

Energy Company Obligation (ECO) consultation: Updating Deemed Scores for ECO3 Questions



Background

The questions below relate to the consultation seeking views on our approach to updating the deemed scores for ECO3, should it be introduced as set out in the Government consultation. The consultation can be found on our website.

This consultation is open for six weeks from 4 April to 16 May 2018.

Notes For Completion

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. The questionnaire should be completed in typeface and returned via email to eco.consultation@ofgem.gov.uk by **close of business on Wednesday 16th May 2018**.

1. Respondent Details

Organisation Name:	Elmhurst Energy
Organisation type:	EPC Accreditation Scheme
Completed By:	Stuart Fairlie, Technical Director
Contact Details:	stuart.fairlie@elmhurstenergy.co.uk

1. Updates related to RdSAP and Fuel Prices

Q1. Do you agree with our proposal to apply the RdSAP v9.93 updates across all wall types which currently use a pre-installation U-value of 2.1 W/m²K?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer and include as much detail and evidence as possible.

We agree that the change that has been applied to the RdSAP methodology as this was taken after appropriate research and as "deemed scores" claim to use RdSAP as its basis it should also amend the assumption. The unfortunate consequence of this action is to reduce the calculated improvement of the measure. This in turn will reduce the amount of carbon saved, and funding available. So not to disadvantage those home occupiers in most need there needs to be a corresponding increase in funding for this type of property / measure.

Q2. Do you agree with our proposal to use the most up to date fuel prices available from the Product Characteristic Database (PCDB) for the deemed scores throughout ECO3?

- ☐ Strongly Agree
- ☒ Agree
- ☐ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer and include as much detail and evidence as possible.

ECO3 should use the up-to-date fuel prices which will then be applied throughout the life of ECO3. It should be noted that within this 3 1/2 year period RdSAP will very likely be updated to the next version using SAP10 as the basis, with its updated fuel prices, and technological advances. Such an upgrade will again move deemed scores even further away from the nationally recognised methodology used to measure energy efficiency in homes in the UK. As the strategy is to get all homes up to a 'C' rating on the EPC, these deemed scores are inaccurate, and all the attempts to use factors such as "off gas" as an indicator of inefficient homes is nothing more than a crude indicator.

Deemed scores may be a reasonable stab and useful for 'trading' measures, but they cannot be used to ensure that the poorest performing homes are being improved, nor can ECO be directly associated with contributing to delivering the UK's clean growth strategy.

2. Proposed Alternative to Percentage of Property Treated

Q3. Do you agree with our proposed approach to removing POPT for the majority of measures by identifying average treatable areas and adjusting the scores accordingly?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, and if applicable provide an alternative approach including as much detail and evidence as possible.

Homes are complex and POMI and POPT were devised as a method to ensure that installers insulate properties to the fullest extent possible.

Partially insulating properties not only reduces savings but can lead to issues of habitability with increased probability of condensation forming on the un-insulated areas.

If partial insulation is inevitable the information must be conveyed to the homeowner.

When an assessor visits the home to produce an EPC this must be used as the basis of calculating the energy efficiency rating of the property.

The homeowner should also consider other insulation measures that may be appropriate for the un-insulated areas.

Again this avenue is not helping in showing the rating on the EPC is getting better to meet the long term strategic goals of the country.

Q4. Do you agree with our use of English Housing Survey data to identify average treatable areas for SWI, CWI, loft insulation, flat roof insulation and underfloor insulation?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, and if applicable suggest an alternative source of data with justification including as much detail and evidence as possible.

The English Housing data is based on a small sample. With the 16 million records available with the opening of the Central register it is EPCs that should be the basis on which deemed scores are calculated. Use of EPC data will ensure all decision are compatible with the national recognised methodology referenced in the Clean Growth Strategy.

Q5. Do you agree with our use of English Follow up Survey data to identify average treatable areas for heating measures?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, and if applicable suggest an alternative source of data with justification including as much detail and evidence as possible.

AS BEFORE

Q6. Do you agree with our use of Ofgem data and industry opinion to identify average treatable areas for RIRI and park home insulation measures?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, and if applicable an alternative approach with justification including as much detail and evidence as possible.

Again this is averages of averages, that get to a score that is acceptable to the industry. It shouldn't be confused with SAP and RdSAP. Ultimately installation of any measures cannot be explained to occupants using the national recognised calculation methodology. Some measures may have a big impact others may have a tiny impact, but they will obtain the same trading score. Ultimately families will only find out the truth, when and if they obtain an EPC.

Q7. Do you agree with our proposed approach for measures for which there is insufficient data available to identify treatable areas?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, and if applicable suggest an alternative source of data with justification including as much detail and evidence as possible.

