

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

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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.

Agree

If ECO2 was purely a carbon saving scheme, with no fuel poverty elements, we would agree with this approach.

Disagree

On a fuel poverty level, we believe that measures will not reach the poorest performing properties, using the deemed scores methodology. One example of this is due to the cost score for a boiler replacement being the same, regardless of the current efficiency of the property. Therefore installers have no incentive to target the poorest performing properties. Additional variables may be required for this approach, including wall construction, age and insulation levels.

Also there seems to be no account taken in the deemed scores for hard to treat properties, many of which contain vulnerable/fuel poor occupants. Cavity wall insulation in these types of properties can have considerable positive effects. Particular products, such as polyurethane, can increase these effects by contributing to structural benefits, alongside their superior thermal performances.

We have covered additional variables and points for consideration, in our responses to the below questions.

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.

1. Hard to treat properties.

Treating hard to treat properties has been an important part of the current ECO scheme and the current deemed scores fail to take these types of properties into account. Many hard to treat properties do not fit into the typical property archetypes provided.

Further expansion on this area is required, in order for the consumers living in these properties, to receive the most appropriate cavity wall insulation for their situation. Using the current methodology, most of the consumers living in these types of properties, who have contributed to funding the scheme, will not receive any benefits.

2. Another of our trepidations with this method is the interpretation of property detachment, in regards to offset properties. How would an offset mid-terraced property, with 3 to 4 heat loss walls be calculated and reported?

As you will be aware, currently using RDSAP conventions, this is taken into account with the heat loss wall measurements. We believe an alternative classification, or additional input type is required for these property types. Uplifts could also be applied to these properties, based on how many heat loss walls have been treated.

There should be clear guidance for these types of properties, rather than it be left to personal interpretation.

3. The deemed score being the same for a maisonette and flat.

The wall area of a maisonette is usually much larger than a flat. Maisonettes are generally constructed over two storeys, therefore replicating the standard characteristics of a traditional house. This similarity must therefore have some correlation with carbon scores based on a two storey mid, or end terraced.

4. How will extensions be accounted for?

Will they be calculated using an area based approach, using the same deemed score methodology of the property it is attached to?

This needs to be clearly defined, as extensions can add a large area to a property, which will provide additional savings. The same uplift method could potentially be used to determine the additional areas

for points 2 and 4.

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.

1. One of our major concerns regarding this method is the average of 83% efficiency in gas properties.

There should be a clear differentiation between condensing and non-condensing boilers, to enable separate carbon savings based on these factors.

2. How will a property with no heating system; or properties with just a gas or electric fire as the main heating be scored?

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.

Clarification on scoring for properties with no main heating system and where the property only has a gas or electric fire for the main heating system.

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.

Differentiation is required between, standard cavity and hard to treat cavity wall insulation.

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.

1. Room in roof insulation.

There needs to be a clear difference between properties built Pre and Post 1976. Pre 1976 properties should not have a starting U-value of 0.696 (or 50mm, of insulation). The sloping vertical areas of these lofts should have a default value of 2.3, or no insulation. There is no insulation present in RIR built before 1976.

2. Cavity wall insulation and hard to treat cavity wall insulation.

We believe there should be another thermal conductivity option available, to account for the use of foam products.

Foam products are preferred in a variety of situations, including; hard to treat properties and areas of high wind driven rain, so therefore should be a viable option. For example, polyurethane products, such as Technitherm, can achieve a thermal conductivity of 0.025, therefore achieving a greater carbon saving than other systems, as well as providing other benefits to the property, which other types of insulation cannot.

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

1. Gas to Gas boiler replacement scoring

Using the new deemed scores methodology for gas to gas boiler replacements, at current market rates, will mean many fuel poor households will not be able to receive a boiler replacement in this situation. There will be large contributions required by households, which is counter intuitive to the HHCRO element of the scheme. People in these households, by definition, will be unable to pay the contributions required. This is with best value and competitive prices being applied. The market rate for HHCRO boilers would need to be much higher to facilitate an uptake of gas to gas boiler installations, to make installations viable in the common types of properties treated, such as terraced properties.

In conjunction with the current efficiency of the property not being taken into account to determine the score, this will pressure installers to take the easiest route delivering replacement boilers.

One method to help make these more viable, would be to remove the deflator for gas to gas boiler installations.

2. HHCRO deflators, on gas to gas boiler replacements.

With the reduction and limitation of gas to gas installations being capped at 25,000 measures per year, according to the new ECO Consultation, and with the lifetime savings now being even lower than they previously were, due to the deemed scores. We feel there is no reason for keeping the ECO deflators for gas to gas boiler replacements. This will be managed by the new qualifying gas boiler cap, so two control mechanisms for this particular measure type isn't required.

3. Different methodology for CWI and SWI. Could you elaborate on the reasoning behind not using the same methodology for determining cavity wall insulation scores, to determine solid wall installations?

We believe, either solid wall insulation should use the same methodology as CWI, or CWI should have the three age bands, which have been used to determine the single starting U-value.

4. Hard to treat properties need to be accounted for, as well as the higher performance materials which are used to treat them.

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.

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.

Unless the points covered above and the responses from other stakeholders, who have completed the consultation, are fully evaluated and amendments made, we do not agree the current approach covers all points required in order to be introduced.

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.

Although we do not whole heartedly agree with the removal of the DEA assessment and RDSAP/EPCS, as we believe this is the best way to deliver measures to the most vulnerable, by highlighting the poorest performing properties and enabling the targeting of measures to be completed that way. We do however understand the need for streamlining in this area.