

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:	RWE npower
Completed By:	Sarah Hayes, Compliance Manager
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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.

If one of the key aims of introducing a deemed scores methodology is to increase simplification of the ECO obligation then we consider the key variables to be appropriate for calculating the scores.

We would however appreciate further guidance from Ofgem regarding the evidence that would be required to support these scoring inputs. Without further details of the wider context it is difficult for us to confirm whether this approach is both appropriate and practical to implement.

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.

As per our response to question 1, we consider the method used to be appropriate if the intention is to simplify the delivery of the obligation.

We would ask that Ofgem provide further clarity regarding the definition of 'refurbishment' as the information currently provided within the consultation response is open to interpretation and there is potential that properties, and therefore scoring inputs, may be misrepresented.

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.

We agree with the approach outlined within the consultation document however we require further clarification from Ofgem regarding any evidence that may be required to demonstrate the primary heating source of a property before we can confirm whether this is practical to implement.

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 consider the methodology to be appropriate but would request further guidance regarding any supporting evidence that suppliers will be expected to collect/provide as appropriate.

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.

At this stage we do not consider there to be any further measures that should be included within the deemed scores.

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.

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.

We do not consider there to be a need for any further differentiation.

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

Yes.

Paragraph 5.2 in the consultation document states that deemed scores for District Heating connections have not been developed, and that the current approach of using RdSAP or SAP is more appropriate. It would be very useful to receive further guidance as to whether any additional measures installed at the same premises as a DHS connection may also be scored using RdSAP or SAP. For example, in cases where blocks of flats are connected to a new DHS and they receive additional insulation measures such as EWI, Roof Insulation, Glazing etc., can all associated measures use the current approach to calculate scores?

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 methodology used to calculate the annual scores appears to be sound.

We would note that the score awarded for room in roof insulation is significantly less than that achieved through a SAP based calculation, and we would welcome the opportunity to work with Ofgem and other industry partners to establish a score that is reflective of the benefit that this energy efficiency measure can bring to households.

It is difficult to provide comprehensive comments regarding the lifetime scores that will be awarded without consideration of the obligation targets and any additional factors that will be used to calculate the lifetime scores.

We will be reviewing the details of the deemed scores calculations in conjunction with the information presented by DECC within the ECO: Help to Heat consultation, and provide feedback as appropriate within our consultation response.

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.

We feel that this point needs further clarification before we can provide a comprehensive response.

We would like Ofgem to clarify whether this refers to the percentage of an entire property that has been treated, or whether this is based on the percentage of the available area that has been treated with a measure.

For example, if a property is 50% solid wall construction and 50% cavity wall construction, and the entire cavity wall area is treated with cavity wall insulation, could the full CWI score be claimed for that property on the basis that the entire available area had been treated, or would we only be able to claim 50% of the score on the basis that only 50% of the entire property had been treated?

We would also appreciate clarification of the method that would be used to calculate the score where less than 100% of the actual measure is installed. For example, if 75% of the available area is treated with cavity wall insulation, with only 50% of the property of cavity wall construction, how would this be calculated?

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.

To stimulate innovation we feel it may be appropriate for system designers to be able to approach Ofgem directly, rather than having to rely on establishing a relationship with a supplier who would then work with them to submit a proposal.

This approach may also help to understand the wider potential for the delivery of the measure, and therefore provide further justification for the development of a deemed score.

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

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 that there is no need for a DEA to check the inputs for a deemed score.

We would however ask Ofgem to confirm exactly what is meant by inputs in this case – is this limited to the key variables, i.e. heating source and property type, or would it extend to the differentiating factors for measures, where relevant?

We do have some concerns regarding the intended approach of using Technical Monitoring agents to verify these inputs. TM agents are not part of an accredited body, and therefore there is limited scope to address any issues that may be encountered – i.e. if there is a disagreement regarding the inputs how would this be resolved? A lack of a professional body to turn to in times of dispute may have a detrimental impact on the industry's ability to manage incidents of suspected fraud and bad practice.

It is essential that Ofgem provide a clear set of criteria and definitions to reduce the potential for misinterpretation.

- ☐ Don't Know

