

Multi-organisation response to DECC consultation on

**The role of appliances and consumer electronics in the Carbon Emissions
Reduction Targets (CERT)**

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Co-ordinated by Waterwise

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WATER



Signatories:

- Waterwise
- Bournemouth and West Hampshire Water
- Bristol Water
- Cambridge Water
- Challis
- Chartered Institute of Plumbing and Heating Engineering
- Chartered Institution of Water and Environmental Management
- EAGA
- Neoperl
- Northumbrian Water
- Southern Water
- South Staffordshire Water
- Sutton and East Surrey Water
- Thames Water
- Wessex Water
- WWF

Overview

Signatories to this response agree that CERT has been a useful mechanism to help the UK deliver its carbon emission reduction targets and stay within carbon budgets. We think it is right that the Coalition Government should review the existing function and scope of CERT within the extension period and in particular look at the role of non-insulation measures. We are of the opinion that the current scope of CERT should be maintained during the extension period, but with greater enforcement of existing regulation and amendments which maximise the potential for promoting joint water and energy programmes to ensure cost-effective CERT delivery. This would help deliver other Coalition Government objectives such as increasing water efficiency and setting in place the most effective framework to nudge consumers into sustainable behaviour, which will be particularly important to ensure widespread take-up of the Green Deal, once CERT ends.

The potential for addressing carbon emissions from homes through hot water efficiency measures is not being fully realised. CERT is beginning to be used to fund joint water and energy retrofitting projects – to help reduce the 5% of total UK greenhouse gas emissions which is accounted for by heating water in homes, and to help water companies address water scarcity issues. But there is a danger of the current CERT model developing at a strategic level without taking the potential carbon savings from water efficiency fully into account. There is a particular problem around additionality which prevents both CERT and Water Efficiency Targets being met by the same measure: this is not a deadweight issue as water companies would not (indeed did not) promote the current hot-water-saving devices in the absence of CERT. Indeed, the three CERT-accredited devices have been specifically designed to meet the requirements of the CERT programme rather than to meet the Water Efficiency Targets.

Below, we respond to the specific questions set out in the consultation document, as well as making wider points relating to CERT, ECO (the proposed successor to CERT) and the Green Deal.

In this context, it is important briefly to set out that water efficiency measures across the board – hot and cold – have an important role in their own right in the UK's programme to adapt to climate change: some areas of England are already classified by the Environment Agency as seriously water-stressed, and it is known that in coming years there will be more people and less water, so the available water will need to go further, through water-efficient homes, buildings, and people. In addition, the Coalition Government is committed to publishing a White Paper on reform of the water sector to ensure a more efficient use of water (and protect poorer households), by June 2011, and to introducing legislation by May 2012.

More widely, the Coalition Government's National Infrastructure Plan, published in October 2010, identifies current barriers to strategic working between regulated economic sectors, and sets out measures to address these, to be taken in the next six months. Removing the one potential regulatory mechanism which currently enables joint working between the water and energy sectors – namely, the inclusion of hot-water-using devices in CERT – would be a step away from this overall goal, and would send a confusing message to consumers whom the Coalition Government will wish shortly to sign up to the Green Deal (which, as the National Infrastructure Plan also stated, will include water efficiency as well as energy efficiency). Since both industries have demand management targets – for energy and water respectively – there is also a significant financial incentive to carrying out joint retrofits (not least because the biggest cost of a retrofit is the visit to the home itself).

It is essential that, as the regulatory frameworks for water and energy evolve, this happens in tandem, not in isolation: both are currently being redesigned, with White Papers due in the first half of 2011. A co-ordinated approach will help the Coalition Government meet its mitigation and adaptation goals. To date, the regulatory frameworks have evolved separately. In the context of climate change there is a clear need for them to be better integrated, as identified by the National Infrastructure Plan.

We would like to see shower devices retained in the CERT extension.

Specific issues relating to hot-water-using devices and CERT

Additionality and deadweight

Additionality

There is ambiguity over the application of the additionality clause in the case of water companies and energy companies piggybacking on each other's retrofit projects or mailouts. Because CERT credits cannot be claimed for projects which would have been undertaken anyway, water companies cannot claim CERT credits for hot water efficiency measures used in large-scale water efficiency programmes and retrofits where these are being used to meet their regulatory water efficiency targets. This additionality clause therefore acts as a disincentive on water companies to save energy and carbon through water efficiency, and to cost-effective approaches. Joint projects with energy companies are one way through this, but such projects are not yet commonplace. The additionality clause in CERT should not apply to joint water and energy-saving projects. This is currently being resolved on a case-by-case basis, but there should be a general presumption of additionality where water and energy are being saved.

