# OFGEM ECO3 Consultation Response from CIGA

| Consultation Question | Comments |
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| 1. Do you agree with our proposal to create three new fields in the notification template to capture an installer's TrustMark license number, lodged certificate ID and TrustMark Unique Measure Reference Number for verification purposes? If you disagree, please provide alternative suggestions, including any evidence, to support your response. | Partly. Currently our understanding is that by default the TrustMark lodgement certificate will be sent to the owner/occupier rather than the installer (2017) or retrofit coordinator (2019). Consequently the certificate may not be available to the entity that lodges the work and there should be clarification that it is not expected that copies of lodgement certificates should be provided to Ofgem/suppliers.<br><br>More generally the 2019 revision to PAS 2030 widens the requirement for installers to hold evidence of Independent Surveillance of Assessments to include CWI, Room in Roof, Park Homes, Internal and Hybrid Wall Insulation. As this remains a key protection for these measures we believe that a Unique ISA reference should also be captured in the notification template which could be validated against the awarding body records. |
| 2. Do you agree with our proposal to verify certain data fields with TrustMark's Data Warehouse? If you disagree, please provide alternative suggestions, including any evidence, to support your response. | Yes, subject to safeguards in the event that the data warehouse is unavailable or the warehouse or API's are not fully commissioned by 1st January 2020. For example, whilst recognising that any solution is constrained by the prescriptive requirements of the SI this could allow for retrospective validation of measures that installers confirmed had been notified/lodged the measure with TrustMark but could not be validated because lodgement certificates had not been issued or because of data warehouse functionality shortcomings. |
| 3. Do you agree with our proposal on how the transition of appropriate guarantees will be carried out? If you disagree, please provide alternative suggestions, including any evidence, to support your response. | Firstly, with regards to the transition we remain concerned that because of the significant additional costs in delivering to PAS 2030:2019 compared with 2030:2017 reference to the transition from the 2014 to 2017 is misleading and fails to recognise the distortional impacts of the proposals. Specifically, least cost delivery implies that suppliers will seek to deliver measures to the lower cost 2017 standard, to the detriment of installers certified against the 2019 standard who will not be able to compete. We have previously discussed with UKAS the principle that an installer certificated against the 2019 standard should also be deemed to meet the 2017 standard to address this problem, and believe that there may be precedents whereby certification schedules referencing both standards apply during the transition.<br><br>With regards to the transition and para 2.10.bullet 1.bullet 3 we believe there is an error as our understanding is that equivalence only applies to work registered with Heat Trust and this should read:<br><br>*Therefore, all installers must be TrustMark registered businesses from 1 January 2020 in order to be eligible to deliver ECO measures, except in the following circumstances:*<br>• *The measure is a demonstration action, or*<br>• *The measure is a district heating system either registered with Heat Trust or subject to arrangements for consumer protection equivalent to the requirements under the Heat Trust scheme, AND ~~or t~~he measure is subject to arrangements for consumer protection equivalent to the requirements under TrustMark.*<br><br>Similarly, Para 2.11 appears to be incorrect, as for work completed under PAS 2030:2019 and PAS 2035:2019 it is not the installer but retrofit coordinator who claims compliance. Therefore during the transition there needs to be clarity over whether the uplift applies to |

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| | measured fitted by installers certified against 2030:2019, or for Retrofits completed by Retrofit Co-ordinators compliant with PAS 2035.<br><br>Turning to the proposed transition of appropriate guarantees we have some concerns. Whilst the actual transition to Trustmark seems straight forward, current arrangements are based on detailed criteria developed to accommodate different compliance models which reflect the approach taken under Green Deal. How the transition will impact these criteria and the process for ensuring the full range of stakeholders are engaged is not entirely clear.<br><br>As is highlighted in the consultation, increased financial protection is required for UFI and RIRI, and for the first time all measures not requiring an appropriate guarantee must be accompanied by a guarantee of at least 2 years (with some exceptions). We believe that this requirement represents a potential constraint on the ability to deliver some measures, such as loft insulation, as it requires a provider to develop a proposition for a guarantee for these measures which must be submitted to TrustMark for review. Additionally, as robust criteria are likely to apply for work to qualify for the award of a guarantee a further delay to development of this collateral is likely.<br><br>Consequently, for pragmatic reasons we believe that it would be more realistic to provide that Ofgem continue to administer appropriate guarantees until mandatory for UFI/RIRI (1st July 2020), leaving TrustMark to focus on reviewing financial protection for other measures from 1st January 2020 or such other date as the SI comes into force.<br><br>In principle we feel that some of the ideas now proposed (reduction to default 2 year guarantees and mandatory deposit insurance) are, at best, focused on what is best for some warranty providers, and not for customers. For example, particularly for short duration works that are fully funded under ECO, such as CWI or Loft insulation, Deposit protection cover is not necessary and would be difficult to claim against, potentially echoing the PPI mis-selling debacle. |
| 4. Do you agree with our proposal that suppliers will be required to conduct technical monitoring and score monitoring until TrustMark are able to take full responsibility of the process? If you disagree, please provide alternative suggestions, including any evidence, to support your response. | Yes, although recognising that the rationale is to minimise costs and that the intent of TrustMark levying a lodgement fee is to fund technical monitoring the lodgement fees paid by installers and/or retrofit installers should be reduced until such time as responsibility passes to TrustMark. |
| 5. Do you agree with our proposed approach to the administration of FTCH insulation requirements? If you disagree, please provide alternative suggestions, including any evidence, to support your response. | Broadly we support the approach, although to the extent that EPC's could provide evidence that the insulation pre-conditions have been satisfied. However, we are less convinced on reliance on EPC recommended measures as evidence of the unsuitability for treatment of a specific property, particularly where the EPC may be 10 years old. Consequently, we favour reliance on an appropriately qualified chartered surveyor or structural engineers report. |
| 6. Do you agree with our proposal that weather / load compensation should be a stand-alone measure type, rather than the savings being included in scores for installing gas and LPG boilers? If you disagree, please provide alternative suggestions, including any evidence, to support your response. | N/A |
| 7. Do you think that a change in approach is necessary for scoring multiple measures? If so, | We would favour simplicity and avoid any requirement to rescore measures. |

