Microgeneration Government Industry Contract Group

Microgeneration Strategy Industry Action Plan Interim report

Background

The Microgeneration Strategy was published in June 2011 with the aim to tackle the non-financial barriers facing small scale renewable and low carbon energy technologies. It was supported by an action plan setting out a number of actions for industry and Government to take forward covering the areas of quality, skills, technology development, information and advice and communities.

DECC asked the Energy Efficiency Partnership for Homes (EEPH) to bring together stakeholders from industry to identify the opportunities and constraints for a strategy. EEPH provided this by way of four working groups, eight workshops and online input from wider audience of stakeholders. The report on the findings and recommendations from this work was submitted to DECC on 15th October 2010 and formed a key plank of the strategy.

The Government's Consultation document for this Microgeneration Strategy was published on 22nd December 2010 and it welcomed the proposed establishment of a Microgeneration Government-Industry Contact Group facilitated by EEPH. This group has supported the development of the Microgeneration Strategy and has a key role to play in its implementation by helping to build the capabilities and capacity of the industry to deliver the Strategy.

The EEPH has been superseded on 1 April 2012 by the Energy Efficiency Partnership for Buildings (EEPB), which will continue the facilitation of the MGICG.

What is Microgeneration?

A range of small scale onsite technologies for generating low carbon electricity and heat: including photovoltaics (PV), solar thermal, heat pumps, micro/small wind turbines, biomass, micro combined heat and power (CHP) and micro hydropower. For the purpose of the Strategy, microgeneration is defined as up to 50kW for electricity and up to 300kW_{th} for heat. This differs slightly from the legal definition as set out in the Energy Act 2004, Section 82.

Microgeneration gives householders, businesses and communities the opportunity to become energy generators and can play an important role in reducing UK carbon emissions and meeting our renewable target by generating low carbon and renewable energy (heat and/or electricity) onsite.

The Microgeneration Government Industry Contact Group

Purpose

The group comprises the various trade stakeholder groups that are representative of the wider microgeneration industry, consumer stakeholder organisations and government departments.

The group works constructively with Government in an advisory capacity to inform the Microgeneration Strategy and function as a project board to oversee implementation of the Strategy. The group also considers related policy areas in respect of microgeneration, such as for Green Deal, FITs, RHI, building regulations, planning, smart meters and the decarbonisation of the grid. The primary point of contact with Government is DECC's Heat Strategy and Policy team.

Objectives

The focus of the MGICG is:

1. Providing a single point of contact with Government to discuss and tackle the non-financial barriers facing mass deployment of microgeneration technologies and implementation of the Microgeneration Strategy
2. Feeding into work which supports consumer take up of microgeneration
3. Supporting work which seeks to improve the skills and competencies of the supply chain.

The remit of the group primarily concerns England, in accordance with the Microgeneration Strategy and its legal base, but many issues have UK wide implication and involve the Devolved Administrations.

Outcomes

The MGICG has set out to achieve the following outcomes:

- Synergy of policy drivers across government departments that promote the effective take-up of microgeneration technologies in homes, communities and small scale commercial buildings
- Improved consumer confidence in microgeneration technologies and installation
    - Enhanced consumer awareness of microgeneration and finance options (FiTs and RHI)
    - Appropriate independent advice for consumers about microgeneration options (including Green Deal finance options), including adequate education on the maintenance and operation of their systems
    - Supportive local authority infrastructure: planning officers, councillors and building control officers
- Enhanced skills and competencies of installers
    - Sufficient uptake of approved training courses and assurance schemes
    - Strengthened design and commissioning skills
    - Enhanced professional ethics
- Performance assessment tools that adequately support evaluation of microgeneration systems (as deployed in SAP, RDSAP and SBEM for EPCs)
- Complementary installation of appropriate energy efficiency measures and other low carbon heating systems.

Membership

Members of the group comprise trade and consumer stakeholder organisations and the relevant government departments.

