

**Final**



# **Consultation Response**

**Energy Company Obligation  
ECO+: 2023-2026**

Prepared for: BEIS

Date: 23/12/2022

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## Executive Summary

Elmhurst Energy are pleased that BEIS are seeking a consultation on 'ECO+: 2023-2026' and as such we are delighted to respond to each question in turn.

The consultation asked 88 questions and we have answered them all below. We hope you find the responses considered and useful for taking energy efficiency measures in dwellings forward in a progressive manner.

We are encouraged to see BEIS taking steps to find further ways to help improve energy efficiency in homes. The current cost of living and fuel poverty issues we are experiencing as a nation need to be resolved as soon as possible and retrofitting is by far the most proven solution. ECO+ provides a route for simple single measures to be installed effectively and quickly. This is needed to make a fast and economical delivery to reduce energy bills in the short term however we are concerned about the unintended consequences, many of which were highlighted in the Each Home Counts review. We must still ensure the long term and a whole house approach be taken for multiple and complex measures.

We generally support the scheme proposals with its aim to provide more measures at a lower compliance cost whilst still maintaining a quality assured route through TrustMark and the data warehouse. We are however concerned with the lack of coordination and overall control. It is likely that the responsibility of the project given to Retrofit Coordinators within the whole house PAS 2035 approach will be given to installers and they must be accountable within the scheme if this is the case. We must continue to ensure measures are installed to a good quality and the future of the property is not damaged by the process.

Government could do more to use data between departments and find that in this day and age of data and connections there is a high price for simply finding measures. The use of government databases should be coordinated more efficiently.

We strongly recommend a post EPC to provide an update to the home owner on how the measure impacted their home energy efficiency and also allow for government and stakeholders to measure the impact and success of the scheme by seeing the improvement post install.

## Questions and Answers

### **1. Do you agree with the proposal to set mandatory annual targets for ECO+?**

No strong opinion

### **2. Do you agree with the approach set out to implementing mandatory annual targets for ECO+?**

No strong opinion

### **3. Do you agree with our proposal to facilitate early delivery under ECO+ ahead of the ECO+ Order coming into force?**

No strong opinion

### **4. What additional information would suppliers need to deliver ECO+ measures before the ECO+ Order comes into force?**

No strong opinion

### **5. Do you agree with our proposal to allow each supplier a maximum of 10% carry under of the Year 1 obligation to Year 2 for ECO+?**

No strong opinion

### **6. Do you agree with our proposal to allow unlimited carry-over between annual targets for each of the first two years of ECO+?**

No strong opinion

**7. Search costs: Do you agree with our assumed search costs, as outlined in Table 2? Please provide BEIS with any information on search costs supporting your response.**

Government could do more to use data between departments and find that in this day and age of data and connections there is a high price for simply finding measures. The use of government databases should be coordinated more efficiently.

**8. Search costs across the two eligibility groups: Do you agree with our plans to use lower search costs for the general eligibility group in the final ECO+ modelling compared to the low-income group? If so, by how much should we reduce search costs in the general group? Please provide BEIS with information on search costs supporting your response.**

Government could do more to use data between departments and find that in this day and age of data and connections there is a high price for simply finding measures. The use of government databases should be coordinated more efficiently.

**9. Reducing search costs generally across the scheme: Do you have any ideas on how search costs could be reduced across the scheme? Please provide BEIS with information on search costs supporting your response.**

Government could do more to use data between departments and find that in this day and age of data and connections there is a high price for simply finding measures. The use of government databases should be coordinated more efficiently.

**10. Measure cost assumptions: Do you agree with our estimates for the capital costs of installing measures, as outlined in Table 3? Please provide BEIS with information on measure costs supporting your response.**

No strong opinion

**11. Measure cost assumptions: Do you agree with our estimates for the average installation costs of installing cavity wall and loft insulation, as outlined in Table 4? Please provide BEIS with information on measure costs supporting your response.**

No strong opinion

**12. Additional costs of compliance with retrofit standards: Do you agree with our assumptions for compliance with TrustMark and PAS2035 standards? Please provide BEIS with any information on PAS2035 compliance costs by measure type and risk pathway for the following insulation measures: cavity wall, solid wall, loft, pitched roof, flat roof, under-floor, solid floor, park home and room in roof. If not available, please provide information on average PAS2035 compliance costs for these measures across all risk pathways.**

No strong opinion, for simple single measures, compliance costs do seem high. For whole house retrofit, the compliance cost is justified.

