

# Ofgem Consultation on the Energy Company Obligation 2017-2018 (ECO2t): Part 2

Response submitted by ROCKWOOL UK

**ROCKWOOL®**



## **Ofgem Consultation on the Energy Company Obligation 2017-2018 (ECO2t): Part 2**

### **About ROCKWOOL**

Headquartered in Denmark, the ROCKWOOL Group is a leading global supplier of insulation products for residential and commercial buildings. We are the largest producer of stone wool insulation in the world, operating 28 factories across three continents including our UK factory in Bridgend, where we are a major local employer.

ROCKWOOL provides a comprehensive range of insulation products. Our insulation is created from a natural, sustainable resource – volcanic rock – and is 97% recyclable. During its lifetime, a typical ROCKWOOL insulation product will save more than 100 times the energy used in its manufacture.

ROCKWOOL UK welcomes the opportunity to respond to the Ofgem Consultation on the Energy Company Obligation 2017-2018 (ECO2t): Part 2. In addition to manufacturing insulation products for use in energy efficiency retrofit programmes, ROCKWOOL is an experienced partner within the process. Over the course of the EEC, CERT-CESP, ECO and Green Deal schemes, ROCKWOOL has engaged extensively with all key elements of the supply chain and gained an in-depth understanding of the performance of these initiatives.

### **Consultation Response**

1. Do you agree that an LA declaration should be dated prior to the date of installation of the measure?

Yes we agree that a Local Authority declaration should be dated prior to the date of installation of the measure. We believe this is important to ensure that ECO funding is targeted towards those most in need as identified by a Local Authority declaration.

2. Do you agree with our proposed administration of SWI in-fill?

ROCKWOOL strongly supports the policy of allowing in-fill solid wall insulation to some properties where the household has not been assessed as FP or LVC due to the economies of scale that can be achieved, planning benefits and overcoming barriers to delivery to fuel poor households this brings. However it is difficult to comment on Ofgem's proposed administration of SWI in-fill as we don't feel there is sufficient detail given. What information there is suggests that a very light touch approach will be taken with no hard checking to expose potential issues or suggestion of remedial action or consequences. We urge Ofgem to clarify what processes will be put in place to ensure that the SWI in-fill policy is being properly applied, including the consequences of malpractice.

During the ECO extension, a supplier can deliver up to 10% of its ECO2t HHCRO through flexible eligibility to allow the policy to be tested before a possible expansion to allow a greater proportion of the obligation to be delivered through this route. Although we appreciate the reasoning behind testing the policy first, we support a later expansion as we believe this will reduce the cost of delivery of measures to fuel poor and vulnerable

households by using Local Authorities' local knowledge to target these households and therefore allow more households to benefit. We note that it is not clear within either the BEIS consultation response or the Ofgem draft guidance document whether SWI in-fill is additional to the 10% cap. We believe that SWI in-fill should be additional to the 10% cap to enable as many fuel poor households as possible to benefit from measures through Local Authority declarations and we ask Ofgem to confirm this.

Furthermore there is a discrepancy between BEIS's consultation response which says that the policy allows SWI in-fill to be applied for 'detached properties next door to each other' whereas Ofgem's draft guidance states that detached houses are only eligible where the occupants have been determined to be FP or LIVC and listed in a Local Authority declaration. We would like Ofgem to clarify how detached houses will be considered.

3. Do you agree with our proposed administration of evidencing that the Local Authority has published a statement of intent and that it includes the minimum required information?

We believe that evidencing that a Local Authority has published a statement of intent and that it includes the minimum required information is an essential element of effectively administering the flexible eligibility rules. However we are not aware of what the 'minimum required information' is and therefore it is difficult to assess whether the proposed approach is adequate. However based on the information given, we believe that the proposed approach is inadequate. The lines of responsibility appear to be blurred between Ofgem and the suppliers in this area with both being required to check the existence of the SOI but with neither party actually taking responsibility for assessing and approving the SOIs. We believe that as the regulator, Ofgem should take the role of ensuring the SOIs are fit for purpose to meet the policy intent of using local knowledge to target FP and LIVC households.