In fact, we would assert that projects where one partner claimed the water savings (under WET) and the other the energy savings (under CERT) do meet the additionality and qualifying actions principle as outlined in Article 10 of the relevant Order – the Article does not say that a CERT-funded measure or project should promote energy efficiency exclusively, just that it should promote energy efficiency, which is the case in such projects. We would be happy to return to this subject with DECC and Ofgem following the conclusion of the consultation.

There are other examples of programmes which have not fallen foul of the additionality rule, such as CERT-funded measures being used in refurbishments under the Decent Homes standard.

Finally, water company water efficiency programmes under the Water Efficiency Targets in England and Wales can be with householders or commercial consumers: as this is not ringfenced to domestic activity (but can be met through other activity) this further weakens the argument for additionality.

Deadweight

The consultation document expresses concern over deadweight and whether this should be factored into carbon allowances. The deadweight issue does not apply to shower devices, as shower devices have not been promoted by water companies in the absence of CERT, and indeed have been produced as a specific response to CERT as they offer a cost-effective way of meeting the carbon obligations. There is currently a very low penetration of water-saving showerheads in the UK market and there is no natural market for shower devices. There is currently no labelling scheme for shower devices to drive consumer uptake.

The Water Efficiency Targets in England and Wales can be met through other means, so such projects wouldn't necessarily have happened anyway, without CERT partnerships. Some of the projects had not featured in original water company business plans, but were revised when the economics improved through CERT, further illustrating that such projects would not have happened anyway. There are cases of water company projects which were cancelled once CERT funding was no longer available.

The shower devices registered under CERT are not showerheads (they are an addition to the existing showerhead and fitting), and form an integral part of the shower mechanism: as such, it is highly unlikely that these devices would be removed by the householder (for example, on moving house) other than when the whole shower system is replaced. The devices cannot be used with electric showers (which require a specific flow-rate to operate) and this is clearly stated in all literature and information. The shower devices have been specifically manufactured and packaged to meet CERT requirements and undertook a rigorous application process with Ofgem to obtain a carbon score for the device. The packaging, information and website for the devices are specifically designed to fit with CERT.

Finally, because CERT already awards different scores to hot-water-saving gadgets and insulation, potential deadweight has already been taken into account.

The carbon contribution of hot-water-using products in CERT

Shower devices are a quick and cost-effective way to reduce carbon. Once every home in the UK has been insulated, through CERT, the Green Deal, ECO (the proposed successor to CERT)

and other measures, there will be carbon emissions remaining from homes in terms of heating water.

The Impact Assessment accompanying the consultation shows very clearly that the status quo offers a much better Net Present Value for meeting carbon budgets than if hot-water-saving products were excluded from CERT. Indeed, it indicates that removing gadgets would cost £291 million.

We believe that water-saving shower devices are a highly cost-effective way of reducing carbon. They also have wider sustainability benefits by increasing water efficiency (a stated commitment of the Coalition Government's in Defra's Structural Reform Plan), and reducing hot water use, which is an area where there are currently no Government subsidies or advice. In addition, they have wide application and can be used in the majority of hard-to-treat homes.

Unlike other devices, shower devices are designed to reduce the consumption of heated water. This water will have been heated predominantly by gas (70% of domestic properties use gas as the main fuel for heating and hot water) and is therefore outside the traded obligation. This makes them particularly important in delivering the specific aims of CERT, and reflecting the emphasis in the consultation document on reducing emissions in the non-traded sector.

Including hot-water-saving devices in CERT also helps reduce the carbon footprint of the water industry – currently 1% of total UK greenhouse gas emissions – through reduced treatment and pumping of water and wastewater.

Evidence of installation

The consultation document reflects concerns amongst some recipients, dating from when hot-water-using products were first starting to be distributed under CERT, of a lack of robust monitoring of where shower devices were being sent, rate of installation and how often the showers were being used. Full address details for all the recipients of shower devices are now gathered and shower devices are only distributed or installed on request. Evidence of installation levels and shower use was provided independently by the manufacturers/distributors of all three CERT-accredited shower devices, and scrutinised by Ofgem over a number of years, with the possibility of non-installation factored into the carbon allowance allocated. Distributors are only supplying one shower device per household to ensure it is used on the main household shower and shower use was assessed by Ofgem in the CERT application process. However, we would welcome tightening up of the monitoring requirements and enforcement.

