

Energy Company Obligation (ECO) U-Value Consultation Questionnaire – Feb 16



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for energy consumers

Background

The questions below relate to the consultation on requirements for over-writing U-values for cavity wall insulation measures which can be found on our website :

<https://www.ofgem.gov.uk/publications-and-updates/eco2-consultation-requirements-overwriting-u-values-cavity-wall-insulation-measures>

Our proposals consist of three main parts:

- a. introducing an upper limit for overwritten U-values,**
- b. stipulating the evidence that we expect to be in place when a U-value is overwritten and how we expect inputs to be collected, and**
- c. a regime to monitor these measures; we suggest three approaches for implementing monitoring.**

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. If you do not wish to answer a question please select 'N/A'. The questionnaire should be completed in typeface and returned via email to eco.consultation@ofgem.gov.uk by close of play **7 March 2016**.

Respondent Details

Organisation Name:	ScottishPower
Completed By:	Mark Murphy, Head of Commercial and ECO Delivery, ScottishPower
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1. U-value Limit

1.1 Do you agree that it is unreasonable for the U-value of a cavity wall measure to exceed 1.6 W/m²K in premises in the age bands B-K?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide details and supporting evidence for your response below.

It is not unreasonable for the U-value of a cavity wall measure to exceed 1.6 W/m²K in premises in the age bands B-K.

Our own review of CWI measures over a number of months from the start of ECO2 provides that typically c.30% of amended U-values were to a value of greater than 1.6 W/m²K. Furthermore c.60% of those U-values related to properties C-E and so again it may be genuine for a starting U-value to be higher than 1.6 W/m²K.

1.2 Do you agree that we should implement a limit of 1.6 W/m²K for overwritten U-values for cavity wall measures in premises in age bands B-K?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Dont Know
- N/A

Please provide details and supporting evidence for your response below.

Given our own review of CWI measures provides that typically only c.30% of amended U-values were to a value of greater than 1.6 W/m²K, this would suggest that, if amended U-values were accepted, the majority of measures would not be affected by this cap.

We would prefer that the suggested limit was instead used as a flag against potentially inaccurate overwritten U-values, as opposed to it acting as a hard cap that excludes the possibility for genuine

measures with higher U-values being accepted, if a suitable process could be agreed with Ofgem.

2. Evidence Requirements

2.1 Do you agree that relevant inputs should be collected for the U-value calculation via an intrusive inspection, using a borescope for example?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

We believe that this option would provide the most assurance as to the accuracy and validity of an overwritten U-value.

A site visit must be a key requirement to supporting overwritten U-values as a desktop remote review would not be sufficient to determine that the assessor has appropriately assessed the property to allow them to collect sufficient evidence.

It is our experience that where issues over incorrectly calculated U-values have occurred this has been due to incorrect information being used rather than the calculations being completed incorrectly. In our experience, there are examples where inaccurate information has been collected as part of an assessment using RdSAP when on site in an existing building, with that information then being used to support such a re-calculation of U-values.

As such, given that RdSAP requires that a suitably qualified person carries out the U-value calculation to overwrite default values, only a suitably qualified person should make the original determination to change the starting U-value. We believe that the most suitable person to make this determination is a Chartered Surveyor. As Chartered Surveyors are already involved in the ECO process it would seem logical to incorporate this requirement into the activities that they carry out.

We would be happy to discuss with Ofgem any other suggestions received as to who else might constitute a suitably qualified person in this regard.

In the case where there are a number of properties of the same build type, it may be appropriate to require site visits for a statistically significant sample of properties where the assessor / installer believe an overwritten U-value is necessary to provide an accurate score, as opposed to requiring a site visit for every property. We believe that in most instances properties where overwritten U-values would be applicable are located together on estates and as opposed to one-off properties and therefore such sample visits would be sufficient. Individual site visits to every property may be prohibitive when compared to the cost of the installation of the measures. As such, this option would reduce costs and minimise the number of visits to the householder. Again, we believe these visits should be carried out by a Chartered Surveyor.

2.2 What types of evidence do you suggest would support the inputs used for a new U-value calculation?

Please provide reasons for your response below.

