

## Waterwise response to DECC and CLG consultation on the Community Energy Saving Programme

May 2009

### Overall response

Waterwise welcomes the Community Energy Saving Programme (CESP), its focus on reducing fuel poverty through improving energy efficiency, and its target of 90,000 homes. Since water heating for cooking, bathing and cleaning is the second largest domestic energy user after space heating, accounting for around a quarter of domestic fuel bills (and 5% of the UK's total greenhouse gas emissions), Waterwise believes that water efficiency measures such as water-efficient showerheads and tap flow regulators should be included in the CESP: any programme aiming to significantly reduce domestic fuel use without including some specific water efficiency measures - which will reduce fuel bills and emissions - will fail to meet its full potential. (We have responded to the parallel consultation on "uplift" of the Carbon Emissions Reduction Target (CERT), proposing that the carbon savings from such measures be recognised under CERT, and are currently pursuing the registration of several water efficient fittings in the scheme.)

There are also wider government policy drivers for delivering a combination of water and energy efficiency measures in a single visit – not least making less water go further as climate change adaptation means less available water, and the population continues to grow. Quality of life issues in social housing are a further driver.

Waterwise strongly supports the emphasis on delivering the CESP through partnerships, as well as the house-by-house, street-by-street approach, as we believe this will reap the most significant savings for low-income households. In *Waterwise's Evidence Base for Large-scale Water Efficiency in Homes*, which we produced for the Environment Minister's Water Saving Group in October 2008, we found that the biggest bang for buck in (water) retrofit schemes can be delivered through partnerships. (The *Evidence Base* can be found at [www.waterwise.org.uk](http://www.waterwise.org.uk)) These partnerships are time-consuming for water companies and others to establish, and this can also be the case for energy companies, so government structures in place to help foster partnership schemes would increase the potential energy savings from the CESP.

The UK water companies are already developing and putting into place plans to retrofit tens of thousands of homes for water efficiency: Waterwise is working closely with the water companies, government and regulators to help deliver this, including through the network of regulatory incentives. Lessons from these projects, combined with existing evidence on the energy side, would be useful in the CESP.

Waterwise, with other partners, recently delivered a water retrofit scheme of around 400 homes in Preston in Surrey, and is sharing the results with government. (The final report of the Preston Water Efficiency Initiative can be found at [www.waterwise.org.uk](http://www.waterwise.org.uk)) As part of this scheme, showers were fitted in 160 homes which had only previously had baths: considerable

water savings resulted, and residents were delighted with their new showers. Because on average showers use around a third of the hot water used by baths, significant energy savings can be reaped from such programmes, as well as water savings (which in themselves will help government meet the statutory 80% cuts in emissions, through reducing the carbon footprint of the water industry (currently almost 1% of total UK greenhouse gas emissions), as it pumps and treats less water to and wastewater from homes). Specifically, we propose that low-flow showerheads and flow regulators be included in the CESP list of approved measures. In addition, fittings of showers for the first time (in homes which only previously had baths) should be included in the CESP, as well as the replacing of existing fittings with water-efficient ones. This will help reduce fuel bills – as well as reducing the UK's carbon footprint and providing valuable social gains.

As a footnote, many stakeholders agree that it is a missed opportunity that neither water efficiency measures nor specifically the presence of showers are required under the Decent Homes programme – we would like to see such measures included in any future social housing standard. As well as the potential impact on fuel bills, homes of the future will need to be water efficient as climate change takes further hold, with predicted overall reductions in the amount of water available, combined with population and housing growth, meaning that the remaining water will need to go further.

We believe that Domestic Energy Advisers should include basic advice on not wasting hot water, as, for the reasons outlined above, an energy efficiency programme which doesn't include this will not be meeting its full potential. We also urge the government to include water efficiency advice as it develops the National Occupational Standard, which will “set out the skills and competences and training levels required to provide behavioural advice on ways of improving energy efficiency and energy savings products to individual householders”.

Finally, Waterwise is already working with some of the partners mentioned in section 4A of the consultation. For example, with funding from the European Union LIFE project, Waterwise is currently working on a joint project with the Energy Saving Trust to deliver water saving advice alongside energy saving advice through their network of advice centres. We are also talking to the Local Government Association about the possibility of developing a brokering scheme to bring together social housing organisations and water companies, mirroring the existing scheme on energy. As we discuss above, both Waterwise and the UK water companies also have a great deal of experience in delivering large-scale retrofit schemes, in social housing and on a street-by-street basis, which it would be useful for the CESP to draw on.

Waterwise's UK Manifesto, launched in April 2009, sets out ten steps through which water efficiency can help build a climate-resilient economy – including through linking with energy efficiency retrofit schemes, and further developing the green economy. Waterwise's UK Manifesto can be found at [www.waterwise.org.uk](http://www.waterwise.org.uk)

We are responding to the parallel consultation on the Heat and Energy Saving Strategy (HESS), in similar terms – proposing the inclusion of water efficiency measures in energy efficiency schemes.

**Responses to specific consultation questions** (no comment, where no comment given)

Q1. Do you have any comments on the draft Statutory Instrument?

