

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

Part 1 – Specific HHCRO Requirements

1. Non-gas fuelled premises

Question 1:

- 1.a. Do you agree with our proposed test to identify the main space heating system of a premises? If not, can you suggest any alternative ways of identifying the main space heating system?
- 1.b. Can you suggest any alternative ways that suppliers can demonstrate the fuel type of the main space heating system of a premises?
- 1.c. 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?
- 1.d. Are there any other aspects relating to non-gas fuelled premises in ECO2 that you think we should consider?

1.a. Yes.

1.b. Yes. The issue of an Ofgem “non-qualifying boiler checklist” could be used as evidence to demonstrate the pre & post installation fuel type of the main space heating system of a premises. An alternative to the issue of a new documentation could be to adapt the “Boiler Assessment Checklist” to include any additional information that would relate to the “non-qualifying boiler” measure. However should a new document or amended document be required then this would need to be issued before the start of ECO 2 on the 1st April 2015, to ensure that the required information is captured in line with Ofgem requirements.

1.c. Yes. An accredited OCDEA/DEA should conduct the assessment of the fuel type. However, we believe that this should go further and state that where an RdSAP assessment is used to evidence the fuel type of the main heating system, this assessment should be in the form of a lodged EPC.

Since the ECO 2.1 Consultation Workshop, Ofgem have confirmed that DECC does not want to introduce the lodgement of EPCs as a new regulatory requirement under ECO. In order to establish and maintain the quality of RdSAP assessments carried out by assessors, it should at least be **recommended** that these assessments are lodged through the Assessors registration body.

1.d. No.

Question 2:

- 2.a. Do you agree with our proposal to use the boiler definition from Appendix 2 of the ECO Guidance? If not, can you suggest an alternative definition?
- 2.b. 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?
- 2.c. Do you think that there are alternative ways to demonstrate that a qualifying warranty has been provided to the occupier?
- 2.d. Are there any other aspects relating to qualifying warranties for replacement boilers in ECO2 that you think we should consider?

2.a. Yes. In general the boiler definition from Appendix 2 of the ECO Guidance is suitable. However further clarification should be provided as to whether or not the definition is exhaustive or do only certain elements apply.

Therefore we suggest that the definition of a boiler should change to reflect the proposed definition of a heating system. E.g that the sentence: "The components that will normally comprise a boiler are" should change to "It will normally comprise some or all of the following components".

2.b. Yes. In principal, the proposed definition of a heating system is suitable but as with 2.a, clarification should be provided as to whether or not the definition is inclusive.

Therefore we suggest that the definition of a heating system should change from "It will normally comprise all or some of the following components" to "It will normally comprise some or all of the following components".

2.c. Yes. Since qualifying warranties are not always provided when ECO work has been completed (e.g. CIGA Cavity Wall Guarantees) Section 2.14 of the Consultation document needs to be amended. This should be replaced with the option for the Installer to state on the Declaration of Conformity:

- Who is supplying the warranty (Installer, not a sub-contractor);
- Who the warranty is lodged with (Warranty Provider);
- Date range that warranty covers (from Date of Installation, not Date of Handover).
- Signed statement from Occupier saying that "To my knowledge no-one has been charged for this warranty."
- Evidence that the warranty has been applied.

Evidence of Installation Warranty could then be either submitted through to an Energy Supplier once it has been received or kept by the Installer until a request is received from an Energy Company/Ofgem as part of an audit.

2.d. Yes. The Installation Warranty should be tied to the property address (specifically a meter within the property) and not the occupier of the property. This will have two distinct benefits:

1. Removes the issue where the occupier of the property moves out (tenanted property, or sale of a property) and takes the warranty with them, whilst the boiler remains at the property. This means that the boiler is still covered by the remaining time on the warranty after a new occupier moves in.

2. By tying the warranty to a meter in the property, it keeps it in line with the processes that have already been established for FIT, RHI and Green Deal. It would also then allow the potential blending of finance between ECO and Green Deal.

We have concerns over how the installation warranties should be issued and whether these need to be seen as independent to the Installer. If an Installer offers their own warranty for an installation but then ceases to trade before any issued warranties have expired, those warranties would become null and void. We believe that the best way to overcome this issue would be to ensure that where warranties are issued, that they are all backed by an independent provider/providers.

There should be further clarification around the definitions of “negligence” and “misuse” in Section 2.7 of the Consultation document.

The warranty should only cover the parts of the Boiler and Heating system that the Installer has had to change to ensure that the repair or replacement of a boiler can be completed. These parts should be listed within the Warranty (and relate back to the Pre-Installation Survey) and can act as evidence should issues arise with what is or isn't covered by the issued warranty.

Question 3:

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

3.a. No. The Manufacturers Warranty should only cover the manufacture of the Electric Storage Heater itself. As per the Replacement Boiler, there should be an additional Installation warranty to cover the installation of the replacement ESH to ensure:

- that an assessment of the existing electrics is carried out;
- the ESH has been sized correctly for the room that it is to be sited within;
- that the Manufacturers Installations instructions have been followed;
- that it has been installed by a competent person.

This would also mean that there is a consistent approach across HHCRO with the replacement of a heating element (Boiler and ESH) in a property.

3.b. Yes. Assuming that there is a separate Installation Warranty (see above), one warranty covering all the replacements of ESH at that moment in time would be sufficient. This would be consistent with other industries, where warranties are issued, e.g. where replacement Double Glazing units are installed a warranty is issued for the units replaced not against each individual window unit.

3.c. Yes. The majority of the issues raised in 2.d equally apply to the issuing of the ESH Installation Warranty. The Installation Warranty should be tied to the property address (specifically a meter within the property) and not the occupier of the property. This will have two distinct benefits:

1. Removes the issue where the occupier of the property moves out (tenanted property, or sale of a property) and takes the warranty with them, whilst the boiler remains at the property. This means that the boiler is still covered by the remaining time on the warranty after a new occupier moves in.
2. By tying the warranty to a meter in the property, it keeps it in line with the processes that have already been established for FIT, RHI and Green Deal. It would also then allow the potential blending of finance between ECO and Green Deal.

The installation warranty should be backed by an independent provider/providers to ensure that if an Installer ceases trading the occupier of the property is still covered for the remainder of the installation warranty.

ESH General Notes:

The scenario could occur, where over a period of time, a number of ESHs in a property are replaced using HHCRO funding as they fail. This would then get picked up by Ofgem as a duplicate claim and would get flagged accordingly. There needs to be a standardised way to capture information on the specific ESH has been replaced in the property and its pre & post replacement location. We believe that the ESH Assessment Checklist that Ofgem has mentioned would be a good starting point, but until we have seen this document are unable to comment further.