

**Minutes of the 55th Meeting of the Supervisory Panel  
Renewable Energy Consumer Code  
Thursday, 30 April 2020**

**Meeting held online**

**Present**

- Steve Lisseter - Chairman
- Bryn Aldridge - Independent Trading Standards Expert
- Chris Avgherinos – Domestic RHI, BEIS (part)
- Walter Carlton - Deloitte (part)
- Sarah Howard – Customer Operations Manager, MCS
- Chris Jackson - Ofgem
- David Laird - Independent Energy and Consumer Codes Expert

**In attendance**

- Virginia Graham - RECC
- Aida Razganaite - RECC
- Rebecca Robbins – RECC
- Abena Simpey – RECC

**Apologies**

- Frank Gordon - REA
- Zoe Guijarro - Citizens Advice
- Atif Iqbal - Certsure
- Gretel Jones – Independent Consumer Expert
- Gemma Stanley - Solar Trade Association

**1. Introduction and apologies**

The Chairman welcomed attendees to the 55th Supervisory Panel Meeting, the first meeting he would be chairing. Attendees welcomed him to his new role. He noted that the meeting was being held online and apologised that it had had to be postponed from its original date, 18 March. He asked attendees to introduce themselves. He welcomed Sarah Howard from MCS, attending for the first time.

**2. Minutes of last meeting**

The Members present agreed the minutes of the 54<sup>th</sup> Supervisory Panel Meeting as being an accurate record of the meeting.

### **3. Matters Arising**

The Executive confirmed that most of the actions in the summary had been completed or would be covered later in the agenda, in some cases by way of a verbal update. The following actions had been held over to the following meeting: the preparation of guidance on public liability insurance; the provision of more information about the due diligence process, perhaps based on one or more case studies; and consideration of ways to highlight good practice among RECC Members.

### **4. Government consultation on future funding for heat technologies**

The BEIS representative outlined the contents of Government's consultation on the introduction of Clean Heat Grants in the domestic sector. The intention was to introduce a system of up-front grants for householders installing air source heat pumps or, in some instances, biomass boilers. The scheme would start on 1 April 2022, the day after the closure of the Domestic RHI which had been extended for a further year. In this way Government hoped to avoid a hiatus such as occurred following the closure of the Feed-In Tariff on 31 March 2019.

The BEIS representative explained that many of the details of how the scheme would work were yet to be finalised. He confirmed that Government had a budget of £100 million payable over two years. He envisaged a system of quarterly allocations for the grants which were likely to amount to £4k per household, with a total of some 25,000 systems funded over the two years. He said that Government had estimated the cost of an average capacity air-source heat pump to be around £10k, meaning that consumers would be expected to find the additional £6k themselves, either from their own resources or using finance.

The Chairman thanked the BEIS representative for his interesting presentation. Panel Members asked a number of questions about the design of the scheme. They wanted to know what checks the Government would be carrying out to ensure that the grants were being well-targeted and that they were achieving value for money in terms of CO2 emissions avoided.

The BEIS representative explained that Government's view was that the up-front grant system would be more equitable, and that recipients would be more widely distributed across income groups. He confirmed that grants for biomass boilers would only be available for households off the gas grid while grants for air source heat pumps would be available for those on and off the gas grid. He said that Government intended to work closely with the devolved nations in delivering the scheme.

Panel Members asked how consumers would be protected from false or misleading sales information and what controls would be in place to ensure consumers were offered a fair price and an appropriate, well-installed system. The BEIS representative stressed that Government was looking for views on the potential for consumer detriment and how this could be minimised. He said Government would welcome responses from consumer protection bodies and other experts on these points. The consultation would close on 7 July. The Executive confirmed it would be responding to the consultation in detail and intended to consult with RECC Members beforehand.

## **5. Highlight Report**

Panel Members considered the content of the Highlight Report. They agreed that the single page summary of notable changes during the preceding quarter was useful. Panel Members asked for more information about the membership renewal process. The Executive explained that renewals for 2020 had been split into two groups. One had been for those members who install heating systems and the other for those who do not. The second group had been offered the MCS RECC Code membership category. Further explanation on this would follow in the next agenda item.

The Executive confirmed that, overall, the membership renewal process had been positive, and had been largely completed before the lockdown had been announced on 23 March. The Executive reported that all the active Assignment of Rights applications had now been approved and passed to Ofgem. The number of heating systems installed under the Assignment of Rights arrangement remained small but was expected to pick up during the year. There was a small number of inactive applications. Given the extension of the Domestic RHI for a further year, some of these might decide to continue. The Executive would contact them to check.

Panel Members asked about the consistency of responses to Consumer Satisfaction Questionnaires. The Executive explained that the sample remained small, and that care should be taken in extrapolating the results too extensively. The Executive went on to explain that the COVID-19 situation was having an impact on the monitoring programme. Staff of those members undergoing desk-based audits were either not in their offices or were requesting longer to respond and to gather the materials. The audit site visit had been converted to a desk-based audit. This would be likely to affect the total number of members monitored during the year.

