

ECO2t consultation Part 1: consultation questions

Background

The questions below relate to the ECO2 consultation on the transition period which can be found on our website:

<https://www.ofgem.gov.uk/environmental-programmes/eco/contacts-guidance-and-resources/consultations-and-feedback>

Notes For Completion

The consultation is open from 12 October 2016 to 23 November 2016. We have provided a template for responses to help us collate and analyse the feedback we receive. 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. **Please do not amend the format of the template.**

Where use of the template is not possible, other formats will still be accepted. Please send your responses to eco.consultation@ofgem.gov.uk by **close of business on 23 November 2016**.

Respondent details

Organization Name:	National Energy Services
Completed By:	Lisa Blake
Contact Details:	lisa.blake@nesltd.co.uk

Scheme extension

Q1. Do you agree with our proposed administrative approach and guidance relating to our final determination of CSCO?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please provide reasons and any alternative suggestions.

Help to heat group

Q2. Do you agree with our proposed approach to evidencing help to heat eligibility?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please provide reasons and any alternative suggestions.

DWP/EST look ups must be available

Social housing with an EPC energy efficiency rating of E, F or G

Q3. Do you agree with our proposal to use a declaration signed by a social landlord to evidence that the EPC energy efficiency rating reflects the current characteristics of the property?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Many social landlords do not have the requisite knowledge to state whether any works completed on the property would have an effect on the energy rating, or how much of an impact those works would have.

We also know that each SAP revision causes a change in the ratings, in particular for non-gas dwellings, which account for around 40% of E, F, G dwellings. Looking at table 15 in the SAP 2012 specification we can see that for oil / LPG dwellings the variation in the SAP rating for dwellings around a SAP of 50 is 5 - 7 SAP points. So a 9.91 EPC showing an E might not be an E in 9.92. This suggests that there should be a little leeway in determining bands E, F & G if non-9.92 EPCs are allowable as evidence of band.

As well as EPC data, most RSLs do keep a record of some of the attributes of their housing stock; in particular, information on loft insulation, property type and heating system (installed boiler index number). Most RSLs hold this data in asset management systems, which are generally kept up to date as changes to the stock are made.

RSLs managing more than 2.6 million dwellings use NES software (Auto Assessor) to calculate an approximate SAP rating from a sub-RdSAP dataset, covering 63% of the stock in England & Wales. In the same way that RdSAP is a sub-SAP dataset and inferences are made, Auto Assessor uses a sub-RdSAP dataset. An approximate SAP rating can be obtained from as little as 10 - 15 data items; however additional data items can be added as they become available thereby increasing accuracy over time. This process can also be used when only older (now incomplete) EPC data is available. This data can provide a good estimate of whether or not a property falls into the E to G bands. Although not 100% accurate, we believe that this estimate can in the majority of cases be as accurate as the assessment made on an EPC as long as the level of data used in the calculation is above a certain level. NES analysis has shown that from a sub-RdSAP dataset 93% of E, F and G ratings would be SAP 59 or lower if the full RdSAP dataset was available. With non-9.92 EPCs currently allowable, this is comparable to using 9.83/9.91 EPCs. The added benefit of using this method is that the available data is likely to be more up to date than that used for an old EPC

This method would also allow 'what-if' scenarios to establish if measures would take the dwelling into D or above.

Q4. Do you agree with our proposal to evidence that premises are being let below market rate using a declaration signed by a social landlord?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Q5. Do you agree that where multiple measures are installed in a single property, a further declaration should be signed by the social landlord after each installation to confirm the energy efficiency rating remains below Band D?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Without some kind of SAP calculator, a Social Landlord is not going to be able to establish if the measure has taken the dwelling above an E. As detailed in our response to Q3, we believe using software that can produce a rating from a sub-RdSAP dataset would allow Social Landlords to make an informed declaration.

Suggestions that the recommendations on the EPC with the potential rating could be used, would only work if all measures were being applied in the order specified on the EPC. The recommendations and potential ratings calculated consecutively. For example the EPC might show loft insulation and cavity wall insulation with the cavity wall insulation achieving a D, however if the loft insulation is not also applied, the cavity wall insulation may only achieve an E.

First time central heating

Q6. Do you agree with our interpretation of “at no point prior”?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Q7. Do you agree with our proposal to evidence that a central heating system or an electric storage heater was not present prior to installation of a central heating system or DHS using a declaration signed by a social landlord?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

As long as this is accepted by OFGEM when reporting the measure. If it transpires that actually there has been central heating previously, the measure is still honoured. Will Social Landlords be fully briefed in what constitutes FTCH?

