

Design of the Energy Company Obligation ECO4 2022-2026

Centre for Sustainable Energy – Consultation Response

Overview of key points

The Centre for Sustainable Energy (CSE) is an independent national charity, established in 1979 and twice-winner of the Ashden Awards for Sustainable Energy – most recently in 2014 for our “outstanding contributions to tackling fuel poverty in the UK”. Our vision is a world where sustainability is second nature, carbon emissions have been cut to safe levels and fuel poverty has been replaced by energy justice. Our mission is to share our knowledge and practical experience to empower people to change the way they think and act about energy.

We have 90 staff working mainly across three operational teams:

- Household Energy Services: supports disadvantaged households with home energy issues and operates a freephone home energy advice service Monday-Friday.
- Research and Analysis: delivers research and policy analysis for governments, utilities, cross-sector partners with a focus on improving national and local sustainable energy policy and programmes in the UK.
- Local and Community Empowerment: supports groups and individuals to take action on climate change, and develops local projects supporting communities to use the planning system and democratic rights. They manage grant programmes, develop engagement tools and run high-profile youth education programmes.

Since launching, CSE has provided advice and support to around 365,000 people to help them take control of their energy use at home. In the last financial year alone (April 2020 to March 2021) we supported 14,465 households with 21,337 separate enquiries, collectively saving them more than £2.76 million (an average of approximately £191 per household). The vast majority of these clients were either in fuel poverty or at risk of fuel poverty and a significant proportion had a listed health condition.

Alongside our advice provision we currently:

- Manage ECO Flex for seven local authorities. In the last financial year we processed 160 declarations for 262 measures.
- Through casework for our clients and referrals to installers supported the installation of 1,089 energy efficiency measures.
- Worked with 38 different installers through a variety of schemes i.e. ECO, Warm Homes Fund and LADS.
- Managed the delivery of LADS phase 1a and 1b projects for two different local authorities.
- Supported the delivery of FTCH through the Warm Homes Fund for two different local authorities.

CSE overall reflection on ECO4:

- We welcome the continuation and expansion of the scheme and the continued focus on low income and vulnerable households.
- The 'worst first' will help those with the largest fuel poverty gap and will require a whole-house retrofit to meet the needs of those supported.

We do have a few concerns which we have addressed in our response to the questions below, but also wish to raise here:

Reducing/prohibiting client contributions made towards the scheme

The consultation document does not make any reference to the customer contributions that were common-place in ECO3. Clients with a broken boiler were typically faced with a top-up contribution of £600 to £900 depending on the size of their home and existing heating fuel. The Warm Homes Fund's creation meant that we could typically cover contributions for first time central heating (FTCH), but this is ending and were ECO3 to continue we would see a resurgence of these.

The impact assessment assumes no customer contributions. Household contributions effectively exclude the poorest households from a scheme they are already paying for via their energy bills. CSE and other charities and advice agencies, such as NEA and Citizens Advice, have long argued for an end to customer contributions. Indeed, under the first two phases of LADS they haven't been allowed. CSE would like to see an end to any contributions which is backed up the legislation that accompanies ECO4. If installers do ask for a contribution, then this should be accompanied by fines and delivery penalties for the supplier.

Ensuring householders receive adequate advice and fuel poverty support

The scale of the challenge to meet our fuel poverty and net zero targets shouldn't be underestimated. Householders will be required to embrace new heating technologies - measures which can be disruptive to install, and smart technologies that transform the way consumers use their energy. ECO4 plans to support many of these interventions and as such will have a significant impact on people's lives and the way in which they interact with their energy use.

A comprehensive network of advice provision is needed to ensure people (a) accept the opportunities that are being offered to them, and then (b) make the most of them through warmer homes with lower energy bills. Currently there are a number of independent energy advice agencies like CSE who deliver high quality advice and support to vulnerable households in fuel poverty. Many of these advice agencies are now delivering PAS 2035 compliant services through staff who have qualified as retrofit assessors and retrofit coordinators. It is essential that ECO4 follows PAS 2035 and utilises independent retrofit assessors and coordinators to ensure that the measures specified in the Medium-Term Improvement Plan (MTIP) are appropriate for the property (rather than specified by the installer who has a vested interest in promoting their own technologies).

Furthermore there needs to be post-installation advice to ensure that the householder understands how to optimise energy use in their home. The advice provider should also be able to offer further fuel poverty support to maximise ECO4's impact on fuel poverty i.e. advice on behavioural changes, low-cost and no-cost measures that could be adopted, local and national grant and discount schemes, financial benefits that they may be entitled to and energy tariffs that are most appropriate to their new situation. The provision of benefits advice has previously been shown to have a significant impact on fuel poverty alongside energy efficiency measures. Our evaluation of the Warm

Zones programme in 2010 showed that the average claim for households assessed was £1,200¹. Our current advice projects often make claims of between £3,000 and £5,000 for households. Offering this support alongside energy efficiency measures also meets recommendation 2 from the NICE guidance on cold homes² i.e. Recommendation 2 Ensure there is a single-point-of-contact health and housing referral service for people living in cold homes.

Reducing the risk of a wider downturn in energy efficiency installations

The transitional period between each iteration of the ECO has seen a slowdown in the installation of energy efficiency measures as the regulations were not in place before the new scheme went live. At the start of ECO3, the Government failed to ensure that legislation preceded the start date of the scheme. While the scheme started at the beginning of October 2018, the corresponding legislation was not made until 12 November 2018. Ofgem guidance was not published until three days later on 15 November. Although there were provisions to allow installations made during the period that the scheme was live without legislation, the delay caused uncertainty with suppliers. This led to a significant slowdown in installations during the first three months of ECO3.

The primary legislation required must be in place to support the scheme in advance of its launch. This means that the accompanying Ofgem guidance also needs to be finalised in time.

Policies working collaboratively

There is huge potential for ECO4 to work alongside the Home Upgrade Grant (HUG), Local authority Delivery Scheme (LADS) phase 3 and the Social Housing Decarbonisation Fund (SHDF). Ideally these policies will not compete for the same measure nor undermine each other when the funding is combined. We believe a higher solid wall minimum and an increased focus on insulation rather than heating will aid this. HUGS and LADS can be used to fund the heat source whilst ECO4 addresses the building's fabric.

