



COMMUNITY  
ENERGY PLUS

ECO Help to Heat  
August 2016

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## Introduction to Community Energy Plus

Community Energy Plus (CEP) is a specialist charity whose mission is to tackle fuel poverty and climate change. We have delivered pioneering fuel poverty advice and support to over 167,000 households in Cornwall and the Isles of Scilly since 1998. CEP has extensive experience of reaching and supporting disabled, long term sick, older and vulnerable households through its fuel poverty programmes. Our work on both the Big Lottery-funded “Warm Me Up” project and Public Health led “Winter Wellbeing” network are recognised as best practice in the current Fuel Poverty Strategy for England.

From 1998 to March 2012 CEP provided the Energy Saving Trust’s local, then regional energy efficiency telephone advice service. This was followed by the more flexible Winter Wellbeing helpline which provides energy advice to callers and manages cross-referrals. CEP has also delivered multiple “Big Energy Saving Network” (BESN), “Energy Best Deal” and “Big Energy Saving Week” advice events for DECC, CAB and EST. DECC congratulated CEP on being one of the top 10 best delivery agents nationally for BESN last winter. We were one of the first organisations to pioneer the concept of ‘fuel poverty mainstreaming’ for frontline services in the south-west and since 2009 have provided fuel poverty training to over 980 frontline workers in Cornwall.

We have many years’ experience of supporting people through the energy supplier switching process, most recently through our **Community Energy Switch** service, which has negotiated the cheapest energy tariffs in the market including pre-payment meter deals. We also run a collective oil buying service, **Community Energy Club**, which has over 2,100 members across Cornwall and Devon. We have won numerous awards for our fuel poverty work, including an Ashden Award and multiple National Energy Action Community Action awards.

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## The challenge of Cornwall

Our response to the consultation is based on a thorough knowledge of the causes and impacts of fuel poverty gained through the work we have achieved through our programmes, projects and partnerships delivered since 1998. Fuel poverty can generally be considered to be influenced by three main factors:

- The types and costs of fuel used to keep a household warm
- The levels of income used to support a household
- The thermal efficiency or inefficiency of the property

DECC's latest statistics for 2014 show that Cornwall has England's third highest percentage of households in fuel poverty at 14.9%, compared with the England county average of 10.8%; the Isles of Scilly has the highest percentage of fuel poor households in England at 20.4%, while the countywide statistics mask the fact that some areas in Cornwall have fuel poverty levels of up to 30%.

### **Fuel Use**

The biggest challenge in tackling fuel poverty in Cornwall is the reality that so many homes do not have access to the mains gas network. The 2011 Census data shows,

- 48.4% of homes in Cornwall using mains supplied gas central heating.

Of the remaining 51.6% :

- 16.6% use oil fired systems
- 17% electric heating (including night storage heaters)
- 11% other heating systems including LPG & bottled gas, multi-fuels and solid fuels
- 7% of Cornish homes have no central heating, compared to the national average of 2.7%

As will be noted in our response to the consultation questions, the immediate impact of being forced to use more costly forms of heating is exacerbated by the added loss of access to dual fuel discounts. It should also be noted that the economics of supply of non-grid supplied fuels can further challenge financially constrained homes, where fuel has to be purchased in advance of use, with limited ability to spread the purchase costs over a heating season.

### **Income & demographics**

- Cornwall has significantly lower income levels than the national average: £18,327 median gross annual pay, compared to £22,350 for England, and only £14,939 for women in Cornwall.
- 35.6% of households in Cornwall have an income of less than £15,000, compared to 25.1% nationally.
- In Cornwall, 38% of head of households are aged over 65, compared to 24% nationally. Older people are more likely to live in homes with a lower SAP band, account for over half the fuel poor and are most vulnerable to excess winter death. 60% of the single elderly are in fuel poverty.
- 67% of disabled people struggle to afford to heat their homes (Turn2us, 2015). 20% of people in Cornwall have a limiting long term illness compared to 16.9% nationally.
- Cornwall has the third highest excess winter death rate in the country.
- 45% of the fuel poor are families with children. Some parts of Cornwall have extremely high levels of child poverty, for instance 58% in Camborne-Pengegon, compared to 22% nationally.

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## Housing stock quality

As can be seen from the table below, all of Cornwall's parliamentary constituencies have a higher percentage of homes with E, F or G rated properties than the national average of 30%. **St Ives constituency** has the highest percentage of E, F and G rated homes in the country at 50.4% and all six Cornish constituencies are in the worst 7% nationally. (Source – Association for the Conservation of Energy: *The Cold Man of Europe – 2015*).

Rank in England out of 533 (1 = worst)	Constituency	% E, F or G rated homes
1	St Ives	50.4%
6	North Cornwall	42.3%
13	Truro & Falmouth	41%
17	Camborne & Redruth	40.2%
28	St Austell & Newquay	38.4%
37	South East Cornwall	38%

- An estimated 88% of Cornish homes (of all tenures) have an EPC rating of D and below.
- 30% of Cornwall's housing stock is over 100 years old, and an estimated 40% of homes are built with solid walls. Clearly previous insulation programmes that have prioritised easy to treat measures such as cavity wall insulation have been unsuited to a housing stock with high proportions of solid wall properties.

