Energy Company Obligation (ECO)
Deemed Scores Consultation Questions

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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:	Keepmoat
Completed By:	Nigel Banks
Contact Details:	nigel.banks@keepmoat.com 07837 516349

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.

Property Age should be added as a key variable – see Q2 for details.

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.

The property archetypes are based on average properties for the full stock of all ages. For certain measures particularly insulation measures, the "archetypal property" for that measure varies significantly with the age of the property (for example a 3 bed semi-detached solid wall home built in the 1900's is likely to be much taller (10-20%) than the stock average, one in the 1960's is likely to be much larger than stock average (110m2 Vs 86m2). We believe this is as properties built since the 1980's are generally much smaller than those which are likely to be in need of measures and so this distorts and underscores the carbon and lifetime cost savings in older homes.

We would propose that the average property sizes and therefore the average deemed scores are relevant to the age of the property. Currently there are 3 main inputs (Property Type; No. Bedrooms; Main Heating Type), we would suggest that property age (using the inputs for Solid Wall insulation) is added as a main input option and the deemed scores calculated against those for all measures. We realise that this will require additional SAP calculations to be done by OFGEM/BRE which will make the deemed scores tables much bigger but these are easily put into an Excel lookup meaning that it will not impact on the time it takes for firms to estimate carbon/lifetime cost savings.

If this is not accepted, a mechanism for inclusion of oversized properties (similar to CERT) should be put in place with suitable evidence to justify a pro-rata increase in savings for properties which are more than 10-20% bigger than the deemed scores assume.

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.

Disagree – heat pumps should be included.

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 believe that boilers should be subdivided into modern (less than 10 years old – assumed efficiency of 88%) and old boilers (more than 10 years old – assumed efficiency of 75%) as the carbon and lifetime cost savings are significantly different with boiler efficiency.

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.

Heating controls are only an option for four heating types (Gas boiler;Oil boiler;LPG boiler;Solid fossil fuel boiler), we believe this should be extended to all heating types.

In particular, new retrofittable smart electric storage heater controls have been shown to deliver 20% energy and carbon savings with 34% energy bill savings which should be included as a measure – see VCharge evidence attached.

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.

Thickness of insulation is not an appropriate way to differentiate savings, particularly for Solid Wall Insulation and Loft insulation. For example, 50mm of phenolic will deliver twice the insulation as 50mm of mineral wool. Insulation is generally installed to meet a U-value (for building regulations compliance) and U-value calculations should always be carried out. Therefore, the U-value of the final wall or loft/roof insulation should be the only input/differentiator (i.e. choosing 0.5, 0.3, 0.25, 0.2, 0.15W/m2K for solid wall – option of 0.5 required for internal wall insulation of historic buildings)

Differentiation of solar PV would also be useful and very straight forward (1, 1.5, 2, 2.5, 3, 3.5, 4kWp)

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 above

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

To prevent "playing the system", it is crucial that measures are clearly defined and audited/technically monitored in some way. For example, areas which could be exploited without clear definition include:

- Flat roof insulation – 100% of available measure – just insulate the bay window flat roof!
    - Correct by downgrading % of measure by % of total dwelling roof area or a minimum area as % of floor area.
- Draught proofing – just draught proof the letter boxes of door in tower blocks which are actually internal!
    - Make very clear the how % of measure is defined.
- Number of bedrooms – rooms split with partition for assessment/works and partition removed after…
    - Needs clear definition and minimum size

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.

In general as proposed above, more scores are needed to more accurately reflect savings.

However, a more significant concern is the use of SAP2012 and some of the inbuilt assumptions it has as the engine to calculate the deemed score. Particular areas of concern include:

- Grid electricity carbon factor of 0.519kgCO2/kWh (based on 2012 assessment of 2013 to 2015 emissions projections). If this assessment was undertaken now for a SAP 2016, we believe the figure would be 0.288kgCO2/kWh. This has a very significant impact on the projected savings and in some cases (gas boiler or gas CHP replacing electric storage heaters) would lead to emissions rising as a result of ECO interventions.
- SAP 2012 does not enable the use of time of use tariffs for electric heating solutions which is now available – see VCharge evidence attached.

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.

See Q8 response for examples of why.

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.

Strongly disagree that only obligated parties can propose a new score. Understand rationale in terms of limiting time spent but if proposer of new score covered costs of assessment and review this should be allowed.

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

If not, please explain your reasoning, which specific parts of the process you do not agree with and inform us of your preferred approach.

Significant needs to be clearly defined ahead of application (say 10%)

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.