As noted in our response the package of measures needs to be funded to achieve a combined end goal. If a measure funded under ECO4 improves the SAP rating to a point that makes the measure unviable under HUG or LADS, then this needs to be addressed to ensure a package of measures is installed as part of a whole-house retrofit. This will also avoid the unnecessary cost of remedial work to solid wall insulation when the gas heating is eventually replaced i.e. the flue & meter box detailing which would need to be redone. It is therefore imperative that there is sustained investment in HUG, LADS and the SHDF within the forthcoming Spending Review.

Key ECO4 policy changes or clarifications that CSE wishes to see

- CSE wants BEIS to prohibit customer contributions through primary legislation.
- CSE would like the solid wall minimum to be set at 70,000 homes.
- The policy should be designed to complement HUGS and LADS rather than compete for the same measures.
- Any change in heating system type needs to be accompanied by adequate advice from a trained person i.e. City & Guilds in Energy Awareness or a Retrofit Coordinator.
- All householders should receive advice to ensure that the scheme maximises its impact on fuel poverty i.e. access to benefits, grants, tariffs and minor energy efficiency measures.

¹ www.cse.org.uk/projects/view/67

² www.nice.org.uk/guidance/ng6

- Increased support for broken gas boilers which is accessible via Gas Safe engineers rather than ECO installers.
- Alongside wet low temperature distribution systems we would also advocate for a hot water tank to be installed i.e. to ensure any systems is retrofit ready for a heat pump.
- Retrofit Coordinators need to be impartial and independent, as such they should not be employed by the installer. The costs should be recovered separately from the installation process.

Consultation Questions

CSE's response to the formal consultation questions are as follows.

Chapter 1: Suppliers

1. Do you agree with removing the supplier obligation threshold when a buy-out mechanism is introduced and retaining the current thresholds, for when a supplier becomes obligated, in the meantime?

Yes.

2. Do you agree with the proposal to reduce the current supplier allowance approach at the start of ECO4, before a buy-out mechanism could be introduced?

Yes. We would support policy changes to include more suppliers in the overall obligation, whilst using a supplier allowance to protect new market entrants from immediately receiving a large obligation. If the policy is to focus on gas consumers, then the volume obligation threshold should be set by gas consumption. This would support both fuel poverty and net zero targets by ensuring the policy goals are more closely aligned.

3. How feasible would it be for suppliers to pass on a greater share of obligation costs onto gas prices rather than electricity during ECO4 or beyond?

This would be possible with new primary legislation. CSE supports the overall philosophy of this change, namely to more closely link the policy to our net zero targets whilst addressing fuel poverty.

CSE has conducted a considerable amount of past research into the distributional impacts of energy policy costs. Moving the policy costs will create winners and losers and it's important that those in fuel poverty stand to gain from these changes. We would expect to see a policy design that delivers support to gas customers in fuel poverty while reducing the energy costs for the fuel poor who use electricity to heat their homes. We would recommend that BEIS undertake a detailed study to assess the impacts of this policy change on both fuel poverty and consumers bills, the latter using the Living Cost and Food Survey data.

4. How feasible would it be for suppliers to recover costs of obligation exclusively from gas customers during ECO4 or beyond?

CSE supports this and would advocate that legislation requires the costs to be recovered from gas bills on a per kWh basis.

How energy suppliers recover their policy costs is opaque and the exact method has never been determined. For the ECO it is assumed that they do this through a fixed fee on a per account basis - i.e. the electricity account - as this is something that all customers have. Moving the cost to gas

accounts will increase the total cost of the obligation for those customers that use gas for heating or, in rare cases, just for cooking. Based on a figure of 23.9m domestic gas meters and 28.4m electricity meters³, the cost per customer would rise from £35.21 to £41.81 for these gas users.

The fairest way to reduce the distributional impacts on those in fuel poverty who use gas to heat their home would be to legislate energy suppliers to recover the cost on a per kWh basis for their customers i.e. their total obligation cost divided by their total supply. Based on NEED data⁴ the headline statistics for 2019 show that the poorest households consume 9,800 kWhs of gas compared to 13,200 for those with an income between £30,000 and £39,999 (according to ONS⁵ the mean income in the UK was £36,856).

Figure 1: Mean gas usage (kWhs) by household income (NEED 2019)



If the total obligation cost of £1 Bn was distributed across a total gas consumption of 320,029 GW/h (see reference 1), then the cost per unit would be 0.31p/kWh. Based on the data in figure 1 the poorest households would therefore pay £30.62 (14% of householders) relative to the wealthiest who would pay £83.43 (1.1% of householders). Passing on higher policy costs to wealthier households who consume more gas will bring additional benefits in our journey to net zero i.e. encouraging those that can afford the measures to insulate their homes and switch away from gas as a heat source.

To understand the winners and losers fully you would need to examine the impacts on bills for those households supported by the ECO compared to those without support. However, the better the targeting of the ECO (as discussed in Chapter 2) then the more protection the policy offers to those in fuel poverty. By targeting the policy solely on households that use gas to heat their home alongside more stringent eligibility criteria it should be possible to protect those in fuel poverty that use gas to heat their home.

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/853760/sub-national-electricity-and-gas-consumption-summary-report-2018.pdf

⁴ www.gov.uk/government/statistics/national-energy-efficiency-data-framework-need-consumption-data-tables-2021

⁵ www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/datasets/familyspendingworkbook2expenditurebyincome

5. Do you agree with our proposal of not introducing the new mechanism to protect the ECO target under ECO4 when a supplier ceases to trade, and its obligation target is not met?

No. The lower obligation threshold increases the likelihood of obligated suppliers exiting the market. We would therefore recommend that as part of the Supplier of Last Resort (SOLR) process, that the SOLR must take on the complete obligation, as a mandatory requirement.

6. Do you agree with the proposal to (a) introduce a buy-out mechanism, to enable smaller suppliers to participate under ECO without disproportionate costs to them (subject to primary legislation); and (b) do you agree that the use of buy-out should be optional for all suppliers?

CSE agrees with (a) the proposal to introduce a buy-out mechanism.

CSE does not agree with (b) that the use of the buy-out should be optional for all suppliers without further information on the use of the pot.

The ECO is designed to ensure that measures are delivered as cost-effectively as possible i.e. suppliers attempt to discharge their obligation at least cost. This means that customer contributions are often common place i.e. as the market settles on a price that results in an installation. CSE wholly disagrees with this model of customer contributions as fuel poor households should not be making an input to the costs. However, the model does mean that a higher volume of measures will be delivered within the scheme envelope. For larger suppliers the value of any buy-out needs to be set at a level that ensures the same number of measures are delivered without a customer contribution.