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## Chapter 2: Purpose and structure of extension

1.	<p>Do you agree with our proposal to extend the current ECO by one year, whilst making improvements that transition to a longer-term fuel poverty focused obligation?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response</p>
	<p>Yes. Community Energy Plus is supportive of the proposal to extend the current ECO by one year. A transitional period will help the supply chain to prepare, but it requires that systemic changes, for example updates to PAS 2030, are introduced quickly and as early in the transition period as possible.</p> <p>However, we are disappointed that, yet again, work carried under the current regime in excess of current targets can be carried over to the new targets. Our experience of the move from CERT to ECO and from ECO phase 1 to phase 2 leads us to believe that the ability to carry forward measures will distort the transition period and limit the learning and adjustment that is required within the supply chain. Given the reduced volumes that the new regime requires, the effect is that it gives an undue bias in favour of the larger obligated companies and puts at risk innovation that is targeted at the new emphasis on tackling fuel poverty.</p> <p>Our view is that the transition should be a full year without any “carry forward” to enable all agents within the sector to properly refocus on identifying and engaging with the fuel poor.</p>
2.	<p>Do you agree with the proposal to re-balance the obligations for 2017-18; by increasing the Affordable Warmth obligation by £1.84bn notional lifetime bill savings (provisional figure), increasing the Carbon Emission Reduction Obligation by 3.0 MtCO<sub>2</sub> (provisional figure), and not increasing the Carbon Saving Community Obligation?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>We welcome the increase in the Affordable Warmth obligation.</p> <p>We agree with rationale presented in removing the Carbon Saving Community Obligation. As its targeting was based on areas identified by indices of multiple deprivation (IMD) it focused resources on areas that had been the targets of earlier schemes. In a rural area, with a very dispersed pattern of housing such as Cornwall, there is not a good overlap between IMD and fuel poverty; our delivery experience shows that in most Lower Super Output Areas regardless of IMD ranking often there are contrasting qualities of housing stock and pockets of fuel poverty. In Cornwall we have found that the focus on IMD target areas led us to mainly urban/semi-urban areas with significant clusters of social housing, and missed key categories of housing, for example privately rented housing which by its nature is more dispersed.</p> <p>Post 2018 obligation:</p>

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	<p>Removing Carbon Emissions Reduction Obligation: We are inclined to agree with the proposal to remove CERO, although it is likely that overall, less insulation will get installed, in the context of a massive decline in installations over the past 5 years. The “able to pay” insulation market has been broken by the previous schemes, most recently by the ineffective Green Deal. Our experience repeatedly shows that most homeowners are still disengaged with their energy use. Other incentives and awareness raising will be needed to stimulate take up of carbon saving measures by able to pay households. Most importantly for the new Fuel Poverty ECO to work, a replacement to Green Deal is needed, that will create a more positive environment in which to encourage energy efficiency improvements.</p> <p>We need the current administration to clarify what help and encouragement there will be for the approximate 70% of fuel poor households who won't be eligible for Affordable Warmth measures. While we are supportive of the proposals to allow flexible eligibility, we are not sure the proposals are enough to ensure all the fuel poor and not just the fortunate few are prioritised.</p> <p>If CERO is removed post 2018, this means that there will be no carbon target in ECO and we remain concerned as to how carbon budgets will be met. Given the contribution that the UK's domestic energy consumption makes to our national carbon expenditure, if ECO becomes the primary tool to tackle fuel poverty, we question what tools are available to encourage the move to low carbon heating and reduce energy consumption in the domestic housing stock. We believe that the emphasis on low cost, high volume measures under ECO I &amp; II and CERT &amp; CESP has avoided the challenge of hard-to-treat and hard-to-reach homes where significant carbon savings could be achieved, for example through higher levels of solid wall insulation; (see further response at Q.4).</p> <p>We would also note that the reality is that often enabling a fuel poor family to live in a dry, warm home will increase their carbon expenditure. Removing carbon targets from the obligation suggests this government is sending confusing signals about the seriousness of the climate change challenge and the need to move to a low/zero carbon economy.</p>
3.	<p>Do you agree that the CSCO deadline should remain at 31 March 2017?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>See comments made in response to Question 2. We agree with this proposal, assuming that more money is directed towards Affordable Warmth targets in the transition year.</p>
4.	<p>Do you agree that there should be no rural sub-obligation from April 2017?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>

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No. With our long established experience of working in and with remote and rural communities in south west England, Community Energy Plus believes that there needs to be an explicit, mandatory, rural element to ECO.

The current ECO favours work in urban areas due to accessibility of the households and access to the mains gas network, however, the high levels of fuel poverty that exist in rural communities are due to the inaccessibility of the mains gas network and the age of the housing stock. Householders are forced to be reliant on more expensive forms of heating and fuel. Approximately half of Cornish homes are unable to access the dual-fuel discounts available to customers with both grid supplied electricity and gas and so get hit twice by the way the national system discriminates against them through lack of access to these discounts and being reliant on more expensive fuel options. Therefore, there needs need to be a reflection of this to ensure that vulnerable householders in rural areas can access support for energy efficiency measures to reduce their risk of fuel poverty.

Having a rural sub-obligation would help suppliers to refine their approach for off-gas properties and be better prepared for the post 2018 changes.

Our experience shows that a focus on low cost, high volume measures such as loft insulation has meant that measures that are more expensive but would generate higher levels of carbon savings, e.g. solid wall insulation, have been regularly postponed until a later date. While it is understandable that the “austerity” agenda means prioritising the funding that is available, the results of the decisions that have been made under ECO and CERT/CESP are that the costs to tackle hard-to-treat and hard-to-reach homes continue to build up and subsequent programmes will be more expensive. This short-termist approach, ultimately will be counterproductive in achieving proper cost savings on the nation’s energy bills and carbon budgets.

