Energy Company Obligation (ECO)
Deemed Scores Consultation Questions

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Background

The questions below relate to the ECO2 consultation on deemed scores which can be found on our website :

https://www.ofgem.gov.uk/publications-and-updates/eco2-consultation-deemed-scores

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 8 July 2016**.

1. Respondent Details

Organisation Name:	National Energy Action and Warm Zones community interest company
Completed By:	Peter Smith (NEA) and David Connor (WZcic)
Contact Details:	peter.smith@nea.org.uk / davidc@warmzones.co.uk

2. Methodology

Q1. Do you agree with our selection of the key variables to use as the main inputs for calculating the deemed scores?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

If not, please clarify which aspect you do not agree with and suggest an alternative, with reasoning.

Comment: Warm Zones cic (WZcic) agrees with the choice of the key variables suggested as the main inputs for calculating deemed scores. The variables chosen seem to strike the correct balance between ease of use and maintaining accuracy of scoring over the large numbers of properties treated by the scheme.

Additional information on how the methodology principles were translated into the actual scores would be beneficial to aid wider and more consistent understanding.

3. Property Archetypes

Q2. Do you agree with the method used in developing typical property archetypes in order to remove the need for measuring property dimensions?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

If not, please clarify which aspect you do not agree with and suggest an alternative, with reasoning.

The method used in developing the typical property archetypes seems sensible and the removal of the need for measuring property dimensions is welcomed by WZcic as it removes a potential source of error or manipulation in calculating the carbon or heat loss scores. This approach will also simplify the compliance monitoring of the scheme.
The approach to determining the savings for larger properties, however, could lead to significant under reporting of savings for those dwellings at the upper size limit of the 5+ bedroom range. While this issue may be limited due to the anticipated small numbers of properties involved, given the small numbers, WZcic considers it would be better to revert to the individual property calculation method utilised in CERT.

4. Primary Heating Sources

Q3. Do you agree with the approach to accounting for all primary heating sources present in the housing stock?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

If not, please explain your reasoning and evidence your preferred approach.

WZcic supports the approach taken to account for all primary heating sources present in the housing stock and the use of the RdSAP conventions to identify the primary heating source in individual dwellings.

Q4. Do you agree that we have appropriately accounted for heating systems present in the housing stock either as an input for the deemed scores or in Table 1?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

If not, please clarify which additional heating systems you believe need to be accounted for.

The approach to determining the deemed score input of the heating systems present in the housing stock but in insufficient numbers to warrant a separate set of scores also appears sensible.

5. Measure Types

Q5. Do you agree that the deemed scores include all main measure types?

- ○ Strongly Agree
- ○ Agree
- ○ Neither Agree Nor Disagree
- ◉ Disagree
- ○ Strongly Disagree
- ○ Don't Know

If not, please clarify which additional measure type you expect will be installed.

Loft insulation appears to have been omitted. The principle of a simplified approach to broad performance levels is, however, supported by WZ cic.

Q6. Do you agree with our proposals for differentiating within measure types?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

If not, please clarify where alternative differentiation should be applied.

Q7. Are there any measure types where you think that further differentiation is warranted? If so, please clarify which measure type could benefit from further differentiation and suggest an approach.
No.
Q8. Are there any areas where you could benefit from further guidance in using deemed scores?
Yes – we assume a user guide to deemed scores will be produced to ensure a more consistent understanding across the industry of how the tables provided are used in practice.

6. Scores

Q9. Do you agree with the deemed scores produced?

- ○ Strongly Agree
- ○ Agree
- ◉ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

If not, please clarify which particular score(s) that you believe do not accurately reflect the savings for a measure.

The scores seem reasonable based on comparable scoring from recent EPCs and/or deemed scores from past obligations although without further information on how they were derived it is difficult to comment further.

Q10. Do you agree that it would be useful to also provide the deemed scores as lifetime savings (i.e. after applying all relevant multiplication factors), to make the relative value of each measure easier to identify?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

7. Percentage of property treated

Q11. Do you agree with the proposal to use 'percentage of property treated' to identify whether 100% of a score should be claimed?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

If not, please explain your reasoning.

8. New Scores

Q12. Do you agree with our proposed approach for applying for a new score from April 2017?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

If not, please explain your reasoning, which specific parts of the process you do not agree with and inform us of your preferred approach.

Q13. Do you agree that we should determine whether or not to accept an application, and specifically what is a 'significant' improvement in score, on a case-by-case basis?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

9. Score Monitoring

Q14. Do you agree that a DEA is not required to check inputs used when identifying a deemed score for a measure?

- ○ Strongly Agree
- ◉ Agree
- ○ Neither Agree Nor Disagree
- ○ Disagree
- ○ Strongly Disagree
- ○ Don't Know

If not, please clarify why you do not agree and provide an alternative approach with your reasoning.

Additional comments:

i) There is a concern that this consultation for ECO deemed scores has been published before the wider consultation on ECO 3 – only just published - and hence there is a need to ensure that the deemed scores are consistent with the wider aims of ECO 3 (e.g. encouraging more insulation measures under the Affordable Warmth element and ensuring that SWI deemed scores are consistent with the aim of supporting a continuing and viable SWI minimum under ECO 3).

ii) Further consideration is required on the need for post installation EPCs to determine the resulting SAP rating and energy efficiency band, consistent with the targets set out in the Government's Fuel Poverty Strategy. As such, the move back to deemed scores doesn't necessarily have to mean the end of a post installation EPC and we believe landlords (in social housing or privately rented accommodation) should be required to pay for the cost of a post installation EPC out of their own funds. This should be specified in any guidance. In addition to ensuring consistency with the targets of the Fuel Poverty Strategy, another reason for this approach is that the future ECO 3 (from 2018 onwards) could be based on rewarding obligated suppliers for how many SAP points a household is moved up in pursuit of a higher EPC. As well as reducing costs and complexity, the approach we advocate could further help incentivise packages of measures, particularly lower cost energy saving measures, alongside the primary measures and help provide a quantifiable contribution to fuel poverty targets or compliance with the Private Rented Sector Energy Efficiency Regulations from 2018.