Q2. Do you have any comments on the partial Impact Assessment? Do you believe there are other sources of evidence that could be used to help refine the assessment? In particular:

*Waterwise would like our Evidence Base for Large-scale Water Efficiency in Homes (produced in October 2008 for the Environment Minister's Water Saving Group) to be included in the evidence base for the development of the CESP. Waterwise is currently developing phase 2 of the Evidence Base, which amongst other issues will include the attachment of carbon figures to specific water efficiency measures. The Evidence Base can be found at [www.waterwise.org.uk](http://www.waterwise.org.uk)*

Q3. Do you agree with the identified costs and the main groups on which they fall? If not, please explain why and suggest other costs which may exist and groups which may be affected.

Q4. Do you agree that the CESP obligation should be split equally between supplier and generation companies? If you do not agree, please provide an alternative approach and explain why you believe this is preferable.

Q5. Do you agree with our proposed approach to providing an exemption from the CESP obligation to small companies? If you do not agree, please provide an alternative approach and explain why you believe this is preferable.

Q6. Do you agree that the CESP obligation should be distributed between companies in proportion to their annual electricity generation? If you do not agree, please provide an alternative approach and explain why you believe this is preferable.

Q7. Do you agree that the scheme should be flexible to allow for the development of different forms of community partnership working? If not, why not?

*Yes, we agree with this approach, which can develop further as consumer behaviour, technology and carbon targets develop.*

Q8. Do you agree that it is reasonable to envisage that the natural incentives are strong enough to ensure an effective partnership approach for CESP? If not, why not?

Q9. Do you agree that there should be a requirement for some form of evidence of Local Authority endorsement, such as a letter of support?

*Yes.*

Q10. Do you agree that CESP should target fewer homes but provide greater CO<sub>2</sub> and fuel bill savings for homes targeted? If you do not agree, please explain your reasons and offer an alternative approach.

Q11. English building regulations require replacement boilers too be B-rated or better. Can CESP therefore add anything to the replacement of boilers mandated by the building regulations?

Q12. Is there a need for a mechanism that would protect households who have a boiler replaced under CESP from any potential early failure of the new boiler? If so, how might that protection be provided?

Q13. The Government requests stakeholders to explain whether or not they support the inclusion of installing gas central heating in non centrally heated homes and provide evidence in support of their comments.

Q14. What types of Solid Wall Insulation are available and what are their relative costs and CO<sub>2</sub> savings?

Q15. Do you agree with the proposed list of measures available under CESP?

*Because water heating is the second largest consumer of domestic energy after space heating, accounting for around a quarter of bills, we propose that hot water efficiency measures should be included in the CESP. Specifically, we propose that low-flow showerheads and flow regulators be included in the CESP list of approved measures. In addition, fittings of showers for the first time (in homes which only previously had baths) should be included in the CESP, as well as the replacing of existing fittings with water-efficient ones.*

Q16. Should district heating projects be included within the list of potential CESP measures? Please include an explanation of your answer.

Q17. Are there any particular types of scheme which merit inclusion more than others or which it would be easier to include?

Q18. Is it possible to attribute any base-line scores to particular types of scheme, or would this need to be on a case-by-case basis?

Q19. Do you think our proposed bonuses for scoring measures encourage the delivery of a whole-house approach? If not, please explain why and offer an alternative set of incentives.

Q20. Do you agree that this scoring system will encourage the delivery of measures that will meet the CESP objectives of reducing CO<sub>2</sub> and fuel bills? If not, please explain your reasons and offer an alternative methodology.

Q21. Would uplifts on a points score, proportional to the density of homes reached or measures introduced, encourage intensive action within a targeted area?

Q22. Do you think any of the described options will deliver intensive action in specific areas? If so, which option do you favour? If not, please explain your reasons and offer an alternative.

Q23. Do you agree CESP should use the income domain of the Index of Multiple Deprivation as the as the measure of income deprivation? If not, what should be used and why?

Q24. Do you agree with the proposal not to prescribe in legislation what suppliers and generators can charge for measures?

Q25. Is the assumption that suppliers and generators will themselves have to bear the whole cost, or the very great majority of the cost, of the measures which they deliver a reasonable one? If not, please state why.

Q26. Do you agree that a flexible approach, allowing communities to identify how best to integrate the range of initiatives in their areas, should be followed?

Q27. Or should there be an attempt to develop a more prescriptive approach? If so, how would the concerns expressed in paragraph 5.10 be overcome?

Q28. Are there any other initiatives we should consider when thinking about the design and interaction of a new CESP obligation?

*For the reasons outlined in our overall response, above, water efficiency measures, and existing experience of delivering them on a large-scale, should be included in the design of CESP.*

Q29. Do you agree that CESP should run from autumn 2009 until December 2012? If not, what other option do you prefer and why?

Q30. Do you agree that obligated parties should be allowed to transfer credits that they have achieved with other obligated parties?

Q31. Do you agree in principle that trading of the obligation itself should be allowed? If so what level?

Q32. Should Ofgem be required to approve any trading arrangements?

*Waterwise is a UK NGO focused on decreasing water consumption in the UK by 2010 and building the evidence base for large scale water efficiency. We are the leading authority on water efficiency in the UK. In England, we sat on the Environment Minister's Water Saving Group alongside the water industry and regulators.*

*The following documents can be found at [www.waterwise.org.uk](http://www.waterwise.org.uk):*

- *Waterwise's Evidence Base for Large-scale Water Efficiency in Homes (October 2008)*
- *The final report of the Preston Water Efficiency Initiative (April 2009)*
- *Waterwise's UK Manifesto (April 2009)*

Nicci Russell

Policy Director, Waterwise