A joint protocol between Ofwat and Ofgem to underpin restricting measures such as on evidence of monitoring and installation, as well as a maximum number of appliances to be fitted across Britain, or a limit of one per household, would be one effective way of ensuring some of the issues outlined in the consultation paper do not arise. In any event, the comparison with lightbulbs is not relevant as Ofwat already requires evidence of customer request on CERT-approved hot-water-using devices, and advice offered on compatibility with the existing showerhead prior to despatch.

Although evidence of installation was not required by CERT, one of the CERT shower device manufacturers has undertaken monitoring evidence of 600,000 customers, with 78% of those who installed it “very satisfied”.

The recent Ofgem consultation on implementation of the CERT extension asked what evidence was available “to support or change the estimated 11 million showers in GB capable of benefiting from the types of shower regulation devices currently being promoted by the suppliers?”. It is not clear what “current market data” has been used to establish the 11 million estimate contained in the Ofgem consultation. Waterwise research suggests that approximately 80% of households have a shower and about 50% of these own electric showers, so about 40% of households own mixer showers and can be retrofitted with water-efficient showerheads or shower inserts (from Waterwise’s [‘The Water and Energy Implications of Bathing and Showering Behaviours and Technologies’ Final Report - April 2009](#)). For Waterwise’s most recent set of calculations on the potential cost, water and energy savings across Britain through including a water efficiency retrofit in the Green Deal, we applied this percentage to 26.5 million households, as a Britain-wide total, using the most recent publicly-available data. It would be helpful to know the calculations (and total household number) used in arriving at the 11 million. It would also be helpful to know how and if Ofgem has calculated the number of such devices already installed.

Because some households have more than one shower, this should also be taken into account. This could lead to a far higher percentage of households which could benefit from a hot-water-saving shower device: one potential breakdown might be that 10 to 20% of homes have no shower, 20 to 30% have both electric and mixer showers, and 40% have a mixer shower, which would suggest that 60 to 70% of homes could be targeted. Although based on Waterwise observation in the field, these figures are an estimate, and could usefully be made more robust by DECC, using existing CLG household data.

Water Efficiency Targets and beyond

National Infrastructure Plan

The Coalition Government's National Infrastructure Plan, published in October 2010, sets out the shortcomings of current strategic working across sectors, and commits to specific actions to address them, as outlined below:

"Infrastructure UK's work looking at the existing regime of economic regulation has identified a number of issues. These issues are not common to all sectors but include:

- duties of regulators:*
- regulators having a multitude of duties, some of which reflect wider environmental and social objectives. It is not always clear how regulators should balance these.*
- clarity of long-term strategy:*
- regulators being given insufficient clarity of long term strategic direction and the balance of different objectives by Government;*
- regulated companies being provided with limited clarity by regulators around the regulatory outputs against which they are required to deliver; and*
- regulated companies carrying out inconsistent amounts of long term business planning without it always being clear how regulators have taken these long term plans into account as part of the price setting process.*
- dialogue between regulators:*
- regulators engaging between themselves only on a limited, informal basis on how they achieve common objectives such as how they approach similar aspects of the price control, promoting competition and addressing consumer impacts including affordability.*

3.25 To address these issues, the Government is taking the following actions:

- The Department of Energy and Climate Change and the Department for Environment, Food and Rural Affairs are conducting reviews of the roles and functions of, respectively, Ofgem and Ofwat, while some of the regulators are reviewing their approach to price setting;*
- The Department for Business, Innovation and Skills, working with Infrastructure UK, will publish a common set of principles for economic regulation;*
- The Department for Business, Innovation and Skills will coordinate work across Departments to ensure that competition and consumer outcomes are delivered effectively (including across regulated sectors) in the context of the Government's wider reforms of competition and consumer bodies; and*
- In light of the reviews referred to above, and the review to consider extending the use of the regulatory asset base model, the Government will report, by summer 2011, on whether further cross-sectoral action is required, drawing on the conclusions of these reviews and on the views of key stakeholders and recognising the need to maintain investor certainty."*

Enhanced links between the water and energy sectors through CERT are a clear test of this commitment.