A signed Chartered Surveyor Declaration confirming that a site visit has taken place, that the U-value should be amended, the new U-value itself and the rationale for the amendment is the key piece of evidence we would suggest is required to provide the necessary assurance of accuracy.

Evidence as listed below would all be useful as supporting evidence for the Chartered Surveyor's Declaration:

- site notes
- details of the materials used in the original wall construction
- photographic evidence
- confirmation that re-calculation completed by qualified person
- building plans

It is important to note that this supporting evidence is not sufficient in itself to establish what type of construction a wall is - for example a photograph of the inner leaf of a wall would not be enough to determine the materials used in construction - and only a sample of the block would do this. The practicalities, cost and time to do this for each measure could negatively affect the value of any measure, but where it is available alongside a signed Chartered Surveyor Declaration, it would further support the validity of these measures. Consistency of evidence is imperative and any proposal implemented would need to be very specific on what evidence is acceptable.

Ofgem may wish to consider, if such properties are designed to Building Regulations, the possibility of working up a checklist to ascertain whether a property might have walls with a high starting U-value (i.e. less energy efficient). For example, the proportion of glazed area to exposed wall area: if the proportion of glazed area was above a threshold value, then the assessor/installer should use the default U-values for the age of construction; if it was lower than the threshold value, then at this point the assessor/installer should consider manual calculation of a U-value using the agreed methodology and body of evidence.

2.3 Do you agree that the types of evidence listed in paragraph 2.5 are practical to provide?

- Strongly Agree
- Agree

- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

Yes, we agree that these should not be onerous to provide, but please also see comments under 2.1 and 2.2 above.

2.4 Do you agree that the evidence listed in paragraph 2.5 is sufficient to support an overwritten U-value?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

Please see comments under 2.1 and 2.2 above - we believe a signed Chartered Surveyor Declaration is essential while the other evidence listed would be useful to support the rationale behind that report.

2.5 Do you agree that the inputs for a U-value calculation should be collected by an independent person to increase confidence in the accuracy of overwritten U-values for CWI measures?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

Yes. We believe that the independent person in question should be a Chartered Surveyor.

2.6 Do you agree that an independent person collecting the inputs for a U-value calculation would be practical to implement taking into consideration cost, time and customer journey implications?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

If the concerns around overwritten U-values are to be addressed effectively then extra requirements on the supply chain should not be reasons not to implement and elements such as this around an independent person will need to be factored into the whole process for assessing and installing a measure if implemented. However, this should not be excessive with regard to the customer journey, time and cost as to make the installation of the measure unviable. Therefore, please see other comments within this section too around possible sample size and checklist.

If it is cost effective to over-write the U-value, factoring in the cost of the Chartered Surveyor Declaration, we believe this will take place, whilst protecting the ECO programme.

3. Option 1 – Additional Monitoring Questions

3.1 Do you agree that option 1 would increase confidence in the accuracy of overwritten U-values for CWI measures?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

We do not support option 1. Whilst this may appear to be the most straightforward way to provide confidence, we do not believe that the majority of technical monitoring agents (TMAs) are qualified to answer these questions.

3.2 Do you agree that option 1 would be practical to implement, taking into consideration cost and time implications?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

No, we do not agree that option 1 would be practical to implement. See response to 3.1.

Even if TMAs were suitably qualified, we would require sufficient time to implement the use of new questions, for example into ours and our TMAs job management systems and to train our TMAs.

3.3 Do you agree that a score monitoring agent is suitably qualified to answer the proposed questions relating to the U-value inputs?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

No, indications received from TMAs are that they would not be qualified to answer all the questions suggested by Ofgem.

3.4 Do you agree that the proposed additional score monitoring questions are appropriate for identifying where overwritten U-values are incorrect?

- Strongly Agree
- Agree

- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

No. See our response to 3.3.

3.5 Are there any additional questions that you think would help to identify inaccuracies in overwritten U-value calculations?

Please provide reasons for your response below.

No. See our response to 3.1-3.3.

3.6 Can you please estimate how long you think it will take for these new questions to be implemented into your systems?

Please provide reasons for your response below.