7. Do you agree that the buy-out pot should be used to deliver energy efficiency measures?

Yes. However, see above comments about the design and the scale of the activity required. Buying out of the ECO should not undermine the number of measures delivered nor expect fuel poor households to make contributions towards the costs. To mitigate against this the buy-out pot could be accessed by local authorities as match funding as they deliver HUGS or LADS phase 3 programmes.

8. Do you agree that all suppliers should be able to use the buy-out mechanism using a sliding scale approach?

Yes.

9. If a sliding scale was used, do you agree that the proposed potential buy-out caps above are set at the right level?

Yes.

10. Do you think that very small suppliers with (a) 1,000 customer accounts or below, regardless of their supply volumes, should not be obligated (option 1 in table 4); OR (b) do you think suppliers with less than 5,000 customer accounts, with supply volumes of 66GWh gas and 18 GWh electricity should not be obligated (Option 2 in table 4)?

CSE would favour option 2 in the table 4. Whilst we support the increased number of obligated suppliers, we would also still like to see new entrants coming into the energy market i.e. offering new services and competitive tariffs to consumers.

11. Do you agree that (a) an approach using published prices reported by suppliers on ECO delivery and administration costs would be appropriate to set the buy-out price on an annual basis ahead of the buy-out 'window'? (b) Please suggest any alternative approaches.

CSE supports option (a). Prices reported by suppliers should also be validated by BEIS through direct discussions with installers and managing agents.

12. Do you agree that suppliers should decide on whether to buy-out or not during a 'decision window' which is prior to the start of the next obligation phase?

Yes.

13. Do you agree that suppliers can only choose to buy-out their next obligation phase?

Yes.

14. Do you agree with our proposal to allow up to 10% ECO3 delivery to be carried over into the ECO4 scheme (with the exception of oil and LPG fuelled heating systems)?

As with previous supplier obligations carry over is important to provide some consistency of funding for fuel poor households and the energy efficiency industry. Whilst the 10% seems a reasonable amount it is important that any over delivery isn't unduly penalised. CSE supports the exclusion of LPG and oil from any carryover and suggest that any gas boilers are subject to the new ECO4 scheme rules.

15. Do you agree with our methodology for converting ECO3 bill savings into ECO4 bill savings?

Yes.

16. Should the ECO3 average cost per £ of lifetime bill savings be taken from the ECO3 Impact Assessment or the published energy efficiency statistics? Please explain your answer.

The delivery costs of ECO3 are higher than those in the published impact assessment as the administration costs have increased i.e. due to PAS 2030 and 2035 compliance. For transparency it would be best to use published energy efficiency statistics. Whilst using data from suppliers would potentially allow BEIS to reward those that had focussed on quality rather than cost, the commercial sensitivity of this information would mean that it would not be released for scrutiny.

17. Is carry-under needed to mitigate the risk of suppliers failing to meet their ECO3 obligations?

No. Our experience with installers suggests that ECO delivery continued despite the Covid-19 pandemic with activity increasing significantly after the first lockdown.

CSE would suggest inter-supplier trading in the first instance to address any under delivery i.e. those that have over performed are able to sell lifetime savings to another supplier. This should be more financially advantageous to the over performing supplier than any ECO4 carryover i.e. encouraging future over performance.

18. Do you agree with the proposed cap of 10% and penalty rate of a 1.1 multiplier if carry-under is implemented?

No. If it is implemented then we would suggest a higher multiplier to discourage future failures i.e. 1.25.

19. If carry-under is implemented, do you agree with our proposal for the ECO3 average cost per £ of lifetime bill savings to be 31p, taken from the ECO3 Impact Assessment?

No. As noted above delivery costs are higher as a result of PAS 2030 and PAS 2035. BEIS should collate data on cost per £ of lifetime bill savings from installers and suppliers to set a fair threshold.

20. Do you agree with our proposal for early delivery during any potential gap between schemes?

Yes. However, the terms on which these measures are installed and qualify for funding must be clearly defined for this transitional period. Installers and suppliers need certainty before they will be willing to proceed with ECO4 activity during this transitional period. Any changes to the scheme rules that come into effect once the legislation is finalised cannot be retrospectively applied to measures installed during this period.

Chapter 2: Obligation Targets, Homes and Household Eligibility

21. Do you agree that ECO should target SAP band D, E, F and G homes?

Yes.

22. Do you agree that band F and G homes should be improved to at least a SAP band D, and that band D and E homes should be improved to at least a SAP band C, as a minimum requirement to receive a full project score?

Yes. However, we would advocate an uplift or an additional incentive to encourage F and G properties to reach Band C. Band C is the minimum requirement needed to make progress towards net zero targets whilst achieving our longer-term fuel poverty targets.

23. Do you agree to a requirement for a minimum number of private tenure homes in SAP band E, F and G homes to be upgraded?

Yes but this should focus on owner occupiers. Improvements in the Private Rented Sector should be encouraged via the implementation of Minimum Energy Efficiency Standards (MEES) regulations. Greater enforcement of the MEES regulations is needed alongside other incentives i.e. tax allowances where improvements are made.

24. Do you agree with the proposal to (a) remove non means tested benefits including disability benefits as a method to target low income and vulnerable households, as listed in table 6?; and (b) include additional benefits within the eligibility criteria for private tenure households under ECO4 to align with UC?

Yes, although we would recommend a revised income threshold for the LA / supplier flex criteria where a household has a disability benefit. Under flex route one the income threshold is defined as £31,000, we would suggest £31,000 for households where no resident has a disability and £33,000 for those with a disability (see further comments on the definition of income in Q29). This makes some allowance for the additional energy costs faced by those with disabilities. Scope's Out in the Cold report⁶ found that 4.1 million households with a disabled person spend over £1,500 a year on energy. Of these, 790,000 spend over £2,500 a year on energy. The average UK household spends around £1,200 a year.

⁶ <https://www.scope.org.uk/campaigns/extra-costs/out-in-the-cold/>

CSE supports (b) as alignment with Universal Credit will increase eligibility for vulnerable households.

25. Do you agree with the proposals to increase the Child Benefit income caps as set out in table 7 under ECO4?

Yes.

26. Do you agree with the proposal that households in receipt of WHD also be eligible under ECO4, if they live in band D-G homes?

Yes. In the future data matching will enable Warm Home Discount to focus on those who are most in need. Ensuring that these households are also eligible for ECO4 should reduce both the cost of administration and the search costs associated with delivery. However, the latter would rely on the supplier that is obligated to deliver the Warm Home Discount contacting the same household to make them aware of the ECO. We would urge BEIS and Ofgem to monitor the number of installs associated with Warm Home Discount eligibility to ensure that these households are being made aware of ECO4.

