

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

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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.

At this point it is not possible to agree as the tables in Chapter 4 of the DRAFT guidance are incomplete.

We do not understand why the rules apply to those who have received these credits / benefits within the last 18 months. This seems a long time as with all measures except the implementation of District Heating the time between project identification to completion would be much shorter than this. Circumstances, household makeup, income all may have changed significantly in that period.

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 declaration seems fine excepting for multiple measures. Should the landlord make a declaration for each measure? that being the case then an EPC must be lodged at each stage. Perhaps a second declaration should be written for multiple measures or as draft EPCs evidenced.

Also it is our opinion that only EPCs that have been carried out under the current version of the SAP guidance (SAP 2012) should be valid as there were significant changes to the methodology in the 2012 update or SAP 2016 when arrives. Once SAP 2016 in force then this should be used due to changes in the calculation methodology

However please note we disagree throughout his consultation with following:

-Capping Improvements of measures below a D rating:

i.e. multiple measures that take the dwelling above E are proposed as not being countable. Whilst we wait for BEIS to produce guidance on Fuel Poverty we would like to remind BEIS of DECCs Annual Fuel Poverty Statistics Report, published 30th June 2016 which states

"Target is to ensure that as many fuel poor homes as reasonably practicable achieve a minimum energy efficiency rating of a Band C"

and that actually the proportion of those in Band C dwellings in fuel Poverty was rising

"In 2014, 6.8 per cent of fuel poor households were living in a property with an energy efficiency rating of Band C or above, compared to 1.5 per cent in 2010"

As such all measures that can be delivered to lift homes from poor ratings as far as the budgets will stretch to reduce fuel poverty should be allowed.

- Discounting measures to dwellings with E,F,G:

Given above, again all measures that can be delivered to improve a dwelling and reduce the scale of fuel poverty of occupant should be allowed. It would make no sense to for example bypass some homes with a heat main due to these rules.

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.

As Q3. The approach seems significantly burdensome in that it seems to indicate that an EPC must be lodged with the implementation of each measure. We feel that where a package of measures is installed within a short period of time (i.e. they are clearly a package being implemented in one go)

then these should all be allowed to be scored.

In other words if additional cost effective measures can be installed to reduce energy then they should be incentivised to install them as it is helping people who need it most which is the stated aim!

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.

We do not agree with the concept.

As stated in previous questions any measure that can save occupants money and CO2 should be allowed and should be encouraged on all properties especially those suffering fuel poverty, especially those with E,F,G (and please note Q3 response where it could be argues you should be doing more to assit those in other EPC rating brackets).

We ask what is the rationale behind this proposal as it seems regressive?

If this proposal is progressed it should be recognised that electric storage heaters are not central heating as they are usually controlled on the units/by room basis.

Both the EXISTING and DRAFT Order defines central heating 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’.

It is clear that storage heaters are generally not in any way supplied or controlled from a central point. Further ... when the DRAFT guidance talks about Qualifying Electric Storage (ESH) heaters it is stated that ESH's that have a responsiveness when assessed against SAP equal to or less than 0.2, they qualify for replacement by default. In the SAP 2012_9-92 guidance Table 4a this is defined as the following ESHs systems:

- Old (large volume) storage heaters = 0.0
- Slim line storage heaters = 0.2
- Convector storage heaters =0.2

Therefore if you persist with this then as a minimum OFGEM should only ask that ESH of equal to or greater than 0.2 are excluded. This however is a fudge as these are NOT central heating systems by definition of the statutory instrument.

Finally the whole concept of the change in ECO is to address Fuel Poverty (which is commendable) so regardless of the heating system it should be allowable that, where a property is an E, F or G rated property then, if the occupiers meet the requirements of the Help To Heat criteria from a benefits point of view then it should be allowable that measures are implemented to improve their lot in society.

Why else is this policy in place?

In summary we disagree that storage heaters are in anyway a central heating and if you deem to then so should panel heaters. We disagree totally.

Further if you are persistent in including storage heaters you should be reminded that your guidance defines some (the 3 above) as meeting the criteria for automatically replacing Qualifying Electric Storage (ESH).

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 previously stated we don't agree with proposal, but if progressed we believe a pre-existing EPC less than 5 yrs should be used where available i.e. using SAP 2012 or SAP 2016 when arrives. Once SAP 2016 in force then this should be used due to changes in the calculation methodology

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.

Again we don't agree with proposal.

However if proceeded then all non-central heat should be included eg Fan heaters

ALSO we would like to raise the discrepancy previously noted regards electric storage vs panel heaters.

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 broadly agree however we would not advocate oil boilers unless bio fuel as from a sustainability point of view oil could increase CO2 emissions

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.

In principle the administering sounds ok but we don't have detail yet to comment in full.

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.

We think this seems OK

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.

Seems OK

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 think this even more open to abuse than current situation. Should have pre-installation evidence at higher than 3% of technical monitoring or much much larger fines for non-compliance. All parties involved should be responsible.

Under the current scheme a loft declaration is required to be evidenced in each property and this is stapled in place.

It should be a requirement that a loft declaration is photographed (containing the property address) with the thickness of the insulation shown in the same photo.

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.

As above. Perhaps a loft declaration could include a photo of loft that includes the measuring tape and

a chalk board with the address on and date stamped. This would b e a good counter measure to fraudulent claims and would take a matter of extra seconds onsite

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.

Whilst considering previous answers this could be achievable

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 a pre-existing EPC less than 5 yrs should be used where available i.e. using SAP 2012 or SAP 2016 when arrives. Once SAP 2016 in force then this should 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.

Given our previous note in Q3 regards fuel Poverty. The Energy Performance of Buildings Certificates: Statistics Release Q1 2008 to Q3 2016 England and Wales (link below) shows that in Q3 2016 (1st July to 30th Sept) of the 54,655 properties registered 1% (547 homes) had and EPC rating of E,F,G.

If this trend continues then what is being proposed is that each year a couple of thousand homes are being built to E,F,G standard. As this is being allowed for the new build industry we feel if, which won't be particularly often and will only be a small amount of the obligation, there is an opportunity for ECO funds improve then we should. Otherwise we are just creating more issues for another year.

If we include those with Ratings of C and D then this figure increases to over 50,000 per annum.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/563336/EPB_Register_-_Official_Statistics_Release_-_2016_Q3.pdf

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.

see answer to Q 17

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.

see answer to Q 17

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.

see answer to Q 17

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.

Yes and would advocate a larger proportion - if works been done should be credited within reason

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.

Principle is fine, however 10 days is not long. What if someone makes a mistake and then goes on a 2 week holiday. They under this proposal they may return to find out they have accidentally scuppered the lodgement. As a minimum 3 weeks but would suggest 4 should capture most eventualities.

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.

In addition we believe they should be made part of liability

Further to this they should be dis-accredited and this should also stay with installer so no more pop up installer companies