

## **E.ON's response to Ofgem's consultation on Technical and Score Monitoring**

11<sup>th</sup> October 2016

E.ON welcomes the opportunity to respond to Ofgem's consultation on Technical and Score Monitoring. Our responses to Ofgem's individual questions are set out below.

### **1. Changing the failure trigger point for score monitoring from 20% to 10%**

#### **Question 1.1**

***Do you agree that the failure trigger point for score monitoring should be set at 10%. If not, what should the threshold be and why?***

Yes, we agree that the failure trigger point for score monitoring should be changed. If the deemed scores are introduced we are comfortable with the trigger point being reduced to 10%.

#### **Question 1.2**

***Do you agree that the score monitoring fail rate above which a subset of measures to be of 'high concern' should be set at 25% If not, what do you believe the threshold should be and why?***

Yes, we agree that the score monitoring fail rate above which a subset of measures to be of high concern, should be set at 25%.

This change provides consistency with Technical Monitoring and brings a level of uniformity with the Pathway to Compliance process. However, we believe that consideration should be given where fewer than 100 measures are installed in a quarter and for installers who deliver fewer than 100 measures in a quarter. In these instances, we would like to continue with the 2:1 ratio rather than a percentage when calculating additional monitoring.

### **2. Linking our requirements for Additional Assurance directly to the Pathway to Compliance the installer is on**

#### **Question 2.1**

***Do you agree the required additional assurance should be based on which pathway an installer is placed on? If not, please explain why not.***

Yes, we agree that the required additional assurance should be based on which pathway an installer placed upon.

E.ON agrees that these should be linked, but we feel that the exception to the rule is where smaller installers are delivering fewer than 100 measures in a single quarter. In these instances we feel a bespoke solution matching the failure reasons and trends found would be more suitable.

The difficulty with smaller pots of installed measures is determining whether a fail based on three TMA inspections is systemic or a one off for an installer.

We propose that for installers who are providing fewer than 25 measures, performance is rolled into the following quarter and decisions are made on a larger pot of measures.

### **3. Introducing target ranges for mid-installation inspections for certain measures**

#### **Question 3.1**

***Do you agree with the introduction of target ranges for mid-installation inspections for measure types with both mid-installation and post installation questions? If not, please explain why.***

Yes, we agree with the introduction of target ranges for mid-installation inspections for measure types with both mid and post installation questions.

E.ON welcome defined targets on C2/C3 inspections. To avoid confusion it may be simpler to consider the proposed solution as discussed at the Ofgem, Suppliers and Interested Parties workshop on the 28<sup>th</sup> September 2016. This solution proposed that of the 5% measure target, 2% should be carried out at C2, 2% should be carried out at C3 and 1% floating for either C2 or C3 inspections.

This should only be allocated to the first 5% of monitoring. Any monitoring above the 5% threshold would be from either C2 or C3.

#### **Question 3.2**

***Do you consider the ranges proposed above to be reasonable? If not, please indicate for each measures type where you disagree what you would consider to be a reasonable range and why.***

No, E.ON does not consider the proposed ranges reasonable.

For Solid Wall Insulation (SWI) measures and schemes, it is feasible and efficient to carry out mid-stage inspections in a cost effective manner; with minimal disruption to site activity and the customer.

However for Under Floor Insulation (UFI) and Flat Roof Insulation (FRI) the gathering of accurate schedules, and the disparate geographical spread of installations will increase costs for suppliers and road safety risks for monitoring agents.

Last minute changes to schedules for monitoring are difficult to communicate and plan effectively for as we allocate targets to monitoring agents and suppliers in batches.

Consideration should be given to Room in Roof Installations (RIRI) to be included in the schedules to ensure that some measures are being verified at C2.

On a measure by measure basis consideration needs to be given to where volumes are fewer than 100 and 25 in a single quarter, to ensure that it's timely, fair and proportionate to carry out C2 and C3 inspections.

#### **4. Removing best practice questions**

##### **Question 4.1**

***Do you agree we should remove best practice monitoring questions? If not, please explain why.***

Yes, E.ON are supportive of removing the best practice monitoring questions.

#### **5. Score monitoring questions for all measures**

##### **Question 5.1**

***Do you agree with the proposed list common score monitoring questions? If not, please indicate which questions you do not agree with and why.***

No, E.ON does not agree with the proposed list of common score monitoring questions. Our reasons are set out below:

Q2 – Refers to fuel. Whilst this may continue to be a reported field, the main Building Research Establishment (BRE) deemed scores are differentiated by the heating type. Therefore, if a measure is incorrectly reported as liquefied petroleum gas (LPG), but should have been reported as gas, in the case for insulation measures we will need to know whether that means a gas boiler or gas room heater.

If deemed scores are retained as is, then the score monitoring questions should be designed to align exactly with the deemed scores primary inputs.

