

Welcome to the Energy Company Obligation (ECO) workshop

Friday, 5 July 2013

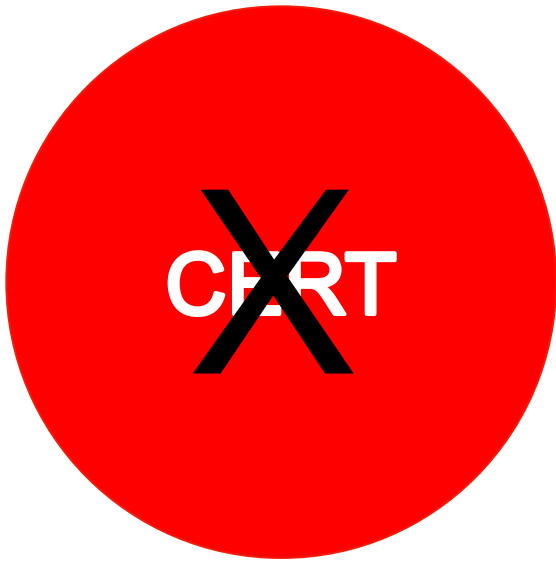
The logo for e-on, featuring the text "e-on" in a white, lowercase, sans-serif font on a red rectangular background.

Agenda

- Welcome – get comfortable
- Introduction – who we are
- What is ECO..?
- Film – what we do, with your help
- ECO quiz
- Q&A
- Thank you

What is ECO..?

ECO is **not** CERT and CESP



The 3 obligations under ECO

Carbon Emissions Reduction Obligation (CERO)		20.9 million lifetime tonnes of CO ₂
FOCUS: Hard to treat homes	Solid wall and hard to treat (HTT) cavity wall insulation	
TARGET AUDIENCE: Domestic energy users (including social housing tenants and landlords) that have not received funding under CSCO – supports Green Deal and the Golden Rule		
Carbon Savings Community Obligation (CSCO)		6.8 million lifetime tonnes of CO ₂
FOCUS: Areas of low income and rural areas	Insulation measures and connections to district heating systems	
TARGET AUDIENCE: Domestic energy users (including social housing tenants and landlords) in areas of low income, adjoining areas and rural areas		
Home Heating Cost Reduction Obligation (HHCRO)		£4.2bn of lifetime cost savings
FOCUS: “Affordable Warmth Group”	Measures which provide affordable heat i.e. boiler replacement	
TARGET AUDIENCE: Eligible householders who live in privately owned properties and tenants with private landlords		

The Affordable Warmth Group

Householders who are in receipt of one of the following sets of benefits:

- Pension Credit
- Child Tax Credit, relevant income below £15,860

OR

- Income-based job seeker's allowance
- Income-related employment and support allowance
- Income support

+ ONE OF THE FOLLOWING:

- Disabled child premium
- Responsible for a child under 16 who lives at the property
- Responsible for a child aged between 16 and 20 in full time education other than higher education who lives at the property.
- Pension premium, higher pension premium or enhanced pension premium
- Child tax credit that includes a disability or severe disability element
- Disability premium, enhanced disability premium or severe disability premium
- A work related activity or support component (only with Income-related employment and support allowance)

OR

- Working tax credit with relevant income below £15,860

+ ONE OF THE FOLLOWING:

- Responsible for a child under 16 who lives at the property
- Responsible for a child aged between 16 and 20 in full time education, other than higher education who lives at the property.
- Receive a disabled worker element or severe disability element
- Be aged 60 or over

What we do, with your help...

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Your questions answered in our ECO quiz

- Please split into teams
- Choose a name for your team
- Choose a way to signal you have the answer – no calling out please...!

How much do you know about ECO..?

