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

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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:	Sustainable Energy Association
Organisation type:	membership body
Completed By:	Samantha Crichton
Contact Details:	samantha.crichton@sustainableenergyassociation.com

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.

Yes we support the proposal to apply the RdSAP v9.93 to wall types a, d and e. Wall types b and c should be excluded. BRE state that there are "relatively few of wall types b and c in the GB housing stock", however our member's experience in ECO is that these properties are being treated.

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.

Yes, using the most up to date fuel prices is essential to ensure that the measures installed are able to achieve savings predicted. A move to real time monitoring and performance guarantees will require up to date fuel prices to be used. We propose that the fuel prices should be regularly updated as data becomes available. Whilst we appreciate that changing the fuel price inputs is less consistent, we would stress the need to base policy on the latest available data. Over the 3.5 year time period the cost of fuel could vary significantly and thus the estimated lifetime bill savings could be inaccurate. The price of oil is particularly variable and has increased over the past three years (low of 26p/l and high of 57p/l) (source: BoilerJuice).

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.

We support the proposed approach as it has the ability to reduce administrative burden and increase cost effectiveness. We are unable to comment in detail on the proposals

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.

Yes, the use of English Housing Survey data is acceptable.

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.

Yes this we support the use of English follow up survey data to identify average treatable areas for heating measures.

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.

Yes, combining both Ofgem and industry data is suitable for these homes.

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.

Yes we think that the proposed approach is acceptable if there is insufficient data available. We would stress that if information is made available either via ECO delivery or other means, that this should be used instead. However, in the absence of appropriate data sources, we agree with the proposed approach. We are disappointed that during ECO2t no glazing, high performing external doors, draught proofing, party wall insulation and microgeneration have been installed. ECO should look to encourage the deployment of a range of technologies and solutions.

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.

Yes we agree that a minimum requirement of at least 67% of the property must be treated to qualify for the full ECO3 deemed score. This will lead to a higher average treatable area per property.

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.

We agree that in some situations it may not be possible to meet the minimum requirement. However we would encourage measures that are able to deliver whole house improvements. In these cases we agree that the current ECO2t POPT approach could be taken. This should be kept under review in case a better approach is developed for these situations.

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.

We agree that the formatting of the deemed scores can be confusing and difficult to use. The new format is easier to navigate however we would like to propose some further changes.

We would like to see a separate measure type for renewable heating systems. If BEIS is to encourage the deployment of renewables, it would not be unreasonable for these technologies to stand out and have their own category. For example, heat pumps are listed under measure type "boiler" and we would expect these to sit under renewable heat or renewables. A boiler is defined as 'a fuel burning apparatus for heating water', ASHP and GSHPs do not fit that definition. Similarly, biomass is listed under boiler alongside gas and LPG however the system is renewable and should be highlighted as such. Installing future proofed low carbon technologies should be a priority and as such we would like to see the spreadsheet reflect this.

We would also recommend renaming ASHP and GSHP to heat pump (ASHP) and heat pump (GSHP) or something similar as this may make navigation easier as individuals can search for both the acronym and the full name of the technology. Depending on the individual's background they may be familiar with different terminology.

A key in a separate tab including all acronyms may be useful, particularly if the user is not familiar with the spreadsheet. The tab could also include as simple how to guide rather than having separate documents with specific information. An example of this is the RHI deployment statistics which contain a glossary, some background on the scheme and contact details.

Finally, the cost score (column F) should reference the term 'lifetime bill saving or LBS' to aid navigation and help those not familiar with the deemed score methodology identify key information. The BEIS ECO3 Consultation, which recently closed, does not reference cost score but instead talks about lifetime bill savings – the terminology between the two documents should be consistent to avoid confusion.

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.

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.

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.

We welcome the deemed scores taking into account the outcomes of the Boiler Plus consultation and the proposed policy changes from BEIS in the ECO3 consultation.

We support the decision to remove the deemed scores for oil and coal systems to avoid confusion as they will no longer be installed or repaired under ECO3.

We would suggest suppliers should be encouraged to replace low SEDBUK rated boilers. More modern fan assisted boilers will see very low energy bill savings.

We are concerned that the proposals to remove oil and coal systems without a mechanism to also limit LPG deployment could lead to a significant increase in LPG boilers being installed.

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.

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.

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.