Industry:
British Electrotechnical and Allied Manufacturers Association (BEAMA)
British Photovoltaic Association (BPVA)
Combined Heat & Power Association (CHPA)
Chartered Institute of Plumbing and Heating Engineering (CIPHE)
Consumer Focus
Consulting with Purpose (CwP) Ltd
Federation of Environmental Trade Associations (FETA)
Gemserv
Ground Source Heat Pump Association (GSHPA)
HETAS
Heating & Hot Water Council (HHIC)
Local Government Association (LGA)
Microgeneration Certification Schemes (MCS)
Micropower Council
National House-Building Council (NHBC)
Renewable Energy Association (REA)
REAL Assurance Scheme
Renewable UK
Solar Trade Association (STA)
SummitSkills
Business Council for Sustainable Energy (UKBCSE) – now superseded by Energy UK

Government:
Department of Energy & Climate Change (DECC)
Scottish Government

The Microgeneration Strategy and Action Plan

The Microgeneration Strategy and Action Plan was published on 22 June 2011. The Action Plan is available on the DECC website: http://www.decc.gov.uk/assets/decc/11/meeting-energy-demand/microgeneration/2014-microgeneration-action-plan-june2011.pdf

The process for the development of the Action Plan was initiated by way of a workshop on 9th May 2011. At the launch the Minster of State for Energy and Climate Change, Gregory Barker, referred to the Industry Action Plan as an example of the coalition government's approach to the co-creation of policy.

The Industry Action Plan comprises seven taskgroups:

1. Microgeneration Certification Scheme (MCS) – to maximise the effectiveness of the MCS scheme in ensuring high-quality design and installation of microgeneration systems and improved consumer confidence
2. Energy Performance Certificates (EPCs) – to create a regulatory environment and assessment framework that enables accurate representation of the contribution of microgeneration technologies to low carbon homes and buildings
3. Skills and knowledge - to ensure that there are sufficient levels of skills and knowledge in the industry to meet the demands of a rapidly growing sector in line with UK carbon reduction and green economy policies
4. Warranties and insurances – to ensure effective consumer protection schemes are identified and fully communicated to the market
5. Technology – to promote deployment of systems' approaches to microgeneration technology, produce clear guidance on technologies, improve consideration of grid and connection issues and encourage a reliable market growth for microgeneration technologies
6. Communication - to achieve consensus within the industry on core messaging, and to promote a collaborative approach to dissemination, and enabling greater reach
7. Community delivery - to encourage and support uptake of renewable energy technologies by communities and facilitate area-based approaches. This work is being taken forward by a team in DECC and the Community Energy Contact Group
8. The Action Plan for each taskgroup consists of four to six workstreams. Each taskgroup is led by a member of the MGICG. Bimonthly meetings of the MGICG review progress against all workstreams and recorded completed actions and those outstanding against each workstream. Visually this is presented by denoting each workstream is terms of red, amber, green (RAG) for those respectively that need no further action, work in progress and work to begin.

Progress in the delivery of the Microgeneration Strategy Action Plan

Progress to end March in financial year 2011/2012 on the 35 workstreams:

Workstreams	
Requiring no further action	15
Work in progress	19
Work to begin	1

Microgeneration Certification Scheme (MCS) taskgroup

This taskgroup aims to maximise the effectiveness of the MCS scheme in ensuring high-quality design and installation of microgeneration systems and improve consumer confidence.

The Action Plan sets out to:

- Encourage the incorporation of MCS
- Encourage a review of competency standards
- Review scale criteria for applying MCS
- Encourage linkage with Green Deal.

Actions completed:

- MCS has being reviewing its business model options with DECC to primarily improve liability management, financial accounting, and to improve governance of the scheme. DECC, the MCS Interim CEO and Gemserv are working together to establish MCS as a company. A subgroup of the MCS Steering Group has also provided input to this work.
- There is currently a high percentage of SMEs registered with MCS. MCS has been developing the standards to ensure there is clarity for installers, especially small companies. This has taken the form of a redraft of MCS001 (Installation Company Standard) and the development of guidance to go with MCS001, which is currently being piloted.
- MCS is in the process of developing competency criteria to ensure consistency in how the competency framework is used within MCS. Where other schemes, skills, knowledge and training demonstrate competence to the MCS requirements, MCS accepts the evidence provided
- MCS is working with SummitSkills and other stakeholders to include formally the national competency framework for environmental technologies in the MCS installation standards. There is strong engagement from SummitSkills and other stakeholder groups to ensure that the current evidence of competency and assessment drive improvement in industry standards and is fit for purpose.