No strong opinion

Q8. Do you agree with our minimum requirement that at least 67% of the property is treated in order to qualify for the full ECO3 deemed score?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, and if applicable an alternative approach including as much detail and evidence as possible.

Averages of Averages, a house with 3/4 insulation for example is traded is one thing. However the home owner is not given the information, and the home is not measured to show the success of the measure for the occupant. This policy is supposed to show occupants that the home is warmer and cheaper to run, yet doesn't use any mechanism to display (or measure) this.

Q9. Do you agree with our proposed approach of using POPT to score measures which do not meet the 67% minimum requirement?

- ☐ Strongly Agree
- ☐ Agree
- ☐ Neither Agree Nor Disagree
- ☒ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, and if applicable an alternative approach including as much detail and evidence as possible.

As before this is simplifying an already overly simplified approach to end up with a number that the industry is happy with. It has no connection to the families that occupy the home either before the measure of after.

3. Updates to the format of deemed scores

Q10. Do you agree with our proposed format for deemed scores?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, and if applicable alternative suggestions with justification including as much detail and evidence as possible.

No strong opinion

4. Updates to Room-in-Roof Insulation Scores

Q11. Do you agree with our proposal to update the assumed size of the floor area of the room-in-roof used to develop the RIRI score?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, and if applicable please suggest an alternative approach including as much detail and evidence as possible.

The changing of the floor area from 50 to 59% is based on EHS data, it is not linked in any way to RdSAP and therefore homes will get 'improved' under ECO; and the actual improvement will then be displayed to the owners. There are many floor sizes of rooms in the roof, which are catered for in the national calculation methodology. However ECO wants one size, perfectly highlighting the averages of averages concept.

Q12. Do you agree with our proposal relating to the assumed levels of insulation in the elements of the room-in-roof used to develop the RIRI score?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, and if applicable an alternative approach including as much detail and evidence as possible.

This weighted average (1.14) approach means that new homes with reasonable/decent insulation levels in the roof in the roof will obtain the same 'score' as older homes. Again surely the measures should be going into older inefficient homes first and this 'average of averages' does not promote this in the slightest.

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5. Updates to scores for heating measures

Q13. With regard to upgrades for inefficient mains-gas and LPG boilers, do you agree with the assumptions we have used to identify the pre-installation efficiency for non-condensing boilers?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, including as much detail and evidence as possible.

No strong opinion

Q14. Ofgem are responsible for determining what constitutes a similar efficiency rating to non-condensing boilers and for electric storage heating with a responsiveness rating of 0.2 or less. We are in the initial stages of developing our position on this area and we welcome views from stakeholders. In responding you may have regard to the following non-exhaustive examples of issues to consider;

- (i) A methodology for determining this rating for each heating type
- (ii) Data sources that we could use

Please provide reasons for your answer, including as much detail and evidence as possible.

No Strong Opinion

6. Updates to scores for Park Home insulation measures

Q15. Do you agree with the proposed update to the park home insulation deemed scores?

- ☐ Strongly Agree
- ☐ Agree
- ☒ Neither Agree Nor Disagree
- ☐ Disagree
- ☐ Strongly Disagree
- ☐ N/A

Please provide reasons for your answer, including as much detail and evidence as possible.

Park Homes again show lack of real data, and an average U-values used for all elements. Again one score shows that measures will be installed in newer more efficient park homes as opposed to older inefficient ones. The 'one size fits all' approach is not going to help people who live in colder park homes. Funding based upon a reasonable assessment of condition is the only way of ensuring that the worst performing homes are improved.

7. Invitation to Provide General Comments

Q16. We are also interested in high-level and material issues which are relevant to and likely to have a substantive impact on our approach to improving deemed scores for ECO3, for example, you may have views on:

- (i) How could we streamline our administrative processes to further the main objectives of the deemed scores;
- (ii) How could we amend the underlying assumptions or methodology to improve the deemed scores.

Please provide as much evidence and detail as possible in your response.

Elmhurst suggest that an uplift is placed on all measures where the home is E, F or G rated to start with. This is in a effort to encourage the Industry to install measures in these homes. The current system is based solely on the number of bedrooms.

The Clean Growth Strategy is clear in its ambition, and claims that ECO will play a major part in obtaining this. This claim can't be made with the current proposals.

Deemed scores have always been averages of averages, the numbers are now being tweaked to get to a number that is acceptable to the supply chain. They can and should be used to trade the measures within the ECO framework, but they are not linked to the EPC rating of the home. The only option available without wholesale change is to give an uplift to the poorest energy inefficient homes. This at least tries to ensure that measures are installed in the worst homes first rather than wasted in already energy efficient homes.