

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:	ScottishPower
Completed By:	Mark Murphy
Contact Details:	01416148202

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.

Based on the current drafting of the legislation we agree with your proposal to close the CSCO element of the ECO programme. We would request that should the drafting of the legislation change in such a manner that measures can be nominated into CSCO after the 31st March, you adjust your guidance to reflect this.

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.

Collecting benefit details and customer information on the doorstep is difficult and can be confusing for both the customer and the supply chain. This can lead to issues when the information is reviewed under compliance audit. As a last resort benefit details should be gathered.

The DWP matching service has simplified the eligibility confirmation process. We believe that it is essential that a DWP data matching service is available from the commencement date of the new eligibility criteria.

The data matching process should be as all-encompassing as is possible, however where this is not available the complex supporting evidence should be gathered to support and confirm eligibility.

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.

Yes we support the proposal to use a declaration signed by the social landlord to confirm the EPC reflects the characteristics of the property. However we have some concerns as to how this is currently proposed to be administered.

It would be preferable for Ofgem and the ECO Reporting Working Group to produce a template declaration that can be used to evidence the energy efficiency rating of the property and other requirements including "let below market rate". Additionally, we welcome confirmation that suppliers only have to provide a copy of the declaration if requested by Ofgem to support notified measures and are not required to be responsible for the social landlord's responses.

We have a concern in relation to how it is proposed to administer this type of declaration. We feel that it is overly burdensome to have an EPC review and therefore a declaration for every measure which is deployed in an E,F or G rated dwelling. These properties are at the lowest end of the housing spectrum and it would be consistent with Government objectives that all measures which can be cost effectively delivered to such dwellings are delivered. A consequence of the proposed approach is that if one measure tips the property over the boundary into the "D" rating other measures will not be able to be delivered. We believe it would be preferable if all cost effective measures identified in the initial assessment are delivered. This will reduce the delivery cost, as no additional assessment will be

required for each measure and a home can be improved by as much as is cost effective to do.

In the BEIS consultation they asked the question:

Do you agree an EPC would be an appropriate way of proving the efficiency banding of social housing?

We agree that an EPC is an appropriate way of proving the efficiency banding within in social housing however we also asked BEIS to consider a further two options:

- I. If a pre-installation EPC has been completed up to 12 months before the date of installation, it should be permitted to be used as evidence without the need for a social landlord declaration.
- II. The use of Chartered Surveyor Reports (CSR). On a large scale, a CSR is likely to represent a more cost effective option to prove the banding of multiple, similar properties, than seeking EPCs for each individual property.

We would request that Ofgem give our two alternative options due consideration if the final legislation permits them to be utilised.

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.

It would be preferable for Ofgem and the ECO Reporting Working Group to produce a template declaration that can be used to evidence the energy efficiency rating of the property and other requirements including let below market rate. Additionally, we welcome confirmation that suppliers only have to provide a copy of the declaration if requested by Ofgem to support notified measures and are not required to be responsible for the social landlord's responses.

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.

We have a concern in relation to how Ofgem propose to administer this type of declaration, we feel that it is overly burdensome to have an EPC review and therefore a declaration for every measures which is deployed in an E,F or G rated dwelling, we also believe with our experience of working with local authority partners that the proposed administrative process for this type of project will discourage social Landlords from participating thus Obligated parties losing out on opportunities to install compliant measures.

These properties are at the lowest end of the housing spectrum and it would be consistent with Government objectives that all measures which can be cost effectively delivered to such dwellings are delivered. A consequence of the proposed approach is that if one measure tips the property over the boundary into the "D" rating other measures will not be able to be delivered. We believe it would be preferable if all cost effective measures identified in the initial assessment are delivered. This will reduce the delivery cost, as no additional assessment will be required for each measure and a home can be improved by as much as is cost effective to do.

To deploy this type of review would effectively remove any benefit which is expected to be driven by the use of deemed scores in the social housing arena as we would effectively require an EPC assessment before every measure is delivered in social housing properties.

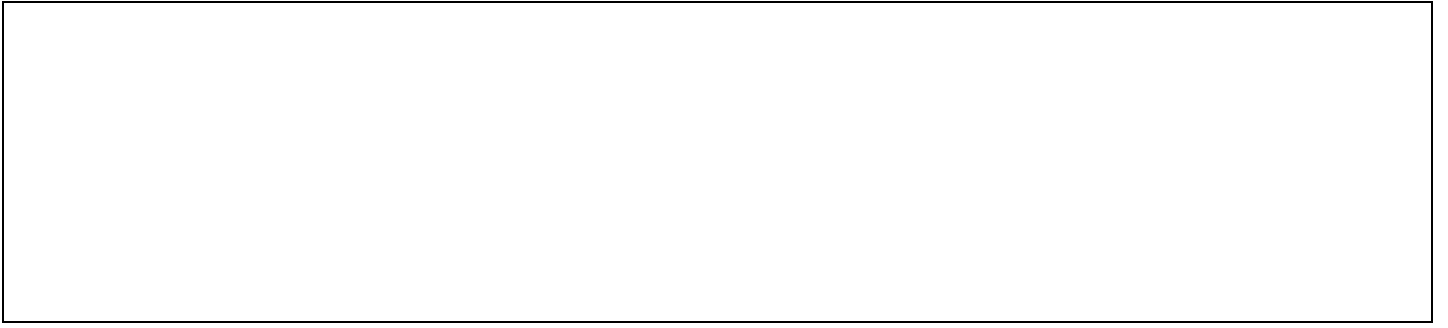
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- II. The use of Chartered Surveyor Reports (CSR). On a large scale, a CSR is likely to represent a more cost effective option to prove the banding of multiple, similar properties, than seeking EPCs for each individual property.