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Contribution

1. For which obligation(s) under ECO would there be expected contributions towards measures..?

- A. HHCRO – Home Heating Cost Reduction
- B. CSCO – Carbon Savings Community
- C. CERO – Carbon Emissions Reduction
- D. All

2. Which of these organisations is expected to contribute to measures..?

- A. Social
- B. Private
- C. Both social and private

3. Is there a fixed amount that should be contributed..?

- A. Yes
- B. Assessed individually
- C. Approximately 65% - 35% split

Calculating savings under ECO

4. How are ECO savings calculated..?

- A. Using RdSAP (Reduced Standard Assessment Procedure)
- B. Using figures provided by DECC
- C. Using own calculations

5. How would the RdSAP be assessed..?

- A. By comparing with similar properties
- B. By visiting each property individually and assessing
- C. By asking the customer over the phone

Measures

6. By what way(s) must a measure be 'recommended' for CERO and CSCO..?

- A. A Green Deal Advice Report (GDAR)
- B. A Chartered Surveyor's Report (CSR)
- C. An Energy Performance Certificate (EPC)
- D. A customer

7. What is the most attractive measure to install under CERO..?

- A. Hard to treat (HTT) cavity wall insulation - off gas network
- B. Solid wall insulation (SWI) - off gas network
- C. Solid wall insulation (SWI) - on gas network

8. What is the most attractive measure to install under HHCRO..?

- A. Standard cavity wall insulation (CWI)
- B. Loft insulation
- C. Boilers

9. What is the most attractive measure to install under CSCO..?

- A. Cavity wall insulation
- B. HTT cavity wall insulation
- C. Loft insulation

10. All measures must be installed in accordance with..?

- A. The Publicly Available Specification 2030:2012 (PAS)
- B. The Building Regulations
- C. Any other regulations relating to the installation of the measure
- D. All of the above

11. ECO funding is available for..?

- A. Single measures
- B. Multiple measures
- C. Case by case / individually

ECO Brokerage

12. What is ECO brokerage..?

- A. A fortnightly online auction for Green Deal providers to sell their qualifying actions, for each element of ECO
- B. An online shop for installers to market their installations
- C. A way for energy suppliers to sell the measures they don't want

13. Which of the following is NOT an objective for the ECO Brokerage system..?

- A. Competition – a broad, fair and dynamic market, competing on price to attract ECO support
- B. Cost effectiveness – delivering ECO at the lowest possible cost, thereby reducing the impact on customer energy bills
- C. Establish an ECO Grant Scheme for Green Deal Providers

14. What measures can Green Deal Providers sell through ECO Brokerage..?

- A. Only future (not delivered) measures can be sold
- B. Measures already installed and signed off
- C. Measures in the process of being installed

ECO Regions

15. Which areas of the UK does ECO target..?

- A. Midlands only
- B. Scotland only
- C. Great Britain

16. Under CSCO, how are the areas determined..?

- A. Roll of a dice
- B. Designated postcodes supplied by DECC
- C. Local areas assessed by energy supplier

Affordable Warmth Group

17. Which obligations under ECO require a resident to be in the Affordable Warmth Group (AWG)..?

- A. HHCRO and CSCO (rural sub-obligation only)
- B. Green Deal
- C. CERO

18. Who in a household can be an eligible member of the AWG..?

- A. The landlord, if a tenanted property
- B. Anyone who resides at a privately rented or owned property*
- C. Anyone who receives a state pension

*The person must reside at the property at some point during the course of the promotion

19. What evidence of AWG eligibility do energy suppliers need to obtain ..?

- A. Customers verbal confirmation
- B. Installers written confirmation
- C. Copies of documentation, specified by Ofgem

CSCO - Rural Sub-obligation and Adjoining Areas

20. A 'rural area' is defined by DECC as..?

- A. A settlement of 10,000 to 25,000 inhabitants
- B. A settlement of fewer than 10,000 inhabitants
- C. A settlement of 25,000 to 40,000 inhabitants

21. Who would be eligible under the rural sub-obligation..?

- A. Customers who have a second home in the country
- B. Customers who have pet goats or chickens
- C. Customers who live in areas defined by DECC as 'rural areas', defined by postcode

