

Department of Business, Energy and Industrial Strategy: Energy Company Obligation (ECO3): improving consumer protection

Response by Community Energy England August 2019

INTRODUCTION

1. Community Energy England represents over 200 community energy groups and associated organisations across England involved in the delivery of community-based energy projects that range from the generation of renewable electricity and heat, to the energy efficiency retrofit of buildings to helping households combat fuel poverty.
2. Our vision is of strong, well informed and capable communities, able to take advantage of their renewable energy resources and address their energy issues in a way that builds a more localised, democratic and sustainable energy system.
3. Community energy refers to the delivery of community led renewable energy, energy demand reduction and energy supply projects, whether wholly owned and/or controlled by communities or through partnership with commercial or public sector partners.
4. Due to the withdrawal of virtually all government support for community energy generation this dynamic sector has stalled. In the recent State of the Sector report¹ 74 community energy groups (nearly half of all groups in England) have turned to energy efficiency as the obvious nexus of their energy work and their community benefit mission.

EFFECTIVENESS OF ECO

5. Whilst the introduction of Affordable Warmth and ECO Flex provisions are welcome in the experience of one of our members ECO nonetheless fails to provide a route out of fuel poverty. The amount of ECO funding available for each measure depends on resultant carbon emissions reductions: it therefore favours those living in large properties with a larger number of external walls. Those on lower incomes tend not to live in these kinds of properties. Where a measure is not fully funded a customer contribution is required: people living in fuel poverty tend not to be able to afford a customer contribution. There is very little overlap between those most in need of ECO funding and those living in the kinds of properties that can benefit from fully funded measures or between those most in need of ECO funding and those able to afford a large customer contribution towards measures. In the experience of one of our members Affordable Warmth provisions fail to provide funding for energy efficiency measures directed at those that could most benefit.

¹ <https://communityenergyengland.org/pages/state-of-the-sector-report-2019>

6. The ECO3 focus on innovation makes it a good fit for community energy projects which are at the forefront of innovation in many areas of energy generation and efficiency work.

CONSULTATION QUESTIONS

1. **Do you agree with the proposal for the incorporation of TrustMark into ECO3 and, in particular, for installers to have to be TrustMark registered businesses to deliver eligible ECO3 measures, with the exception of Demonstration Actions and certain District Heating Systems (DHS) measures? In particular, do you agree that the increased financial protection requirements under the TrustMark Framework should apply in respect of ECO energy efficiency measures (except demonstration actions and certain DHS measures)?**
 - 1.1. Trustmark should be incorporated into ECO3 and the increased financial protection requirements should apply to all the categories you outline. We think that anything that protects vulnerable customers and increases the effectiveness of the energy efficiency installations is vital to the successful scale up and roll out of energy efficiency.
 - 1.2. Historically the lack of knowledge and rigour in the building control system (and the out-sourcing to private building control operatives) has been a big problem especially in the fitting of insulation which might appear to be compliant but fails in the detailing such as being loose fitted between joists.
2. **Do you agree that incorporation of TrustMark into ECO3 is sufficient to demonstrate certification and compliance with the appropriate PAS standards?**
3. **Do you agree that incorporation of TrustMark into ECO3 is sufficient to allow all solid wall, cavity wall and park home insulation measures delivered under the scheme to receive the relevant standard applicable lifetime?**
4. **Do you agree that underfloor and room-in-roof insulation measures should be accompanied by a 25 year or more guarantee under the scheme which not only meets the Trust-Mark financial protection requirements that apply to all ECO energy efficiency measures but also as a minimum meets the TrustMark “appropriate guarantee” criteria?**
 - 4.1. Yes
5. **Are there any other complex ECO measures that you think should be accompanied by a 25 year or more guarantee which as a minimum meets the TrustMark “appropriate guarantee” criteria?**
6. **Do you agree that, to the extent they would apply to demonstration actions and certain DHS measures exempt from the TrustMark requirements, the current ECO3 requirements should be updated to move to the new PAS standards (PAS 2035:2019 and PAS 2030:2019) subject to similar transitional arrangements to those set out in paragraph 15 above?**
 - 6.1. Yes
7. **Do you agree with our proposed amendment to remove the 400% uplift for replacement boilers delivered outside of the broken heating system cap?**
 - 7.1. Yes, for the reasons you cite, to prioritise the installation of insulation and FTCH.

- 8. Do you agree with our proposal to change the measure lifetime assumption for first time central heating measures to 20 years?**
- 9. Do you agree that first time central heating (FTCH) should be eligible in PRS EPC Band F&G rated properties?**
 - 9.1. One member commented that many landlords in the PRS are successfully evading the amended Energy Efficiency Regulations by shopping around to get an EPC E rating or re-letting via channels that are not captured by enforcement.
 - 9.2. Landlords are often unwilling to invest in their properties. It may be that the availability of ECO3 funding to do a better job than £3,500 would buy will incentivise some to invest in their properties' energy efficiency.
- 10. Do you agree that first time central heating (FTCH) should be included in the LA-Flex in-fill?**
- 11. Do you agree with our transitional arrangements for all proposed changes?**
- 12. The Government invites views on the general requirements set out in this consultation and the illustrative draft of the amending ECO3 Order, once available.**

CONTACTS

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FURTHER INFORMATION

Community Energy England (CEE) was established in 2014 to provide a voice for the community energy sector, primarily in England. Membership totals over 200 organisations. The majority of the member organisations are community energy groups, but membership extends across a wide range of organisations that work with and support the community energy sector.

www.communityenergyengland.org