

James Morgan
ECO Technical Manager
Energy Efficiency and Social Programmes
9 Millbank
London
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Friday 8th July 2016

Dear James,

GSHPA Response to OFGEM's Consultation on ECO2 Deemed Scores

Thank you for preparing this Consultation, and for your engagement and help.

Our only comment on the presentation is that it would have been much easier to respond had the questions in the Response Template also been embedded into the Consultation document itself.

The GSHPA's Response is below – and, subject to some caveats, is generally strongly supportive of the proposals for deeming.

In summary, our three asks are for:-

1. Development of deemed scores for Shared Ground Loop technology. There is no reason why these should be any lower than the current scores from SAP.
2. SAP-derived SPF's in place of the BRE's proposal to use figures from the flawed RHPP Field Trial. Please see attached *List of issues with UK Heat Pump Field Trials so far identified by the GSHPA*
3. 40 year GSHP longevity. Attached is a copy of the GSHPA's "Criteria For Assessing Non-standard Lifetime Applications of GSHP's" from October 2013 which was accepted by your colleagues at the time, albeit that this was, at that time, only dealing with District Heat.

We believe that these are "low" asks that are easily achievable.

As discussed, the GSHPA would like to have a continuing engagement with OFGEM, long after today's closure of the Consultation.

The GSHPA would also like to engage with both OFGEM and BRE on points 1 and 2.

We believe that these asks should not be difficult for you to deliver, and we would be pleased to continue an engagement, including offering the specialist expertise relevant to the topics of some of our members.



Your sincerely

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Ground Source Heat Pump Association

Encouraging the growth of the ground source heat pump industry in the United Kingdom

GSHPA
association

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:	Ground Source Heat Pump Association
Completed By:	Richard Freeborn
Contact Details:	richard@mountwellington.co.uk or 07810 867887

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.

We would otherwise strongly agree - but the data itself needs further work on four issues:-

1. SGLR (Shared Ground Loops for Residential applications) is a recent, novel British innovation to deliver District Heat, and is especially suited for retrofitting in dwellings for the unable to pay. Whilst we agree that "ordinary" district heat is too complex (your section 5.2 *"These measures are complex and highly variable in their nature and size, and so we consider that the current approach of producing bespoke scores using SAP or RdSAP is more appropriate"* this would not apply to SGLR." SAP already very effectively scores SGLR, and has already been used to good effect in some ECO1 applications. It would not take much extra work to produce a suitable look-up table either from your consultants BRE directly, or by the GSHPA providing the table based on the existing data from BRE.
2. The longevity of GSHP's, whether District, SGLR or individual houses remains the same, at 40 years. They are identical in terms of being based on identical combination of "buried plastic pipe and heat pumps". OFGEM currently treat GSHP DH as 40 years, including SGLR – so it is just a matter of adjusting individual houses with GSHP technology so that they also benefit from 40 years. It would not be logical for two identical GSHP installations to have different lifetimes, especially as the current difference is 20 years and 40 years.
3. GSHP's are not included as a separate measure. GSHP technology is very, very different from ASHP technology, both in terms of cost, longevity, visual impact, efficiency and in particular the degree of expertise required for its design and installation. Whilst it is true that there has been little deployment of heat pumps in ECO1, there is a fresh push for ECO2 to help alleviate fuel poverty – which in off-gas areas can only effectively be achieved with heat pumps.
4. The efficiencies of GSHP's are considerably higher than the 2.75 quoted in the recent RHPP Field Trial at the H4 boundary, and referred to by BRE. Their SPF's at H4 are too low by between 0.5 and 1.0 of an SPF. A more representative figure for SPF at the H4 boundary would be in the 3.5 to 3.75 range, and this is the figure that should be used in the ECO. See separate GSHPA document that explains issues arising from the Field Trial. BRE can substitute Field Trial SPF's for those from our National Calculation Methodology, which is SAP.

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.

See our answer to Question 1. GSHP's have been forgotten!

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.

See our answer to Question 1.

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.

We strongly disagree for GSHP's. See the issues that we have identified in our answer to Question 1.

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.

We would appreciate a little more clarification on this issue than the Consultation currently provides. Whilst the process described appears to be robust, some GSHPA members have had issues around obtaining new scores for either new measures, or existing measures that should benefit from higher scores. Our members shouldn't be put off applying for new scores by a rigid set of rules that may be regarded as "red tape". Flexibility is the key.

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

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.

- ☒ Strongly Disagree
- ☐ Don't Know

There are enough variables for a client to contend with prior to giving an order. Adding in to the customer journey that OFGEM may then either take a different view and then need persuading from that view, or that OFGEM's veto may simply delay an answer represents very unwelcome "red tape". It is entirely unnecessary. However, it would be useful if OFGEM were able, on a case by case basis, to provide some certainty where the client requested it. So if this were "optional, at clients request" then it would have the strong support of GSHPA members. Need more clarity. [All applications will have to work through with an obligated supplier. OFGEM need to be sure. Slightly pragmatic, testing could happen afterwards, any