**13. Supplier administration costs: Are you expecting administrative costs under ECO+ to be lower than under ECO3, given that a lot of the requirements under ECO+ are the same as under ECO4? Please provide BEIS with information on administrative costs supporting your response.**

No strong opinion

**14. Do you agree ECO+ should target two groups with the first focusing on a general group with wider eligibility requirements and the second focusing on low-income households in line with ECO4?**

We agree that poor performing properties and low income households should be prioritised for funding options.

**15. Do you agree with our proposal to target “general group” support at households in Council Tax bands A-D in England, A-E in Scotland and A-C in Wales with an EPC of D and below?**

We agree that poor performing properties and low income households should be prioritised for funding options.

**16. Do you agree with our proposal to target all eligible low-income households living in EPC band D-G through the low-income group?**

We agree that poor performing properties and low income households should be prioritised for funding options.

**17. Do you agree with our proposal to carry over the same eligible benefits from ECO4 to the low-income group under ECO+?**

No strong opinion

**18. Do you agree with our proposal to set a low-income group minimum requirement equivalent to 20% of each annual target with flexibility on whether the remaining obligation is delivered to low-income or general group households?**

No strong opinion

**19. Do you agree that we should allow up to 80% of a supplier's low-income minimum requirement to be met through LA and Supplier Flex, with unlimited flex permitted beyond the low-income minimum requirement?**

No strong opinion

**20. How can referrals through LA & Supplier Flex be facilitated?**

No strong opinion

**21. Do you agree with our proposal that only PRS households in EPC bands D and E should be eligible for ECO+ in the general and low-income group, while PRS households in EPC bands F and G should be excluded, other than when exempt from the minimum energy efficiency standard?**

We agree that PRS properties that are D or E should benefit from funding options. Landlords are already obligated to ensure their properties meet E ratings to legally let them following the Minimum Energy Efficiency Standards (MEES). There should be a route for landlords to resolve exemptions via ECO+.

**22. Do you agree PRS households should not be eligible for secondary heating controls?**

No strong opinion.

**23. Do you agree with our proposal that PRS households in the general group should not be eligible for cavity and loft insulation?**

It is not always the case that cavity and loft insulation are low cost measures and we feel that opportunities for funding should be available for homes that meet the requirements even if they fall under PRS. It will however encourage landlords to contribute and could assist towards improving homes and reducing the need for exemptions.

**24. Do you agree with our proposal that social housing will be included for EPC bands E-G in line with the eligibility criteria for general and low-income eligibility groups?**

No strong opinion

**25. Do you agree that Social Housing should not receive heating controls through ECO+?**

No strong opinion

**26. Do you agree social housing in the general and low-income eligibility group with EPC band D should only be eligible for the Innovation Measures that are eligible through ECO4?**

No strong opinion

**27. Do you agree with only having a 'rural' rather than 'off-gas' requirement for properties to receive an uplift in ECO+?**

No strong opinion

**28. Do you agree that rural uplifts of 35% should be applied to Scotland and Wales only?**

No strong opinion

**29. Should the rural uplift only apply to higher-cost measures, and therefore exclude loft insulation and heating controls, delivered in Scotland and Wales through ECO+?**

No strong opinion

**30. Do you agree that ECO+ should allow the in-fill mechanism with a ratio of 1:1 for flats and 1:3 for houses?**

No strong opinion

**31. Do you agree we should allow ECO4 houses to contribute to the ECO+ in-fill ratio? Do you foresee any further challenges in blending ECO4 and ECO+ in this area?**

No strong opinion

**32. Do you agree with our plans to explore additional access routes to the scheme, including through GOV.UK?**

Providing more information to the general public is very much supported by industry. We also suggest adding more information to the EPC. This is generally the route for which home owners look to improve their properties or look for funding. Having simple accessible self-assessment eligibility tools will improve the process.

We recommend utilising Retrofit Assessors and Retrofit Coordinators for providing advice and guidance to home owners and strongly recommend the government websites push towards assessor search features to ensure a qualified, accredited and competent person can assist them.

We welcome joint efforts on improving access to advice and information within the retrofit industry.



**33. Do you have any views or ideas for how best this might be made to work to overcome noted obstacles?**

Providing more information to the general public is very much supported by industry. We also suggest adding more information to the EPC. This is generally the route for which home owners look to improve their properties or look for funding. Having simple accessible self-assessment eligibility tools will improve the process.

We recommend utilising Retrofit Assessors and Retrofit Coordinators for providing advice and guidance to home owners and strongly recommend the government websites push towards assessor search features to ensure a qualified, accredited and competent person can assist them.