27. Do you agree that up to 50% of the ECO target could be delivered through LA & Supplier Flex?

Yes. However, we would suggest a stronger emphasis on greater due diligence by those administering ECO Flex (see Q28).

28. Do you agree with the proposals for improved due diligence under the reformed LA & Supplier Flex?

Yes. CSE currently administers ECO Flex for seven local authorities in the South West region. Across these areas we have worked with 36 different installers with the majority of activity being focussed on 30 installers. These local authorities do not have the capacity to manage ECO Flex themselves and also commission us to provide an energy advice service on their behalf. As part of the services we supply, CSE:

- Call and write to ECO Flex applicants to check they meet the eligibility criteria.
- Handle complaints made by clients who have had an install or been contacted about the scheme (typically via lead generators who are cold calling clients).
- Track installs wherever possible to enable the local authority to report on their fuel poverty and climate change targets.
- Refer clients on to our advice projects for casework if there is another fuel poverty related issue to address.

The consultation document states that:

“a signing LA officer has checked and verified that declarations have been issued for households which match the criteria in the Sol. As with current Sols, they would need to be signed by the CEO or dedicated responsible person.”

In our experience this does not happen routinely in other areas. When we on-board a new installer and begin working with them they are often surprised to find us checking client eligibility. We have experienced a number of rogue installers and / or surveyors (who may be on commission for leads) who are submitting applications which are clearly fraudulent i.e. the client does not fit within the scheme rules. We would welcome the additional step to notify both installer and Ofgem at the point

that the declaration was issued. We would also welcome a more direct line of communication with Ofgem which would enable us to report rogue or suspicious behaviour.

Given the removal of disability benefits from ECO4 eligibility the LA flexibility route becomes increasingly important for people with disabilities on low incomes. We are used to collecting information on household income as part of our work to deliver LADS, energy debt relief and making trust fund applications. We could therefore review the paperwork collected by installers and / or collate this information ourselves. However, it is important to note that there are some households who will be reluctant to share financial information with an installer or lack the capability to manage the paperwork associated with their household finances. Our service is specifically designed to help these households with advisors supporting people through the process. However, these additional checks and support will require a significant amount of additional time and cost, and we doubt that local authorities have the capacity to do this.

29. Do you agree with the four referral routes that could be used by local authorities under LA & Supplier Flex? Are there other ways we could incentivise better targeting?

CSE agrees, with them but further clarification is needed to ensure they can be delivered consistently and fairly.

Under route one it will be important to clarify exactly what definition of income is being used and what is included in people's income. Our experience of working with different local authorities is that they often use different definitions of income. For example, is the income gross or net? Does it include or exclude housing costs? We would advocate an income definition that does not include any housing related benefits (e.g. Housing Benefit or the equivalent Universal credit element), as these cannot be used for income. We would also advocate that disability benefits (e.g. Attendance Allowance, Disability Living Allowance and Personal Independence Payment) are also not included as income because these are not income-replacement benefits, but are provided to cover the cost of necessary adaptations etc. as a result of the client's disability.

Some additional clarification under route two is required to ensure it is workable. One of the proposed criteria is: "A householder is vulnerable to living in a cold home as identified in the NICE Guidance (only one from the list can be used, excludes the proxy 'low income')". No link to the relevant guidance is provided, but we assume it is this list of "[People who are vulnerable to the health problems associated with a cold home](#)"; clarity on this is required in order to comment fully. Another criteria under this route is "A householder is referred under a Local Authority run scheme which aims to support low income and vulnerable households." In its current form this definition is likely to present problems for vulnerable clients accessing other affordable warmth schemes and undermine what we understand to be the intention of this criterion. For example, CSE runs such a scheme that is funded by a local authority, which would not seem to be caught by this definition of "a Local Authority run scheme". A definition should be used that includes these wider local affordable warmth schemes. A further criteria is "Household identified as struggling with sustained debt on utility bills and mortgage payments and has been referred to the Local Authority for support by Citizens Advice, their energy supplier or from their mortgage lender." We suggest a definition that includes clients referred to the local authority not just by Citizens Advice but by other charities, such as CSE, supporting clients with energy debt, who are also in a good position to assess whether a client is struggling with such debt.

We welcome and strongly support route three but we need clarity on what qualifies as an NHS referral. We have case workers who are now based in discharge teams in hospitals who have NHS

email addresses (as an essential sub-contractor). This has required a significant amount of partnership working with NHS delivery teams and negotiation with NHS HR teams (to get an email address). Once we had access to an NHS email address, we were able to directly receive and make referrals internally. As such we would suggest route three accepts referrals from all NHS email addresses (not just a GP).

30. Do you agree that obligated energy suppliers should (a) be able to use their own data on households in fuel debt, or PPM self-disconnections to target low income and vulnerable householders; and (b) households would be eligible if they meet the 2-proxy requirements, using suppliers own customer debt or PPM self-disconnections data under LA & Supplier Flex route 2?

Yes. Enabling energy suppliers to target and support their most vulnerable consumers is in-line with their obligations under Ofgem's Consumer Vulnerability Strategy.

31. Do you think the Scottish and Welsh Governments should be able to refer households under LA & Supplier Flex, instead of local authorities in those countries?

Both nations have well established schemes offering energy efficiency support to fuel poor households. These schemes should publish their own SOIs to refer to ECO Flex directly. However, we would recommend the introduction of limits or controls to ensure a disproportionate amount of ECO4 isn't delivered within the devolved administrations. We would also support the UK Government establishing a national SOI in relation to the proposed NHS referral eligibility route.

32. Do you agree that off-gas uplifts of (a) 35% should be applied to Scotland and Wales; and (b) not applied in England, where the Home Upgrade Grant is available?

Yes.

33. Do you agree if a measure is funded under ECO, then other grant funded schemes should be prohibited from blending with the same measure under ECO?

Yes. For simplicity and clarity each measure needs to be funded from a separate funding stream. However, more thought needs to be given to how HUG & ECO4 funding will be used in combination. Both programmes are aiming to improve properties by two SAP bands and as such a combined package of measures (with each measure being funded separately) is likely to improve a SAP score significantly. For example, when claiming funding from either source, the programme that takes the second measure will get a lower SAP improvement if the first measure is already accounted for i.e. accessing lower funding.

