

CERT+ Consultation Seminar

Hosted by the Energy Efficiency Partnership for Homes in partnership with DECC
25th March 2009

On 12th February, DECC published its statutory consultation on the proposed 20% increase to CERT. As part of this consultation process, DECC and the Energy Efficiency Partnership for Homes (EEPH) hosted a stakeholder event on "CERT+", attended by energy suppliers, trade bodies, the supply chain, and government officials.

This report is a short summary of the key themes emerging from the meeting. A fuller report will also be made available on the EEPH website.

Opening Plenary

John Chesshire, Chairman of EEPH, welcomed delegates on behalf of the Partnership and introduced Joan Ruddock, Parliamentary Under-Secretary of State at DECC who made a short speech. Chris Leigh, Head of Household Efficiency and Fuel Poverty at DECC, then gave further details of the CERT+ proposals and the consultation process. There was then time for questions, during which the following issues were raised:

- The CERT and Community Energy Saving Programme (CESP) consultations are taking up a lot of time for many people at the moment, there is little time to think about the Heat and Energy Saving Strategy (HESS) as well.

HESS was launched at the same time to show the broader picture. DECC appreciate that having three consultations running at the same time is time consuming, but wanted to show their ambitions for the future.

- Is there any intention to review the target of 40% of savings coming from the Priority Group? Now that over 70s are included, the Group represents 42% of the population.

This may be considered in the extension of CERT to the end of 2012, but would be subject to a separate consultation.

- EEC and CERT have been very successful but enhanced reporting would be welcome. Under the current scheme, significant quantities of lightbulbs per household have been delivered – we need to establish how many are actually being used as they make up such a large proportion of the reported CERT savings.

Changes in reporting probably won't go to that level, but will help create a stronger database of what has gone on in homes, showing regional differences and acting as a baseline for HESS.

- The scheme aims for all houses insulated by 2015 where practical to do so – how do we get the right trajectory? The industry is current a long way short of reaching this target.

A ramping up of insulation activity is needed. The proposed changes to CERT only take us up to 2011. There is the opportunity for new policies beyond 2011 to help ensure enough insulation is installed to reach this target. Reassuring suppliers that there will be carry-over to future programmes is important, and reassuring them that similar schemes will continue in the future will help dispel uncertainty in the industry.

- The targets and illustrative mix need to be concrete enough for businesses to make investment decisions. Also, if money is spent on advice, where is the money going to come from for hard measures?

The Government recognises that there's only certainty over the next two years, but suppliers have got a idea of the scale of the work that needs to be done, and can give installers an idea

of workload over the next 2 years. The future will become clearer as future policy continues to be developed. Continued dialogue is needed to ensure that suppliers and installers work well together. There was a body of opinion that Government needed to consult before 2010 to signal early intentions on the likely scope and size of CERT to 2012 to provide more certainty.

- EST has had investment from DECC for its Advice Centre Network. Are the CERT proposals on HEA going to compete with this?

There are a lot of people to speak to, so competition is unlikely. For behaviour change and insulation measures to occur, as much as advice as possible is needed. The schemes will complement each other to maximise outreach.

- Is a Domestic Energy Assessor (DEA) the right person to give energy advice? How will face-to-face advice in the home be given? Will EPCs be included – and could ‘before’ and ‘after’ EPCs be done? There is some confusion about what is covered by the proposed scheme.

There was discussion about whether advice should only be provided by DEA – the consultation is open to suggestions of other people who could provide this information. The proposal in consultation is there for people to comment and improve on.

Workshop Session 1: Behavioural Measures

The session was opened by three short presentations to set the scene for debate. Andrew Warren, BEEF and Deputy Chair of EEPH, explained how BEEF’s members do not support RTDs and behavioural advice through the CERT mechanism. Mark Letcher, Climate Works, then updated delegates on the discussions that took place during an EEPH Advice Seminar in February. Finally, Tina Dallman, DECC, gave some background information to the carbon scores and why behavioural measures were being considered for inclusion in CERT.

