

ECO2 Guidance Documents

Department for Business, Energy & Industrial Strategy - Ofgem

RPC rating: **validated**

This opinion covers eight small measures; for each, a brief description of the change and its impacts (as set out in the IA) is provided. All eight have an Equivalent Annual Net Direct Cost to Business (EANDCB) which rounds to zero.

Ofgem states that costs directly related to compliance with the ECO scheme had been calculated by the Department for Business, Energy and Industrial Strategy (BEIS) in a separate impact assessment (IA). Therefore, all assessments focus on familiarisation cost only.

Measure	Description	Impact (one-off familiarisation cost)
RPC-3746(1)-DECC- OFGEM - ECO2 Monitoring guidance	The documents provide information to suppliers to inform them how they should complete monitoring on sites where they have notified measures for approval to the ECO scheme, including the evidence they should send in when it is requested.	£1694

<p>RPC-3747(1)-DECC- OFGEM - Measure specific eligibility requirements: ECO2 Appropriate Guarantees</p>	<p>The 'ECO2 Appropriate Guarantees' is an online guidance document that was published to provide the obligated suppliers with information as to rules that must be followed when installing and notifying energy efficiency measures; suppliers must ensure installations of measures are covered by an appropriate guarantee for their lifetime and quality.</p>	<p>£587</p>
<p>RPC-3749(1)-DECC- OFGEM - Measure specific eligibility requirements: ECO2 Appropriate Guarantees Feb2017</p>	<p>The 'ECO2 Appropriate Guarantees' is an online guidance document that was published to provide the obligated suppliers with information as to rules that must be followed when installing and notifying energy efficiency measures; suppliers must ensure installations of measures are covered by an appropriate guarantee for their lifetime and quality.</p> <p>This is a revision of the measure listed above.</p>	<p>£587</p>
<p>RPC-3748(1)-DECC- OFGEM - ECO2 Guidance: Delivery and Administration</p>	<p>The ECO2 Guidance: Delivery document explains to suppliers and industry how they should install energy efficiency measures in order for them to be eligible for approval under the scheme regulations.</p>	<p>£6745</p>
<p>RPC-3751(1)-DECC- OFGEM - ECO2 Measures</p>	<p>The ECO measures table contains the information on specific eligible measures that suppliers can have installed to achieve their ECO obligation. Suppliers can only install the measures listed in this table for approval under ECO legislation.</p>	<p>£65</p>

Opinion: EANDCB validation
 Origin: domestic
 RPC reference number:
 Date of implementation: see table

Table		
RPC-3753(1)-DECC- OFGEM - ECO2 Measures table (Feb2017)	<p>The ECO measures table contains the information on specific eligible measures that suppliers can have installed to achieve their ECO obligation. Suppliers can only install the measures listed in this table for approval under ECO legislation.</p> <p>This is a revision of the measure listed above.</p>	£65
RPC-3752(1)-DECC- OFGEM - U-Values Consultation, Response, Checklist and subsequent Audit	<p>This is an online checklist created for installers and subsequently suppliers to ensure they correctly install and notify energy efficiency measures that relate to the installation of cavity wall insulation (CWI).</p>	£1,499
RPC-3884(1)-DECC- OFGEM ECO2t Pre- existing loft insulation declaration template	<p>The ECO2t loft insulation declaration was published to provide suppliers with a means to comply with technical monitoring requirements and to declare that the insulation in the property was in fact “virgin loft insulation”. This declaration could then be presented if requested as part of compliance checks to ensure correct approval of a notified measure.</p>	£98

Quality of submission

As initially submitted, Ofgem's assessments were not considered to be fit for purpose. This was on the basis that the assessments stated that installers and managing agents would also have to read the guidance but did not monetise this cost, or provide evidence that these costs had already been taken account of in departmental IAs. The regulator's revised assessments include extracts from two departmental IAs on ECO and argue that the costs to installers and managing agents, of reading the guidance, have already been accounted for in departmental IAs.

The regulator's assessments are now just sufficient. Familiarisation costs to installers and managing agents appear likely to have been addressed in the recurring administrative costs of the ECO1 scheme, as indicated by the first IA extract, or under supplier delivery costs, as indicated by the second IA extract. Given the brevity of the guidance documents, costs to installers and managing agents are likely to be very small. The regulator's assessments would benefit significantly from providing reference to the scope of familiarisation costs in the ECO2 IA.

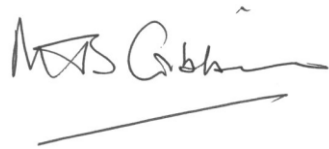
Departmental assessment

Classification	All Qualifying regulatory provisions
Equivalent annual net cost to business (EANCB)	All £0.0 million
Business net present value	All £0.0 million

RPC assessment

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Classification	All Qualifying Regulatory Provisions
EANCB – RPC validated ¹	All £0.0 million
Business Impact Target (BIT) Score ¹	All £0.0 million



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.