### Chapter 3: Affordable Warmth targeting and household eligibility criteria

5.	<p>Do you agree with our proposals to introduce income thresholds for 2017-18 which take account of household composition for Tax Credits and Universal Credit?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>We have concerns about the apparent refocusing of help away from older to younger households, especially given that Cornwall has a very high and rapidly growing elderly population and a below average proportion of households with children.</p> <p>Whilst larger households may have higher living costs (especially for electricity consumption), generally we would expect that homes with multiple occupants to be warmer than homes with a single occupant. This approach disadvantages fuel poor single households. Single elderly households have been identified as particularly vulnerable to fuel poverty; where elderly single households live in larger properties we are concerned this approach will discriminate against them. For older people the health impacts of living in a cold home can be devastating and create a significant cost burden on the NHS (Noting the Fuel Poverty Strategy for England: Principle 3: Ensuring vulnerability is reflected in policy decisions. Some fuel poor households are more at risk of impacts even if not the most severely fuel poor).</p> <p>The consultation makes the case that people receiving working age benefits are more likely to be fuel poor than pensioners, but this is because of the change in the way that fuel poverty is measured. While we were broadly supportive of the shift to the Low Income/High Cost definition of fuel poverty, this definition throws up a number of anomalies in a population like Cornwall's that doesn't match the overall national demographic.</p>
6.	<p>Do you agree with our proposal to adopt ten household composition types with relative income thresholds based on whether the household consists of a single person or a couple and whether they have one, two, three or four or more dependent children?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>While we can follow the rationale of the proposals we are concerned that simplistic thresholds miss the complexity of the causes of fuel poverty. The age and specific vulnerability of occupants should be taken into account so that the very youngest and very oldest or those with a relevant health condition are a higher priority. Hence our support of the proposals around flexible eligibility, but we are concerned that if the bulk of measures will be allocated on these broad criteria the limited impact of the programme will miss those most in need.</p>

7.	<p>Do you agree with our proposals to allow recipients of other eligible benefits (Income Support, Income-based Jobseeker’s Allowance and Income-related Employment and Support Allowance) to continue to be eligible and to remove the additional sub-criteria in 2017?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>If households and individuals have already had to meet certain income criteria to be on those benefits it does seem like an unnecessary complication to make them meet further qualifying criteria as well.</p> <p>Simplification is better for marketing schemes and should make delivery more efficient. However, the change will mean that people with disabilities or with children will have to compete with other groups, whereas they appear to be a higher priority in terms of fuel poverty targets.</p>
8.	<p>Do you think we should amend the eligibility requirements so that those in receipt of Guarantee Credit in Pension Credit continue to be eligible under Affordable Warmth but those only in receipt of Savings Credit should only qualify through CERO or if they meet the ‘flexible eligibility’ proposal?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>No. With the Government’s pledge to insulate 1 million homes and with a cap on the boiler instalments, it would suggest that accessing the target homes to insulate will become more challenging. Pension credit continues to be undersubscribed, therefore we suggest that anyone in receipt of any form of pension credit should be eligible to access ECO.</p>
9.	<p>Do you agree with the proposal to extend eligibility to social tenure households with an EPC rating of E, F or G for their home, and for no additional benefits criteria or income thresholds to be required?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>Community Energy Plus strongly objects to the proposal to allow social tenure properties to be eligible for future ECO.</p> <p>The latest statistics from DECC on fuel poverty do not support the proposal to widen ECO eligibility to include homes in social housing tenure:  80.9% of fuel poor homes are private tenure while 19.1% of fuel poor homes are social tenure. The real challenge for fuel poverty programmes is revealed when those headline figures are broken down further.  Social tenure is split between local authority 8.9% and 10.2% housing association.  The privately tenure figures split 45.1% owner occupied and 35.8% private rented.  Over a third of privately rented homes and more than 4 in 10 privately owned households suffer from or are at risk of being fuel poor. This is where the focus of this programme should be.</p>

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Registered Social Housing landlords have had significant amounts of funding over the last decade to improve their properties and repeated allocations of Central Government funding have been biased in favour of RSLs. We are disappointed that this proposal has been made, as RSLs have been obligated to meet the Decent Homes standards and have had considerable help to do so, as well as having the ability to access lower cost loan finance. If there are still significant levels of properties that don't meet the Decent Homes criteria we question the powers of enforcement of the Act and are resistant to the idea that they are now given access to a 'pot' that has been reduced in scale and ambition. We believe that there is a continual bias within government towards RSLs because it is simpler to communicate with a small number of housing providers with large numbers of homes under their management, rather than address the private rental market where the large majority of landlords individually manage a small number of homes and therefore makes the shape of the market harder to encourage improvements at a significant scale. In Cornwall the proportion of social tenure homes is 11% compared to 18.5% privately rented; while we acknowledge this does not reflect the national picture the bias against private rented tenure homes needs to be redressed.

This allocation of ECO should be directed to the private rented sector to support the minimum energy efficiency standards that will be coming in April 2018. The private rented sector frequently are reported to have the worst energy efficiency within domestic properties across the UK and therefore have a significant number of households that have high costs and often low and limited incomes. The private rented sector needs support to improve the fabric of these properties to enable the high energy costs to be reduced, and reduce fuel poverty within this sector.