Delegates were then given an opportunity to discuss three key questions at their tables:

- Do you agree in principle with the proposal to provide additional support to real time displays (RTDs) and DEA (domestic energy advice)?
- Are the carbon scores attractive enough to encourage suppliers to invest?
- Is there a risk that too many of these projects will be supported (resulting in a loss of carbon savings)?

Although there was support from delegates for RTDs and advice in general, there was very mixed views on whether they should be included in CERT. Those opposed to their inclusion questioned the evidence base, re-emphasised that their long term savings are not proven, and voiced concerns that CERT – a proven and successful scheme – should not be the place to experiment in this area. There was also concern over who would be providing the advice, and to what extent this would be followed up at a later date. Evaluation also needs to take place.

There was a general feeling that the scores were too low to attract suppliers to invest in RTDs and advice, and it was suggested that higher scores should be allocated if advice and RTDs are delivered at the same time. However, this could lead to some double-counting (e.g. how do we know a householder is switching off lights because of advice or the display unit?). There was also support for a cap on this type of activity to prevent excessive carbon losses and potential drops in the numbers of ‘hard measures’ installed.

There was a discussion around the cost of advice and RTDs. It was suggested that an EPC costs between £80 and £100; this was supported by feedback from the EEPH Advice Event in February. RTDs are believed to cost between £20 and £100. A clearer picture is needed of these costs.

Towards the end of the session, the point was made that we can't ignore behaviour change: it still accounts for real savings. A lot of the evidence base for RTDs is the same as that for smart meters; the advice evidence base is less developed.

Workshop Session 2: Loft Insulation

Neil Marshall, National Insulation Association, opened the session by putting forward the industry view on how the proposed uplift for loft top-ups was not sufficient to address the issue, and that DIY installation doesn't need further support. Neither intervention is likely to make much of a difference so it's best not to divert funds in this way.

Once again, delegates were then given an opportunity to discuss some key questions at their tables:

- Do you agree in principle with the proposal to provide uplifts for loft top-ups and DIY installations?
- Are the carbon scores attractive enough to encourage suppliers to invest?
- Should a cap be set to limit the potential carbon losses from uplifting top-ups in this way?
- Are there other ways within CERT in which DECC could achieve the same result?

Again, although delegates were supportive of loft insulation in general, the rationale behind including these two uplifts in CERT was questioned. If one of the drivers is the target of 6m homes with insulated lofts by 2015, this will only be achieved at the expense of carbon savings and other potential measures. Delegates thought that a potential cap on these up-lifts was therefore a political decision.

The uplift for top-ups was not considered big enough to make a difference: 200-400% was suggested as being necessary. It was suggested that top-ups will be more cost-effective and therefore attractive in another couple of years when other measures dry up.

Views were put forward that DIY insulation is already cheap enough, and with the credit crunch householders are already looking to this as an alternative to professional installations: any changes to CERT won't dramatically affect the DIY market (although the British Gas/B&Q recent promotion had excellent take-up). Double-counting was of considerable concern and discussed at length: with such inexpensive loft insulation being available for DIY, what's to stop an installer buying discounted rolls of insulation at retail outlets and then using it to install for CERT-funded projects. This will also divert installers from buying insulation for builders' merchants; accurate reporting will also be very difficult.

A few alternative suggestions were put forward as to other ways in which insulation could be better supported through CERT including a better carbon score/up-lift when lofts are topped up at the same time as cavity walls are insulated (which would also promote a whole house approach) and the Treasury ring-fencing funds for professional installed insulation outside of the CERT mechanism.

Workshop Session 3: Reporting

Andrew Amato, EST, explained how the Home Energy Efficiency Database (HEED) is already well positioned to provide all the proposed additional reporting. Voluntary agreements are already in place with suppliers, and data from EEC2 and the first year of CERT is expected in the next couple of months. This was supported by Paul Egerton from DECC.

There was agreement from all delegates that HEED should be used in this way, although it was understood that the database will only ever be as good as the data received. The Government also needs to think about what it's going to do with the data once it's collected it: suppliers aren't obliged to guarantee an even geographical spread of CERT spend.