

From: howard@hbetteridge.freemove.co.uk [mailto:howard@hbetteridge.freemove.co.uk]
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Subject: deemed scores

Installers may target more energy efficient newer dwellings for boiler installs:

- Under the current EPC based approach to ECO, larger, older, solid wall properties with poor loft insulation are sought out by installers, for boiler installations, due to their lower energy efficiency and resulting higher costs scores. As the installers' income is related to the cost score, they currently have an incentive to find these properties within which low income households are more likely to be in worse fuel poverty.
- This is likely to change under deemed scores as there will be no incentive to seek these dwellings out as the funding they receive will be based on a cost score that will be the same regardless of the dwelling's thermal characteristics.
- Installers are in practice likely instead to select newer properties to improve, as their existing heating systems are easier to work with.
- As a consequence, boiler improvements are less likely to reach the poorest performing properties where residents are in the greatest fuel poverty as these will generally be more difficult to install heating systems into.
- This issue could be addressed by retaining the current approach of using the EPC as the basis for the score. Alternatively, including key variables such as age, wall construction and loft insulation in the specification for deemed scores could go some way to countering this drawback.

Cost scores for qualifying boiler installations would be much lower than for ECO 2:

- Properties in the pre 1900s age band would experience an average drop in cost scores of around 40% if the proposed deemed scores methodology is implemented instead of EPCs. This is because the thermal performance assumed for walls and roofs within the deemed scores methodology is significantly better than the thermal performance of these elements for the properties in our sample of properties taken from ECO 2 submissions.
- More than a quarter of dwellings submitted for qualifying boiler measures in our ECO2 sample were built before the 1900's.
- The ECO scores for qualifying boilers in solid wall properties would reduce by over a third, on average.
- Without a corresponding increase in the rate paid to installers, two thirds of the properties submitted under the current ECO scheme would no longer be considered economically viable due to the cost of installing the boiler

Kind regards
Howard