We believe that there is an inconsistency that social tenure homes with an EPC rating of E would be prioritised for support, whilst the Energy Act's April 2018 EPC target for private rented properties is only to have a minimum energy performance rating of E. The inference is that an E rating is good enough for private rented homes, but not good enough for social homes. The private rented target will only apply to new tenancies and includes various exemptions that will mean landlords of many fuel poor homes (especially hard to treat and off-gas homes) will not have to comply. We question the implication that fuel poverty in private rented homes is a lower priority given that there is a significantly higher proportion of private rented homes in fuel poverty compared to other tenures. Principle 1 of the Government's fuel poverty strategy for England is to "Prioritise the most severely fuel poor." To achieve this, support should be targeted at homes with the highest fuel poverty gap - which the government's own evidence base shows to be properties that are private tenure, rural, off-gas, solid wall and concentrated in the south west region

We are seriously concerned that an effect of opening up ECO for social tenure will be to further divert money away from rural areas, as the bulk of RHL properties tend to be located in urban areas.

It shouldn't be assumed that all social housing tenants are on low incomes and can't afford their energy bills. Only 19.1% of fuel poor households are social housing tenants. This proposal appears to have been devised to spend money quickly rather

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	<p>than targeting where it is needed most, especially where this requires greater effort to identify appropriate recipients.</p> <p>If the proposal were to be taken forward we would also call for a target to be introduced for a percentage of ECO to be spent on privately rented homes. Alternatively, if social housing providers are allowed to access ECO a requirement that they are required to provide at least 50% match funding for any monies received.</p>
10.	<p>Do you agree an EPC would be an appropriate way of proving the efficiency banding of social housing?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>If applicable, please provide details of any additional assurance which should be required alongside EPCs, or details of alternative ways of evidencing which may be sufficient in certain cases.</p>
	<p>While we recognise that an EPC has become the default measure of the energy efficiency of a property, we have reservations about its true effectiveness as a trigger for homeowners to take appropriate action to improve their homes. The algorithm that generates recommendations on a standard EPC is too crude and often fails to properly reflect the unique characteristics of that home. For example, we remain frustrated that too often an EPC will still include installation of solar PV when the alignment of the home is not at all suitable, and other simpler actions will produce positive improvements. We share the concerns of Parity Projects' analysis (2014) that too often an assessor will only input generic heating system information and so produces a SAP rating lower than a more accurate assessment will give. We support Cornwall Council's suggestion to consider alternative systems such as the Scottish Energy Efficiency Standard for Social Housing (ESSH), and would like to see opportunities to pilot these alternatives in other tenures apart from social housing</p>
11.	<p>Do you agree that measures delivered in new build homes should not be eligible under ECO from 1 April 2017?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>Yes. CEP strongly agrees that any requirements for new build homes should need to be met by the developer and should not be utilising this funding mechanism.</p> <p>The fuel poverty strategy says: "we have committed to zero carbon homes from 2016 and are seeking legislation to realise this ambition." New homes will be built to a Fabric Energy Efficiency minimum standard (FEES).</p>
12.	<p>Do you agree with the proposal to allow flexible eligibility?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>If so, what proportion of the 2017-18 Affordable Warmth obligation do you believe that suppliers should be able to deliver using this flexible eligibility route?</p>

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	<p>a) 10%</p> <p>b) 20%</p> <p>c) Other</p> <p>Where appropriate, justify your response.</p>
	<p>Yes. Community Energy Plus believes that this will allow very vulnerable householders who have not interacted with this funding stream due to their vulnerability, to access potential support.</p> <p>However, the majority of fuel poor households won't be eligible under the Affordable Warmth criteria, so an alternative mechanism is needed. We suggest that it should only be for private tenure homes, and not socially rented homes otherwise Local Authorities will have a conflict of interest, identifying tenants in their own properties.</p> <p>CEP has trialled a flexible eligibility approach with its Smart Warmth project in 2016, used to identify homeowners that fall outside existing ECO eligibility criteria, and have found it a useful tool to identify homes in need of help. However, there are costs involved in making flexible eligibility successful and this does not appear to be recognised in this consultation document.</p> <p>Community Energy Plus has some reservations about how this proposal will work in reality with the utility supplier. If, for example a householder qualifies under the flexible eligibility criteria, and needs a particular measure to improve the energy efficiency of the property, how does the Local Authority ensure that the utility supplier will install and fund this work? Our experience of working with a large obligated supplier in ECO 1 was frustrating, when well-qualified referrals were submitted, but in the interim period the supplier had changed their internal requirements – their success rate of getting our referrals installed was 27%. Our frustration was further compounded by the unwillingness of the supplier to identify why the unsuccessful referrals had not been taken forward, or even to notify us that this was the case, to allow us to look for alternative solutions for these households. Given that the suppliers will not be mandated to offer this service, we are concerned about how these referrals will be managed by the energy supplier, who potentially will give priority to their own schemes.</p> <p>ECO should include a requirement that the supplier provides feedback on the reasons why eligible ECO applicants have been turned down. Vulnerable customers will become disengaged if they are turned down for no clear reason, making it harder to encourage them to apply to other schemes.</p> <p>Our preference would be to see a relatively high proportion given to flexible eligibility and would argue that at least 25% is acceptable, with the added requirement that the receiving utility is obliged to accept the referral. Our rationale is that under the existing ECO the large obligated suppliers have controlled “the tap” of available funding, turning it on and off to meet their requirements. While we recognise the obligations that have to be met, the consequence is that it becomes difficult to build a momentum with vulnerable householders and give them confidence that they will receive benefit from the help that is available. With a local</p>

