**Q1. Do you agree with adopting a system using building classes?**

N/A

**Q2. Do you agree that it is reasonable to assume that it would always be cost-effective to install individual heat meters in new buildings with a communal network?**

N/A

**Q3. Would you suggest other categories of buildings which should be included in the ‘Viable’ or ‘Exempt’ classes? Are there other technical reasons we should consider for the ‘Exempt’ class? Please supply evidence to support your answer.**

N/A

**Q4. Do you agree with the assumption that operating temperatures of a heat network above 90°Celsius significantly affect the accuracy of heat meters and the buildings should therefore be in the ‘Exempt’ class? Should this exclude networks which only reach operating temperatures above 90°Celsius for limited periods of time (less than 10%)?**

N/A

**Q5. If you are a heat supplier, what percentage of buildings would you estimate to fall into the ‘Exempt’ class?**

N/A

**Q6. How could a heat supplier evidence that installing metering devices is not technically or otherwise feasible for a specific building if not already in the ‘Exempt’ class? Would you consider OPSS to be best placed to assess a possible exemption?**

In general OPSS could be well placed to assess exemptions based around the physical suitability of a building. However, in the case of almshouses, it would be beneficial to have more than just the viability of the infrastructure assessed. There is the potential that if buildings are classed merely by their ability to have a meter installed, a significant financial burden may be placed on almshouses which meet the physical criteria. The immediate financial impact caused by installing meter is obviously recognised within the proposed amendments as it states that financial support is being provided to housing providers and local government. This level of financial support may not to be available to almshouses and many would struggle to finance instillation within a short time period.

**Q7. If you consider metering and billing requirements to be a significant issue for social housing, please provide specific evidence that would justify a different approach to assessing feasibility of meter installation and billing based on consumption in these dwellings.**

Almshouse charities are the oldest form of social housing in the United Kingdom. Many almshouse charities operate on fine margins, are run by volunteer trustees and have a small number of homes (68% of almshouses have fewer than 10 homes).

Whilst the Almshouse Association supports the principle of billing based on consumption, this principle may not be the case for Almshouse Residents. Many residents pay a fixed, flat contribution towards energy bills regardless of their individual consumption, and in some cases the almshouse charity pays for a resident’s energy consumption. As a result of this their individual consumption is unlikely to be influenced by the ‘bill by consumption’ approach suggested in the legislation.

 Furthermore, residents of almshouses are likely to be older than the population of other forms of housing and therefore they may require greater levels of energy consumption to keep their homes in a healthy living condition. Care must be taken not to create a perverse incentive for elderly people not to heat their homes especially in winter.

As mentioned above, financial assessments would be beneficial. This is because, in the case of almshouses, the cost of installation may be a significant financial burden and even, in severe cases, provide a threat to the financial sustainability of an almshouse.

**Q8. Do you agree that the assumption of a 10-year lifetime for a meter and heat cost allocators is reasonable and should be used as the period over which the costs and benefits are calculated?**

N/A

**Q9. Do you agree with the proposed discount rate of 3.5% to calculate the net present value of costs and benefits?**

N/A

**Q10. Do you agree with the proposed tool’s approach to estimating heat demand for buildings? Do you have suggestions for a different approach?**

N/A

**Q11. Are you aware of additional characteristics which could be used to support the differentiation in the tool between existing buildings with regards to the capacity for energy efficiency?**

N/A

**Q12. Do you agree that the 20% figure for average heat demand savings should be applied to domestic units?**

N/A

**Q13. Do you agree that the 10% figure for average heat demand savings should be applied to non-domestic units?**

N/A

**Q14. Energy savings in the first year are estimated to be half of the savings in subsequent years, to take into account the assumption that behavioural change will not occur immediately. Do you agree with this assumption?**

No. This appears to work under the assumption that financial saving will be the driving force behind behavioural change. This approach will not always work within almshouses as the financial contribution of residents does not necessarily correlate in any way to their energy consumptions, therefore a meter will not always encourage reduced consumption. Furthermore, almshouses, which exist to support their residents, may not penalise residents for their energy consumption.

As many elderly residents, not just in Almshouses, will have higher than average energy consumption to maintain a healthy living environment, it will also be important not to create a behavioural change that will be detrimental to health and wellbeing

**Q15. There is limited evidence available on the energy savings generated by the installation of heat cost allocators. However, we are not aware of any reason to expect a difference in performance compared to meters in reducing energy use. Do you agree that the same percentage of energy savings should be used for heat cost allocators?**

N/A

**Q16. Would you consider it useful if the tool allowed input of actual heat /cooling supplied to a building where a building level meter has been installed to calculate savings in multiapartments or multi-purpose buildings?**

N/A

**Q17. Do you agree that we should use the price for different fuels to estimate the costs and therefore benefit of savings?**

Yes.