Next steps:

- A key issue to resolve is the relationship between DECC and the new company and the award of the license. They also need to ensure that the new legal structures are appropriate. They will then discuss with the MCS Steering Group and communicate more widely.
- MCS intends to publish the competency criteria and scheme rules for Certification Bodies and assessment organisations in the 2nd quarter of 2012.

- The development and implementation of the national competency framework will support the ability of course trained installers, CPS members, Green Deal providers and other stakeholders to engage with the MCS scheme.
- A review on the scale of MCS's application is expected in the spring 2012.

Energy Performance Certificates (EPCs) taskgroup

This taskgroup aims to create regulatory environment and assessment framework that enables accurate representation of the contribution of microgeneration technologies to low carbon homes and buildings.

The application of RdSAP is of importance in production of the Energy Performance Certificate (EPCs). RdSAP is not a design tool, but to some degree is being used as such, and it does not reliably work in all situations, e.g. certain combinations of measures. This is particularly of concern as EPCs will form an important part of the application process for Green Deal finance and the Renewable Heat Incentive.

The Action Plan sets out to:

- Define a single set of SAP issues for industry
- Make recommendations for improving SAP and making it fit for purpose
- Identify potential issues emerging from a changing European policy landscape
- Ensure methodologies underpinning EPCs and building regulations accurately represent the value and contribution of microgeneration.

Actions completed:

- A paper on SAP issues, agreed with industry, was fed into the SAP 2012 consultation process. The paper included recommendations on how to resolve some of the issues. It was highlighted in this document that, whilst it is correct to say that SAP is not a design tool, the assessment of the contribution of microgeneration technologies to energy performance improvement in SAP is crucial to uptake as this will influence the treatment of the property under a range of different Government policies and measures.
- BRE responded to the SAP snag list in a separate document published alongside the SAP consultation document. However, the issues raised in the SAP paper were not addressed directly in any of the consultation questions and industry has a number of queries relating to the answers given in the separate document.

Next steps:

- The group is in the process of drafting a response to the SAP consultation document however and will re-state concerns relating to the SAP Snag List in the final, slightly broader question. In the meantime, an example of the 'new style' EPC has been obtained

- EEPH and MPC will work together to facilitate a meeting between a small number of relevant industry representatives with the necessary in-depth technical expertise and individuals involved in drafting SAP 2012 or with a detailed overarching understanding of the rationale behind the changes. A prepared face-to-face discussion will be beneficial in identifying the next steps and establish an acceptable compromise for evidence provision that is thorough enough to justify changing the tool, yet feasible for industry to provide
- A representative of the SAP Integrity Group to attend a subsequent MGICG meeting to help explain to industry representatives where the difficulties lie with addressing some of the issues identified and how they might seek to overcome them.

Skills and knowledge taskgroup

This taskgroup aims to ensure that there are sufficient levels of skills and knowledge in the industry to meet the demands of a rapidly growing sector in line with UK carbon reduction and green economy policies.

Installer training needs to be developed, accredited and publicised in time to ensure the necessary skilled work force is available and able to respond to market growth. Training courses need to meet national occupational standards and support new technologies and innovations when they arise. The EU Renewable Directive 2009/28/EC requires member states to put in place certification schemes for microgeneration of installers by 2012. Training needs to be available and assessed to consistent standards. System designers and project managers are key jobs, and are currently in short supply.

The Action Plan sets out to:

- Provide oversight of the transformation in the UK's approach to the development and delivery of skills in renewable technologies and ensure high quality design and joined-up delivery
- Identify the most relevant courses, qualifications and training available in England
- Review and set an effective framework for the assessment of competence within MCS and ensure that standards are derived from the National Occupational Standards (NOS).

Actions completed:

- A framework for co-ordinating skills and training development across the existing built environment is being picked up through the creation of the Green Deal Skills Alliance by the Sector Skills Councils Asset Skills, Construction Skills and SummitSkills
- A National Skills Academy for Environmental Technologies has been established to deliver accredited training in line with National Occupational Standards (NOSs) and to support developments to meet the requirements of the EU Renewable Energy Directive.

Next steps:

- Competency requirements for Green Deal assessors are being defined and certification schemes are being put in place
- Work has begun to define NOS-based competence requirements for MCS installers
- The level of microgeneration knowledge required by Green Deal assessors is being clarified
- The establishment of sources of information for all main installer training courses is still needed. This could be implemented through a central hub website containing links to websites of other associations and training providers where information on training courses for specific sectors is be found.