Q4 – A conclusive definition of a 'bedroom' will be required to minimise the risk or opportunity for fraudulent activity.

Q5 & Q6 – These questions are essentially linked and could cause some confusion without clear guidance from Ofgem. For example 100% of the measure installed maybe 80% of the property (if one wall was previously treated with a different measure, or couldn't be treated for a valid reason).

In addition, the wording "*a reasonable reflection of the actual percentage*" leaves scope for negotiation. We feel this could be improved by asking the questions below and considering a +/- tolerance threshold similar to the ECO2 floor area question:

Q5 – What is the percentage of measure installed?  
Pass / Fail with a comments box for fail

Q6 – What percentage of the property has been treated?  
Pass / Fail with a comments box for fail

***5.2 Do you think any further common questions should be added? If yes, please indicate what further questions you want to see included.***

No, we do not believe that any further common questions at this stage.

We would recommend that an additional field be added to the Ofgem question sets to enable a TMA to provide thorough details of the correction to enable accurate rescoring to take place.

## **6. Measure specific score monitoring questions**

### **Question 6.1**

***Do you agree that the proposed measure specific score monitoring questions will allow us to verify the deemed scores as currently laid out in BEIS's and our consultations? If not, please propose alternatives and indicate with which questions you disagree, and why.***

No, E.ON does not agree that the proposed measure specific score monitoring questions will allow us to verify the deemed scores as laid out in the consultations mentioned in the question above.

Q1 Cavity Wall Insulation: the proposed deemed scores by the BRE are differentiated by the thermal conductivity. The Technical Monitoring Agent wouldn't necessarily know what the thermal conductivity is. We therefore suggest that both the TMA question and the deemed score heading are aligned to something the TMA would recognise and could check.

Q2 Loft Insulation: No comments.

Q3 Loft Insulation: we would like to understand how this relates to rescoring. If a loft hatch has not been insulated would it mean that the measure is lost or that we simply re-notify the percentage installed. We also think that this question should be moved to a 'Technical' question.

Q6 Solar PV: the amount of panels is irrelevant as RdSAP only calculates the score for 2.5kW, but if this question remains then we would suggest rewording it to "is solar PV installed and working?"

Q7 Electric Storage Heaters: we would urge Ofgem to provide clarity on what is meant by "normal percentage reduction". Does it mean that the proportion of heaters installed to the total number of existing / initial storage heaters with the score outcome reduced proportionately?

Q8 Boiler: we would like clarification of what "type" means in this question (make, system, combi, output size...etc.)

Q9 Boiler: we suggest that this question is removed as it is only applicable to the Heating Controls question (Q10).

Q11 Room-in-Roof Insulation: we feel that there is a need to add an 'unable to validate' option if no access to the residual loft space was available at C3. We also believe that this is best suited to technical questions rather than scoring.

## **Question 6.2**

***Do you believe any further score monitoring questions are needed for specific measure types? If yes, please indicate what questions you would like to be added and why.***

No, E.ON does not believe that any further score monitoring questions are needed for specific measure types.

## **7. Suitable qualifications**

### **Question 7.1**

***Do you agree it is no longer necessary for a score monitoring agent to have DEA accreditation or similar qualifications? If not, please explain why you believe DEA accreditation or similar qualifications should be necessary.***

No, we do not agree that it is no longer necessary for a score monitoring agent to have DEA accreditation.

The use of a DEA gives a level of professional competency and robustness to the audit process, ensuring that the installer respects the validity of the inspection as opposed to a non-qualified person.

Also, some of the key inputs for deemed scores rely on RdSAP conventions, such as primary heating system types, property age bands for SWI U-Value differentiation or habitable room convention as part of the number of bedroom eligibility checks.

The DEA accreditation gives us assurance and a qualified independent view that the scoring installer has been accurate and honest in the details provided to us.

## **8. District Heating System questions**

### **Question 8.1**

***Do you think questions DHS.1 and DHS.2 are sufficient to check if the pre-conditions have been met for a DHS measure, where applicable? If not, please indicate if you believe questions should be added, removed, or changed.***

In principle, E.ON agrees that the questions DHS 1 and DHS 2 are sufficient to check if the preconditions have been met for a DHS measure.

Ofgem should clarify whether every property connected to district heating system needs to be included in the technical monitoring and score monitoring for a single district heating measure. If this is the case, it would appear to represent an unnecessary addition of costs to the scheme. We also believe that this would be onerous and impractical to deliver.

## **9. Room-in-roof insulation questions**

### **Question 9.1**

***Do you agree that the proposed questions will improve standards of installation for RIRI measures? If not, please indicate with which questions you disagree with and why.***

Yes, the proposed questions will provide greater transparency and will give us confidence that standards of installation have been improved.

In addition, we require clarity on whether existing RIRI. 1,2,3 & 5 would remain alongside the new questions.