Example

- HUG identifies an F rated oil heated property that's off-gas meaning it can access up to £25,000 of funding. This will be used to fit a heat pump and additional ventilation measures needed costing £15,000.
- ECO 4 is identified as a potential funding source for external wall insulation which will cost £12,000.

The external wall insulation will need to be done first and this will improve the SAP score to D. The maximum HUG grant is now only £10,000 meaning the heat pump is no longer viable. If the heat pump isn't done at the same time, then all the external fittings relating to the oil boiler will remain i.e. flue, inlet and fuel pipes. This will mean any future work to install a heat pump will require costly remedial work to the external wall insulation.

Providing the fuel poor householder will a full package of measures to do a whole-house retrofit at the same time is the optimum policy solution. Creating a pipeline of half-finished homes is pointless as (a) the householder has to be re-engaged and (b) it is likely to be less cost-efficient. It is therefore essential that ECO4 and HUGS are able to claim the combined benefit without undermining each other.

34. Do you agree homes could benefit from multiple funding if (a) it is not for the same measure; and (b) if other grant funded measures are installed either before ECO4 or after all the ECO4 measures?

CSE agrees with (a).

The sequencing of measures as part of the retrofit process is very important (as noted in Q33). For example, if you are switching a property away from gas then you will no longer require a meter box on your external wall, this would impact on external wall insulation. If you are installing PV then you would want to ensure that any room-in-roof or loft insulation is done afterwards.

The sequencing of funding is less important as specifying an order could compromise the retrofit process. The ordering of measures should be determined by a retrofit coordinator in-line with PAS 2035, not a set of scheme rules.

35. Do you agree that we continue with the ECO Eligible Referrals mechanism under ECO4?

Yes.

36. Do you agree with our proposals to (a) simplify the in-fill mechanism with the new ratios for flats and other housing to qualify? and (b) include CWI in-fill?

Yes in principle, although we are not able to comment on the ratio for houses which may not be suitable for measures such as district heating. District heating schemes rely on securing enough connections and as such their viability is tied to the participation of a locality.

37. Do you agree with our proposal to (a) support low income private rental households, with the design being subject to the outcome of the PRS consultation; and (b) limit support to packages of measures that meet the MR including solid wall insulation, first-time central heating, a renewable heating system or district heating?

Yes, although as with HUGS and LADS3 the funding for PRS need to be limited with a requirement for the landlord to meet a significant proportion of the cost i.e. one third.

38. Do you agree with the proposal to (a) allow social housing tenure with starting bands of E, F and G to be eligible under ECO4; and (b) continue eligibility for band D social housing under Innovation Measures?

Yes for (a). For (b) no we do not support the inclusion of Band D properties under innovation. However, the same issues about the sequencing of measures and combination of funding sources exist for the Social Housing Decarbonisation Fund (see Q33 and Q34 above).

39. Do you agree that the minimum requirements should apply to E, F and G social housing and band D social housing for IM uplifts?

Yes.

Chapter 3: Eligible Energy Efficiency Measures

40. Do you agree that the scope of the Home Heating Cost Reduction Obligation (HHCRO) should be broadened to a Home Energy Cost Reduction Obligation?

CSE partially supports this.

As an overarching framework CSE supports the implementation of PAS 2035. Any measures supported under ECO4 need to be specified by a retrofit coordinator via a medium-term plan. The sequencing of measures should be defined by the retrofit coordinator not the available funding stream. Under ECO4 the practice of customer contributions needs to end. Customer contributions have no place in a scheme that is designed to address fuel poverty by targeting the poorest and most vulnerable of society.

With regard to the proposed scope we have tried to provide feedback against key measures below.

Lighting

Low energy lighting in the form of LEDs represents the most cost-effective method of gaining SAP points at low cost. Lighting will therefore inevitably be used to gain maximum impact for least cost. Under the Energy Efficiency Commitment (EEC) scheme which ran from 2002 to 2005 energy suppliers gave out huge numbers of compact fluorescent light bulbs. The offices of charities and homes were full of boxes of unused lightbulbs. Lighting should therefore be excluded as there can be no certainty of installation or use.

Water heating measures

Any hot water tank that's fitted under ECO4 must be compatible with a future heat pump installation. We welcome the requirement for low temperature heat distribution systems within ECO4 and would like to see a hot water tank installed alongside all heating systems, as one will be inevitably required in the future. It should be noted that this would decrease the SAP score for a new condensing boiler.

Battery storage

Battery storage is still in its infancy and would be better supported by DNO network innovation projects. The impact on SAP is low and the measure doesn't address gas consumption.

41. Do you agree with our proposal to maintain a Solid Wall Minimum Requirement set at 22,000 solid wall insulation measures per year for ECO4 and remove the option for this to be met via alternative measures?

CSE agrees in principle with a solid wall minimum. Across the UK, over 90% of households with solid walls still need to be insulated to meet fuel poverty commitments and deliver net zero. Just in England over a million fuel poor households live in solid wall properties, equating to 40% of all fuel poor households. We feel that there needs to be a larger solid wall minimum and a greater focus on the fabric first approach (rather than heating measures i.e. FTCH).

Every year fuel poor households living in a solid wall property spend money on energy they cannot afford. In our experience as an advice agency, households are often required to make tough choices about the need to heat or eat. Under ECO3, the solid wall minimum was set at 17,000 per year with the majority of this work being directed to social housing schemes, the ambition of 22,000 under ECO4 does not represent any step change in activity. In the first three years of the scheme, 210,000

solid wall households will need to be treated in order to reach the fuel poverty milestone. CSE would therefore advocate for a solid wall minimum of 70,000.

The target will help develop the supply chain for both internal and external wall insulation. Unfortunately at present the capacity to install solid wall insulation is relatively low with a significant reliance on skilled Eastern European workers and materials which are produced outside of the UK. Both of these have been limited in the last 18 months due to Brexit and the pandemic. We would therefore urge BEIS and colleagues from DfE to look at an apprenticeship programme for retrofit and solid wall insulation.

42. Do you agree with our proposal to introduce the proposed minimum insulation preconditions for all homes receiving heating measures?

Yes. However, see the point made in Q33, Q34, Q38 and Q40. The heating measure needs to be appropriate to the medium-term plan which should be produced in-line with PAS 2035. Ideally solid wall should be installed alongside renewable heating wherever possible to avoid future remedial costs.

43. Do you agree with our proposal to exclude the repair and replacement of oil and LPG boilers?

Oil and LPG should be excluded. CSE would advocate a specific policy link between ECO and HUGS for these properties. In the absence of a policy solution for the SAP band issues raised in Q33, Q34 and Q40, we would give an uplift to the ECO4 score for solid wall insulation to ensure that a heat pump can be installed via HUG and solid wall via ECO4.