Warranties and insurances taskgroup

This taskgroup aims to ensure that effective consumer protection schemes are identified and fully communicated to the market.

A robust consumer protection framework is necessary for full realisation of the potential and sustainability of the microgeneration market. Consumer protection is a key issue, particularly when microgeneration companies go out of business. Consumers are largely unfamiliar with most of the technologies and the guarantees they should be seeking for products and installation.

The Action Plan sets out to:

- Identify a minimum standard for legal protection relating to microgeneration that should be available for all consumers
- Define types and remit of consumer protection schemes
- Assess the risks for each scheme under different scenarios
- Produce a consumer and warranty policy guidance document.

Actions completed:

- A review of types of warranties, guaranties, and insurances has been completed and a paper produced
- Input was provided to DECC on the development of consumer protection mechanisms under Green Deal and a briefing paper produced on warranty insurance schemes
- In January 2012 the MGICG staged a workshop with the key providers of warranties, guaranties and insurance, and produced a report and plan of action.

Next steps:

- Find out the extent to which consumers value insurance
- Develop an overview of consumers' statutory rights and additional protection offers

- Perform a gap analysis to assess whether new specific warranty/insurance products are necessary for microgen.

Technology taskgroup

This taskgroup aims to promote a systems approach to microgeneration technology deployment, produce clear guidance on the various technologies, improve consideration of grid and connection issues and encourage a reliable market growth for microgeneration.

A full range of microgeneration technologies needs to be deployed to support the UK in meeting its carbon dioxide reduction and renewable energy targets. Each technology is at a different point of market development and requires different levels and types of support. A systems installation approach for multiple technologies with appropriate use of controls is needed to optimise carbon savings. The national grid needs to accommodate the mass take up of microgeneration.

The Action Plan seeks to:

- Promote a systems approach to installing microgeneration technologies
- Develop fact sheets for each technology
- Interact with Ofgem and the Energy Network Association on connection issues
- Promote the market and job creation opportunity to manufacturers and installers
- Encourage EU initiatives for technology development and demonstration projects.

Actions completed:

- Research in into systems approaches was commissioned by DECC
- The MGICG reviewed the technical content of fact sheets produced by EST.

Next step:

- Formal interaction with the Distributed Generation Forum.

Communications taskgroup

This taskgroup aims to achieve consensus within the industry on core messaging, and to promote a collaborative approach to dissemination, enabling greater reach.

There is a need for greater consumer awareness of microgeneration technologies, of MCS, the REAL Code and different sources of independent advice. Messaging needs to be consistent and coherent for consumers and installers.

The Action Plan seeks to:

- Encourage industry initiatives to increase general public awareness and knowledge of microgeneration
- Align communication messages

- Encourage installers to be advocates
- Harmonise communication activities across all the workstreams in the Action Plan.

Actions completed:

- Industry promoted microgeneration to smaller installers through roadshows by HHIC and SummitSkills. MCS was promoted at the MicroGen Expo in October 2010
- The MGICG fed in content for the production of DECC's consumer leaflet on Green Deal which will support the launch
- The MGICG staged a workshop on consumer messaging with key players in the microgeneration sector and produced a report and plan of action.

Next steps:

- Facilitate and coordinate the action plan that emerged from the consumer messaging workshop
- Set up small subject specific groups on data consistency and transparency
- Establish how a lattice of websites can be provided to direct consumer queries
- Investigate how consumer research can be pooled.

Community delivery taskgroup

This taskgroup aims to encourage and support uptake of renewable energy technologies by communities and to facilitate area-based approaches.

Community schemes like district heating networks provide significant opportunities for contributing to achieving renewable energy targets at mid-scale. Developing community energy schemes requires a range of skills within a community, their local authority and by the local private sector.

The Action Plan seeks to:

- Highlight opportunities for community schemes across all workstreams in the Action Plan
- Interface with DECC's lead on encouraging community energy schemes.

Actions completed:

- DECC hosted a roundtable with community interest groups and is revising the Community Energy Online web portal
- A Distributed Heat Industry Contact Group was also established and is now taking the lead in coordinating interaction between Government and industry in this sector.