



Community Energy Saving Programme (CESP) Consultation

Response from the national Carbon Action Network

Date of response: 8th May 2009

1. Introduction

- 1.1 The Carbon Action Network (CAN) is the new identity for the UK Home Energy Conservation Association. CAN supports and represents local authority officers working to reduce the domestic carbon footprint and tackle fuel poverty. It comprises officers from the 379 Energy Conservation Authorities across the ten regional and devolved HECA fora in England and Wales, with the Northern Ireland HECA Forum and the Scottish HECA Officers' Network as associate members.
- 1.2 Fora and networks such as CAN play a valuable role in supporting LA officers, particularly those who are new to the issues or whose authority may historically have provided limited leadership and support in this arena. CAN would be pleased to assist Government in the dissemination of information on the final CESP programme.

2. CAN's main comments

- 2.1 CAN welcomes the opportunity to contribute to this consultation and to the final design of 'Community Energy Saving Programme' (CESP). CAN believes that there is an urgent need for a programme which prioritises hard to treat measures, such as solid wall insulation, as part of a whole-house approach. Such measures deliver significant lifetime CO₂ savings but are currently cost prohibitive and are subject to a range of demand- and supply-related barriers. Government intervention is essential if these are to be overcome.
- 2.2 CAN is however very skeptical that a whole-house approach will be achieved with the proposed mix of measures and level of funding available in the scheme. In particular, CAN believes that some key measures have been omitted, such as flat roof insulation and double glazing, which are important accompanying measures in preventing heat loss and cold bridging when solid wall insulation (SWI) is installed, and that the estimated costs for SWI in Table 2 are significantly lower than the actual costs.
- 2.3 CAN welcomes CESP's principle of targeting those areas that have significant levels of low income households, as this will have the effect of reducing fuel bills for those households in need of assistance and help to ameliorate fuel poverty. However, CAN believes the programme would be even better targeted were this

data to be used in tandem with data for those areas that also have high proportions of hard to treat homes.

3. CAN's response to specific questions in the consultation paper

Impact Assessment

- Q3. Do you agree with the identified costs and the main groups on which they fall? If not, please explain why and suggest other costs which may exist and groups which may be affected.

CAN believes that the £350 M allocated to CESP by suppliers and generators will not be sufficient to meet the target of treating 90,000 households and delivering a saving of 4 m tones of CO₂ without significant financial input from partner organisations such as Local Authorities. This is particularly pertinent in light of the fact that excess costs for measures such as solid wall insulation have not been included in CESP's calculations, see question 14 below. It is worth noting that financial commitment from Local Authorities will be restricted by the spending cuts being introduced by the government for the next comprehensive spending round.

The regulatory approach

- Q8. Do you agree that it is reasonable to envisage that the natural incentives are strong enough to ensure an effective partnership approach for CESP? If not, why not?

CAN is concerned that the current proposal could allow suppliers and generators to push measures, such as central heating and loft insulation, which they may find more cost effective and less of a risk, in order to meet their CO₂ targets. In addition, suppliers and generators may wish to use their own products (or products which they have invested in) or use contractors which they have an established relationship with. CAN would welcome further guidance on how to avoid potential disagreements caused by different objectives in partnership working.

- Q9. Do you agree that there should be a requirement for some form of evidence of Local Authority endorsement, such as a letter of support?

CAN believes that for CESP to work effectively it is essential that there is some form of local authority support and we feel that a letter of support should be a minimum requirement.

Creating incentives

- Q10. Do you agree that CESP should target fewer homes but provide greater CO₂ and fuel bill savings for homes targeted? If you do not agree, please explain your reasons and offer an alternative approach.

CAN supports the proposal to target higher CO₂ savings in fewer homes. Furthermore, CAN would welcome an additional uplift for measures installed in private sector housing. It is felt that this is important in order to prevent the tendency of suppliers and generators to work solely with social landlords due to

the ease of gaining access and the likelihood of additional funding. CAN recommends that CESP programmes should attempt to work across tenure, particularly as private sector housing is often responsible for producing a greater amount of CO₂ emissions than social housing.

Solid wall insulation

Q.14 What types of Solid Wall Insulation are available and what are their relative costs and CO₂ savings?

CAN would welcome further clarification on the costs of solid wall insulation (and the cost to the supplier/generator) as the predicted costs for solid wall insulation in Table 2 are much lower than the costs outlined in a recent survey by the Purple Market Research on behalf of the Energy Saving Trust-led Energy Efficiency Partnership for Homes.

Scoring

Q15. Do you agree with the proposed list of measures available under CESP?

Omissions

CAN is very concerned that the mix of CESP measures currently proposed does not cover the complete building envelope. In particular, although there are measures for standard lofts, there is an absence of funding for refurbishment / improvement (to insulation levels) of flat roofs, floor insulation, and glazing. CAN feels that windows and roofs must be considered in order to prevent heat escaping and to prevent damp and condensation occurring as a result of cold bridging.

Flat roofs form a large part of the building envelope of many buildings, in particular blocks of flats and extensions to street housing. The replacement of a flat roof involves significant expenditure, and the inclusion of flat roof replacement / insulation upgrades (particularly with a CESP bonus) in the mix of measures would encourage a significant improvement in energy efficiency and carbon saving. It is clear that unless flat roof insulation is added to the illustrative mix of measures, there is no incentive for these measures to be installed and consequently a large number of properties either get incomplete energy saving measures or will be excluded from the scheme altogether.

Home energy audits

CAN welcomes the inclusion of home energy audits but believes that this measure should not have a high score through CESP. This is because it is difficult to quantify the benefit of face to face energy advice. CAN does not believe that Domestic Energy Advisors currently have all of the relevant skills to provide home energy visits, particularly when dealing with vulnerable householders or those in fuel poverty. CAN feels that additional training would be necessary for anyone carrying out a home energy visit through CESP. CAN also believes that provision should be made for follow up support such as return visits of energy advisors to reinforce behaviour change messages and to obtain feedback on whether any efficiency measures have been implemented. This could be done through measures such as remote metering for gas and electricity use.

District Heating criteria

- Q16. Should district heating projects be included within the potential CESP measures? Please include an explanation of your answer.

CAN welcomes the inclusion of district heating under CESP, which will be of particular interest to high density communities with a preponderance of hard to treat homes. CAN agrees with the Centre for Sustainable Energy (CSE) observation that DH normally requires a mix of domestic and commercial heat loads and that, as it's unlikely that the targeted LSOAs will contain this, funding is allowed for infrastructure to link qualifying LSOAs with heat loads in other LSOAs.

Calculating bonuses

- Q20. Do you agree that this scoring system will encourage the delivery of measures that will meet the CESP objectives of reducing CO₂ and fuel bills? If not, please explain your reasons and offer an alternative methodology.

CAN agrees with the proposal by CSE that loft and cavity wall insulation should be further disincentivised to ensure energy suppliers or generators access alternative sources of funding for these measures. CAN agrees that a CERT funded measure, such as loft insulation, should not qualify for a carbon score under CESP but should still trigger an uplift for other CESP measures when installed in the same property.

Low income housing

- Q.23 Do you agree CESP should use the income domain of the Index of Multiple Deprivation as the measure of income deprivation? If not, what should be used and why?

CAN believes that further analysis and criteria may be required to ensure that successful CESP bids do end up focusing on areas with both low incomes and with high levels of hard to treat homes, especially solid walled properties.

- Q26. Do you agree that a flexible approach, allowing communities to identify how best to integrate the range of initiatives in their areas, should be followed?

Yes we would welcome flexibility for communities to identify how best to integrate the range of initiatives in their areas.

RESPONSE ENDS