44. Do you agree with our proposal to only allow the repair of efficient heating up to a cap of 5,000 homes per year?

CSE would recommend increasing this.

Under the ECO3 we note that there have been few heating repairs. This is because (a) replacing a broken boiler is more lucrative in terms of lifetime saving scores; and (b) the ECO installer base is not set-up to do repairs i.e. this would be most economically done by a plumber.

We have supported a number of clients who have been referred for a broken boiler and then faced a top-up contribution cost of £600 to £900. When we explored the repair cost with a plumber this was typically between £200 and £300. Where possible we have used local authority hardship funds and trust fund applications to pay for this. The ECO installer had no interest in repairing the boiler as this simply wasn't profitable for them.

We would advocate a system whereby a Gas Safe registered plumber can be used by a householder to repair a boiler and the costs can be reclaimed directly from an energy supplier or a third party advocating for them i.e. an advice charity such as ourselves. There is little funding for gas heating repairs (as the current ECO3 system does not work) and the future ECO4 scheme will offer minimal support for boiler replacement.

45. Do you agree with our proposal to reduce the Broken Heating Cap for broken efficient heating replacements up to 5,000 homes per year?

Yes. See above answer to Q44. It is important that heating repairs are first adequately incentivised and delivered.

46. Do you agree with our proposal that all new ESH delivered (both on and off gas) must have a SAP responsiveness of 0.8 or above?

Yes.

47. Do you agree with our proposal to require all new gas boilers installed throughout GB to meet the Boiler Plus standards?

Yes, but we would prefer ECO4 to have a greater emphasis on improving the building fabric through insulation coupled with renewable heating. CSE we would prefer for a minimal amount of gas boilers to be installed under ECO4.

48. Do you agree with our proposal to restrict first-time gas central heating to households already connected to the gas grid?

Yes. See above overall comments on limiting the support for gas boilers.

49. Do you agree with our proposal for all new wet central heating systems to be installed as a “low-temperature heating system”?

Yes. We would also advocate for a hot water tank to be installed to ensure any heating system is retrofit ready for a heat pump.

50. Do you agree with our proposals to expand the eligibility for first-time central heating?

CSE does not agree.

We do not feel that FTCH should be supported under ECO4 where gas is the heating fuel. These homes should be insulated and then either a heat pump or intelligent NSH (such as Quantum) should be installed. Extending the gas grid further is at odds with the policy changes needed to achieve net zero.

If BEIS insist on including FTCH in ECO4 then any system needs a low temperature distribution system and a hot water tank. A hot water tank is essential for a heat pump or storage heaters and introduces further challenges to retrospectively installing these heat sources.

51. Do you agree with our proposal to restrict biomass boilers or district heating systems to off-gas grid homes that are not electrically heated and cannot reasonably or practicably receive a hydronic heat pump?

Yes. Although district heating systems are more appropriate in urban areas where dense heat loads make them economical.

52. Do you agree with our proposal to restrict the installation of electric heating (that is, or equivalent to, a high heat retention electric storage heater) to homes that are already electrically heated and where it is not reasonable or practicable to install a hydronic heat pump, district heating system or a solid biomass heating system?

CSE partially agrees. In our experience the use of heat pumps when a client is elderly and has dementia can be problematic. When installing a heat pump it should always be accompanied by advice to ensure it is operated correctly. We are aware of examples from social housing providers and owner occupiers where the resident’s mental capacity to use the technology correctly has been an issue. In these instances, where a client used gas or oil to heat their home previously, modern ESH would have been a better solution.

53. Do you agree with our proposal that energy suppliers should be required to provide advice on the benefits of smart meters and how to request the installation of a smart meter alongside the energy advice requirements required by PAS 2035?

CSE partially agrees.

We agree that all households should receive independent energy advice when upgrading their homes energy efficiency, especially where a heating system has been changed. As noted above this is particularly important when the heat source has changed and it will require a new method of programming and use. This advice should be delivered by someone who is both impartial and appropriately qualified i.e. a retrofit coordinator. If a smart meter is appropriate for that household (i.e. sufficient mobile network coverage, householder has the capacity to access smart services etc.) then they should be advised on this as part of a whole-house discussion.

54. How should suppliers be required to demonstrate that a flexible heating system is safe, secure, smart-enabled and installed with sufficient energy storage, and in a way that means the heating system will operate flexibly?

Grid flexibility provides a benefit to the network which is both environmental and financial. As a founding principle of energy policy this should be both 'smart and fair'. We would refer you to CSE's guidelines⁷ when making smart energy offers to domestic consumers. Any financial benefit associated with a flexible heating system should be accrued by the householder rather than the supplier or the installer.

In addition, given the complexity of 'flexible heating systems' and how different they are from gas heating, it is very important that householders are given appropriate support and advice to use the system after installation. The advisor should support them to select tariffs which are suited to the system, reward its designed flexibility, suit their individual circumstances, and, which ensure they can affordably meet their needs for warmth and hot water throughout the year.

To demonstrate the system is safe it should first gain the appropriate approval through an innovation trial or submitted evidence from households with experience using the technology.

Chapter 4: Scoring

55. Do you agree that the ECO4 scoring methodology must be based on the difference in average annual bill expenditure between the starting SAP rating and finishing SAP rating of a property, with regard given to the property's floor area?

Yes although as raised in previous consultations, SAP is a measurement of energy cost per m² and we are increasingly trying to address both energy cost and carbon. Our suggestion to include a hot water tank in any FTCH package will reduce the SAP score, whilst making the system more accessible for a future heat pump retrofit. In this instance the hot water tank should be discounted from the SAP calculation.

56. Do you agree that the overarching ECO4 scores should be based on deemed savings, rather than the actual savings generated through bespoke SAP calculations at each property?

Yes. Bespoke calculations will lead to fraudulent gaming and is counterproductive.

⁷ <https://www.cse.org.uk/downloads/reports-and-publications/policy/energy-justice/smart-and-fair-phase-1-the-guidelines.pdf>

57. Do you agree with our proposed approach for allowing exemptions to the minimum requirements? If you propose additional exemptions, please suggest how they could be evidenced.

Yes. However, we would suggest further clarification to the conditions that mean some measures can never be appropriately installed. In our experience narrow entrance ways can make it harder and more costly to install a measure, but not impossible, just more expensive. The definition of failed planning permission also needs clarifying i.e. the supplier submits evidence of a planning application rather than an exploratory discussion with a planning officer.