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	authority responsible to manage part of the pipeline we believe it will produce a smoothing effect on accessibility.
13.	<p>Do you consider that solid wall insulation for non-fuel poor private tenure homes should be included under flexible eligibility as described in Chapter 3?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response, including views on whether this should be allowed for measure types other than solid wall insulation.</p>
	<p>If the purpose of flexible eligibility is to encourage the use of local knowledge and experience to identify suitable homes, it makes sense to allow those with that knowledge to include the full range of measures in their assessment. Our experience is the obligated suppliers, when choosing which measures they use to meet their targets, tend to avoid more expensive measures like solid wall insulation beyond the minimum requirement (unless they have an additional business case for doing so).</p> <p>However, given the limits on the scale of the new obligation against the scale of the energy efficiency challenge we face, we question the ability of this programme to achieve all that is being asked of it. On that basis, if a household is not identified as fuel-poor it should not be included under the flexible eligibility.</p> <p>CEP has strongly advocated for a properly funded programme to address the challenge of insulating solid wall properties and has contributed to pilot learning DECC has funded. Our position remains that schemes such as the Green Deal Home Improvement Fund could have achieved far more than they were allowed to, but poor administration on the part of DECC led to a confusing situation for home owners and significant frustration for both those trying to obtain vouchers and within the supply chain. GDHIF was only a partial subsidy and in reality it was still not accessible to low income households who couldn't gap fund it.</p> <p>Although Affordable Warmth for those that are in receipt of qualifying benefits, or because they are considered to be in fuel poverty under the flexible eligibility, may start to address the solid wall challenge, this is insufficient and more needs to be available. A low interest finance offer would also help non ECO eligible households to afford the upfront costs.</p>
14.	<p>Do you agree with the proposal to allow local authorities to determine whether some households are eligible through 'local authority declarations' in the way proposed?</p> <p><b>Yes</b> / No / I do not have a strong view Where appropriate, justify your response.</p>
	<p>Yes. CEP already accepts referrals from Cornwall Council frontline teams for its own schemes. Frontline workers, especially those that conduct home visits, are well placed to assess how vulnerable a household is. However, it must be recognised that most frontline workers make home visits within a demanding time schedule and with other priorities the focus of their visit – it must be factored in that taking time to make fuel poverty eligibility assessments will ordinarily be an additional requirement.</p>

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	<p>Local authorities will need to manage expectations and have clear eligibility criteria so they can explain to households why they have been qualified or recommended for measures. Having clear criteria will help to drive referrals. Allowing local authorities to set their own eligibility criteria will help to make ECO more responsive to local needs.</p> <p>That said, Community Energy Plus has concerns over the proposal that only the energy suppliers will provide Ofgem E-Serve with the reasons given by the Local Authority why a householder was eligible for support. We would prefer that each Local Authority registers with Ofgem E-Serve its intention to use the flexible eligibility element, and to provide a list of the main reasons for granting the eligibility. By allowing the energy supplier to provide this information separate from the local authority decision could open the scheme to distortions as to what is being delivered – note our experience described at Q.12.</p>
15.	<p>Do you consider that schemes involving other intermediaries should be allowed, as described in Chapter 3, in addition to local authority declarations?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response, including whether there are any viable alternatives that meet the policy intent.</p>
	<p>No. Community Energy Plus would like to see other intermediaries being active in accessing vulnerable householders that really need support, but these should be referred onto the Local Authority to assess the situation and provide the declaration, unless the Local Authority would prefer to nominate an intermediary in the area to provide this service on their behalf.</p> <p>This would maximise flexibility and make use of local expertise.</p> <p>Local authorities should be permitted to use third party agents to manage this opportunity, with appropriate safeguards in place to maintain the authority's reputation and brand.</p> <p>We remain concerned from the perspective of a charity that too much emphasis continues to be placed on volunteers as an allegedly low cost route to tackling fuel poverty. Our research shows vulnerable householders prefer to engage with appropriately qualified professionals. The flexible eligibility process proposed appears to offer very limited options to be able to monetise the referral process and if so this will limit the contribution of third party involvement.</p>

## Chapter 4: Eligible energy efficiency measures

16.	<p>Do you agree with the proposal aimed at limiting the delivery of qualifying gas boiler replacements (and not limiting other types of heating measure)?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response, and describe any preferred alternative proposal, if applicable.</p>
	<p>Yes. Gas boiler upgrades have been very successful through the previous ECO, but there needs to be a rebalance onto other forms of heating to allow those that are off the gas network to take advantage of the support available.</p> <p>We remain concerned that obligated suppliers appear to have used the upgrading of gas boilers as an opportunity to sell boiler maintenance contracts and other services. While we understand the business case that drives this opportunity for the utilities, with the shift of emphasis to addressing fuel poverty we do not see this former approach as appropriate within the new regime.</p>
17.	<p>Do you agree that only measures installed after a specified date should count towards the Affordable Warmth minimum, and that date should be 1 July 2016? <b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response, and describe any preferred alternative proposal, if applicable.</p>
	<p>Yes. Measures installed after a specific date should count towards the Affordable Warmth minimum.</p> <p>However we do not accept the rationale of the date proposed. This date should be at least 31st Dec 2016. With the extension of ECO starting in April 2017, and with only twelve months to make the transition it seems questionable to allow measures to be counted towards the minimum installed nearly 1 year in advance of the start date. If an early date is adopted, this will lead to much of the transition target being met under the old rules and little opportunity will be available to test approaches under the new rules.</p>
18.	<p>Do you agree with the proposal to in effect limit the delivery of qualifying gas boiler replacements at a level equivalent to 25,000 boilers under the ECO extension?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response, and describe any preferred alternative proposal, if applicable.</p>
	<p>No.</p> <p>While this would release more funding for off-gas heating and noting that installing high numbers of new gas boilers under ECO could also undermine the government's heat network aspirations, generally we believe that the ambition of the new ECO regime is too limited. As a result we would argue that 25,000 boilers in the extension period is too many and needs to be cut to 10,000</p>
19.	<p>Do you agree with our proposal not to impose new limits on the level of installation of the following measures?</p>