We welcome join efforts on improving access to advice and information within the retrofit industry.

**34. Do you agree with our approach towards blending of funding with ECO+?**

No strong opinion

**35. Are there additional issues you wish to flag about the interactions between ECO4 and ECO+ and/or with other grant schemes?**

No strong opinion

**36. Do you agree with our proposal to target the low-income group at eligible households in EPC bands E, F and G that do not meet the ECO4 minimum requirement?**

We agree with the proposal

**37. Do you agree with our preferred approach to use the ECO4 exemption criteria to evidence whether a property within the low-income group with a starting EPC band of E, F or G cannot meet the ECO4 MR and is thus better suited to receive measures under ECO+? Please include views on how this approach could be improved or modified to better ensure properties receive a whole house retrofit where it is appropriate for them to do so.**

No strong opinion

**38. Do you agree with our alternative proposal to use the pre-retrofit property assessment and further documentation to determine whether a band E, F or G property cannot meet the ECO4 minimum requirement and is therefore better suited to receive measures under ECO+? How could this test be made more robust?**

The property assessment is very much the start of the process and should be relied on to obtain the information and data for use within the scheme. These must be completed by qualified, accredited and competent Retrofit Assessors. Once the assessment has been completed, coordination of the potential measures is needed. It should not be the Retrofit Assessors responsibility to determine appropriateness of measures for the property, multiple measures or deep retrofit.

**39. Do you agree with our proposal not to include further tests to distinguish properties which may also be eligible under the HUG, LAD and SHDF schemes?**

No strong opinion

**40. Do you agree with our proposal to exclude E, F or G properties that have received support under ECO+ from receiving further support under ECO4?**

No strong opinion

**41. Do you have views or information on how the proposals set out in this consultation will impact people with protected characteristics under the Equality Act 2010?**

No strong opinion

**42. Do you agree that there should be no minimum requirement for homes to be improved by a certain number of EPC bands in ECO+?**

We agree that there should not be a minimum requirement for homes to be improved to however we strongly recommend that a post EPC is completed to reflect the impact the measure has made. This also allows for government and stakeholders to measure the impact of the scheme.

**43. Do you agree with the list of eligible insulation measures permitted through the scheme subject to household eligibility rules? Are there any insulation measures missing from the list of eligible measures?**

We agree with the list and have no further measure to include.

**44. Do you agree with our proposal to offer only single insulation measures to both eligibility groups?**

No strong opinion

**45. Do you agree that homes should only be eligible to receive ECO+ support once through the scheme, to ensure that the maximum number of homes are able to receive support?**

No strong opinion

**46. Do you agree with our proposal to encourage customer contributions to allow the delivery of higher-cost insulation measures through the general eligibility group?**

Agree, the option for customer contribution will allow for more homes to be improved overall.

**47. Do you agree with a 10% spend increase (£80 million over three years) for the general eligibility group in the modelling to account for customer contributions in the overall scheme target?**

No strong opinion

**48. Do you agree with the measures eligible to be installed under the heating control measure type?**

No strong opinion

**49. Are there any other heating control measures that should be included?**

No strong opinion

**50. Do you agree with our proposal to allow Innovation Measures approved under ECO4 to be installed under ECO+?**

No strong opinion

**51. Do you agree that delivery of ECO4 innovations should be capped at no more than 10% of a supplier's annual obligation?**

No strong opinion

**52. Do you agree with our proposal to encourage the delivery of Innovation Measures, that are awarded a 25% uplift as in ECO4, but not to retain a 45% uplift?**

No strong opinion

**53. Do you agree that any ECO+ eligible Innovation Measure that is awarded a 45% uplift in ECO4 should be awarded a 25% uplift in ECO+?**

No strong opinion

**54. Do you agree the sponsoring supplier uplift of 5% should not be retained under ECO+?**

No strong opinion

**55. Do you agree with our proposal to adopt the ECO4 overarching scoring framework, for measures delivered under ECO+ to receive ECO4 partial project scores without the 20% deflator?**

No strong opinion

**56. Where single insulation measures are installed, should we remove the 10% score correction deflator used in ECO4 to account for measure interaction? Please include views on whether the correction factor should be applied to heating controls installed as secondary measures.**

No strong opinion

**57. Do you agree to our approach for evidencing scores under ECO+?**

No strong opinion

**58. With the planned inclusion of ECO+ in the Energy Price Guarantee (EPG) mechanism, are there any particular issues or concerns that you would highlight?**

