence this an accurate U Value cannot be ascertained so the two sit side by side in our opinion.

The biggest influence affecting a U Value is the inner block work density. Without construction drawings and/or excessive testing we are of the opinion that being 100% certain in the inner block density is very difficult to ascertain. When you also consider that further post install monitoring is being proposed to validate the correct density has been recorded it is critical that the industry shares knowledge of how to best identify this blockwork to avoid a difference in opinion occurring during post install checks.

If Ofgem are proposing to carry out post install desktop evidence checks perhaps a methodology around this area and how block density would be verified is shared early so the industry can operate to standardised rules. At present we do not believe there is sufficient knowledge of this area to create a consistent approach.

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.

It is important that this is specified in greater detail so that there is a clear understanding of exactly what evidence is required. A standardised data collection form might also be useful so that industry is recording the right information in a set format which will make administration easier.

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.

The overall objective of this consultation must be to provide the required confidence to suppliers around these measures as, primarily post 1983 cavities, are critical to the ongoing viability of low cost measure delivery. Without this the cost of delivery would increase significantly due to the cost and finding cavities pre 1983. It should not be underestimated the scale of the opportunity within this part of the market.

It is also important that the supply chain gain the confidence to know that work they are undertaking is fully compliant to avoid any re-scoring. Whilst such an approach would add cost to delivery of these measures this confidence is key.

InstaGroup would strongly propose that if this approach is adopted then the company conducting the independent checks should be liable for any inaccurate information which results in rejected or re-scored CO2 savings. In ECO this all currently falls back to the installer who would be reliant upon trained individuals and organisations providing a service at a cost. There are many examples of organisations creating income based on simply 'ticking boxes' with no actual responsibility for what is being provided. If an independent body is going to carry out such checks then it should be those organisations (not the installer) who are responsible for any inaccurate information.

Whilst there is no doubt that this would add unwelcome costs, the key output from this consultation must be to provide confidence and our opinion

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.

Without doubt the additional cost and logistics of this approach would be unwelcome however if this provides the required confidence across industry then overall this is a good thing. In our opinion the industry will find a solution to make this customer journey workable.

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.

Given the existing score monitoring already in place the logistics of doing this is clearly relatively easy. The key thing will be to make sure:

1. The inspection agents are adequately trained to validate these checks. It will not be as 'black and white' as simply measuring and validating a floor area. (For example - what methodology and approach is being used to ascertain the inner density of the block work, we cannot have a situation where it is down to a persons personal opinion as this will result in all kinds of issues).
2. How would the inspecton agent confiirm if any pre-existing insulation was present post install?
3. How this links to 1/4 reporting and escalation pathways. Based on the current approach any differnece in opinions would create uncertainty and risk whilst being investigated.

In our opinion this additional monitoring would not be necessary if the independent verification being proposed (similar to narrow cavities) was adopted.

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.

See response above

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.

Not at present, with the main reason being around the inner block work which effects the U Value the most. If you ask a sample of 'experienced people and organisations' - how do to confirm the desnity of block work? you will get a wide range of answers. You could argue that without the construction plans or taking a sample to a laboratory for testing that it is not possible to be 100% sure in all instances. We need to find a way to address this to avoid differing opinions.

In order for this to work a set methodology and training would need to be rolled out to ensure this was the case.

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.

The theory of what would be checked is correct but how this is done is the key.

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.

n/a

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.

Possibly up to 3 months so not practical.

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.

The TM process is already complex and challenging to manage. Introducing this in the middle of a quarter would cause issues around managing volumes of inspections to ensure the correct amount of monitoring was carried out. Due to the escalation pathways approach without keeping this as simple as possible will cause issues.

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.

This option appears to be the most sensible and workable of those being presented. A representative sample of desktop evidence is aligned to the current procedures of ECO evidence. As stated throughout this response the key aspect is how would the evidence be evaluated (i.e - who and how would someone validate the inner density of block work from a photograph. any methodology and approach used should be shared with industry so everyone can operate to standardised processes. If Ofgem decide to adopt the independent verification route then we do not see that this aspect would be needed. It would be far more effective and appropriate to manage and evaluate the inspection companies approved to carry out these checks.

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.

In reality all suppliers will be requesting this evidence at point of submission no that this issues has been picked up. Therefore from a supply chain point of view this would not really affect us as we would be providing the evidence of inputs anyway.

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.

n/a

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.

Like option 2 this approach is practical but it all depends upon whether or not Ofgem decide to adopt an independent verification approach. If this was adopted then we don't see the need for such audits. It would be far more effective to monitor those organisations carrying out the independent checks.

This approach would provide flexibility to focus on areas of concerns and direct investigations where necessary.

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.

n/a

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.

No

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 feel that the options being presented cover most of those available. One other option would be to completely simplify this and remove the need for a whole host of monitoring by assigning a default U Value for unfilled Cavities between the ages of say 1983 - 1995 as this is where the issues sit. This would remove a huge amount of cost, uncertainty, risk and administration. This was discussed during the workshop and we like the principals of this approach. However, further consideration would need to be given to the timescales to implement (work via BRE for example) and also any conflict with DCLG & EPC's as to the viability of doing this. If the process takes too long to develop/implement and/or is too complex (i.e. having to score with fixed U Value outside of the lodged EPC) then this will not achieve the desired results and we urge Ofgem to consider this carefully.

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.

Yes. One point which hasn't been covered by this consultation is the need to produce a post U Value. I think it would be helpful for Ofgem to clarify if this will be part of ongoing requirements or not as some suppliers already have differing views on this and this is the perfect opportunity to remove any uncertainty and create a standardised process across industry.