



ECO Consultation
Ofgem
9 Millbank
London
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27 November 2014

Energy Companies Obligation (ECO) 2015-2017: Consultation on specific HHCRO requirements

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

EDF Energy welcomes the fact that Ofgem have consulted early on specific HHCRO requirements for ECO2. This level of detail is required before the current period of the obligation finishes in March 2015. We would urge Ofgem to publish the results of this consultation and issue new guidance before the end of 2014 due to the legislative requirement to have qualifying warranties in place.

EDF Energy would point out that suppliers have been installing boilers with warranties in advance of this consultation that are intended to be claimed as surplus actions. We have developed documentation based on the draft legislation and the wording in DECC's response to the Future of ECO Consultation. We ask that Ofgem exercises a reasonable level of flexibility in the application of their final guidance requirements which allows them to be used.

I am pleased to provide EDF Energy's response to Ofgem's consultation. In summary EDF Energy supports the majority of Ofgem's proposals for the new HHCRO requirements. Ofgem's recommendations are, in the main, in line with existing or similar processes in ECO and can be implemented without undue disruption to EDF Energy's supply chain.

However, EDF Energy does believe that there are alternative ways for a supplier to evidence that a warranty has been provided for a boiler replacement at zero cost to the customer.

Our detailed responses are set out in the attachment to this letter. Should you wish to discuss any of the issues raised in our response or have any queries, please contact Nigel French on 07826 852988, or myself.

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I confirm that this letter and its attachment may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in black ink that reads "Robin Melvin".

Robin Melvin
Head of Low Carbon Product Design

Attachment

Energy Companies Obligation (ECO): Consultation on specific HHCRO requirements

EDF Energy's response to your questions

1. Demonstrating whether a premises is non-gas fuelled

1a) Do you agree with our proposed test to identify the main space heating system of a premises? If not, can you suggest alternative ways of identifying the main space heating system?

EDF Energy agrees with Ofgem's proposed test to identify the main space heating system of a premise. Although for clarity we suggest that the primary heating source as recorded in RdSAP should be used to identify the main space heating system of a premise.

1b) Can you suggest any alternative ways that suppliers can demonstrate the fuel type of the main space heating system of a premises

EDF Energy is satisfied with Ofgem's proposed method for identifying the main space heating system of a premise.

1c) Do you agree that an accredited OCDEA/DEA should conduct the assessment of the fuel type of the main space heating system of the premises where a SAP or RdSAP calculation is used to demonstrate this?

Yes, EDF Energy agrees that an accredited OCDEA/DA should conduct the assessment of the fuel type of the main space heating system of a premise where a SAP or RdSAP calculation is used. This practice is already in place for ECO where EPCs are lodged, and the fuel type is found in both the XML file data and the content of the EPC itself.

1d) Are there any other aspects relating to non-gas fuelled premises in ECO2 that you think we should consider?

EDF Energy is not aware of any other aspects relating to non-gas fuelled premises in ECO2 that should be considered and believes that Ofgem's proposed methodologies are sufficient.

2. Qualifying warranties for boiler replacements

2a) Do you agree with our proposal to use the boiler definition from Appendix 2 of the ECO Guidance?

EDF Energy agrees in principle with Ofgem's proposal to use the boiler definition from Appendix 2 of the ECO Guidance in order to maintain consistency in the programme. However, it should be noted that not all installed boilers will comprise all of the components noted in the list that Ofgem has included in their draft guidance. For example the fuel supply system or fill and expansion header tanks may not be changed when installing a new boiler.

2b) Do you agree with our definition of a heating system and the components a heating system comprises? If not, can you suggest an alternative definition?

EDF Energy agrees with the definition of a heating system and the components Ofgem has identified as comprising a heating system.

2c) Do you think that there are alternative ways to demonstrate that a qualifying warranty has been provided to the customer?

EDF Energy agrees that a way to demonstrate that a qualifying warranty has been provided to the customer is a copy of the warranty itself. This could be accompanied by a declaration that the customer has not been charged. However, this is not the only way that this can be demonstrated.

In some instances we expect that the warranty would be provided with the boiler and not directly to the customer for their signature. This would avoid issues caused by the customer moving out of the property. In other instances the warranty may be applied for at the point of installation and received by the customer at a later date. Also, it may not be possible for a supplier to have a copy of the actual warranty because the only copy would belong to the customer.

We understand that Ofgem only need to know that the warranty will be provided to the customer free of charge and will cover the boiler and its system (where applicable) from the date of the install. To that end EDF Energy proposes that an alternative to holding a copy of a signed warranty would be for a declaration to be added to existing customer completion documents with the following wording or similar:

"I confirm that I have been/will be provided with a warranty for the installation of the replacement boiler. I can confirm that I have not been charged for this warranty"

2d) Are there any other aspects relating to qualifying warranties for replacement boilers in ECO2 that you think we should consider?

EDF Energy believes that the simplest way to determine what a boiler replacement qualifying warranty should cover is to ensure this encompasses everything that is required as per the manufacturer's instructions and section four of PAS2030 when installing the boiler and assessing its suitability for the system it serves. Any additional services that the installer/supplier chooses to offer are a commercial choice and should not be within the scope of the qualifying warranty.

3. Warranties for replacement electric storage heaters

3a) Do you agree that the warranty should be for the functioning of the entire electric storage heater installed and that this can be demonstrated by a manufacturer's warranty?

EDF Energy agrees that the warranty should be for the functioning of the entire electric storage heater and that this could be demonstrated by a manufacturer's warranty.

3b) If more than one electric storage heater is installed in the premises, do you agree that one warranty covering all of the replacement electric storage heaters is sufficient?

EDF Energy agrees that one warranty could cover as many electric storage heaters as are installed at the same time. However, this would entirely depend on the manufacturer's provisions. If each heater came with its own warranty then that should also be sufficient.

3c) Are there any other aspects relating to qualifying warranties for replacement electric storage heaters in ECO2 that you think we should consider?

Whilst a manufacturer's warranty will cover the functioning of the electric storage heater, it will not cover whether the installer has used the appropriate size heater for the required heating space. Therefore, EDF Energy would recommend that Ofgem create a qualifying electric storage heater checklist to be completed by the installer for each installation. We would also recommend that technical monitoring for replacement electric storage heaters includes a question about the suitability of the storage heater for the space it is intended to heat.

**EDF Energy
November 2014**