

Consultation on the Energy Technology List Scheme

Part 1 – The future direction of the Scheme

Part 2 – Technical changes to the Energy Technology Criteria List 2020

Summary of responses to consultation



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General Information

Purpose

In June 2020, BEIS issued a two-part consultation on the Energy Technology List Scheme. Views were sought from all interested stakeholders on:

Part 1 - the future direction of the Energy Technology List Scheme; and

Part 2 – proposed technical changes for the 2020 update of the Energy Technology Criteria List.

This document summarises the 18 responses received from stakeholders to 'Part 1' and the 2 responses received to 'Part 2'.

BEIS is also publishing the updated Energy Technology Criteria List alongside this summary document. The revised Criteria will take effect from 1 January 2021.

Issued: December 2020

Enquires to the ETL

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Territorial extent: United Kingdom

Government Response

Part 1 – the future direction of the Energy Technology List Scheme

Overview

Part 1 of the consultation set out BEIS' vision for the future policy direction for the Energy Technology List (ETL) and sought stakeholder views on the approach it described. The consultation asked 12 questions across 5 themes: Vision and Future Direction; ETL users; improvements to the ETL; Rebranding the ETL; and Developing and accessing ongoing performance. A total of 18 responses were received.

In response to the consultation BEIS will: -

- Take forward the vision and future direction set out for the ETL Scheme;
- Continue to work with stakeholders to further develop our understanding of 'user needs' to improve the ETL's effectiveness as a low carbon information source;
- Make significant improvements to the content and functionality of the ETL website and materials;
- Retain the 'Energy Technology List' name for now but consider rebranding the scheme materials;
- Pursue promotional activity to encourage greater awareness amongst SMEs; and
- Revise the terms and conditions of the Scheme to confirm that BEIS will give 6 months' notice in the event of a decision to close the ETL.

Part 2 – Technical changes to the Energy Technology Criteria List 2020

Overview

Part 2 of the consultation sought stakeholder views on proposed changes to the Energy Technology Criteria List (ETCL) to 13 existing technology types and the inclusion of a new technology: 'Wastewater Heat Recovery Systems'. Two responses were received, both concerning the proposed changes to the 'Pipework Insulation' sub-technology.

In response, BEIS has decided to accept all of the changes to the ETCL that were set out in the consultation. A revised version of the ETCL is published alongside this document and it will take effect from 1 January 2021. Manufacturers of products that are no longer eligible for ETL listing because of the changes have already been notified.

Summary of Responses

Part 1 – the future direction of the Energy Technology List Scheme

A total of 18 responses were received. Respondents were comprised of manufacturers, trade bodies, other organisations, and individuals.

A summary of responses to each of the questions in the consultation is set out below.

Questions 1 to 3: Vision and Future Direction

Vision and Future Direction

Q1. Do you agree with the vision and future direction for the ETL that BEIS has set out?

Q2. Do you believe that the scheme, and the data it contains, could be used more effectively as a low carbon information source and procurement tool for commercial or non-domestic buildings?

Q3. If not, please provide evidence suggesting alternative approaches that BEIS should consider.

Summary of responses:

The majority of stakeholders agreed with the vision and future direction that BEIS set out in the consultation. One stakeholder agreed with the principle but believed it would not work in practice. Two stakeholders disagreed with the vision: one suggested that the Government should legislate in favour of higher efficiency and the other argued that, without the fiscal driver of the Enhanced Capital Allowance (ECA), the ETL would lose traction as the ECA was the Scheme's 'big USP'. In total, 7 stakeholders felt that the closure of the ECA would have a negative impact on the ETL, making it more difficult for BEIS to achieve its vision for the Scheme.

Stakeholders generally agreed that the ETL could be used more effectively as an information source. It was suggested that public sector uptake of the ETL should be encouraged and better integrated with the Crown Commercial Services' procurement policy¹. Where stakeholders disagreed, it was generally due to the negative impacts of the closure of the ECA on procurement decision making. One stakeholder noted that there is little incentive for installers

¹ Where appropriate, use of the ETL is mandated in the Government Buying Standards - <u>https://www.gov.uk/government/publications/sustainable-procurement-the-gbs-for-electrical-goods</u>

to ensure that systems are fully optimised with respect to functionality and energy performance.