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| please indicate your alternative approach, including any evidence, to support your response. | |
| 8. Do you agree with our proposal to split out the existing underfloor insulation score into solid underfloor insulation and suspended underfloor insulation? If you disagree, please provide alternative suggestions, including any evidence to support your response. | Yes. We share the concerns regarding the quality of what is inevitably a heterogeneous non standard measure. However, the introduction of a requirement to provide an appropriate guarantee for UFI will ensure greater oversight of work and catalyse development of the needed Best Practice guidance and criteria to qualify for award of a Guarantee. Therefore, we believe that it is both inevitable and welcome that greater documentation will differentiate the approaches to insulating floors. Work should also comply with all the requirements under PAS 2035, including design to eliminate thermal bridging. |
| 9. Do you know of any other situations where failed cavity wall insulation would need to be removed that we should be aware of that would help us to clarify the guidance? If so, set out any examples, and provide supporting evidence as required. | We support the principles that extraction is not a qualifying measure, and that where an appropriate guarantee is in place then this is the appropriate route to rectify any defects.<br><br>However, assuming appropriate routine building maintenance has been carried out CWI should last the lifetime of the building, and we are concerned that the proposals could lead to abuse and the wholesale and disruptive poor quality extraction and retreatment of properties simply because the guarantee had expired.<br><br>Consequently, we do not believe that the reliance on industry agreeing a definition for a 'suitably qualified professional' is sufficient to safeguard against this risk.<br><br>Based on our experience we also believe that there are very few situations where extraction and retreatment is appropriate, as best practice guidance provides that evidence of a previous failure would be a strong contra indication that the property was suitable for re-installation with CWI.<br><br>However, assuming that it could be demonstrated that replacement was necessary, then to avoid additional problems being created as a result of incomplete extraction it is essential that any such work was accompanied by an extraction certificate including photographic evidence that no insulation or debris remained in the cavity. Additionally, where a re-treatment was proposed then it would also be essential that proof that Independent surveillance of the suitability assessment had been completed prior to treatment, as required by PAS 2030:2017/2019, was provided as part of the evidence.<br><br>In the specific case of extraction and retreatment with EWI then possible circumstances where this was appropriate might include;<br>1) Properties in severe exposure zones and subject to water penetration.<br>2) Properties where spalling of brickwork was leading to water penetration.<br>3) Properties where the construction and condition of the walls meant that remediation was not possible. |
| 10. Do you know of any heat sources which would fall within the 'Gas room heaters' pre main heat source category which are not fuelled by mains gas? If you do, please provide evidence to support your response. | N/A |
| 11. Do you know of any other categories of HMO that we should be aware of that would help us to | Pragmatically CIGA applies a test for domestic property based on the residents having a separate front door and letterbox. |

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| clarify the guidance? If so, set out any examples, and provide supporting evidence as required | |
| 12. Do you agree with our proposal to rename the measure categories and to move the measure types "Cavity Wall – External Insulation" and "Cavity Wall – Internal Insulation" into the measure category "Cavity Walls"? If you disagree please provide alternative suggestions, including any evidence, to support your response. | Whilst this seems a minor change we are not sure whether there are any unintended consequences. For example the accuracy and integrity of the Household Energy Efficiency Statistics?<br><br>Fundamentally the measure categories are based on solution or technology, ie cavity wall insulation, boiler, micro generation etc. It therefore seems illogical to categorise walls by construction, and include IWI fitted to a cavity wall under cavity walls. |
| 13. Do agree that the approach of introducing a separate and transparent behavioural usage factor would be an effective way of recognising that systems might be turned off or removed? If you disagree please provide alternative suggestions, including any evidence, to support your response. | Yes. There is also evidence to suggest that the impact from some technologies drops over time as a result of behavioural patterns. For example studies indicating that 39% of smart meter owners have unplugged their in home display[1]. |
| 14. Are there any areas where you think further guidance would be useful? | |
| 15. Do you have any further comments on our proposed administration for ECO3? | As indicated above we believe that much greater clarity is needed on the transition to avoid distortion of competition resulting from some installers being accredited against PAS 2030:2017 and some to PAS 2030:2019 (by default requiring design to comply with PAS 2035 as well) during the transition. |
| 16. Did you use our response tool? If not, please could you outline the reasons for not using the tool? | Lack of flexibility. |

[1] DECC Smart Metering Early Learning Project