Energy Company Obligation (ECO)
Deemed Scores Consultation Questions

ofgem e-serve
Making a positive difference for energy consumers

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:	SSE
Completed By:	Stephen Millward
Contact Details:	Stephen.millward@sse.com

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.

We agree with the three input parameters of house archetype, primary heating system and measure type, on the basis that these have a significant bearing on the savings and are relatively easy to verify.

As stated previously, we still believe the location of the property should be an input parameter as this is also easy to evidence and can vary the saving by up to 40% when comparing a property in the southwest of England to a similar one in the north of Scotland. We refute the suggestion that regional scores would add complexity and result in an excessive number of scores as with or without regional scores it will be desirable to have automated look up tables, which would mean the only additional requirement would be having enter a postcode to determine the location.

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.

We agree with the proposed methodology for determining property archetypes. Further guidance will however be required to determine whether or not a habitable room can be counted as a bedroom. This for example should include:

1. In homes with an open plan kitchen, dining and living area, can all additional habitable rooms be counted as bedrooms?
2. Is there a minimum size of room that can be counted as a bedroom?
3. Can rooms that effectively provide access to another room be counted as a bedroom?

We are also concerned about the size of the properties used to determine deemed score property archetypes, - please see our response to question 9.

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.

Clear guidance will be required for properties which are heated by a mix of systems, for instance electric storage heaters combined with solid fuel room heaters.

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.

Guidance will be required for district heating schemes and the various heat sources that can be used.

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.

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.

We agree the level of differentiation is appropriate.

Our understanding for SWI is that the deemed scores have been calculated on the basis of before and after U values, however the before U values are evidenced on the basis of wall construction descriptions and ages. We agree with this approach as it means the before U value does not need to be calculated.

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.

We believe further differentiation is warranted for room in roof insulation. It is our experience that a significant number of room in roof measures have no insulation prior to the measure being installed. Room in roof insulation should therefore have two categories, no existing insulation and some existing insulation.

Q8. Are there any areas where you could benefit from further guidance in using deemed scores?

We think it would be beneficial for further guidance to be provided on the following:

1. Determining the number of bedrooms in a property – as outlined in our response to question 2.
2. Determining the primary heating system in a property with room heaters that are fuelled from a variety of fuels.
3. Classification of properties heated by a district heating scheme and the various options for the central heat source.
4. Evidencing the age of a property.

This is particularly important for score monitoring purposes.

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.

We are concerned about the size of the properties used to determine deemed scores, as they would appear to be smaller than the properties that have benefitted from ECO to date, and had deemed scores been used the scores would have been significantly lower. We think a likely explanation for this difference is that our delivery of ECO measures has been predominantly into the private sector, where property sizes are larger. This is clearly demonstrated in the data below from the English Housing Survey (2014-15). Whereas we understand BRE have calculated deemed scores based on property characteristics for the whole housing stock.

It is important for deemed scores to be representative of the housing stock that the ECO policy is directed at, and not simply an average of the overall housing stock.

Underlying Data for Figure 2.4: Usable floor area, by tenure, 2014

	owner occupied	private rented	local authority	housing association
				percentage
less than 50 m²	3.5	14.8	22.4	23.1
50 to 69 m²	15.3	32.2	33.5	33.9
70 to 89 m²	28.8	30.9	34.4	31.6
90 to 109 m²	19.5	11.8	7.5	7.9
110 m² or more	33.0	10.4	2.1	3.4

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.

We agree with the proposal to use "percentage of property treated" to identify whether 100% of a score should be claimed.

Our preference is for scores to be reduced by a set percentage of either 20%, 40%, 60% or 80%.

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.

We agree that DEAs are not required to check inputs when carrying out score monitoring. We do however expect that technical monitoring agents will require training and guidance to allow certain aspects of deemed score inputs to be checked. An example being the definition of habitable rooms.