

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: | Association of Technical Monitoring Agents (ATMA) |
| Completed By: | Adrian Hull |
| Contact Details: | adrian.hull@thsinspections.co.uk |

2. Methodology

Q1. Do you agree with our selection of the key variables to use as the main inputs for calculating the deemed scores? Please note: there appears to be an error in the word document that does not permit removal of the bulleted selection. No ATMA response has a 'Neither Agree nor Disagree' status, this was the default selection, so please ignore this on all occasions.

- ☐ 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.

Overall, the variables and main assumptions seem reasonable, and we support the simplification of the scoring element of ECO. However, there is one significant area which we feel needs to be reconsidered. In the BRE Client Report – Ofgem Deemed Scores Methodology on Page 7. It states that: *'Heating improvement savings will be significantly affected by the level of insulation in the dwelling.'* This is absolutely the case, but the report goes on to state that *'An average insulation level is used and as a result the saving calculated for a heating measure is unlikely to match the saving for an individual dwelling'*. We do not feel that this is appropriate, particularly as the fuel poor live in some of the worst insulated homes in the UK. So for example, an uninsulated property, e.g; detached with no current insulation, should be rewarded with higher carbon scores where an old inefficient boiler is replaced. Clearly, the ideal scenario is that the property is insulated as well, however due to the current nature of the supply chain and the fact that many installers work solely on insulation or heating systems, this means that often the measure that is installed will be driven by the installer measure capability as opposed to the needs of the property itself.

Another observation relates to the carbon emission factors utilised. Whilst these are linked with SAP2012, the fuel mix of the UK power supply has altered significantly since then. This means that if 2012 data is utilised it may falsely inflate the carbon score for electrically heat homes compared with the current fuel mix as we stand now in 2016.

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.

Comment: 2. We feel that a 4 bed detached bungalow should be added as a property type. Currently it would have to be added as a 3+ bedroom detached bungalow, these properties are increasingly more common, particularly in the South East and South West.

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.

Question

If you have a split fuel type in the property, how do you determine what is the primary heat source?

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.

There appears to be some inconsistency with regard to references for Heat Pumps and clarity should be provided as to whether this refers to both Ground Source and Air Source Heat Pumps. For example in **Table 1: Primary heating sources without an explicit deemed score input states** 'Heat pumps central heating' as does **Table 4: Proxy heating systems to be used for rare heating types**. However, **Table 169: Replacement heating system assumptions 'after'** refers to Air Source heat pump central heating only when determining the efficiency. Either, ground source heat pumps should also be included in this table (with a separate efficiency level?) OR, the same efficiency level adopted (if appropriate) or it should be alternatively made clear if heat pumps refers only to air source heat pumps as a measure that this is the case throughout the documentation.

Comments: We understand that the deemed score variable for age of property will be taken from the OFGEM provided spreadsheet. However, can you clarify what evidence would be required to support your property age choice., particularly given that a trained DEA is unlikely to be involved in the process?

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.

1. There appears to be a lack of clarity around the existing maximum insulation depth from which top loft up measure can be installed i.e. is 150mm the last point at which you can top up from?
2. When a Loft Insulation top-up measure is installed the finishing depth is greater than 270mm, typically around 300mm+, the U value of 0.185 that is being used reflects 270mm insulation. We feel that the U value figure should be higher for a loft top up measure to reflect the 300mm + finished loft insulation depth.
3. For RIRI the starting U value assumes 50mm of insulation, but in practice there is very little or no insulation existing. As previously mentioned, we feel the starting U value should be higher to provide increased savings.

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

For heating controls (Programmer, room thermostat and TRV's) if only one new item is installed and two are existing is 100% of the saving claimed or the 100% measure installed adjusted? i.e. can an installer bring the system up to a position where all three are present and claim 100% of the measure?

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.

For RIRI measure we feel that the starting U value is too high as it defaults to 50mm insulation present on all occasions. In reality, very little insulation is typically present, if any. The SAP calculation engine for pre 1965 properties shows party walls at 2.3 U value, but using 50mm as a starting point, this gives a U value of 0.696 so this reduces the carbon score too much and may result in RIRI measures not being commercially viable.

Also see comments on Q7 and 8.

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 do agree, and whilst it is clear in both this consultation and the current live ECO Guidance what constitutes 100% of the measure installed, we feel that this needs to be re-iterated to the supply chain on a per measure basis. We are aware of the work ongoing in relation to Room in Roof Insulation and an FAQ document and fully support this as a method of providing clarity to the supply chain.

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.

We do not believe that a DEA qualification should be mandatory, however, the person undertaking the checks should be able to demonstrate a minimum level of competency. However, we would re-iterate the need for independent monitoring to verify key score influencing variables such as number of bedrooms etc to ensure that compliance with the scheme rules is being met. ATMA are in the process of developing a competency scheme for Technical Monitoring Inspectors and are happy to share this information with Ofgem and other supply chain representative bodies in due course.