The Green Deal and ECO Consultation
Green Deal Legislation and Finance
Department of Energy & Climate Change
1st Floor Area D
3 Whitehall Place
London
SW1A 2AW

Email to: greendealandecoconsultation@decc.gsi.gov.uk

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Re: Consultation on the Green Deal / Energy Company Obligation

Green Building Partnership Response

Comment in general:

This Consultation assumes the fundamental premises of the Green Deal are socially appropriate, we accept these premises in order to participate, but we do have reservations as to whether the Green Deal as conceived can be applied equitably.

We also find it difficult to see how the basic premise that energy saving measures can be calculated and paid for by reductions in bills when across the industry charges are set to reduce per unit the more energy the customer uses. This entirely distorts the equation and needs to be reversed before the Green Deal commences.

To summarise our responses within the terms of the Green Deal, informed by our experience in offering consultation & specifications for Eco-renovations:

The main problem will be to create public interest and participation:

A householder will accept building work disruption in order to: increase comfort in their living conditions, make a capital investment with a good return, make running & maintenance easier, and reduce energy bills. The Green Deal provides only the first of these, and such increase in comfort will be small due to the limitations of the Golden Rule in terms of qualifying measures. As for the others, property capital may well be harder to recoup with a loan attached, , and the bills will not reduce but instead will have to cover the administration of the Green Deal as well as interest and capital repayments.

A further problem is caused by the lack of uniformity in the UK housing stock . Microclimates and siting are infinitely varied and our housing has been accrued through 500 years of developing local

techniques. The Green Deal is trying to encompass all the variables to fit into a single assessment and upgrading process. The problem is recognised in the Consultation where an additional assessment method is proposed for upgrades on pre 1914 buildings, but the more that the numbers involved are understood the more difficult it will become to standardise any period of building.

The third problem is Green Deal's whole new bureaucracy: this should not need explanation except to say we thought this government was trying to cut 'red tape'.

We have the following responses to some of the specific questions listed in the Consultation document :

Q 1 -4/ Assessors:

An Assessor will need to understand all types of buildings technologies & materials, all people, cultures & social mores, all the possibilities of Green Deal and ECO, interpret all energy bills & tariffs, be able to calculate an accurate EPC for the property (despite current inadequacies of RdSAP, the underlying calculation methodology) and make instant cost forecasts. Moreover this must be done independently, impartially and while diplomatically judging the financial capacity of the customer. They also need to impartially sell the whole process to the customer while possibly being salaried to a Provider (the only straightforward way to access ECO it seems) - or may themselves have cold-called to get through the door. The customer has this one encounter to receive an analysis that will affect household expenditure for the next 25 years. The Assessor will be expected to achieve their judgement, for which they take full responsibility, within a cost that seems to be anticipated by some parties at around £120. Not only does this appear an optimistically low cost, but the above process will require a much higher level of knowledge and skill than is currently the norm for many domestic energy assessors.

Therefore there may be some significant issues in setting up adequate selection, training, renumerating and checking of Green Deal Assessors

We are regularly carrying out domestic energy assessments in order to recommend energy improvements. A realistic assessment & statement takes approx 2 days possibly with two people working on it, and we charge (cost price) in the region of £450 for a three bedroom house. This is only the beginning of an investigative process to identify the best means to upgrade the thermal performance of a building. This goes on to include measurement, drawings, possible architectural/technician/engineer input, building regulation applications, a possible planning application and cost estimating, all of which may vary the original proposal in order to achieve the best result for the customer. Even then the nature of the work means that there will always be hidden problems on site, which will require variations in cost and specification. We note this is covered in Appendix A by suggesting that if the customer cannot accept variations, ie extra costs, then the provider just puts everything back and leaves. An informed customer would be unlikely to

agree to such an indeterminate process and at worst could lead to a minefield of litigation.

In summary, an Eco-refurbishment is not a plug-in item, it is a complex process with many materials & skills involved. It cannot be circumscribed to a single priced specification in one visit.

The Consultation does then allow for a situation in which the assessor is able to offer further services provided the boundaries of his/her responsibility are clarified. This space will maybe allow for experienced and practising Eco-refurbishers to work for a customer using a Green Deal loan and possibly ECO as part of the finance scheme. However this would indicate a different relationship with Green Deal Providers than one this Consultation document suggests.

