

EnergyCompanyObligation (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

OrganisationName:	<p>The Kent and Medway Sustainable Energy Partnership (KMSEP), which comprises partners from:</p> <ul style="list-style-type: none">Ashford Borough CouncilCanterbury City CouncilDartford Borough CouncilDover District CouncilGravesham Borough CouncilKent County CouncilMaidstone Borough CouncilMedway CouncilSevenoaks District CouncilShepway District CouncilSwale Borough CouncilThanet District CouncilTonbridge & Malling Borough CouncilTunbridge Wells Borough CouncilKent and Medway NHSSouth East WaterSouthern WaterAffinity Water SEAmicus HorizonsEast Kent HousingGolding HomesMHS HomesMOAT HousingOrbit SouthTown & Country Housing AssociationWest Kent HousingNational Landlords Association
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	ACRK Federation of Small Businesses Business Support Kent CIC
Completed By:	Graham Harris, Chair of the Kent and Medway Sustainable Energy Partnership (KMSEP)
Contact Details:	Please contact Samantha Simmons, Secretariat for the Kent and Medway Sustainable Energy Partnership (KMSEP). Email: samantha.simmons@kent.gov.uk Tel: 03000 413458 Sustainable Business and Communities Team Invicta House Kent County Council Maidstone Kent ME14 1XX

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 agree with the three variables used to calculate deemed scores, and the approach of limiting variables is critical in simplifying the process. However, there is no reference made to occupancy, within Section 2, which would have a major impact on any scores, and we would welcome further clarity as to the extent to which this has been taken into account within other assumptions.

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.

In principle, we agree that this method will assist in simplifying the assessment and eligibility process, and this is welcomed.

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.

We agree that the deemed scores include all main measures currently; however, we agree that it is also necessary to account for new measures as detailed in section 8 of the consultation document.

In relation to 5.7, a consistent method for evidencing ECO scores is needed to avoid inconsistencies/inaccuracies in creating deemed scores. Whichever evidencing method is chosen by the utilities, it needs to ensure that the best and/or most consistent funding offer results for householders – i.e. there should not be flexibility for a particular score to be chosen which enables utilities to issue a lower funding amount. This is also essential in the development of local schemes – so that there is absolute clarity in funding available, prior to commencement of the works.

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.

As detailed in answer to Q5, we feel this offers too much variability in the number of scores available and therefore restricts an early understanding of potential funding. In practice, we have found that there is no SWI being installed that goes beyond a Building Regulations requirement of U-value 0.3 and so it is logical that U-value 0.3 is the assumption used for post-installation. For starting values, it needs

to be restricted to a maximum of 3 different options. If the aim is to bring scores more in line with RdSAP and SAP, which use U-values, then thickness of insulation is irrelevant, and therefore SWI depths should be avoided.

We agree with the all-or-nothing approach on heating controls.

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.

No comment.

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

There is a need for a simple table (preferably in the format of commonly used electronic spreadsheet software, such as Microsoft Excel) that provides all of the measures and scores in a single matrix, for use in projects. This must be in a user-friendly format and we would be happy to be involved in its development/user-testing.

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 cannot understand, and would seek clarification from Ofgem, as to why weighting factors have been applied. We feel it is an unnecessary complication to the process and is not easily understood or applied consistently by users. To ensure a simple and consistent approach, we strongly recommend that the deemed scores should already have this weighting taken into account in the final document.

In line with the above, we would also recommend that the deemed scores document accounts for lifetime savings and not just annual savings.

We strongly question the data and evidence used to generate in-use factors. This is also an additional calculation that is not easily understood and so to ensure a transparent and consistent use, should either be built in to the SAP, without then having to be subsequently applied, or not be included. Again, we feel HCCRO multipliers create unnecessary complication and should be removed.

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

Please see points above – we agree that it would be useful to provide the deemed scores as lifetime savings but that this should be published as one table of final deemed scores, taking into account all (necessary) multipliers/adjustment factors etc.

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 agree that a simple proportion should be used, applying the formula as proposed in the consultation document.

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 agree, if the scores are comparable/can be used in conjunction with the previous years of ECO for reporting and communication purposes.

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

There is currently not enough clarity in relation to what is a 'significant' improvement in score and this needs further exploration / explanation. We would want to understand the basis of the statement 'We will determine on a case by case basis', and by whose authority and on what decision making basis this determination is to be made.

We disagree with the use of laboratory tests as the basis of deemed scores as they are not necessarily representative of real world scenarios, and that rather only proven data from in situ performance should be used as the basis for new scores being introduced. We accept that in practice, two years' worth of data will be necessary for this, and therefore it is unlikely to have an impact through this round of ECO – but we feel this is better than laboratory test results.

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.

To ensure a fair and legal process we strongly believe that a suitably qualified individual is needed to carry out the checks and therefore, that there needs to be robustness in the checking process. The decision not to use DEAs is accepted but there is still a risk of fraud even if DEAs are no longer used to carry out checks, and we feel it is imperative that a greater percentage of checks are undertaken by parties who are independent from the contractor, householder and utility provider, to be funded by the utilities.