22. What percentage of CSCO must be from rural areas..?

A. 50%

B. 30%

C. 15%

23. Would customers in rural areas automatically qualify for measures..?

A. Yes

B. Occasionally

C. No

24. How would a customer qualify..?

- A. Because they live in a house and have never applied for home insulation before
- B. Because they have no central heating in the property
- C. Because someone in the household meets the AWG criteria

25. Under CSCO, an adjoining area is an area that..?

- A. Shares a border with an area of low income
- B. Is in England and shares a border with Scotland
- C. Is in the same region as an area of low income, but doesn't border it

26. Can an energy supplier claim carbon savings for adjoining areas..?

- A. Yes, as long as the saving is **less** than 25% of the that for the bordering area of low income
- B. No, the savings can't be claimed for adjoining areas
- C. Yes, as long as the saving is the same as that for the bordering area of low income

Park Homes

27. Under the ECO rules, can measures be installed in park homes ?

- A. No, they're not considered to be fixed addresses
- B. No, because they're all holiday homes
- C. Yes, as long as someone lives there permanently and has mains electricity, plumbing and a mains sewer

28. Would an energy supplier install measures in park homes...?

- A. Yes
- B. Case by case
- C. No

Notification

29. What is 'notification'..?

- A. The process by which an energy supplier informs OFGEM of the measures installed
- B. The process of notifying the customer, who has funded their work
- C. The process of notifying an installer of a customer's name and address

30. Is there a time restriction for notification, under ECO.. ?

- A. Yes
- B. Yes and if you bank early you receive a carbon bonus
- C. No

31. What is the timescale for notifying Ofgem of installed measures..?

- A. 3 months
- B. By the end of the calendar month, after the month in which the installation of the measure was completed
- C. 30 days

32. Can an energy supplier submit a late notification to Ofgem..?

- A. No, late notification is not allowed
- B. Sometimes, there are exceptions
- C. Yes

Top 10 ECO facts to take away...

1. Social housing tenants and landlords may be eligible under CERO and CSCO, but not under HHCRO
2. Domestic energy users or householders **must** occupy the premises at **some point** during the course of the promotion, but not necessarily be present throughout
3. All CSCO measures to adjoining areas must be associated with specific measures in a CSCO low income area and must not exceed 25% of the total carbon savings
4. 15% of the total CSCO measure must be delivered to members of the affordable warmth group living in a rural area

Top 10 ECO facts to take away...

5. Qualifying actions for CERO and CSCO must be recommended in a GDAR or Chartered Surveyor's Report
6. Qualifying heating actions for HHCRO do not need to be recommended in a GDAR or CSR, but must provide a saving in the cost of heating
7. Installations of the same measure to multiple premises owned by the same landlord(s) can have a single handover and considered complete once work has finished on the last measure
8. Measures referred to in PAS 2030:2012 must be installed:
 - In accordance with PAS, Building Regulations and any other regulations relating to the measure
 - By operatives who meet the competency requirements list in PAS 2030:2012

Top 10 ECO facts to take away...

9. Measures not referred to in PAS 2030:2012 must be installed:

- In accordance with Building Regulations and any other regulations relating to the measure
- By operatives who meet industry standards relating to the measure

10. Measures installed as part of:

- **Renovations:** full savings will be awarded
- **Extensions and new builds:** only the savings which exceed Building Standards will be awarded

Useful acronyms...

- **AWG** Affordable Warmth Group
- **CERO** Carbon Emissions Reduction Obligation
- **CSCO** Carbon Savings Community Obligation
- **CSR** Chartered Surveyor's Report
- **CWI** Cavity Wall Insulation
- **ECO** Energy Company Obligation
- **EPC** Energy Performance Certificate
- **ESAS** Energy Saving Advice Service
- **GDAR** Green Deal Advice Report
- **HHCRO** Home Heating Cost Reduction Obligation
- **PAS** Publicly Available Specification 2030:2012 Edition 2
- **RdSAP** Reduced data Standard Assessment Procedure
- **SAP** Standard Assessment Procedure
- **SWI** Solid Wall Insulation

Thank you....

Think ECO – Think E.ON



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