The contractual relationship is proposed to be between the Provider and the Customer, with the Provider then supplying the installation either direct or sub-contracted. There is no implementation role in this for either enhanced Assessor services or eco-consultant input – apparently leaving all the essential design and planning stages to be carried out ad hoc between specialist installers – a recipe for disaster on all but the simplest of construction projects. DECC should take note that there are existing professions which encompass similar duties of design and planning on behalf of clients: e.g. architects. Their professional standards, working methods, indemnity insurance and duties could offer a realistic and long-tested model for including the 'Assessor-plus' role within any other than the simplest Green Deal contract. A current JCT small works contract allows for a contract administrator to co-ordinate the work and act between the paying client and the contractor to ensure smooth procurement. Both the Provider and the end customer benefit. There is also an existing body of public servants who understand building work and who already perform a system of checking installations for appropriate solutions and proper installation: Building Inspectors. An increase in their duties, which will cover most Green Deal work in any case, could be to check that projects comply under Green Deal.

We would like DECC to consider the involvement of appropriate consultants within the process as a means to achieve the standards that will be required for accurate Green Deal Assessments.

Q5: the EPC as suitable vehicle for calculation:

The EPCs we have encountered that have been obtained for the purposes of domestic property transactions have frequently seemed optimistic when compared to the actual property. It is difficult to check this impression as the result given in the calculation is more precise than the information that may have been put into it. The information that is used to calculate the RdSAP (the method behind EPCs) is at best approximate compared to the more rigorous full SAP 2009 or for example PHPP. Therefore it is impossible to compare exactly like for like. We strongly believe that using an energy assessment methodology that is significantly more accurate than RdSAP should be employed for energy assessments for the Green Deal.

Q6-7: non- domestic properties:

Commercial EPCs are more stringent and reliable, and therefore cost more. The proposal for commercial property is to set the Assessor free to make a scoping report, ie assess the work and therefore cost of the assessment. Variables have defeated the Green Deal concept here: building cost forecasts are omitted, only savings on energy will need presenting to qualify for Green Deal. Furthermore the scope of commercial work means that it is recognised that an assessor may have to involve building consultants etc and it has been necessary to leave this essentially open-ended so far.

It is likely that domestic assessment carried out properly is equally complex, except there is the inclusion of the concept of the 'average' domestic energy user so as not to unduly disadvantage energy savers. The financial calculations thus become more remote from the actual conditions of the house and household.

There seems to be a hidden dilemma: Either standardise by defining an average property and average household and then risk the Golden Rule not working out in practice, or tailor to each property, but rethink the terms of the Golden Rule as key to Green Deal loan finance or ECO money.

Q8 -9/ Approved Procedures

In terms of performance: the British Standards, CE marks and Codes of Practice already cover this field. In terms of low-carbon credentials this remains a minefield of calculation but there are already well-developed sources of information on sustainable materials, the Green Guide to Specification is already in use by the BRE and other established sources of advice on green specification exist, e.g. GreenSpec which deserve attention. Any list created for the Green Deal would tend to limit the detailing of installation work, which must be designed to work seamlessly with existing constructions. Costs of reinstatement of disturbed finishes should be included of necessity, and so must also be economically integrated with the upgrade solution demanding a wide variety of materials. SMEs are best served by the freedom to develop their own preferred methods, within existing industry constraints, and often in response to local knowledge of existing buildings and locally available skills. -

Of course simple 'packages' are possible to restrict, such as draught stripping, light bulb changing, boiler checking. However, the logistics of supply, local availability etc and avoidance of cartels makes it desirable to leave this as open as possible within BS or CE controls. This would allow for innovation via normal procedures.

Q10-16/ Hard to treat properties & ECO

Are all non-cavity walls 'hard to treat' by definition? Equally 'solid' walls are not the only alternative to cavity - timber or steel framed, timber clad, tile-hung, render on ply, cob, bungaroosh. This shows the need for highly informed and experienced assessors who cannot be just box tickers.

The extent of ' hard to treat' elements and unintended consequences is wide & should not be

restricted to solid wall work only. Some examples are undercrofts & suspended floors, inaccessible attic spaces, unventilated timbers in lined roof spaces, pre-dpc walls, old dewpoint problems in part-insulated walls, out of date consumer units on electrical circuits, above all existing long-term water ingress.