Price review

Water companies in England and Wales are currently implementing investment programmes set and agreed by Ofwat for the period ending March 2015. Around 2012 the companies will be beginning to develop their business plans for the next investment period. Excluding water-saving gadgets from CERT up until December 2012, but then including them in the Green Deal (as announced in the Coalition Government's National Infrastructure Plan), would mean momentum and potential market transformation would be lost, and water efficiency's input into necessary carbon savings from the Green Deal would not be maximised in terms of carbon, water and financial savings or cost-effectiveness. In addition, although CERT is designed specifically to reduce carbon, the reference in the National Infrastructure Plan to the Green Deal explicitly refers also to driving water efficiency, in the following commitment: "*Meet the water needs of a growing population in a UK where rainfall is likely to be both more intense and less frequent by..... encouraging the efficient use of water in homes and businesses including through delivering joint energy and water savings within the Green Deal*".

There is a specific issue in terms of water companies, energy companies and other partners working together under CERT and the Water Efficiency Targets, not least relating to the application of the additionality rule, as discussed elsewhere in this response. However, the issue of hot-water-saving devices in CERT is much wider than this. CERT is a Britain-wide scheme, and the Water Efficiency Targets only apply to water companies in England and Wales. Furthermore, given the Coalition Government's commitments in Defra's Business Plan, published in November 2010, to publish a White Paper on the reform of the water industry to ensure a more efficient use of water (and protect poorer households) by June 2011, and introduce required legislation by May 2012, as well as a comprehensive review underway currently by Ofwat on how it regulates, the Water Efficiency Targets in England and Wales are more than likely to evolve into a regulatory mechanism which is more mainstreamed in the water sector in England and Wales than currently. It would be inappropriate to base CERT policy on an evolving issue. The wider imperative is not only to ensure specifically that CERT and WET can work in harmony, which is important in the short-term, but also to ensure that future reforms of the energy and water sectors, on both of which the Coalition Government is publishing White Papers in the next few months, work together. This ties in firmly with the National Infrastructure Plan commitment to further Coalition Government work on ensuring a co-ordinated approach from economic regulators.

We are aware that DECC is concerned not to include products in CERT which could be delivered by other measures, including the Water Efficiency Targets. As described elsewhere in this response, the hot-water-saving products were only developed in response to CERT, and water companies only began to work jointly with energy companies once this was the case. In other words, water companies would meet their Water Efficiency Targets more cheaply in other ways if the opportunity to work with CERT products did not present itself – it is the presence of CERT itself which makes joint approaches cost-effective. It is also important to offer a co-ordinated response to the householder in advance of the Green Deal (which as stated earlier the Coalition Government has already said will include water efficiency), rather than an approach to a household on an energy package followed potentially months later by a separate approach on a water package.

In Scotland, where the Scottish Government made clear in its recent consultation on energy efficiency that it is keen for greater uptake of CERT to reflect value for money for Scottish taxpayers, there is clear potential for this to be linked with the new water efficiency duty for Scottish Water (under the Climate Change (Scotland) Act 2009).

Do shower devices in CERT reduce the funding available for insulation?

Concern is expressed in the consultation document that using CERT to fund shower devices reduces the amount of money available for, and constrains, insulation. We believe that the constraints on installation measures lie with the capacity of the sector and the level of uptake rather than other devices using CERT allowances. The cost of shower devices is very low, installation is quick and easy, carbon savings are high and there are additional water saving benefits for the consumer. This approach has a wide application and can work in hard-to-treat properties, and engages a wider set of consumers with the energy and water saving agenda, tying in with the Coalition Government's nudge approach as the self-installation could be considered as a "moment of change" which requires environmental commitment rather than the passive act of having insulation installed. There is also an issue in that insulation may not always save carbon, if people maintain the same level of heating but use more of the rooms in their house, or increase warmth for the same bills, therefore increasing amenity value and quality of life rather than saving carbon. This Jevons' Paradox issue is less likely with shower devices as it enables people to maintain their current amenity value whilst saving carbon, but could potentially mean people taking longer showers. In any case, requirements of evidence of installation and carbon savings should be common for both insulation and gadgets.

In fact additional partners such as the water companies augment the investment available through CERT, rather than reducing it.

In addition, the minimum insulation target in CERT ensures a specific level of professionally-installed insulation, so gadgets cannot reduce that funding.

Should additional shower products be included in CERT?