Q8. Do you agree with the primary heating sources we have listed as eligible for first time central heating measures?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please identify which primary heating sources you think should be included/excluded.

We believe storage heaters (which would have qualified for QESH i.e. old and unresponsive) should be included as an option for installing a boiler/heat pump if this is feasible.

Q9. Do you agree with the heating measure types we have listed as eligible for evidencing first time central heating measures?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please identify which heating measure types you think should be included/excluded.

Flexible eligibility

Q10. Do you agree with the proposed approach for administering local authority declarations for HHCR0 eligibility?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Difficult to comment without seeing the proposed guidance and definitions from BEIS for the declarations and URN.

Regular score minimum requirement

Q11. Do you agree with the list of measures in Table 4 that we propose should not count towards the RSMR?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please identify which measure you think should be included/excluded.

If QB can be transferred to non-QB if RSMR is not met (for measures installed 1/7/16-1/4/17) will the current approved ECO2 software be available and approved for this purpose after 1/4/17.

Party cavity wall insulation

Q12. Do you agree with our proposal to distinguish between the different in-use factors for PCWI based on the date of installation?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

It makes sense if the IUF is going to change, that there is a date of delineation. Although this may lead to PWI not being installed in the interim.

Evidencing pre-existing loft insulation

Q13. Do you agree that a PAS pre-installation survey can be used to record the depth of any pre-existing loft insulation?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Yes - as long as photographic evidence is also available

Q14. Do you agree that 3% of technical monitoring for loft insulation measures should take place pre-installation?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

No - this adds to the complexity of installing a relatively small benefit measure. A pre-installation Technical Survey from PAS certified installer would suffice.

Q15. Do you agree that the depth of any pre-existing loft insulation can be checked post-installation during a technical monitoring inspection?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Evidencing non-gas fuelled premises

Q16. Do you agree that the PAS pre-installation survey can be used to evidence the main heating system fuel type for the premises?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

This is fine when there is only one heating system present. Will there be published guidance on how to select the main heating fuel when there is more than one? For example an ASHP (electric) with a gas boiler as 'back up'. How will the main heating fuel be determined now that RdSAP and conventions are not going to be used?

New build definition

Q17. Do you agree with our proposal to evidence occupancy for all ECO measures as an alternative to demonstrating that premises receiving ECO measures are not new build?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

This could still include a house that has only just been built and if building regulations have been adhered to should not be in need of any additional measures.

Q18. Where premises are unoccupied, do you agree with our proposal to evidence previous occupancy?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

A previous tenancy agreement seems fair enough. What would be the evidence for owner occupied properties? Previous Council Tax bill? Will this documentation be easily accessible if there is no one living there at the time?

Q19. Where a measure is delivered exclusively to a new build extension, do you agree with our proposal to evidence that the extension was completed before installation using building control sign off?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

In our experience, building control sign off does not document the actual specification of the works completed. Are we happy to accept the simple sign off and not the supporting documentary evidence?

Q20. Where there is no evidence of occupancy prior to installation, do you agree with our proposals for evidencing that premises were erected before 1 April 2017?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Automatic extensions for 5% of measures

Q21. Do you agree that the first 5% of late measures notified to us for a particular calendar month, without an extension request, should be processed automatically?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Q22. Where the automatic 5% allowance is exceeded within a single month's notifications, do you agree that a supplier should be given an opportunity to determine which measures it wants to include in the automatic 5% and which it will submit an extension request for?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Q23. Where a supplier does not indicate to us which measures it wants to include in the automatic 5% within 10 days, do you agree that we should select which measures will be automatically processed?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Trading obligations

Q24. Do you agree with our proposal that where a supplier trades between its own licences, it must trade to the licence with the biggest original obligation?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Q25. Do you agree with our proposals for trading between different suppliers, that:

- a. trades must be to the receiving supplier's licence with the biggest original obligation
- b. an application must include the annual turnover of the licence that would be taking on additional obligations, and
- c. where a supplier is taking on an amount greater than its original phase 3 ECO2 obligation, do you agree with our proposed evidence requirements to demonstrate that the supplier can deliver the additional obligation?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

Q26. Do you agree with our proposed timescales for processing trading applications?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.

PAS

Q27. Do you agree with us collecting an installer's PAS certification number as part of notification?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ Don't Know

If not, please state your reasons and any alternative proposals.