The Executive explained that the COVID-19 situation was also having an impact on the dispute resolution process. Here again, members were requesting longer to respond to communications, and to resolve disputes. Longer lead-times extended to the independent arbitration service. The Executive summarised the main issues that had caused complaints in the previous quarter. These had been split between 'after sales' issues and those linked to taking and protecting of deposits and advance payments and the provision of estimates and quotes, including performance estimates and information about financial incentives. For air source heat pumps, the overall design and sizing of the system had also been a common issue. The Executive reported a decline in complaints about the impact of the closure of the Feed-In Tariff (FIT).

Panel Members thanked the Executive for a useful summary of the previous three months' work. They reiterated their request for more information about the due diligence and compliance checking processes. They asked the Executive to prepare a more detailed presentation, perhaps based on one or more case studies, for the next meeting.

## **6. Joint MCS RECC partnership offer - update**

The Executive updated Panel Members on the new arrangement with MCS specifically targeted at RECC Members only installing solar PV, battery storage systems and wind. The arrangement had been outlined in a paper provided to the previous meeting. The Executive confirmed that the offer

had been popular and that, of the 610 eligible RECC Members, a total of 540 had taken up the offer to renew their membership in this way. In addition, some 30 new members had been admitted on this basis during 2020.

The Executive explained that, owing to the COVID-19 situation, the number of installations being registered on the MCS Database had reduced to around 10% of what had been expected during April. However, it was hoped that the registrations would pick up again quickly once restrictions were lifted. As had been previously outlined the current year was a pilot for the new arrangement, and a decision would later be taken on whether to extend it to Members installing all technologies. The number of installations registered would obviously be an important factor in this. The Executive agreed to update the Panel on progress with the new arrangement.

## **7. Information and discussion about implications of COVID-19**

The Chairman introduced a discussion about the implications of COVID-19 on RECC and its work. He asked that the discussion be divided into three parts: firstly, how it was affecting REAL's office, the RECC team and its work; secondly, how it was affecting RECC members and the sector more generally; and thirdly how it was affecting other stakeholders attending the meeting.

The Executive explained that the office move had been completed on 23 March, just before the COVID-19 lockdown had been announced. Fortuitously REAL, along with REA, had previously taken the decision to move to an all-laptop scenario. As a result, the team had managed to work from home effectively, albeit with considerable IT support. The team had managed to keep in touch, with regular online meetings for managers and for all staff. The team had also adjusted its processes to reflect the restrictions faced by RECC members, especially for monitoring and dispute resolution.

The MCS representative outlined the results of telephone research among MCS-certified businesses. Of those contacted, 90% reported having seen a negative business impact due to COVID-19. Of these, cash flow and worries of the financial impact topped the responses. Of the 10% who had not seen a negative business impact, some cited having a strong pipeline of existing jobs, others that consumers had postponed but not cancelled jobs and others that they were now focusing on design and quotes, having stepped away from both residential and commercial installations for the safety of their staff and clients.

The Executive added that it was working to ensure that members had access to information about the contractual consequences of COVID-19 as well as to advice for whether, and how, they might safely carry out work in domestic properties.

The Ofgem representative outlined the arrangements the Regulator had put in place to ensure that generators continued to have access while staff were working remotely. He explained that all mailboxes were being routinely monitored, but that there were reduced operating hours for telephone help lines. Priority was being given to making payments and to responding to queries around payments. Extensive FAQs had been developed for generators and consumers and were available on the website. He agreed to act as the point of contact for any urgent queries.

The Chair thanked all those who had contributed to the discussion and asked to be kept updated as to relevant developments in the coming weeks.

## **8. Launch of Electric Vehicle Consumer Code for Home Chargepoints (EVCC)**

The Executive reported that the EVCC had been launched on 12 February. It had attracted quite a lot of positive press coverage and a supportive message from the Transport Minister, Rachel MacLean, issued on 3 March.

To coincide with the launch the EVCC website went live (<https://www.electric-vehicle.org.uk/>). The Executive had also finalised the Code, the Membership Terms and a suite of bespoke model documents (contract, quotation, cancellation form &c). Leaflets for consumers and installers were in preparation, and hard copies of the Code were being reprinted. The Executive also explained that it had adapted the CRM database so that EVCC members could now be listed separately from RECC ones. The Executive was also working with the Centre for Effective Dispute Resolution (CEDR) to ensure that any complaints could be referred to the independent arbitration service as the final step in the process if needed.

Panel Members congratulated the Executive on what had been achieved since the previous meeting. They asked about staff resources being devoted to the setting up and running of EVCC. The Executive explained that expertise gained from running RECC had been very useful in setting up EVCC, but that now there were separate resources in place to administer membership and marketing of EVCC. Some RECC resources would still be required, for example for monitoring and dispute resolution, where it did not currently make sense to have separate resources in place.

Panel Members thanked the Executive and asked to be kept updated on progress with the EVCC.

## **9. AOB and next meeting**

The Chairman thanked those attending the meeting for their contributions. He asked whether they had found the Go To Meeting platform conducive to the carrying out the business of the meeting. Those present confirmed that they had.

He asked whether the date of the next meeting was too soon, given the six-week delay that had occurred to the current one. The consensus among attendees was that the date of the next meeting should remain unchanged: **Wednesday, 17 June at 2.00 p.m. Once again it would be an online meeting.**