Suggestions for alternative approaches included more focus on 'specifier' needs; developing a more systems based approach; better integration with other means of delivery that complement the ETL's objectives such as fiscal incentives; providing more information on capital and operational costs to help strengthen organisations' internal business cases; and that BEIS should consider partnering with a commercial list provider to provide more flexibility and longer-term, better value for the taxpayer.

Questions 4 and 5: Energy Technology List Users

Energy Technology List Users

Q4. Do the user groups described in this document accurately reflect the organisational roles that could benefit from the Energy Technology List?

Q5. How could BEIS use the ETL to encourage linkages and information flows between users?

Summary of responses:

Again, the majority of the responses agreed with the assessment of the organisational roles described by BEIS. Some stakeholders felt that BEIS should put more emphasis on building owners or operators/end users including facilities and energy mangers as they are more likely to appreciate the life cycle cost benefits of installing more energy efficient equipment. However, one stakeholder argued that, in terms of selecting the correct equipment, most mistakes are made by the specifiers and contractors and the resulting poor energy performance becomes the problem of those operating the building. Another suggested that the 'facility manager' category should be expanded to include "Asset Operations Managers" and "Maintenance Managers". They argued that these can be important distinctions that will help to encompass and include a greater audience.

One stakeholder suggested that "Installers" should be specifically included within the "Contractors" in the brackets as there is a benefit for installers when installing the same equipment many times. The narrowing of the equipment available (by the ETL focussing on the most efficient equipment) could create economies for contractors / specifiers if the installation team are familiar with the products already with savings generated from faster install times resulting in lower charges.

It was suggested that BEIS work more closely with trade associations to provide the granularity needed to present an integrated approach to messaging and delivery of content from the ETL. Trade associations could be encouraged to feature ETL resources on their web sites and in their communications with industry.

Three stakeholders recognised the potential for the ETL to integrate Building Information Modelling (BIM) to better encourage information flows between users across the supply chain. One stakeholder suggested that 'Asset Data Information Managers' should sit above asset managers, facilities managers and maintenance managers, for example, to ensure that relevant structured and searchable data is collected into an object oriented database that conforms with ISO 12006 Part 3².

Questions 6 to 8: Improvements to the Energy Technology List

Improvements to the Energy Technology List

Q6. We would welcome stakeholder views on the improvements to the ETL described in this document. In particular, are there any actions that BEIS should consider that have not been suggested?

Q7. What are the key elements that BEIS could add to the ETL digital platform to improve its usefulness and visibility across the whole supply chain?

Q8. Would you or your organisation be willing to participate in the redesign process (e.g. by attending user experience design workshops)?

Summary of responses:

One stakeholder argued that BEIS could improve the ETL through a more international outlook to promote awareness of the benefits of improved product standards. Two stakeholders suggested that the ECA should be reinstated and another suggested closing the ETL outright. One stakeholder believed that the scheme should be redesigned to reduce the administrative costs and complexity to manufacturers as a way of boosting participation. Several stakeholders highlighted the need for more promotion overall, better engagement with end-users and more emphasis on the costs and payback periods of likely energy savings against the investment as key to securing greater user buy in.

Stakeholders suggested that the ETL digital platform could be improved by offering BIM integration, URLs to manufacturer websites, better access to information, improved search functionality, and product comparisons. Stakeholders also thought that the information presented needed to be easy to understand and give clearer presentations of the relative energy use of different technologies.

Eleven stakeholders agreed to participate in the ETL digital platform redesign process.

² ISO 12006-3:2007 - Building construction — Organisation of information about construction works — Part 3: Framework for object-oriented information.

Questions 9 and 10: Rebranding the Energy Technology List

Rebranding the Energy Technology List

Q9. Should the ETL be rebranded and, if so, what factors should be taken into consideration in the design and promotion process?

Q10. Would changing the name of the scheme help to increase awareness?

