

Energy Company Obligation (ECO) Deemed Scores Consultation Questions

Background

The questions below relate to the ECO2 consultation on deemed scores which can be found on our website :

<https://www.ofgem.gov.uk/publications-and-updates/eco2-consultation-deemed-scores>

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. The questionnaire should be completed in typeface and returned via email to eco.consultation@ofgem.gov.uk by **close of business on 8 July 2016**.

1. Respondent Details

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

2. Methodology

Q1. Do you agree with our selection of the key variables to use as the main inputs for calculating the deemed scores?

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

If not, please clarify which aspect you do not agree with and suggest an alternative, with reasoning.

3. Property Archetypes

Q2. Do you agree with the method used in developing typical property archetypes in order to remove the need for measuring property dimensions?

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

If not, please clarify which aspect you do not agree with and suggest an alternative, with reasoning.

4. Primary Heating Sources

Q3. Do you agree with the approach to accounting for all primary heating sources present in the housing stock?

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

If not, please explain your reasoning and evidence your preferred approach.

Q4. Do you agree that we have appropriately accounted for heating systems present in the housing stock either as an input for the deemed scores or in Table 1?

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

If not, please clarify which additional heating systems you believe need to be accounted for.

We are in agreement with the majority of the primary heating sources listed as an input for the deemed scores. However, there is currently no option for District Heating as a primary heating source which should be included in the final calculation of the deemed scores. An option could be to use the closest primary heating source as a proxy; if so there needs to be clear guidance in place.

5. Measure Types

Q5. Do you agree that the deemed scores include all main measure types?

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

If not, please clarify which additional measure type you expect will be installed.

Q6. Do you agree with our proposals for differentiating within measure types?

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

If not, please clarify where alternative differentiation should be applied.

We are in agreement with the majority of the measure types, however we believe there is excessive differentiation in the case of Solid Wall insulation and this measure could be further simplified. The purpose of deemed scoring is to move away from the complexity of SAP/RdSAP scoring, and we feel that the current proposed method of scoring undermines this as relies on knowledge of age bands and u values. We would be in favour of moving to a system of scoring similar to the Community Energy Saving Programme (CESP) where very few starting u values were available and clear guidance is issued on which u value could be used according to the wall construction type. Additionally, for the purpose of simplification we believe that only one finishing u value should be used in the creation of the deemed score and based on the target u value in building regulations for this measure type. Where products exceed this u value there should be allowance made for this under the new scores application process.

Q7. Are there any measure types where you think that further differentiation is warranted? If so, please clarify which measure type could benefit from further differentiation and suggest an approach.

No

Q8. Are there any areas where you could benefit from further guidance in using deemed scores?

No

6. Scores

Q9. Do you agree with the deemed scores produced?

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

If not, please clarify which particular score(s) that you believe do not accurately reflect the savings for a measure.

The deemed scores are significantly less than those scores produced using the SAP/RdSAP method. Scores in our analysis are circa 40% lower than scores based on SAP/RdSAP. When looking at the deemed scores and applying them against the recent Impact Assessment from DECC we believe that the scores could lead to an increase in the number of measures that need to be delivered in order to meet the anticipated targets. This in turn could lead to a relative increase to programme costs. Our analysis is based on the conversion of scores delivered in ECO2 to the deemed equivalent score that is specified in this consultation document. Cavity Wall insulation, Loft insulation, and Room in Roof insulation all have deemed scores that EDF Energy believe could lead to an increase in programme costs, particularly the Affordable Warmth (AW) deemed scores for these measures.

Whilst we understand the policy driver that pushes suppliers to deliver the most cost effective measures, EDF Energy believe through experience in previous programme that this is difficult to achieve. It would be helpful to receive further information to help us understand the assessment of deemed scores and how they calculate through to the number of measures need to complete the transition year's target.

Q10. Do you agree that it would be useful to also provide the deemed scores as lifetime savings (i.e. after applying all relevant multiplication factors), to make the relative value of each measure easier to identify?

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

7. Percentage of property treated

Q11. Do you agree with the proposal to use 'percentage of property treated' to identify whether 100% of a score should be claimed?

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

If not, please explain your reasoning.

While we do not disagree with the principle, further guidance needs to be issued on the calculation of the % installed, particularly for insulation measures. In the interest of avoiding complex calculations, we would be in favour of applying a methodology which uses a range rather than the exact % installed.

8. New Scores

Q12. Do you agree with our proposed approach for applying for a new score from April 2017?

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

If not, please explain your reasoning, which specific parts of the process you do not agree with and inform us of your preferred approach.

We agree with the methodology proposed, however we do not agree that only suppliers should be able to submit new score applications, as this should be open to the supply chain. We would also appreciate Ofgem's flexibility in opening discussions with supply chain on testing requirements and accepting applications as soon as possible in order to allow delivery within the one-year extension.

Q13. Do you agree that we should determine whether or not to accept an application, and specifically what is a 'significant' improvement in score, on a case-by-case basis?

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

9. Score Monitoring

Q14. Do you agree that a DEA is not required to check inputs used when identifying a deemed score for a measure?

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

If not, please clarify why you do not agree and provide an alternative approach with your reasoning.

We agree with Ofgem's view that a qualified DEA is not required to assess the number of bedrooms, property archetype or heating type as long as clear guidance is provided by Ofgem. We would like to add that this was never a requirement in previous obligations, the Carbon Emission Reduction Target (CERT) or CESP which also used deemed scoring.