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August 2016

	<p>a) Heating controls</p> <p>b) First time central heating</p> <p>c) Non-gas qualifying boilers</p> <p>d) Non-qualifying boilers</p> <p>e) Electric storage heaters</p> <p>f) Renewable heating</p> <p>g) Heat networks</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	Yes
20.	<p>Do you have views on whether Government should take action to prevent shifting the balance of measures delivered and the potential for energy suppliers to receive disproportionate benefit under ECO from renewable heating supported by RHI payments?</p> <p><b>Action is needed</b> / Action is NOT needed / I do not have a strong view</p> <p>Where appropriate, justify your response and set out what action should be taken (if any).</p>
	<p>Government does not need to take action to prevent the balance of measures delivered but obligated energy suppliers should not be able to have direct access to RHI as a result of the 'Assignment of Rights'. RHI should only be paid to independent third parties whereby agreements can be put in place to ensure that RHI payments can be paid to obligated suppliers to only pay for the cost of the install.</p> <p>ECO should pay heed to the energy hierarchy, prioritising demand reduction. Heating measures should only be funded by ECO once all practicable energy efficiency measures have been installed. This would reduce system sizing and running costs and save carbon.</p> <p>If the energy supplier is to become the owner of a renewable heat network and will receive additional income from sales to network customers, then the RHI grant should be paid back. They should only be able to recoup their costs from heat sales.</p>
21.	<p>Do you consider that heat network schemes funded or part funded by the supplier obligation should be required to include arrangements for consumer protection?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response, including suggestions for appropriate consumer protection arrangements.</p>
	Yes.

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22.	<p>Do you agree with the proposal to allow insulation but not to allow boiler or other heating system replacements or repairs (of any fuel type) in social tenure properties, with the exception of first time central heating (including district heating) and renewable heat?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>No. Community Energy Plus does not agree that Social tenure properties should be included within ECO.</p> <p>We agree that social landlords shouldn't receive public subsidy to repair or replace heating systems.</p> <p>First time central heating systems shouldn't be included if using a conventional technology.</p> <p>Allowing district heating and renewable heating to be ECO eligible is fair given the higher costs of installing these non-conventional systems, although RHI should be the preferred method to gap fund this investment. It will also support the shift to a low carbon economy and future proof homes against fossil fuel security of supply failures.</p>
23.	<p>Do you agree that we should retain a solid wall minimum within the scheme? <b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>Yes. Solid Wall insulation is an important way of insulating hard to treat properties. However, note our response to Q 13.</p>
24.	<p>Do you agree that the solid wall minimum is set at the right level?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response and, if applicable, describe any alternative preferred proposals. (Where you provide alternative proposals, please include the level you recommend and what else you would change as a consequence, noting the need to stay within the overall spending envelope.)</p>
	<p>The proposals lack ambition and risk continued damage to the supply chain.</p> <p>We note concerns that have been raised about ensuring high customer care standards, an issue that is particularly important in solid wall installs, and look forward to seeing the recommendations of the Bonfield Review.</p> <p>In order for solid wall insulation to become a major contributor to household energy efficiency, programmes like the ECO should be used to prime the supply chain and build momentum. We are accordingly disappointed with the low minimum compared to the size of the problem, and believe that an increased scale and long term stable policies are needed to bring down the costs of solid wall insulation.</p>

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25.	<p>Do you agree that an in-use factor of 15% should be applied to party wall insulation measures delivered under CERO after 31 March 2017?</p> <p>Yes / No / I <b>do not have a strong view</b></p> <p>Where appropriate, justify your response.</p>
26.	<p>Do you agree that party wall insulation measures installed after 31 March 2017 should support secondary measures?</p> <p>Yes / No / I <b>do not have a strong view</b></p> <p>Where appropriate, justify your response.</p>
	<p>If party wall insulation is installed in homes where Cavity Wall insulation and/or Loft insulation have already been installed it shouldn't be a primary measure.</p>

## Chapter 5: Delivery and administration

27.	<p>Do you agree that the requirement for measures to be recommended on either a GDAR or a CSR should be removed from 1 April 2017?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>Yes. This will simplify delivery and should mean more money for measures. Companies that invested in Green Deal certification and training will lose work but equally they won't have to pay for expensive accreditations and audits.</p> <p>However, assuming that the recommendations in the Bonfield Review when they are published will be taken up, until that point, from a householder's perspective, there appears to be a lack of clarity and risk that advice they receive is not balanced and impartial.</p>
28.	<p>Do you have views on whether any alternative requirements should be introduced in order to provide consumer advice, or ensure technical suitability of a measure prior to its installation?</p> <p><b>Alternatives are needed</b> / Alternatives are NOT needed / I do not have a strong view</p> <p>Where appropriate, justify your response and provide details of any alternative requirements you consider to be needed (if applicable).</p>
	<p>Yes. In terms of consumer advice and technical suitability, this needs to be the responsibility of the installer and should be part of their requirements, along with installing the measure.</p> <p>Is there a risk that customers won't receive impartial advice on their home's suitability for a measure if the surveyor is simply trying to meet targets established by the obligated supplier?</p> <p>Post installation user advice is needed, especially for heating systems.</p>
29.	<p>Do you agree that from 1 April 2017 we should move to a system of deemed scoring, as described above, rather than the current bespoke RdSAP or SAP based property by property assessments?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response, including details of any alternative proposals you would support, if applicable.</p>
	<p>Yes. Community Energy Plus has worked with deemed scores with previous schemes and they are a time efficient way of estimating the carbon savings/£ savings of measures installed. If it means less money spent on administration and more for installing measures there is a benefit for fuel poor households.</p>
30.	<p>Do you agree that savings for district heating system measures should be calculated based on bespoke SAP or RdSAP assessments, rather than deemed scores?</p> <p><b>Yes</b> / No / I do not have a strong view</p>

