



## ECO Steering Group |MINUTES

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13 December 2013 | 14.00 | 3 Whitehall Place

### Actions from the previous meeting held on 8 November 2013

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#### **Action :**

- Steering Group members to provide feedback on restricting the number of lots submitted on the brokerage platform - **COMPLETE**
- Steering Group members to provide feedback on the proposed rating system and alternative proposals - **COMPLETE**
- Brokerage participants to feedback on updated draft version via Burges and Salmon web portal - **COMPLETE**

### Brokerage Update

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1. The reduction in lot submission from sellers, to prevent flooding the auction, has been agreed and implemented with a maximum of 10 lots per auction session;
2. The standard contract review is very close to completion. DECC will offer a page-turn meeting with Burges Salmon to run through final changes. Recent uncertainties have led to slight delays but we expect to complete in January and implement in February;
3. In this context, we had circulated/consulted on a revised PPQ for calculating damages in event of default, and had suggested it would come in in January. In fact, it ties to outcome of the contract review so we will retain current PPQ until February.
4. Non-delivery/non-payment of existing contracts are matters between the parties, and you will need to take your own legal advice in such instances. The DECC view is that the validity of current contracts is unlikely to be affected by recent announcements. SG members are asked to consider if it would be helpful to set this out in writing. **ACTION Please send views by 22<sup>nd</sup> January.**
5. We are also interested in views on the need for any changes to brokerage operation and/or contract to reflect the recent announcement on proposed changes to ECO. **ACTION Please send views by 22<sup>nd</sup> January.**
6. Ratings system – thanks for those who commented by 6 December deadline. There appeared to be broad agreement, but a few suggested tweaks and in particular comments around treatment of new entrants and whether they should be flagged as new or not. Circulating a revised note following this note and grateful for any further comments by 15th Jan. We will then look to institute the system for subsequent auctions.

### ECO discussion

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## Department of Energy & Climate Change

7. Siobhan Stanger led a detailed discussion of the proposed changes to ECO, for consultation, which were announced in early December (based on the slide pack circulated with these minutes).
8. Clarification was given on the following points in response to questions:
  - The IA will be published alongside the consultation
  - Any consultation on maximizing of carry-forward from CERT/CESP will focus on transferring measures between supply licenses rather than allowing new measures e.g. DIY loft to qualify.
  - Regarding the uplift for phase 1 & 2 measures: we plan to consult on the basis of measures installed, rather than notified, by 31 March 2014 which are eligible hard to treat measures.
  - The intention is that measures carried forward from CERT/CESP would not count towards the uplift threshold.
  - The intention is that the uplift would only apply to the CERO target.
  - The issue of whether the Solid Wall minima would be measures-based or carbon-based will be consulted on. The intention is that carryover from CERT would not count towards the minima and that any uplift in scoring would not count towards the minima.
  - Regarding proposed changes to the Green Deal, ECO activity must be additional, which needs considering in relation to the blending of GD/cashback packages
  - The question was raised as to whether EPC XML data can be made publicly available? DECC highlighted issues around data protection **ACTION - DECC to consider as part of work on wider access to EPC data**
  - DECC are happy to take suggestions about more radical changes for the post-2015 phase of ECO if stakeholders believe they would further reduce costs whilst delivering on the objectives of the scheme – **ACTION please submit suggestions by 6<sup>th</sup> Jan.**
  - The consultation period will be around 8 weeks (TBC) out of the necessity of laying the legislation in Parliament in the summer. DECC will be holding stakeholder workshops as a means of helping people feed into the consultation despite the limited time.
  - The question of changing the notification timeline could be consulted on as part of more radical rethink for post 2015.
9. Marcia Poletti also spoke to the group regarding the new incentives package (slides 13-15) and the following clarifications given in addition to the various measures:
  - The stamp duty rebate will apply in properties below the threshold for stamp duty.
  - It will be approximately half the stamp duty.
  - Of the £150 million, the current proposition is that around £120m will be for the home mover scheme and £30m to support private landlords reflecting the different size of the respective markets. However, this is still under consideration.
  - The question of marketing was raised – is the name ‘Stamp Duty Rebate’ misleading as it will lead people who aren’t paying it to think they can’t get it, or will this be a useful PR tool?
  - It will be illegal by 2018 to rent out homes in the F&G brackets unless every measure has been taken to raise the property to band E through the Green Deal (if a tenant refuses, the landlord will be seen as doing all they can) – there are many details that need attention and clarification.



## Department of Energy & Climate Change

- They are trying to use existing IT structures and other systems to administer the scheme, but if this is not possible they will need to re-procure.
- Funding is for a 3 year period
- Need to ensure there are no state aid problems that would create problems for the Green Deal.
- Regarding the current cashback scheme, the money for the extension of the scheme from April-June will come from this £540m and following this, more money may be used to create a new cashback scheme in order to open up the incentives to those other than house movers and landlords.

10. The following questions from slide 14 of the pack were posed to the group in relation to the new incentives package:

- Should we drive a whole house approach or individual measures?
- Type of incentive - cash reward after installation of measures? Cash reward for improving EPC rating? Upfront discount? Other?
- How should the home-buyer and Landlord scheme differ?
- How can we drive take up of solid wall insulation?
- How can we encourage blending of incentives whilst ensuring additionality?

**ACTION:** Please submit feedback on these questions to [deccecoteam@decc.gsi.gov.uk](mailto:deccecoteam@decc.gsi.gov.uk) by 8<sup>th</sup> January 2014

### Ofgem update

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11. Ofgem have recently published their latest compliance report. They approved 60,000 measures in November which is a significant increase. This is mainly due to the improved quality of information received.

### Any other Business

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12. Adrian Wright updated the Steering Group on the work to streamline the paperwork for the reporting requirements. The group has produced standard templates for numerous areas and these will be presented and discussed with suppliers at a workshop held in January.

### Date of Next Meeting

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13. 10th January 2014 – 11am LG Conference Suite

### Action List

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Action	For Whom	When
Please send any request for DECC to set out its position on the effects of the recent changes to ECO on current contracts under brokerage to <a href="mailto:deccecoteam@decc.gsi.gov.uk">deccecoteam@decc.gsi.gov.uk</a> .	SG members	22 <sup>nd</sup> January
Send views on the need for any changes to brokerage operation and/or	SG	22 <sup>nd</sup>



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contract to reflect the recent ECO announcement to <a href="mailto:deccecoteam@decc.gsi.gov.uk">deccecoteam@decc.gsi.gov.uk</a>	members	January
Send suggestions for possible major changes for the structure of ECO in the post-2015 to <a href="mailto:deccecoteam@decc.gsi.gov.uk">deccecoteam@decc.gsi.gov.uk</a> .	SG members	8 <sup>th</sup> January
Clarify when, and what to level, access to EPC will be made available publicly.	DECC	Ongoing
Feedback on the slide 14 questions to be submitted to <a href="mailto:deccecoteam@decc.gsi.gov.uk">deccecoteam@decc.gsi.gov.uk</a>	SG members	8 <sup>th</sup> January
Circulate letter from Greg Barker on proposed changes to ECO to SG members	DECC	13 <sup>th</sup> December