Concerns have been raised about the use of CERT to promote efficient showerheads: this is not the case, as no showerheads have CERT allowances. We respect DECC's focus on the importance of measures in CERT which form part of the fabric of the building: showerheads are a replaceable item and this is reflected in the fact that there is a very clear retail route for showerheads outside the CERT process. Indeed, the manufacturers of one of the CERT-accredited hot-water-using devices sells water-efficient showerheads to water utilities and to the general public. However, there is no retail route for shower devices outside the CERT process, and shower devices are not replaceable items: once installed they form an integral part of the shower mechanism and would only be replaced when the whole shower unit was replaced.

Low-carbon economy

Two of the three hot-water-saving devices in CERT are manufactured in the UK, and the third within the eurozone. One of the manufacturers is considering significant investment in a business upgrade, providing a large number of additional skilled and semi-skilled jobs in a rural area. The role of CERT in developing the green economy is particularly important here. A policy change which removes hot-water-using products from CERT would undermine such investment.

Potential models for joint water and energy efficiency programmes involving CERT

There are several models for a successful scheme including both water efficiency and energy efficiency, through the hot-water-using products currently accredited in CERT. These include a water company and an energy company working together to deliver a joint retrofit, claiming the water and carbon savings respectively, if the additionality issue outlined above can be resolved. A similar project which also included a third party installer offering free installation of hot-water-using products in order to gain access to consumers to sell further water efficiency measures through CERT, and potentially selling these carbon savings on through CERT in the usual way, is another option. Finally, some plumbers are now offering installation of water-saving shower devices for free as part of their engagement with/installation for a customer, on which the CERT is then claimed by the gadget distributor and a small financial contribution towards the costs of voluntary regulation passed on to the plumber through the professional body.

Response to specific consultation questions

Question 1

We agree with the principles set out in the consultation. In terms of confidence, a protocol between Ofgem and Ofwat would help improve confidence and evidence of installation and carbon savings.

Shower devices fit squarely within the focus on non-traded sector savings, because they provide a reduction in domestic gas consumption through the reduction of water use and the energy used to heat it.

In terms of the secondary objective of reduced energy bills in low-income homes, there are potential links here with other Government policies such as Decent Homes, in that most social housing does not currently have a shower, and showers are not required by the Decent Homes standard.

Greater transparency could be achieved through establishing a system for accrediting hot-water-saving products in CERT based on objective criteria, rather than using evidence and data established by existing products.

Other principles which could be adopted are links with other Coalition Government objectives, such as adaptation to climate change, increasing water-use efficiency, and developing a package of incentives and mechanisms which maximises the nudge impact on sustainable behaviour. As reflected in the National Infrastructure Plan, it is important for the regulatory frameworks to work together to deliver common Coalition Government goals. In addition, although CERT is primarily aimed at carbon reductions, it does already have a secondary principle in terms of addressing fuel poverty.

The consultation document refers to pending EU product standards as a reason for phasing out some energy-using products from CERT. This does not apply to hot-water-saving products, as there are no mandatory standards for water-using products apart from toilets. There is an effective industry-led scheme for bathroom products, but this does not as yet cover all water-using products, for example kitchen and garden products. Waterwise is working with the Bathroom Manufacturers Association, the Coalition Government and other stakeholders to seek to achieve this on a voluntary basis.

The consultation document refers to the Committee on Climate Change's statement in its June 2010 progress report to Parliament that "to meet the first three carbon budgets, acceleration is required in the pace of cavity wall insulation and particularly solid wall insulation." Since the consultation was published, a further report from the Committee on Climate Change, on 7th December 2010, on the 4th Carbon Budget, has stated that "At present heating hot water accounts for 6% of the UK's CO2 emissions. Conventional heating equipment such as gas boilers provide both heat and hot water. In the 2020s, the following will be important:..... on the demand side, efficient taps and shower heads and behavioural change measures (e.g. shorter showers)".

In addition, the House of Commons Environment, Food and Rural Affairs Committee, in its report on "Future flood and water management legislation" published in December 2010, states that "We recommend that regulatory bodies work more closely together than they have to date to ensure that energy-saving and water-saving initiatives are not developed in isolation. The regulators and industries should grasp the opportunities to learn from each other's experiences and develop joint approaches which might most effectively engage customers".