The additional PAS 2035 requirements for properties in a conservation area (i.e. mandatory pressure testing and further retrofit coordinator training for traditional buildings) will mean that ECO4 installers focus on areas where these constraints do not exist.

58. Do you agree with our proposal to use deflated partial project scores for ongoing projects, ahead of completion?

Yes.

Although the whole system of partial scores needs further consideration. Based on our discussions with suppliers and installers we know that there is considerable concern about the partial scores system. The partial score introduces a financial risk to the process i.e. failure to complete a package may result in an installer not being fully paid for the work they have already done. The system lends itself to a managing agent approach whereby a large contractor or company sub-contracts the work to installers who work under their PAS 2030:2019. This increases the cost to the householder as two companies are extracting a profit margin from the process. It also does little to encourage more installers and contractors to undertake PAS 2030:2019.

59. Do you agree with our proposal to use deflated partial project scores where a project is found to be non-compliant with the minimum requirement at the point of notification?

Yes. It's the responsibility of the installer and the supplier to have checked this adequately before work commenced.

60. Do you agree with our proposal to use deflated partial project scores where a consumer ends a project before the minimum requirement has been met for reasons other than change of occupancy?

CSE partially agrees.

We support very vulnerable clients who often find the ECO installation process is extremely stressful and intrusive. They need to give evidence in the form of very personal information, their home is surveyed and photographed, they then may also have a technical survey and then finally an installation team comes to their home. People with poor mental health find this process extremely stressful, and without hand holding from a charity and an advice agency, they may decide to withdraw from the process before the full package is installed. We suggest a third route whereby a householder can withdraw on mental health grounds.

61. Do you agree with our proposal to cap the share of a supplier's ECO obligation that can be comprised of scores from partial projects? Do you agree that this cap should be set between 20-30%?

Yes.

62. Do you agree with our proposal to use deflated partial project scores for in-fill homes, with a deflation of between 20% and 30%?

Yes. For able to pay in-fill homes we would allow customer contributions to meet the gap left by any deflation.

63. Do you agree with our proposal to incentivise the use of longer lifetime measures through minimum requirements and heating insulation preconditions rather than including measure lifetimes in ECO4 scores?

Yes.

64. Do you agree that we should continue to require measure lifetimes through the scheme to benchmark guarantee requirements and for scheme reporting purposes outside of the scoring framework?

Yes.

65. Do you agree with our methodology for applying innovation uplifts relative to the expected savings of a particular innovation measure type?

Yes. We would also add an uplift where a heating system has been installed with a low temperature heat distribution system and a hot water tank, the latter currently reducing the SAP score.

66. Do you agree with our proposal to provide a fixed score uplift of ~£60 annual bill savings for all broken boiler replacements and ~£16 annual bill savings for each broken ESH replacement? Please provide information on the cost of boiler and ESH repairs to help inform the level of uplift required for heating repairs relative to replacements.

CSE does not agree with the uplift for broken gas boilers. ECO should focus on fabric efficiency and low carbon heating, not gas boilers. We feel that greater emphasis needs to be placed on gas heating repairs (see evidence in Q44).

We agree with the uplift for broken ESH.

67. Do you agree with our proposal to allow uplifts for hard-to-treat issues for owner-occupied E, F, and G homes only?

Yes, although we wish to highlight our comments below on the methodology.

68. Do you agree with our proposed methodology for hard-to-treat uplifts? Please also suggest forms of evidencing for hard-to-treat.

No, rather than applying an uplift the ECO should fund the remedial works needed up to a maximum cost of £1,000. This removes the risk of any HTT gaming whereby a cheap to fix remedial measure is identified and improves scheme transparency. CSE delivered Healthy Homes Dorset from 2015 to 2021 whereby we funded remedial works that enabled activity, with the installer providing invoices as evidence.

69. What work should be within scope of the HTT uplift? Should the extraction of defective loft and/or cavity wall insulation be included? If not, how could extraction monitored more effectively through the scheme?

Yes. Although it is important to note that the extraction of failed cavity wall insulation will typically cost more than the £1,000 maximum.

70. Should the cost per £ bill savings be based on the final ECO4 IA or from ECO4 published energy efficiency statistics?

We would advocate the use of published energy efficiency statistics.

71. Do you agree with our approach for evidencing scores for ECO4?

Yes, although we would (a) set a reasonable age limit of three years for an existing EPC & (b) we would recommend a new EPC for all PRS properties where we have witnessed significant gaming to gain extensions or access funding.

72. Do you agree with our proposal to allow alternative methodology scores to be produced for measures that are not recognised in SAP?

Yes, although the primary focus should be on measures that are known to improve SAP already. ECO4 should focus on those measures that deliver the greatest bill saving i.e. this principle should be first applied to any new measure.

73. Do you agree with our proposal for all alternative methodology scores to count towards the minimum requirement?

Yes but see above Q72.

74. Solid wall insulation: (a) Do you agree with our assumption of a 0% third party contribution for solid wall insulation (SWI)? (b) Please provide BEIS with any information on third party contributions towards SWI supporting your response. We would encourage members to submit views in response to this question.

Yes.

The impact assessment assumes no customer contributions. They have been common place under ECO3. Clients with a broken boiler were typically faced with a top-up contribution of £600 to £900 depending on the size of their home and existing heating fuel. Under ECO3 the majority of SWI has been done on social housing with the housing provider meeting the shortfall of funding. This practice cannot be shifted to private householders under ECO4.

Household contributions effectively exclude the poorest households from a scheme they are already paying for via energy bills. CSE and other charities and advice agencies, such as NEA and Citizens Advice, have long argued for an end to customer contributions. Indeed, under the first two phases of LADS they have not been allowed. CSE would like to see an end to any contributions which is backed by the legislation that accompanies ECO4. If installers do ask for a contribution then this should be accompanied by fines and delivery penalties for the supplier.

75. PAS2035:2019: (a) Are the current cost assumptions for ventilation outlined in Table 12 reflective of the costs of complying with ventilation requirements set out in PAS 2035? 118 (b) Please provide BEIS with any information on the cost ranges associated with PAS ventilation compliance, and any further PAS related considerations, that may be applicable.

Yes, for extractor fans and background vents. This is based on our discussions with installers and delivery of schemes. We have no evidence for the other ventilation measures.