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	Where appropriate, justify your response.
	Yes.
31.	<p>Do you agree that up to 5% of each supplier's measures should be granted automatic extensions for up to three months?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response</p>
	Yes.
32.	<p>Do you agree with removing the restriction on extensions where it is due to supplier administrative oversight?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>No. The energy suppliers should have sufficient time in their automatic extensions of 5%. Any administrative oversight should be accommodated with this extension. If energy supplier's administrative oversights are in excess of the 5% then administratively there is something in their system that needs amending.</p>
33.	<p>Do you agree that we should introduce a mechanism for the trading of obligations between licensed suppliers?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response.</p>
	<p>No. Community Energy Plus strongly objects to this proposal. We suspect that it is the favoured option of one or two of the biggest obligated suppliers and if carried forward we believe it will have a detrimental impact on the delivery of fuel poverty amelioration. In reality it is the actions of the same obligated suppliers that is a major contributor to the rising levels of fuel poverty we experience and we do not believe it is equitable to strengthen their position delivering the ECO programme.</p> <p>Our conviction is that if an obligation is assigned to an energy supplier, it should be their responsibility to deliver this and the company should not be able to be trade that obligation to another supplier. Given the size of customer base required before an obligation is required we believe that the newcomer companies with smaller obligations should carry the responsibility to meet their commitments. We believe that as they tend to have better approaches to customer service (as measured on the Which? Annual survey of energy companies) potentially they will have equally fresh approaches to the obligation, and in responding to this obligation will potentially encourage new, innovative thinking and approaches to the challenge of fuel poverty.</p>
34.	<p>Do you agree that Ofgem E-Serve should approve trades, to ensure that energy suppliers can bear the consequences of non-compliance?</p> <p>Yes / <b>No</b> / I do not have a strong view</p>

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	Where appropriate, justify your response and explain any alternative suggestions, if applicable.
	No. Community Energy Plus does not believe that trades should be part of this scheme
35.	Do you agree the version of PAS 2030 cited in the ECO regulations should be updated to refer to the most recent version, following the anticipated updates to PAS 2030?  <b>Yes</b> / No / I do not have a strong view  Where appropriate, justify your response.
	Yes. If there have been updates to PAS 2030, specifically related to the Bonfield report, these need to be reflected in the PAS 2030 documentation. This should be implemented as soon as possible to enable the supply chain to accommodate these updates.
36.	Do you agree that installation companies delivering measures which are referenced in PAS 2030 under the extension to ECO should be certified against the requirements set out in PAS 2030?  <b>Yes</b> / No / I do not have a strong view  Where appropriate, justify your response
	Yes. Given that one element of this program is working with vulnerable householders, with all installation companies being certified under the latest requirements of PAS 2030, this will provide all companies with a common standard to which all involved can work too and all households can expect a certain level of interaction and workmanship from the installation company
37.	Do you think there is value in collecting and publishing more information on ECO costs in the future?  <b>Yes</b> / No / I do not have a strong view  If you do, what information do you think should be collected and how should it be obtained?
	Our default position regarding the energy company obligation is that it is fairer to fund fuel poverty measures from general taxation rather than this over complicated supplier obligation which increases energy bills. The overall effect of the ECO is regressive, having greater impact on the households that need most help – especially that fall just outside eligibility criteria – whereas funding schemes through general taxation broadly should be more progressive and link contribution to ability to pay.  However funding for the scheme is originated, we support any measure that improves transparency and openness of delivery.
38.	Do you agree that, with the exception of the Affordable Warmth minimum requirement, the new scheme rules being proposed should be introduced for measures installed from 1 April 2017?