**Q18. Are there any other comments you would like to add on the calculation of the benefit arising from energy savings in the cost-effectiveness assessment?**

As previously mentioned many almshouse charities operate on fine margins, are run by volunteer trustees and have a small number of homes (68% of almshouses have fewer than 10 homes).

Therefore the Almshouse Association is keen to ensure that those almshouse charities that are defined as heat suppliers are not penalised as the methodology for calculating the benefit appears to presume that meters will result in a change of behaviour driven by the financial benefits of reduced consumption. While this may work in accommodation where resident’s bills correlate with their consumption, it is unlikely to work in almshouses.

Many almshouse residents pay a fixed, flat contribution towards energy bills regardless of their individual consumption. As a result of this their individual consumption is unlikely to be influenced by the ‘bill by consumption’ approach suggested in the legislation. Furthermore, residents of almshouses are likely to be older than the population of other forms of housing and therefore they may require greater levels of energy consumption to keep their homes in a healthy living condition. As a result of this, the additional cost of installing heat meters could have little to no impact on consumption and could have a detrimental effect on health.

In addition almshouse charities will be burdened with additional costs that may negatively impact their ability to operate as a charity. Furthermore, many almshouses would struggle to finance the implementation of a meter, especially in a short time frame.

**Q19. Do you agree with the costs as provided in Table 4 above? Please provide evidence and comments and specify which cost you are referring to.**

N/A

**Q20. Would you expect the cost profile for domestic and non-domestic units in a mixed purpose building to be the same? Are there other characteristics which would better indicate the cost of heat meters, such as floor space in m2?**

N/A

**Q21. Would you expect significant regional difference in supply and installation costs, e.g. in remote locations or areas with less developed markets?**

Yes. Costs are likely to be higher in rural areas with less competitive markets. This would prove to be a burden to a great number of almshouses which are located rurally.

**Q22. Do you agree with the proposed £81 operational costs, including billing? And do you agree that this should constitute the cost threshold of cost-effective billing per dwelling?**

N/A

**Q23. Do you have evidence for the cost of a complete metering and billing service per unit? If so, could you state if this includes or excludes the installation of the metering devices. Would this vary with geographic location? If this information is commercially sensitive and you prefer to send it in confidence, please send separately direct to our email address provided in the “How to respond” section and mark accordingly.**

N/A

**Q24. Do you agree with the assumptions made and the total cost for the familiarisation with the Regulations and dissemination of information?**

N/A

**Q25. Are there any other costs to business not discussed that should be considered (for example engagement with customers and changes to billing systems)?**

It is also important to be aware that many almshouse charities operate on fine margins, are run by volunteer trustees and have a small number of homes (68% of almshouses have fewer than 10 homes).

The consequence of this is that what may seem a simple task for a large provider (for example completing highly technical returns) needs to be completed by external consultants at an additional cost to a charity.

**Q26. In the accompanying Impact Assessment analysis, we use the above time estimates in Table 6 to calculate the administrative costs of undertaking the technical feasibility and costeffective assessment. Do you agree with these assumptions?**

N/A

**Q27. Do you agree that a six-month implementation period, which includes one complete summer period, is appropriate? If you disagree, please state what length of implementation period you consider reasonable and why.**

The Almshouse Association believes a longer period, say up to two years would be appropriate.

**Q28. Do you agree with the assumption that from October 2020 most newly installed metering devices should be remotely readable? If you disagree, please provide additional information.**

N/A

**Q29. Should heat suppliers ensure that all installed meters and heat cost allocators accurately measure, memorize and display consumption?**

No. As discussed in Q25 In the case of almshouses (heat suppliers), which are often run on a volunteer basis, the skills may not be available to maintain equipment. This will lead to an additional cost to the charity.

**Q30. Should heat suppliers ensure, so far as possible, that all meters and heat cost allocators installed are (a) continuously operating, and (b) properly maintained and periodically checked for errors?**

See question 29.

**Q31. Do you agree that billing should be based on consumption for all installed meters and heat cost allocators where this is technically possible and economically justified?**

No. Almshouses act as a charitable housing providers to aid their beneficiaries and therefore do not bill residents based on consumption. Many elderly residents will require greater energy consumption to live comfortably so should not be penalised financially for their needs.

**Q32. Would you consider a requirement for billing based on consumption to prevent a Heating as a Service model?**

Yes. On average the population of almshouses tend to be more elderly than the population as a whole causing them to have greater levels of energy consumption to maintain a healthy living environment for their residents. As a result of this, almshouses have little flexibility around their energy consumption and therefore billing based on consumption may have adverse financial implications based on their consumption under a Heating as a Service model.