

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:	OVO Energy
Completed By:	Cian Fitzgerald
Contact Details:	cian.fitzgerald@ovoenergy.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.

As this consultation states a move to deemed scores should simplify the process by removing the need to collect the data required for a SAP assessment, and removes the layer of complexity associated with making the relevant measurements. There is a clear understanding at OVO of the benefits of reducing cost and burden with the wide variation of measurements currently used. Such benefits though will only truly be realised if a move to deemed scores removes the current system of continual retrospective actions that make delivering ECO so commercially difficult and compliance such a tightrope walk.

There is also a concern that with an obligation based on carbon saving, the basis of deemed scores could, if aligned at the very low end of the scale, increase the cost to deliver the overall scheme in spite of the operational savings made by reducing complexity. Our preference would therefore be for performance to be measured on the basis of how much an ECO recipient actually saves on their energy bills. Our suggestion is that the delivery of genuine value for money carbon measures should be measured alongside the impact to customers bills.

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.

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 have been unable to carry out our own impact assessment for deemed scores, however, anecdotal evidence from some of our partners suggests that some deemed scores would lower the overall carbon scores. As we have stated in our answer to question 1, we agree with the proposal to used deemed scores as a

means of reducing the operational cost and complexity of delivering ECO. If, however, the agreed upon deemed scores undervalue the carbon savings made in homes, it may undermine the expected cost savings

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.

As with District Heating we believe that certain measures should have the option, not obligation, to use RdSAP Carbon Scores to prove their carbon score. This is to make sure that certain measures are not undervalued because the Deemed scoring model cannot accurately give a reflection of their energy savings due to the diverse nature of the types of measure and the housing stock.

As an example an EWI applied to a tower block will differ significantly to one applied to a 4 bed house. In such cases we believe a standard RdSAP calculation would ensure that Ofgem have the assurance of actual carbon scores.

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.

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.

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.

The EPC should not form part of the scoring of ECO scores and thus the awarding of ECO funding. However, consistency would be welcomed. We are implementing minimum energy efficiency standards for private landlord using the EPC banding, we are looking at awarding funding in future legislation in social housing for a band G or F. As such it seems to make sense to have an EPC included.