76. Ancillary work: (a) Should the costs of delivering specific ancillary services related to insulation, be captured through the delivery cost assumptions in the ECO4 final stage Impact Assessment? (b) Please provide BEIS with any information on the cost ranges associated

with each ancillary measure in paragraph 354, and any further common services that may be applicable.

Yes.

It would not be appropriate to leave a vulnerable householder without carpets and / or with bare plasterboard. We do not have evidence on the cost of these measures.

77. Data Warehouse and Hard-to-treat: (a) How feasible would it be for all delivery costs incurred as a result of the installation of measures to be lodged and stored within TrustMark's Data Warehouse, and how do you think all measures costs should be recorded, e.g., to ensure any gaming risks are mitigated where possible? (b) Please provide BEIS with any further evidence of the costs associated with remediation of hard-to-treat issues, as required in 8.3.1, bullet three, of PAS 2035,92 as well as evidence of the prevalence of these issues in the housing stock.

This is entirely feasible as the information is captured. The software used to lodge measures with the data warehouse can easily capture this information (based on discussions with one of the major software providers).

Chapter 5: ECO4 in Scotland

78. In the event that separate rules are made for ECO in Scotland, do you agree with the proposal to: (a) apportion the cost envelope between England & Wales and Scotland using a methodology based on the total amount of gas and electricity supplied in each region, with an equal weighting for each fuel? (b) that the calculation is based on an average taken from the last three years of domestic gas and electricity consumption data published annually in December by BEIS?

Yes to (a) and (b).

79. In the event that separate rules are made for ECO in Scotland, do you agree with the proposal to apportion an individual supplier's targets between Scotland and the rest of GB?

Yes.

Chapter 6: Delivery and Administration

80. Do you agree with setting a project completion time of three months, from the completion of the first measure in any package other than for DHS? We welcome views regarding what timescale should be permitted for DHS installations.

No.

In our experience schemes delivering external wall insulation can face numerous challenges that lead to significant delays. For example:

- Lack of materials such as insulating board, render and replacement glazing (this is currently a significant issue for the supply chain).
- Weather conditions not being suitable for the application of insulation or render.
- Delays to the movement of outside services such as a meter box.
- Labour shortages (again a current issue due to Brexit and Covid).

We would advocate a six month deadline for external wall insulation or a set of clear exemptions that allow the timeframe to be increased from three to six months.

81. Do you agree with our proposal to allow an extension of three months to be permitted by Ofgem in certain circumstances?

Yes, see above Q80.

82. Do you agree with our proposal to award deflated partial project scores for measures delivered after the three-month time period has passed?

Yes, subject to the review and appeal process.

83. Do you agree with the proposals on measure notifications and extensions?

Yes.

84. Do you agree with (a) the proposed obligation phases for the future scheme; and (b) the proposal to retain the 1 February deadline for suppliers to notify Ofgem, and for suppliers to be notified of their obligation on or before 7 March, prior to the commencement of the next phase?

Yes to both (a) and (b).

85. Do you agree with the proposal to retain the mechanism for the trading of obligations and setting the deadline for applications as 30 September 2025?

Yes.

86. Do you agree with the proposal to retain the mechanism for the transfer of qualifying actions and setting the deadline for applications as 30 June 2026?

Yes.

87. Do you agree that an application for the transfer of qualifying actions should not be approved, if there is significant risk that the applicant supplier would be unable to deliver its obligation?

CSE agrees that an application for the transfer of qualifying actions should not be approved if there is a significant risk that the obligation would not be delivered.

Chapter 7: Quality and Standards

88. What actions do you consider appropriate to reduce the level of technical monitoring (TM) fails for loft insulation?

During the delivery of Healthy Homes Dorset we were often asked to fund additional loft vents as an enabling measure i.e. as ECO will not fund them. We would suggest a review of failures and inclusion of additional vents if this is an issue.

89. Should the guarantee durations for loft insulation and boilers be increased and to what duration?

If viable then the guarantee on loft insulation should be increased.

CSE feels that the focus should be on gas boiler repairs with an associated two-year warranty on that part. We would not support significant amounts of gas installations.

90. What should be required for heating repair guarantee scope and length to ensure that these measures can be delivered through the scheme with appropriate consumer protection?

CSE would advocate a two-year warranty on the part replaced. We would recommend further consultation with Gas Safe to confirm the possibility of this.

91. If appropriate safeguards are put in place to prevent ECO guarantee requirements being changed without sufficient consultation with BEIS and wider industry, should all ECO guarantee requirements be mandated via TrustMark registration and compliance, rather than through ECO regulations?

Yes. However, there needs to be sufficient time to make sure that any changes to the ECO guarantee requirements are adequately consulted upon.

92. Do you agree that all measures (excluding DHS) referenced in the latest versions of PAS2035 and PAS2030 should be installed in accordance with these standards and delivered by a PAS-certified installer?

Yes.

A PAS 2035 retrofit coordinator should oversee the specification of any package of measures installed. The coordinator should be impartial and independent and as such should not be employed by the installer. If they are employed by the installer then the decision making process could be compromised i.e. they will specify a package of measures around the installers preferred intervention. The provision of retrofit coordination services should be delivered separately to the contracted measures.

93. Should this requirement be enforced entirely via TrustMark registration and compliance, and therefore not referenced in ECO legislation for ECO4?

The use of PAS 2035 and PAS 2030: 2019 needs to be referenced in the legislation and then enforced by TrustMark.

Chapter 8: Innovation

94. Do you agree with our proposal to retain the Innovation Measure mechanism, which would be capped at 10% of a supplier's obligation?

Yes.

95. Do you agree with our proposal to introduce a 'High' level of uplift of 45%, alongside the current 'Standard' 25%, based on a distinction between a moderate improvement and substantial improvement, decided upon by the TAP?

Yes, CSE supports a 'high' level of uplift at 45% and a 'standard' 25% uplift. We would advocate for a higher level uplift for those measures that deliver both carbon and energy savings.

96. Do you agree with our proposal to expand on the current criteria for determining whether there is an improvement to include environmental impact consumer care, and delivery costs?

Yes.

97. Do you agree with our proposal to reward sponsoring suppliers with an increased uplift of 2% after application approval?

Yes.

98. Given the proposed reforms to ECO4 and the continued focus on providing support to low income, vulnerable and fuel poor householders, should the DA mechanism be retained for ECO4, and be the vehicle used in providing support for single measure product testing? Are there any other mechanisms that may be better suited to product testing?

Yes, this should be retained.

99. Do you agree with our proposed approach to a reformed in-situ performance mechanism, including piloting methodologies tested through the SMETER trials?

Yes.