Question 2

1. Shower devices are very cost-effective and have proven carbon-saving benefits. Without the associated carbon savings the water companies would not be using them to deliver water savings, as neither saving results unless hot water use is reduced.
2. Shower devices have a limited presence in retail outlets and are not distributed through other large-scale routes. Prior to CERT shower devices have not been distributed by water companies and in the absence of CERT they would not be distributed.
3. Shower devices are the only non-insulation measure to fulfil this criterion.
4. Heating water can account for a quarter of household energy bills and this is often not recognised in government policy as, unlike in heating, there is no advice or subsidy from government for hot water use in low-income households. The wide applicability of shower devices also means that it can be used in hard-to-treat homes where insulation measures would not be cost-effective.

Question 3

We believe that option A would offer the most cost-effective carbon savings: "*Retain the existing provisions as set by the CERT extension, with evidence feeding into post 2012 Energy Company Obligation design*". Some of the solutions set out in option D, such as restricting promotion routes and promotion periods, and setting specific installation conditions, would fit well within this category, and could be supported by a protocol between Ofgem and Ofwat.

Indeed, it is clear that stringent criteria for devices are necessary. There should be no unsolicited mail-out or distribution. Promotions through retail partners should require provision of addresses of all recipients, and all offers should be opt-in rather than opt-out – namely, all recipients should make a clear decision to receive the device. There should be no unsolicited cold-calling to promote devices. There must be a mechanism for unused devices to be returned at no cost and little effort for the recipient. There should be post-distribution communication with recipients to check on installation and provide assistance where needed. There should be large-scale monitoring and random auditing of recipients to assess installation rates and to allow the carbon savings to be adjusted if necessary. Specific promotions should be limited to a finite period (such as 6 months) to allow for assessment.

An evidence-based upper limit to the total number of shower devices distributed could be considered, with shower devices then removed from CERT. An alternative approach would be to limit shower devices to one per household. Of these two approaches, a total upper limit might be less effective since market saturation would be unlikely to be achieved in the final two years of CERT.

These additional requirements could be met through tightening up and stricter enforcement of Ofgem procedures. We note that in the case of carbon savings they would be more stringent than those required for insulation.

This option has a positive Net Present Value compared to the other options even when gross assumptions are made regarding deadweight.

If the Coalition Government does not choose this option and does not provide an alternative mechanism for shower devices to be funded under CERT then we believe it is vital that transition arrangements are put in place, to minimise the negative impact on carbon and water savings through this route.

Conclusion

Shower devices offer a very cost-effective way to cut carbon and increase wide-scale public engagement on environmental issues, and have additional water-saving benefits. They help deliver carbon savings as well as wider Coalition Government goals such as adaptation to climate change, and development of the green economy.

Shower devices have a very wide potential for application and offer simple carbon savings for most homes including those deemed hard-to-treat.

Shower devices are different to showerheads in that they have no market or distribution route outside of the CERT process, form an integral part of the shower, are easy to install and offer additional water saving-benefits.

It is clear from the Impact Assessment that maintaining the status quo until the end of the CERT extension is by far the most cost-effective approach and that a number of assumptions have to be made to enable any of the other approaches to have a comparable Net Present Value. All options listed other than the status quo make the scheme more administratively complex, more challenging and more expensive.

The Coalition Government is committed to smarter regulation and to a co-ordinated approach to address strategic goals across regulated sectors. Removing hot-water-saving gadgets from CERT would undermine this.

The shower devices save carbon through saving gas, so are immune to a decarbonised grid: shower devices will always save both energy and carbon (as well as water), and not many devices are designed to do this. Shower devices deliver carbon savings outside the traded sector.

Once every home in the UK has been insulated, through CERT, the Green Deal, ECO (the proposed successor to CERT) and other measures, there will be remaining carbon emissions from homes in terms of heating water. It would not be cost-effective to undertake these programmes sequentially rather than in parallel – nor would it maximise the impact of nudge on customer behaviour.

The Green Deal will require effort and commitment on the part of householders to take up the offer of an energy (and water) efficiency package, for which there will be associated costs – unlike CERT which is subsidised. A co-ordinated approach to delivering this under CERT in the run-up to the Green Deal will maximise the nudge factor inherently required in this change. Removing hot-water-saving devices for the remainder of CERT would severely jeopardise both manufacturing investment and consumer engagement in the run-up to the Green Deal. It would also remove much of the water company incentive to engage in Green Deal delivery and promotion as joint working between the water and energy sectors would be prevented by the

regulatory frameworks at the very time when future investment plans for the next price review periods were being developed (2012).

We believe for the reasons above that shower devices should be retained in the CERT extension.

Co-ordinated by Waterwise, January 2011