

# 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](mailto:eco.consultation@ofgem.gov.uk) by **close of business on 23 November 2016**.

## Respondent details

Organization Name:	Npower
Completed By:	Andrew Powell
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## 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.

It may not be reasonable to either agree or disagree until after the publication of the guidance note referred to in 2.11 of the ECO2 t consultation document.

Npower do however wish to re-emphasise that the data matching service is necessary and must be in place in order for suppliers to be able to make the new determinations. Whilst hard copy evidence could be available, the information is highly sensitive and deeply personal that would have to be collected from the most vulnerable people in our society. Dependency on the availability of this evidence without data matching increases our risk of non-compliance. If suppliers are expected to interpret hard evidence then this would be a complex process that is open to human error, potential abuse and would risk returning us to the early days of ECO where assessing benefit evidence was a resource intensive exercise adding to the cost of delivery.

### 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.

The reference number of the pre- or post-installation EPC in the notification template and a declaration from the social landlord that, to the best of their knowledge and belief, no changes were made to the premises, after the EPC was lodged and before the measure was installed, which would increase the energy performance rating of the premises to band D or above, should be sufficient proof of eligibility.

**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.

Npower neither agree or disagree 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.

It appears that this question, and the associated paragraphs of the consultation and draft guidance documents, conflicts somewhat with various other parts of both the consultation document and the associated draft guidance document.

For example, within the consultation document the following paragraphs suggest;

2.16. Social housing will be eligible for support under HHCR0 where the property has a pre- or post-installation EPC with an energy efficiency rating of E, F or G. To ensure the EPC reflects the current characteristics of the property the draft legislation to amend the ECO2 Order states that the social landlord must sign a declaration to confirm no changes were made to the premises after the pre-installation EPC was issued, and before the measure was installed, which would increase the energy performance rating of the premises to a D rating or above.

And

2.23. Where multiple measures are installed in a single property, the property's improved energy efficiency performance must be considered following each installation. For example, where the first measure improves the EPC energy efficiency rating to a D or above, any subsequent installations would not be eligible under this provision. Each measure will require a separate declaration confirming that the EPC energy efficiency rating of the property remains below band D. We expect social landlords to

have appropriate information available to them to make such a declaration.

A particularly relevant sentence appears to be within 2.16; ‘...after the pre-installation EPC was issued, and before the measure was installed,....’

Perhaps an amendment at 2.23, and elsewhere as required, so that; where multiple measures are installed in a single property, the property's improved energy performance must be considered prior to each subsequent installation.

Npower welcome further clarification from Ofgem that where multiple measures are installed at a single property, and when the energy efficiency rating is below a D before installation of each measure, the installation of the final measure is permitted even if following its installation the energy efficiency rating may have risen to D or above.

## 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.

Npower would welcome the removal of 'or an electric storage heater' from the proposed declaration;

“I declare that at no point prior to the delivery of the first time central heating/DHS ECO measure, did the social housing premises have a central heating system or an electric storage heater”.

We recognise that the term; 'at no point prior to the installation or connection, had a central heating system/working central heating system or an electric storage heater', is used frequently across the various consultation documents, and that further associated amendments may also be required.

For example, the ECO2t consultation document states;

2.30. A central heating system is defined in the draft legislation to amend the ECO2 Order as: 'a system which provides warmth to two or more rooms through a series of connected heat emitters linked to a central boiler or some other heat source and controlled from one central point'.

Electric storage heaters are therefore not within the heating measure types listed as eligible first time central heating measures.

Npower suggest that the installation of a central heating system or a relevant DHS connection at social housing with an EPC energy efficiency rating of E, F or G should only be eligible where they are installed in domestic premises which:

- a) have been let below market rate, and
- b) at no point prior to the installation or connection, had a central heating system/working central heating system.

**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.

**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.

Npower welcome further clarification regarding one of the primary heating sources listed.

Stated in the ECO2 Consultation on deemed scores document;

1.4. We have developed the proposed deemed scores with regard to SAP, which ensures consistency with the current ECO2 scheme.

Npower would be grateful to receive clarification from Ofgem regarding the list of primary heating sources which will be eligible for FTCH & first time DHS.

2.41. The following primary heating sources will be eligible for the delivery of FTCH and first time DHS measures when found in social housing with an EPC rating of E, F or G:

- electric room heaters
- gas room heaters, or
- solid fossil room heaters.



Where solid fossil room heaters is listed should this ought to be; Solid fuel room heaters, with regard given to SAP?

Npower might also welcome the inclusion of an Electric Storage Heater in the primary heating sources listed as eligible for evidencing first time central heating measures.

**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 HHCRO eligibility?

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

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

Npower may neither agree or disagree with the proposed approach until Ofgem E-Serve and BEIS provide the guidance referred to at 2.49 and 2.50 in the ECO2t consultation document. In principle npower do support this proposal as it provides an optional route to delivery and potentially reduces the search and compliance costs for a pre-determined home. However there could be some potential 'reputational risks' for suppliers to delivering obligations in LA declared homes, hence the need for more clarity towards the implementation of such mechanism.

## 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.

## 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.

## 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.

**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.

Npower suggest that further consideration, consultation and additional guidance ought to be developed before this proposal is prescribed.

**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.

## 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.

**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.



**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.

Npower would welcome clarification of any particular documents which may be considered as sufficient to demonstrate that the construction of the extension is complete.

**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.