

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



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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](mailto:eco.consultation@ofgem.gov.uk) by close of play **7 March 2016**.

## Respondent Details

Organisation Name:	Sustain Ltd
Completed By:	Stuart Gray
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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/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.

Sustain agree that this is a rare occurrence and the majority of cavity wall properties would achieve 1.6 W/m<sup>2</sup>K or lower. However, there are circumstances where a cavity wall may exceed 1.6W/m<sup>2</sup>K. For the purpose of this consultation and the ECO scheme, we believe that this is enough of a rare occurrence that a 1.6W/m<sup>2</sup>K is the most practical approach.

**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.

Sustain agree that a cap on u-values is a practical approach to eliminating the capability for individual's to lodge assessments with extraordinarily high u-values. We would like to stress that this cap should be supported with a rigorous evidence requirement for amended u-values, as the approach allows for the use of 1.6 W/m<sup>2</sup>K for all age bands post 1900. Evidence requirements should be in place to ensure that for newer buildings 1.6 W/m<sup>2</sup>K is not a target for the supply chain to achieve.

Sustain suggest that capturing the amount and level of amended u-values would be beneficial when discussing the severity of and extent of u-value abuse. If the issue is that the majority of amended u-values are exceeding 1.6 W/m<sup>2</sup>K then this approach is practical and effective, if the issue is with u-

values being amended from lower RdSAP defaults not exceeding 1.6 W/m<sup>2</sup>K then this approach is still warranted but should be less of a focus for policy amendments.

The additional proposal of a staged u-value cap according to age band presented at the consultation workshop is welcomed by Sustain. However there are issue with timescales, DCLG and accuracy. Sustain would suggest rather than implementing the staged values as a cap the limiting values can be used as a trigger for targeted auditing of amended u-values. In addition to the 1.6 W/m<sup>2</sup>K cap the staged values according to age band can infer when an amended u-value should be audited. This would reduce the burden of auditing amended u-values, and focus auditing on the more extreme fraudulent cases.

## 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 agree that the only way to collect accurate data for all of the inputs for a u-value calculation in an existing dwelling is to conduct an intrusive inspection.

However, Sustain would like to point out that this can cause further disruption in the customer's journey. A DEA will have to visit the property to conduct their assessment to lodge an EPC, to collect all of the data inputs for an amended u-value calculation an individual would need to inspect the inner leaf of the cavity wall, which can be only be done by accessing the individual's property once more.

Evidence from an intrusive inspection should be supported with justification for choosing the relevant inputs as photographic evidence is not always conclusive.

**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.

Sustain suggest that the evidence provided for a u-value calculation should be definitive and not suggestive, clear best practice templates should be adopted for collecting data from intrusive inspections.

In support of an amended u-value Sustain suggest it would be appropriate to collect:

Photographic evidence (from borescope)  
Measurements per input  
Source for chosen material (per input)  
U-value calculator used

In the evidence the OCDEA should state their source for each material used to build the amended u-value, supported with a justifying statement. This would ensure that the thermal conductivities of the materials used are sourced from accredited sources. If Ofgem would like to pursue this further Sustain suggest engaging with accreditation bodies regarding suitable publications for sourcing materials for a u-value calculation.

**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.

If the supply chain wishes to use an amended u-value the supporting evidence listed in paragraph 2.5 is practical to provide.

This list should be supplemented with a best practice template for collecting data and should be included within the amended u-value submission and or audit. Sustain also believe that it is practical to provide the additional evidence we suggest in our answer to question 2.2.

**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.

Sustain would suggest that the evidence listed in paragraph 2.5 is open to interpretation. We would like to refer Ofgem to our response to question 2.2, we believe that the evidence requirement in paragraph 2.5 supplemented with our additional request for evidence would be sufficient to support an amended u-value calculation.

**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 evidence for an amended u-value calculation does not need to be collected by an additional independent person as the OCDEA who conducts the calculation should provide an independent calculation.

It is the role of the OCDEA to critically review the data submitted to them.

**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.

Sustain feel that the introduction of an additional entity within the supply chain would not be a practical solution to implement due to the following reasons:

1 - Introducing an additional entity to the supply chain would increase the cost of delivery as the independent person would require payment.

2 - If the data could not be collected by anyone but the independent person, there would be an additional disruptive visit in the customer journey.

3 - An additional visit would prolong the install timescales, delaying works and increasing risk on suppliers to meet their obligations.

4 - Introducing an independent person would infer a critique towards the OCDEA profession and those who collect data for them. It would suggest that OCDEAs cannot be both suitably qualified and independent, and therefore that as professionals they are breaching their code of conduct with their accreditation bodies.

### 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.

Sustain agree that by conducting an audit on an amended u-value with the additional questions listed in paragraph 2.9 there would be an increase in the confidence of the calculations.