Ten stakeholders were against the rebranding and renaming the ETL, with only three responses arguing positively for changing the ETL's name. Stakeholders consistently suggested that resources were better directed at marketing and promotion to increase awareness. It was also thought that changing the name could alienate the ETL's existing audience and negatively impact the scheme's 'trusted status'. Stakeholders who favoured a change suggested that the ETL name means very little 'in the real world' and that it would benefit from partnering with commercial schemes (e.g. BREEAM and SKA). It was also argued that, at the least, 'Efficiency' should be included in the scheme title.

Summary of responses:

Questions 11 and 12: Developing and accessing ongoing performance

Developing and accessing ongoing performance

Q11. What evidence or metrics could BEIS use to determine the Energy Technology List's effectiveness in encouraging the uptake of highly energy-efficient products?

Q12. Do you consider six months to be a sufficient notice period should the ETL scheme be discontinued? If not, please explain why and what the impacts would be should BEIS decide to close this scheme in the future?

Stakeholders generally recognised that there are no simple answers for measuring the effectiveness of the ETL in encouraging the uptake of highly energy-efficient products and that the Consultation document captures the most obvious methods. Other suggestions received for metrics included encouraging manufacturers to supply data under non-disclosure agreements, website metrics including measuring web traffic from the ETL product list to

manufacturer websites, the number of products on the ETL and/or cross referencing with commercial schemes that use the ETL.

Ten stakeholders agreed that BEIS' proposal to give a six month notice period prior to any future intention to close the ETL scheme would be sufficient. One stakeholder argued that six months would be insufficient notice. Two stakeholders argued that the notice period should depend on what alternative scheme BEIS would be proposing as simply closing the ETL would seem contrary to Government's stated policy to support businesses and organisations achieve greater energy efficiency. Three stakeholders stated that the ETL should not be closed.

Part 2 – proposed technical changes for the 2020 update of the Energy Technology Criteria List.

A total of two responses were received to the second part of the consultation. Both responses concerned the proposed changes to the 'Pipework Insulation' sub-technology.

A summary of the responses to the relevant questions in the consultation is set out below.

Summary of responses:

Question 25

Do you agree with the proposal to amend the ETCL requirements for Pipework Insulation? If not, please provide evidence explaining why the proposal should not be adopted.

Question 26

If adopted, would this proposal have a positive or negative impact on your business? If possible, please can you state or describe what the impact(s) would be?

Question 27

BEIS would like to check the awareness of cost of 'listing' amongst pipework insulation sector? If possible, please can you state or describe what the impact(s) would be?

Neither respondents agreed with the proposal to amend the Energy Technology Criteria List (ETCL) requirements for pipework insulation. However, one respondent did agree that there was potential to have pipework insulation as a listed rather than unlisted product type, but

believed that more clarity was required around the methodology to be used for product listing before they could support the proposal. The respondent was concerned that, unlike plant and machinery where there are energy ratings for product use, pipe insulation performance is determined by the type of system and temperatures it is applied to rather than the energy it uses. The respondent requested more information from BEIS explaining how manufacturers would be required to show compliance to the ETL standards in order to be listed. They were also concerned that the standards listed for eligibility in the consultation document are specification and code of practice standards which manufacturers would be unable to show compliance with as these standards apply to the installation contractors.

The other respondent also considered the information provided in the consultation document to be too general to be able to comment upon. They argued strongly that, should pipework insulation be added, any detailed criteria introduced must be consulted on and be inclusive in nature, i.e. not focused only on one aspect of the performance of pipework insulation. They stated that are many characteristics which make a given product high-performing and which the ETL would need to account for, including: its non-combustibility, non-corrosiveness, fit-ability, durability, recyclability, as well as the thermal performance.

Since the formal public consultation was launched, BEIS' ETL research contractor, ICF Consulting Ltd, has developed the detailed criteria that would be applicable for listed pipework insultation products and has consulted extensively with industry on the requirements. It is BEIS' understanding that industry has responded positively to the proposed criteria. Indeed, the level of engagement carried out by ICF Consulting Ltd across the piece could explain why there has been such a low response rate to the Part 2 consultation overall.

With this in mind, BEIS has decided to accept the proposal to make pipework insulation an ETL listed product.

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