

**Response to Ofgem's Consultation on ECO2t – Part Two  
from the Mineral Wool Insulation Manufacturers' Association (MIMA)**

## **1. Introduction:**

The Mineral Wool Insulation Manufacturers' Association (MIMA) is a trade body providing an authoritative source of independent information and advice on glass and stone wool insulation. MIMA actively promotes the benefits of mineral wool insulation and the contribution it makes to the energy efficiency of buildings and the comfort of their occupants.

We represent four of the leading insulation companies in the UK - Isover Saint-Gobain, Knauf Insulation, Rockwool and Superglass.

MIMA welcomes the opportunity to feed into Ofgem's latest consultation on the administration of the ECO.

## **2. Response:**

### *Flexible eligibility – In-fill*

Local authorities will be able to declare certain homes to eligible for ECO funding under the new 'flexible eligibility' mechanism. Suppliers will be able to use this mechanism for up to 10% of their Affordable Warmth obligation, on a voluntary basis. The idea is that it will result in support being better targeted at households in fuel poverty and allow households that fall outside of the new criteria to still receive support.

BEIS, in their response to the Help to Heat consultation, argued that the cap of 10% will provide sufficient breadth for this policy to be tested with the possibility of expanding it in future if it is evaluated to have been a success. MIMA would support an increase in the cap, should that become possible.

The Government has also decided that, under flexible eligibility, local authorities will be able to determine non-fuel poor households as eligible for Affordable Warmth in order to facilitate the installation of solid wall insulation.

SWI "in-fill households" must be listed in a local authority declaration alongside the fuel poor households that meet the relevant criteria. The local authority must also ensure that for each project the minimum percentages are met for FP/LIVC households.

The responsibility therefore lies with the local authority to make the determination that a household is eligible (including for in-fill).

MIMA supports this proposal. We think solid-walled non-fuel poor homes should be included under flexible eligibility. It would not make sense to arbitrarily exclude householders that wanted insulation on the same street. It should also make it easier to get the relevant planning consents to deliver in this way.

However, we cannot see from the guidance (or BEIS's consultation response) whether the in-fill solid walled properties are included in the 10% cap or not. We would argue that they should be additional to the 10% (but still count towards the AW obligation), so that flexible eligibility can benefit the greatest possible number of fuel poor homes AND encourage appropriate in-fill to take place.

In addition, there seems to be a slight discrepancy between BEIS's view on which types of properties are eligible for in-fill, and Ofgem's. BEIS states in the Help to Heat consultation response: "This will be allowed in private tenure flats, maisonettes, terraces or detached properties next door to each other, as long as at least two thirds of households in any individual project are declared fuel poor, or low income and vulnerable to the effects of living in a cold home, by the local authority. In the case of a pair of semi-detached properties, or in the case of a single building that contains two flats, at least one of the pair must be occupied by a household in fuel poverty or on a low income and vulnerable to the cold."

This suggests that detached properties next door to each other could qualify, whereas Ofgem's guidance states: "A detached household is only eligible where it is listed in an LA declaration as either FP or LIVC." MIMA's position is that the policy should be interpreted as broadly as possible, allowing detached houses to be insulated where appropriate. For example, a cul-de-sac of detached houses may have ¾ in fuel poverty. It would seem odd not to allow the remainder to also have their solid walls insulated at the same time.

Lastly, BEIS and Ofgem confirm that only solid wall insulation can be delivered to households listed in a local authority declaration as in-fill. We also assume that the provisions apply to all forms of solid wall insulation?

#### *Flexible eligibility – Statement of intent*

Prior to the issuing of any declarations under flexibility eligibility, a local authority must publish a Statement of Intent (Sol) including details on the criteria used by that local authority to determine a household to be fuel poor or LIVC.

Ofgem notes that BEIS will produce a guidance note that will include detail on the contents of the Sol, and where it should be published.

MIMA agrees that statements should be publicly available to allow the supply chain to gear up as necessary. We would also like to ensure that, should a procedural error occur that results in confusion about whether the Sol was published prior to the LA's declaration, any works started or carried out on a property can proceed to completion. To do otherwise would be unfair to the household.

#### *Rural minimum*

The new ECO requires that suppliers must deliver 15% of the CERO to premises in rural areas. The requirement applies to a supplier's phase 3 CERO and must be met through measures installed from 1 April 2017 to 30 September 2018.

Ofgem plans to define a rural area as listed in the 2014 low income and rural document. You are also planning to update the current CSCO tool to allow suppliers to check that measures are installed in eligible rural areas.

MIMA supports these proposals.

Lastly, we are concerned that there seems to be relatively little detail provided in the consultation documents which explains how Ofgem will actually administer ECO2t (as distinct from describing the underlying policy). The consultations seem to have picked out very specific elements of the scheme. For example, there is nothing on technical monitoring, the overall evaluation of the scheme, enforcement of the PAS (i.e. checking that measures installed are appropriate for the property), or the SWI minimum, which makes it difficult to provide substantive comment on administration. We therefore look forward to commenting on more detailed proposals on administration and the accompanying guidance once these are available.

### **3. For further information, please contact:**

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