Sustain welcome an auditing process for the amendment of default u-values. We would like to suggest that the parties involved in the auditing process communicate closely to reduce the potential for time lags and audit failures. If the OCDEA knows exactly what evidence the auditor is looking for and importantly in what format, then this will help mitigate the risk of differences in opinion.

It is important in this scenario that evidence and guidance for auditing is definitive to avoid differences in opinion between the OCDEA and the auditor.

**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.

Sustain agree that amongst the 3 auditing options presented that option 1 the most practical to implement.

However we do have concerns regarding the customer's journey. According to the regulations a TM agent is required to conduct a non-invasive survey, this proposal would require amending the regulations requiring TM agents to conduct invasive surveys. As with question 2.6 Sustain would not like to see any additional disruption added to the customer's journey.

Sustain would like to point Ofgem to our answer to question 1.2, it is possible for any of the audit options proposed to incorporate a targeted auditing mechanism. Potentially using the staged u-values proposed at the workshop consultation auditing should be targeted at amended u-values exceeding a set tolerance.

Targeted auditing would minimise the burden of additional auditing, reduce disruption to the customer journey and eliminate the concern of unreasonably high u-values.

**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.

Sustain suspect that technical monitoring agents may require additional upskilling to be able to conduct audits on amended u-value calculations. To safeguard the delivery of the measures we again suggest an accurately designed audit process to ensure that the additional tasks do not incur unnecessary additional costs.



The evidence requirements should be designed so that they can be audited by those less qualified than those conducting the calculations. This is why Sustain suggest the additional evidence requirements we list out in our answer to question 2.2. Documenting sources used in addition to visual evidence would reduce the burden on the auditing entity.

**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 questions proposed in paragraph 2.9 are appropriate for identifying the incorrect overwriting of u-values.

There are however additional requirements on a TM agent if they were to accurately answer all 5 additional questions. Specifically TM agents would need to borescope to identify the blockwork of the inner leaf, a task that is made more difficult by borescoping post installation of retrofit cavity wall insulation.

**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.

Sustain do not suggest increasing the additional questions list in paragraph 2.9

**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.

We suggest that a uniform best practice template for collecting and communicating the data used for a u-value calculation be circulated and adopted amongst the supply chain. If we adopt a uniform standard and format, the disruption of implementing this process into the supply chain is minimised. Sustain suggest an arbitrary figure of 2 months lead time to work with TM agents to establish a working agreement for auditing amended u-values.

**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.

N/A

## 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.

Sustain do not believe that this approach would increase confidence in the accuracy of amended u-value calculations. We believe other entities are better placed to audit amended u-value calculations due to either their current practices in the ECO supply chain or experience of SAP calculation auditing.

**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.

Sustain believe that the risks caused by a delayed auditing process are too high to be deemed practical for the ECO supply chain.

There is a significant risk of commercial exposure on obligated suppliers if amended u-values can be audited more than 2 months post installation of the measure.

We also direct Ofgem to the practicality of critiquing evidence. The inspection of the inner leaf of a cavity wall is more effective when conducted physically rather than remotely. We appreciate that this is not a feasible task for Ofgem to perform.

**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.

Sustain agree that ad hoc audits conducted by an independent qualified entity would increase confidence in the accuracy of amended u-value calculations. The consultation does not disclose who this independent entity may be, however if Ofgem were to propose that this entity be accreditation bodies then Sustain believe that their expertise would certainly increase confidence in the accuracy of the calculations.

However, if Ofgem were to pursue a different independent entity we would question their qualifications to be able to provide assurance that the calculations are accurate.

**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.

As Sustain understand DCLG rules restrict accreditation bodies from auditing amended u-value calculations for the purpose of an RdSAP assessment. Due to the complexities of legislation Sustain do not deem this option practical to implement for the remainder of the legislation.

Without the disclosure of the independent entity Sustain are unable to offer their opinion on their suitability to providing an auditing capacity.

## 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.

Sustain would like to draw Ofgem's attention towards the suitability of an OCDEA to provide an amended u-value calculation.

OCDEAs are trained to understand and practice the theory of calculating a u-value for the purpose of a design assessment, OCDEAs are not trained to provide an assessment for in-situ u-values. There is a requirement to make expert inferences to produce an in-situ u-value calculation. Ofgem and the accreditation bodies should consider the skills requirement for producing calculations for an in-situ assessment.

**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.

Sustain agree with the proposals outlined in this consultation with the addition of suggestions discussed in the above sections.

**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.

The proposals outlined in this consultation will enable the submission of amended u-values. Sustain would be keen to point Ofgem towards the legacy that this approach maintains for any program that proceeds the ECO. The preferred proposal that is implemented should be monitored and evaluated to determine both its success and suitability for adoption going forwards.