We do not agree with this approach. However, if it was to be implemented, a minimum of three months from confirmation of these questions would be required to implement into our systems and brief monitoring agents. Further implementation time would be required to allow TMAs to do the same.

3.7 Do you foresee any issues if the questions were implemented during a monitoring quarter?

- Yes
- No
- Don't Know
- N/A

Please provide reasons for your response below.

We do not agree with this approach. However, if it was to be implemented it should be noted that

managing the final month in terms of technical monitoring quarters is already very tight in terms of meeting the existing deadlines, therefore an extension to the deadline for the quarterly report would be needed.

4. Option 2 – Ongoing Monitoring

4.1 Do you agree that option 2 would increase confidence in the accuracy of overwritten U-values for CWI measures?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree

Don't Know

N/A

Please provide reasons for your response below.

On the understanding that this option involves the provision of supporting evidence for 5% of CWI measures with overwritten U-values, not new score monitoring questions (which would then entail further reporting requirements), this option would support the pre-installation process outlined i.e. the requirement for a Chartered Surveyor Declaration.

4.2 Do you agree that option 2 would be practical to implement, taking into consideration cost and time implications?

Strongly Agree

Agree

Neither Agree Nor Disagree

Disagree

Strongly Disagree

Don't Know

N/A

Please provide reasons for your response below.

Provided that any selection was proportionate and appropriately targeted, then this could be something incorporated into processes already in place for issues such as score verification queries.

However, as we are currently not accepting CWI measures with overwritten starting U-values, some implementation time would be required to ensure our system supports such a change and our delivery partners could implement requirements. Typical implementation time for changes to our system have been set out previously.

4.3 If we were to implement a new monitoring regime in order to verify the accuracy of overwritten U-values for CWI measures, do you agree with the sample size and reporting timeframes outlined in paragraph 2.12?

Strongly Agree

Agree

Neither Agree Nor Disagree

Disagree

Strongly Disagree

Don't Know

N/A

Please provide reasons for your response below.

See previous comments in this section. Additionally, a 5% sample and the six-week timeline would be in line with other checks carried out under ECO and the timeline for score verification queries.

However, Ofgem would need to respond very promptly to the evidence provided as the measures would be considered as 'at risk' until confirmation was received from Ofgem and this would create uncertainty for suppliers and those in the supply chain. We ask that Ofgem confirm the response times being considered and that if Ofgem do identify issues, we ask for confirmation of the subsequent process.

5. Option 3 – Audit Regime

5.1 Do you agree that option 3 would increase confidence in the accuracy of overwritten U-values for CWI measures?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

We do not believe that such a regime would provide sufficient confidence in the accuracy of overwritten U-values for CWI measures as no site visit is involved. It would be difficult to establish on what conditions an audit would fail and how this could be substantiated or proven.

Additionally, without certainty as to the validity of the measures as ECO eligible in terms of accuracy until potentially the final determination after March 2017, with all the potential risks of under-delivery that is might imply, this would make accepting such measures unattractive to suppliers.

5.2 Do you agree that option 3 would be practical to implement taking into consideration cost and time implications?

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree
- Don't Know
- N/A

Please provide reasons for your response below.

Please see 5.1.

6. Additional Questions

6.1 Do you have concerns with U-values being overwritten for other ECO measure types?

Please provide details and supporting evidence for your response below.

No.

6.2 If you do not agree with any of proposals outlined, could you please suggest an alternative approach which you consider would provide assurance that U-values are being accurately overwritten for CWI measures?

Please provide details and supporting evidence for your response below.

All details on alternative approaches have been included in our responses previously, particularly under 2.1 and 2.2.

We have previously provided Ofgem with information on our proposed approach to CWI measures where the starting U-value has been overwritten.

6.3 Do you agree that the proposals outlined above will enable U-values to continue to be overwritten for CWI measures where this is appropriate?

Please provide reasons for your response below.

Yes, although our current controls limit the type of measures submitted to us through our work management system, along with any supporting evidence required.

It is essential that any proposals if implemented do not add unnecessary cost, complexity or administrative burden into the supply chain, nor should they be applied retrospectively.