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	<p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response, including details of any particular rules that should be introduced earlier or later, if applicable.</p>
	Yes.
39.	<p>Government invites views on whether we should introduce any additional rules to incentivise greater delivery to areas with higher delivery costs?</p> <p><b>Additional rules are needed</b> / Additional rules are NOT needed / I do not have a strong view</p> <p>Where appropriate, justify your response, and set out how this should work (if applicable).</p>
	<p>We would support additional incentives to enable fuel poor households living on islands and in off-gas rural areas to have fairer access to ECO funding. As our responses indicate we believe that the nature of Cornwall's situation while not unique does not easily match the overall national demographic that the scheme seems to assume is found across the country.</p> <p>We would like to see an uplift in LSOA's with above average fuel poverty levels and with the lowest SAP ratings. As noted in the introduction Cornwall has unusually high numbers of homes with SAP ratings of E, F and G.</p>
40.	<p>Should a brokerage mechanism be continued?</p> <p>Yes / No / I <b>do not have a strong view</b></p> <p>Where appropriate, justify your response and, if responded 'yes', what value do you think a brokerage mechanism could add in the future?</p>
	<p>We are not convinced that the brokerage mechanism has been especially effective at creating a stable pipeline of work. This may be due to the sudden changes of emphasis dictated by DECC, for instance as seen in the 2014 Autumn Statement, but it has not generated an environment in which the supply chain can easily predict work flows.</p> <p>We are also concerned that the brokerage mechanism has also contributed to the rise of a heavy emphasis on lead generation, much of which has been highly speculative and raised unfilled expectations on the part of householders. As an accredited Green Deal Advice Organisation we have seen a continuing stream of companies either looking for leads or offering to sell leads into ECO schemes. While a proportion of these may be genuine, our view is that many of the companies were simply seeking to generate speculative income, without understanding or caring about the needs of the fuel poor.</p>
41.	<p>If a brokerage mechanism continued in the future, what eligibility criteria and due diligence checks should be carried out to enable access to a range of organisations?</p>
42.	<p>In addition, should access for an individual organisation be reviewed for any reason (eg at certain intervals or for certain behaviours)?</p> <p>Yes / No / I <b>do not have a strong view</b></p>

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	Where appropriate, justify your response and, if responded 'yes', what should be considered as part of the review?
43.	<p>Is brokerage a barrier to local delivery?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>Where appropriate, justify your response and, if 'yes', explain how it is a barrier and your recommendations (if applicable) for how we could remove the barrier(s) to improve local delivery under brokerage?</p>
	<p>Yes. Our experience to date suggests that to effectively compete in the brokerage market necessitates scale and the mechanism doesn't allow due regard to local conditions, strengths and weakness in the local supply chain, and assumes a standard delivery model. All of these points limit the application of local knowledge and local delivery.</p>
44.	<p>Does the current performance rating system provide the assurance of quality and delivery needed?</p> <p>Yes / <b>No</b> / I do not have a strong view</p> <p>Where appropriate, justify your response and, if 'no', what changes would you recommend?</p>
	<p>We are not convinced of the effectiveness of the existing quality assurance regime. As a registered Green Deal Advice Organisation we have been approached by numerous companies claiming accreditations but who on investigation appeared to have very limited experience. Quality assurance needs to be more robust and monitoring needs to be quicker to pick up the practices that are sub-standard. Having worked hard to achieve and maintain our accreditations we have been frustrated by the environment that allows companies to claim to be acting within the confines of a government scheme and yet when questioned clearly are operating in a non-complaint manner.</p>
45.	<p>If brokerage continued, would you recommend any substantial changes to its design to better reflect the future fuel poverty focus?</p> <p>Yes / No / I <b>do not have a strong view</b></p> <p>Where appropriate, justify your response.</p>
	<p>We are convinced that organisations with local knowledge are best placed to identify homes in or at risk of fuel poverty. We question the effectiveness of the brokerage system and the players who use this mechanism to be able to adapt their commitments made within brokerage to that local situation.</p>

## Chapter 6: Second set of reforms (2018-2022)

46.	Government invites views on the aspects of the future supplier obligation (eg measures, scoring, objectives) where a Scottish scheme could diverge from the GB-wide scheme without increasing the administration or policy costs unreasonably.
	<p>Cornwall presents a number of distinctive challenges and, in our experience, the framework of national schemes has not been an appropriate fit to adequately address Cornwall's needs. We are therefore supportive of Cornwall Council's proposal on energy pilots within the devolution settlement being worked out since 2015. We are disappointed that the consultation document does appear to acknowledge or make provision for the development of a distinct fuel poverty agenda for Cornwall, whilst it recognises the different provisions that exist in other areas with devolved powers such as Scotland and Northern Ireland; the impacts of City Deals, including the first rurally focussed Deal in Cornwall, potentially present fresh opportunities for the delivery of Energy Company obligations. This reality has not been recognised in the consultation document. The challenge of addressing and reducing levels of fuel poverty should be seen as an area where the City Deals can make a big difference and we would encourage the newly created Department of Business Energy and Industrial Strategy to consider this when analysing and considering the consultation responses.</p>
47.	When would you consider that differences between an English and Welsh scheme and a Scottish scheme could be detrimental to the operation and competition of the United Kingdom-wide energy market
48.	<p>Do you believe there is any justification for changing the customer number threshold in the future obligation (2018 onwards)?</p> <p>Yes / No / I do not have a strong view</p> <p>Please provide specific reasons and evidence and, if you responded 'yes', describe any actions you recommend in relation to addressing the proportionally higher fixed costs that may be borne by smaller obligated suppliers.</p>
49.	<p>Do you believe there is any justification for changing the taper for newly obligated suppliers in the future obligation (2018 onwards)?</p> <p>Yes / No / I do not have a strong view</p> <p>Please provide specific reasons and evidence and, if you responded 'yes', describe how you recommend amending the taper.</p>
50.	<p>Under current and previous supplier obligations, are there barriers in scheme design inhibiting innovation in delivery models and technologies?</p> <p><b>Yes</b> / No / I do not have a strong view</p> <p>If you responded 'yes', how should we design the scheme in order to overcome these barriers and incentivise the delivery of innovative products, technologies and delivery models in a future supplier obligation?</p>

	Incentivising innovation risks diverting limited funding away from more cost effective and proven insulation measures. There should be a separate government budget for innovation.
51.	Government invites views on what specific improvements could be made to the design of the ECO scheme to facilitate administration and delivery.