

Stage 2 consultation on MCS equivalence for the Domestic Renewable Heat Incentive Scheme

HHIC Response

1. About HHIC

The Heating and Hotwater Industry Council (HHIC) are the leading representative body for the UK domestic heating and hot water industry, worth £3-4 billion per year. HHIC's membership base covers approximately 94 percent of heating and hot water solutions available in the UK. HHIC are a division of the Energy and Utilities Alliance (EUA).

2. The Response

1. The scheme requirements

a. In your opinion, are the proposed scheme requirements [outlined in Section 5] sufficient to ensure that an equivalent scheme is set up appropriately? If not, please explain your answer.

We believe the proposed scheme requirements will place an unnecessary barrier for new schemes hoping to achieve equivalence.

The current arrangements require schemes to operate both an installer and a product scheme, in order to meet equivalence. We would ask Ofgem that an equivalent scheme be recognised if it fulfils either an installer scheme or product scheme or both. We believe that joining the two will place an unnecessary burden on new schemes and would limit entrance into the market. Allowing a split would allow more entrants into the market and would bring down costs to installers, which should reduce the cost of RHI installations. This would meet the DECC Minister's aims of ensuring value for money.

HHIC believes that the current Competent Person Schemes are ideally set up to be equivalent schemes if allowed to operate as 'installer schemes'. Competent Person Schemes already approve installations of renewable products for compliance with the

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building regulations. This is governed by DCLG. The requirements to operate these schemes are in line with those required for MCS equivalence, including stipulations to achieve UKAS accreditation to BS EN ISO/IEC 17065.

However, they are not schemes that accredit products. If Ofgem allows schemes to either accredit installers or products, this would allow an already established and operating scheme to also provide MCS equivalence which would benefit installers, consumers and Government.

b. In your opinion, do the 'fundamentals' of a certification scheme as defined in ISO/IEC 17067 contain any requirements that are not necessary for equivalence to MCS? If so, please explain your answer and provide examples.

HHIC do not believe that there are any requirements that are not necessary for equivalence to MCS.

2. The assessment panel

a. In your opinion, are the Terms of Reference for the assessment panel [outlined in Appendix 2] appropriate and sufficient? If not, please explain your answer.

HHIC believes the Terms of Reference for the assessment panel are appropriate.

HHIC would ask that the assessment panel judge new schemes on the benefits to consumers and the wider market. There may be elements that are not exact matches to MCS but the end result may exceed the current MCS scheme. For example, there may be areas of unnecessary red tape that is present within MCS. It would not be desirable for this to be copied to all schemes if an alternative could deliver the same results without it.

Within the roles and responsibilities of the assessment panel it also advised that there will be a 'review of the proposed Standards against MCS procedures', HHIC deems this is an unnecessary step that can be carried out by more appropriate bodies such as a certification body.

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b. In your opinion what qualification, experience or organisational representation would suitably qualify someone to be a representative on this panel? Please explain your answer.

HHIC believes that a crucial requirement is that there is no conflict of interest for someone to be representative on this panel. This would ensure that no one who has been involved with MCS in the past, is a Government representative or has another vested interest will pass judgement on equivalence. The judgement of equivalent schemes should be judged on adherence to the equivalence requirements and not any predetermined opinions.

3. The assessment process

a. In your opinion, will the proposed assessment process [outlined in Section 6] enable Ofgem to robustly assess scheme equivalency to MCS? If not, please explain your answer.

HHIC believes the proposed assessment process will enable Ofgem to robustly assess scheme equivalence.

b. In your opinion, does the proposed assessment process [outlined in Section 6] contain any additional stages that are not necessary for assessing equivalence to MCS? If so, please explain your answer and provide examples.

HHIC would ask Ofgem to provide more details on the assessment process. There are currently details that we would need expanding on to be able to make a correct judgement. For example, what will be included in the 'application pack' and what are the exact criteria equivalence will be judged on.

Contact

If HMRC wishes HHIC to clarify any of the points outlined in this consultation please contact us at:

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