No strong opinion

**59. Do you agree with our proposed notification processes for ECO+ measures?**

No strong opinion

**60. Do you agree to our proposal for an extension to notification at the start of the ECO+ scheme?**

No strong opinion

**61. Do you agree with our proposal not to impose any installation time limits on single ECO+ measures, but to require secondary heating controls to be installed within 3 months from the completed installation of the primary measure?**

No strong opinion

**62. Do you agree with our proposal to allow trading of obligations within a six-month period at the start of each annual target period?**

No strong opinion

**63. Do you agree with our proposal to allow the transfer of qualifying measures at any time before 31 March 2026?**

No strong opinion

**64. Do you agree with our proposal to impose ECO+ guarantee requirements through TrustMark registration?**

No strong opinion

**65. Do you agree that we should require measure lifetimes through the scheme to benchmark guarantee requirements and for scheme reporting purposes?**

No strong opinion

**66. Do you think we should allow loft insulation in low-risk situations and heating controls to be delivered in accordance with the TrustMark Licence Plus scheme rather than PAS2030/2035?**

We feel that PAS 2035 is overly vigorous for a loft only install and support a less onerous route in some scenarios however we are keen to ensure unintended consequences such as poor ventilation are still reviewed/factor in etc. We must still maintain quality installation through the process.

**67. How can we determine a measure as low-risk without incurring additional costs through, for example, using a Retrofit Assessor or other PAS processes?**

No strong opinion

**68. Do you agree all other insulation measures should be required to be installed in accordance with PAS2030/2035?**

No strong opinion

**69. Do you think we should allow cavity wall insulation to be delivered in accordance with the TrustMark Licence Plus Scheme in low-risk situations?**

We feel that PAS 2035 can be overly vigorous for a low-risk cavity wall insulation only install and we support a less onerous route however we are keen to ensure unintended consequences such as poor ventilation or moisture issues are still reviewed/factor in etc. We must still maintain quality installation through the process.

**70. What else can we do to ensure sufficient supply chain capacity in support of ECO+, other retrofit schemes that will be running at the same time (ECO4, the Homes Upgrade Grant (HUG) and the Social Housing Decarbonisation Fund (SHDF)) and, in the long-term, our net zero target? What can we do to reduce competition between these schemes for the supply chain?**

Further funded training and qualification opportunities should be made available to improve the supply chain capacity.

Ensuring the processes and compliance requirements are as simple and consistent as possible between schemes.

**71. Do you agree with our proposal that advice should be provided on the benefits of smart meters and how to request installation of a smart meter alongside the advice provided under TrustMark Licence Plus and the energy advice requirements required by PAS2035 (as relevant)?**

No strong opinion, it should be provided by train, qualified and competent people.

**72. Do you have any views on the proposal for ECO+ to follow the approach of the existing ECO programme, in supporting consumers in all parts of Great Britain?**

No strong opinion, it should be provided by train, qualified and competent people.

**73. Do you have views on how the scheme can best support consumers in Scotland, for those aspects that were transferred to Scottish Ministers by the Scotland Act 2016?**

No strong opinion

**74. Do you agree with our proposal on amending the definition of renewable heating system?**

No strong opinion

**75. Do you agree with our proposal to allow homes with neither an efficient nor inefficient heating system to be eligible for electric storage heaters and electric heating systems, and for off-gas homes where it is not possible to install measures from the off-gas heating hierarchy?**

No strong opinion

**76. Do you agree with our proposal to allow homes with a broken central heating system or connection to a district heating system fuelled by oil, LPG or biofuel or a broken renewable heating system which is an inefficient heating system, where it is not possible to install a heating measure from the off-gas heating hierarchy and a repair is not technically feasible to be eligible for electric storage heaters and electric heating systems?**

No strong opinion

**77. Do you agree with our proposal to allow connections to district heating systems fuelled wholly or partly by gas to be installed in off-gas homes?**

No strong opinion

**78. Do you agree with our proposal to update the ECO4 partial project scores from SAP2012 to SAP10?**

Using the latest and most accurate version is always recommended.



**79. Do you agree with our proposal to require SAP10 and RdSAP10 assessments for ECO4 evidencing instead of SAP2012 and RdSAP2012?**

Yes agree using the latest and most accurate version is always recommended.

**80. Do you agree with our proposal to restrict exemptions to the minimum requirement and minimum insulation requirement that are evidenced by PAS2035 to only those retrofits in scope of PAS2035?**

No strong opinion

## Contact Details

Should you require any further clarification, please contact us at:



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