We would request that Ofgem give our two alternative options due consideration if the final legislation permits them to be utilised.



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.

The Ofgem view of this statement must be very clear to all, our discussions with partners indicates that the definition (as currently drafted within the legislation) of first time central heating is not widely known/understood in the supply chain. It is therefore crucial that the "no point prior" definition is very clear.

Where a social partner is signing a declaration we believe they should have "to the best of my knowledge" within the declaration therefore it should read "I declare that to the best of my knowledge at no point prior to the delivery of the first time central heating" etc.

We believe the wording “at no point prior” is too open ended as a landlord may not have knowledge of the property’s full history. If a reasonable time limit cannot be applied, we would suggest that “to the best of my knowledge” is added to the wording signed by the landlord.

We would also draw your attention to the wording in the draft guidance published with the consultation 4.79 and 4.8 appear to include insulation as a first time central heating measure which we do not believe to be the case.

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.

Where a social partner is signing a declaration we believe they should have "to the best of my knowledge" within the declaration. Therefore it should read "I declare that to the best of my knowledge at no point prior to the delivery of the first time central heating" etc.

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.

The list of primary heating sources in the consultation document is electric room heaters, gas room heaters and solid fossil room heaters. We question whether solid fossil room heaters includes open fires and log burners. Confirmation on this point would be welcomed at the earliest possible date.

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.

We would highlight that the list is not exhaustive and should include electric storage heating. Where a storage heater is installed the property is excluded. Therefore, if a storage heater is not present, the property should be available to have storage heaters installed.

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.

We welcome confirmation that suppliers have to provide a copy of the declaration if requested by Ofgem to support notified measures. We feel it is appropriate that BEIS issue detailed guidance for Local authorities and the education of the LA partners does not sit solely with obligated parties.

We would encourage BEIS to produce clear early guidance for local authorities. As an obligated party we would welcome this guidance being available as early as possible in 2017 to support conversation which we want to have with local authorities as it will all aid in the understanding of how the process will work.

We understand the rules around the LA declaration will be determined by BEIS.

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.

We would welcome additional guidance on Party Cavity Wall Insulation to ensure it is clear to all scheme participants as to how the administration of the PCWI is to operate, e.g. whether or not 50% or less of a PCWI measure can be notified where the neighbour on one side does not provide consent. This could occur in the instance of a mid-terrace property which is where we believe the largest opportunity for this measures exists.

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.

We do not believe that all PAS pre-installation surveys can retain the loft insulation depth. As obligated suppliers we cannot mandate to PAS what their documents should contain. However we think that an instruction from an obligated supplier to their supply chain to record the pre-existing loft insulation depth in a document that can be made available to the obligated party would be sufficient.

This document could be drafted by the ECO Reporting Working Group and therefore a standard version is available to the supply chain.

We consider that the post-installation monitoring as already required for loft insulation measures would be sufficient to identify any potential instances where the incorrect loft insulation measure had been claimed.

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.

We do not believe that pre-installation monitoring is required for loft insulation. Any activity which causes concern will be picked up during the post monitoring regime. The pre-installation insulation depths which are to be considered by the proposed scoring regime will make it easier to confirm if the depths have been recorded accurately. Under the expected scoring mechanism to be used during the extension period, loft insulation is less attractive and we believe it will only be done where it is cost effective.

Pre-installation monitoring is an added complication which we do not believe merits the inconvenience, the additional administration or the additional cost which could be incurred. It is also likely to lead to customer fatigue even before the measure is actually installed.

We would hope that any outcomes from the Bonfield review programme can be used to support the installation of quality measures and the correct reporting of these measures.

Due to the quick turnaround of loft measures from survey date to installation date as a result of strong competition in the market place, it would not be practical to insist that all virgin loft addresses are made available for pre-install inspection. Therefore, at best, we could only ever expect to receive a small sample for inspection. Were an installer aiming to commit fraud by claiming a loft-top as a virgin measure, they would simply not include such measures in the sample made available for inspection; making the process of little value from a detecting fraud point of view.

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.

Loft insulation has always been considered a measure with a certain amount of risk associated with its installation, not on the H&S side of the installation, but on the accuracy of the reporting. Post installation inspections have served the obligation delivery well to this point. A focus from Government and accreditation bodies on the quality of measures installed should give additional reassurance to the

scheme administrator.

QAAs will always err on the side of caution and in the event that they were unsure as to whether any insulation was in place prior to an install they would fail the measure. The installer would then have the opportunity to appeal the fail by providing further evidence on the state of the loft prior to install

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.

We believe this information can be accurately captured within the PAS pre-installation survey. We would hope that PAS 2017 will provide an even more robust process for capturing pre installation information.

If ECO2t requirement is for all installers to be PAS accredited, then installers should be able to provide this survey.

An alternative or supplementary option would be to have a document drafted by the ECO Reporting Working Group and therefore a standard version is available to the supply chain, this could be embedded into the same document proposed in response to Q13 above.

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.

We agree with the evidencing that is outlined within the draft guidance, but would ask for confirmation that the list you have cited is not exhaustive and obligated parties could use other evidence should the documentation listed are unavailable.

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.

We would also suggest that if an obligated party decided to utilise a land registry search, evidencing a title has been registered before 1 April 2017, that this should be considered acceptable evidence.

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.

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.

Agree.

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.

Agree.

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.

Agree.

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.

Agree.

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.

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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.

Agree.

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.

Agree.