Many problems will only be evident when workers start on site. An assessor could qualify every occupier eligible for ECO, should the need be identified or not, so that this funding could be accessed later if necessary. All non-benefit households need warning that there may be hidden costs not claimable under ECO - otherwise budgets will over-run and ECO funding may be cut as was the case of FiTs in 2011.

Any measure, which helps lower carbon production as well as increasing householder comfort, should be allowed under the Affordable Warmth Obligation.

We note that energy companies will have an incentive to meet their energy reduction targets in the most cost effective way. It is therefore likely that they will adopt a standardised approach using the cheapest materials and installation methods. Whilst cost reduction is to be encouraged, this should not compromise the appropriateness or robustness of an energy efficiency measure. For example, the nature of the housing stock in Brighton and Hove necessitates that due consideration is given to measures that meet the needs of buildings susceptible to damp, due to the period developed, or which have particular methods of construction, due to local traditional techniques.

Q17-18 materials & systems

We see no reason to create requirements on qualifying Green Deal products, as this will only restrict appropriate and economic solutions while giving out monopolies to large suppliers. We agree with the requirement to prove efficacy via BS, CoPs, CE, micro generation certifications etc. If anything, we need to simplify these requirements to allow for traditional or recycled materials as well as manufactured products.

Also, there is already a robust system to show the thermal efficacy of products and systems – the U value calculation – this can be completed with tested records of the thermal properties of a material and is used to prove Building Regulations standards If this system is robust enough for the integrity of buildings, is it not also robust enough for the Green Deal?

Moreover, when a material is specified its R value (or similar) will be built into the SAP calculation. U value calculations are necessary for Building Regulations and so must be calculated in any case and the right material performance can be selected to meet a specified heat loss performance as required for the EPC. It is a standard rule on sites that if a different product is used it must have equivalent efficacy to that specified. Any enhanced performance of a single manufacturer will be greatly welcomed by installers struggling to achieve good results and therefore no additional encouragement is needed via the Green Deal.

Q19- /Providers, ECO & AWO

The ECO scheme should at the very least continue to provide e.g. basic loft insulation and boiler upgrades to fuel-poverty households in the same quantities as delivered under previous schemes. We therefore recommend that ECO's scope be redefined to achieve such outcomes, and the projected decrease in subsidy for cavity wall and loft insulation be avoided.

Chapter 7 Installation

Q 40 a 41/

It is proposed to develop an accreditation system for installers only. Business organisations for delivering Green Deal & ECO will be able to develop to include Assessors and/or Providers but only all installers will need accreditation. Providers will either employ installers directly, or contract out to installers, or installers can be independent and commissioned direct by the consumer.

We have found that customers interested in an Eco-upgrade first of all need information and explanation about their general options to proceed, and their needs are rarely answered by referral to a single type of installer. This applies to community projects as well as private individuals.

There is then always a design & management stage required before an installer can be appointed, this answers questions regarding what, where and when, and establishes a budget structure. The latter would identify possibilities of using Green Deal and/or ECO. The design stage also needs to arrange Planning and Building Regulations applications and other considerations such as access, fire safety and the Party Wall Act. A number of measures will also need integrating so that (for example), first fix electrical work can be planned in prior to internal insulation of walls, or a new heating system plumbed and integrated with a thermal solar panel. These processes involve different trades each possibly with their own GD accreditation but needing an integrated work plan to be able to effectively deliver.

For this reason we have formed a co-operative partnership in order to integrate all the parties needed to deliver effective Eco-projects. It may include green deal assessors, it already includes project managers, architects and similar consultants and is able to provide SAP, SBEM & calculations such as Passivhaus. A team of installers of all kinds is being established with whom we will regularly work and who may become full members of the co-operative. Does the company need to be accredited as installers, if not what endorsement would we need, if any, to integrate Green Deal and access to ECO in our projects?

This has been agreed as our response to the Green Deal Consultation document:

Frances Hunt, David Porter, Alex Hunt (Partners)
The Green Building Partnership – www.greenbuildingpartnership.co.uk

John Smith, **Cityzen LLP** (Partner) – www.cityzen.biz

Martin McCurdy (Owner), **Martin McCurdy Architecture**

Damian Tow (Director), **Brighton Energy Co-operative** - www.brightonenergy.org.uk

The Sustainable Energy Network – advisory body to Brighton & Hove City Sustainability Partnership