With regard to the questions as set out in paragraph 4.9 of the consultation document we have the following points to note:

"Have all hatches installed as part of the room-in-roof..." should include reference to draught proofing. We would also suggest that any existing hatches are given consideration to ensure integrity of the newly installed measure. The National Insulation Association (NIA) and Association of Technical Monitoring Agents (ATMA) guidance is likely to recommend that hatches remain to allow for planned maintenance and verification. If not, then an N/A option is required on the question or 'unable to validate'.

"Has the insulation been installed to all dormer windows cheek walls..." Consideration is needed to ensure that the operation of any windows within the dormer are not compromised leading to ingress/egress issues in the event of an emergency, such as fire.

### **Question 9.2**

***Do you believe that changing the existing RIRI questions from mid-installation to post-installation stage will enable the monitoring agent to better verify whether the RIRI has been correctly insulated? If not, please indicate why not.***

No, E.ON does not believe that changing the existing RIRI questions from mid-installation to post-installation will enable the monitoring agent to better verify if the measure has been properly installed.

Whilst we appreciate that from a cost perspective it would be easier to verify the measure post insulation. This would also reduce the disruption to the customer. However we still have reservations that by not performing a C2 inspection we will not be able to verify certain elements of the installation. For example we would lose the opportunity to check the residual loft spaces to ensure that sloping roof rockwool fibre insulation has been installed properly.

## **10. Further questions**

### **Question 10.1**

***Do you agree with the introduction of the above questions? If not, please tell us why***

Yes. E.ON agrees with the introduction of the above questions.

**The following questions concern the entire set of technical monitoring questions. All current technical monitoring questions are listed in Appendix 2 to this consultation document.**

### **Question 10.2**

***Do you think we should change any of the existing technical monitoring questions? If so, please indicate which one(s) and explain why it should be changed.***

Yes. We believe that the following questions should be changed:

Boiler Repair (BR.1): "where a boiler or hot water storage vessel have...." We suggest that the wording is amended to "where a boiler and/or hot water storage vessel...." This would allow for a clearer understanding of this question for the TMA.

New Boiler (NB.1): "where a boiler and hot water storage vessel have...." We suggest that this is changed to "where a boiler and/or hot water storage vessel...." This would allow for clearer understanding of this question for the TMA.

Electric Storage Heater (ESHR.3): We believe that this question can be removed as it should be ascertained through the completion of the Electric Storage Heater Assessment Checklist.

External Wall Insulation (EWI.2): We suggest that this question is broken down as per the ECO1 pre-installation survey (old C1) to provide clarity, with specific focus on combustion ventilation for gas, biomass and solid fuel appliances.

External Wall Insulation (EWI.13): This is acceptable for C3, but should also be included as part of C2 as many systems are now sealed at basecoat - especially dash, silicon and brick slip/render finished.

External Wall Insulation (EWI.16): We would like the wording to be changed to "where appropriate have the window and door reveals been insulated?" as in some circumstances completing this could have an impact on ingress/egress in emergencies.

We also believe there should be an additional question for External Wall Insulation: "Has combustion ventilation been installed for existing gas, biomass or solid fuel appliances?" Pass/Fail or N/A if there are no appliances present. Guidance should be drawn from PAS2030:2014, Building Regulations and Appropriate Guarantee agencies.

Our comments for EWI 2, 13 and our proposed additional question should be replicated for internal wall insulation.

Question sets are required for the following measures as there are currently none in place:

- i. Solar PV
- ii. Ground Source Heat Pumps
- iii. Air Source Heat Pumps
- iv. Park Homes
- v. High Performance External Doors
- vi. Any new qualifying measures

### **Question 10.3**

***Do you think we should remove any of the existing technical monitoring questions? If so, please indicate which one(s) and explain why they should be removed.***

Yes. Please refer to our response to question 10.2.

**Question 10.4**

***Do you think we should add any further technical monitoring questions? If so, please indicate what questions you believe should be added, and for what measure type.***

E.ON believes that Ofgem should consider whether safety questions should be included alongside the technical questions.

E.ON has a strong commitment to safety and we are on a structured journey to 'Zero Harm'. We understand that a number of the other obligated suppliers are also committed to minimising harm.

E.ON feels that this is an opportunity to demonstrate this commitment by moving certain questions from the Energy UK Safety question sets to the Ofgem Technical question sets. The reasons for this are:

- a) To protect customers and to ensure that they are kept safe during and after the installation of an ECO measure
- b) To protect Installers and to give obligated suppliers assurance that they have taken all reasonably practicable steps to ensure that customer safety is maintained.
- c) To allow Ofgem to demonstrate that consumer safety and wellbeing is as important as the delivery of LTS and Carbon.

In addition to the above, please see our response to Question 10.2 for additional questions we believe should be added for C2 & C3 question sets for External and Internal Solid Wall Insulation.