



Framework Document for the Northern Ireland Sustainable Energy Programme 2023-25*

*Approved schemes will run for two full NISEP years, subject to satisfactory performance in year 2023/24 and criteria defined in this Framework Document being met.



January 2023

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1.0 INTRODUCTION

The purpose of this Framework Document is to provide the rules and procedures for organisations wishing to participate in the Northern Ireland Authority for Utility Regulation's (the Utility Regulator) NI Sustainable Energy Programme or "NISEP" (formally the Energy Efficiency Levy).

This Framework Document will apply to the years 2023/25 and the call for schemes will take place in October 2022. The rules in place in this document are binding on participants who shall be subject to the terms and conditions included in the Accedence Document in Appendix 5.

The Programme is administered on behalf of the Utility Regulator by an appointed Programme Administrator. Full details of the Programme Administrator role are listed in Appendix 7.

1.1 Format of Framework Document/How to use this document

The opening section of this document sets out the background to the NISEP, how it is managed and details of how funding is allocated.

Section 2 covers the broad framework for the NISEP and discusses in detail the various factors that need to be taken into account when developing schemes for funding. Section 3 discusses overall energy savings and types of schemes which can be submitted by organisations who wish to apply for NISEP funding. Section 4 sets down the procedures for scheme submission, Section 5 details the reporting of schemes and Section 6 describes the scheme monitoring and auditing.

The Appendices are:

- An example of a Customer Satisfaction Survey (Appendix 1);
- Example of the Vulnerability Matrix (Appendix 2);
- Guidance on the use of the different energy efficiency and sustainable energy measures, and a list of legislation relevant to sustainable schemes (Appendix 3);
- Details on the role of the Programme Administrator (Appendix 4); and
- Accedence Document (Appendix 5);
- Minimum Requirements of a Fraud Policy to be supplied by Applicants (Appendix 6).
- State Aid and Subsidy Control Guidance and Declaration Forms for Commercial Schemes (Appendix 7)

1.2 Background to Northern Ireland Sustainable Energy Programme (NISEP)

A sum of money is collected from all electricity customers through a Public Service Obligation (PSO) and it is used to provide funding for energy efficiency and renewable energy schemes. Previously known as the Energy Efficiency Levy (EEL), it is now known as the Northern Ireland Sustainable Energy Programme (NISEP).

The strategic objectives of the NISEP are to contribute to the achievement of:

- Efficiency in the use of energy;
- Socially and environmentally sustainable long-term energy supplies; and
- The above at best value to customers whilst also having due regard to vulnerable customers.

The principle behind NISEP is that the schemes operate on a not-for-profit basis and for the achievement of the above strategic objectives.

Since 2002, as a result of a consultative process, the majority of the funding (80%) has been targeted at vulnerable customers in Northern Ireland. Subsequent consultations have substantiated the view that this level of funding for vulnerable customers should remain whilst fuel poverty levels in Northern Ireland remain high.

The Utility Regulator began a review of the EEL in 2008, the results of which were published in March 2009. After due consideration of all the issues the main decisions taken were as follows:

- to rename the Programme as the Northern Ireland Sustainable Energy Programme (NISEP);
- to continue with the NISEP for at least 3 years, after which time it will be reviewed;
- to permit natural gas supply licence holders to apply directly for funding;
- to invite organisations other than licensed energy suppliers to bid for funding by September 2010; and
- to widen the types of eligible schemes to include renewable energy measures.

Since 2013 the NISEP has been rolled forward on an annual basis pending the outcome of the Department for the Economy's (formerly the Department of Enterprise, Trade and Investment) review of energy provision in Northern Ireland. Following discussions with the Department for the Economy (DfE), it was agreed that the NISEP should be extended to 2025 or until a suitable replacement has been developed.

1.3 Organisations permitted to compete for NISEP funding

Pre-registered organisations that meet set eligibility criteria will be permitted to apply for funding. The registration process and the eligibility criteria are set out below at paragraph 1.4.

1.4 Registration to become a Primary Bidder

Between June and October organisations, other than licensed energy suppliers and those previously registered, wishing to be included in the call for schemes in October can submit an application to register for participation in the NISEP. Applicants are encouraged to come forward as early as possible as it can take several weeks to assess eligibility and process an application to become a Primary Bidder. If Primary Bidder status is not granted before Friday 28 October 2022, the new applicant will not be able to bid for schemes for NISEP 23-25. Any organisation that is interested in applying to participate in NISEP 23-25 must contact the Programme Administrator by 10 October 2022 at the latest to express their interest.

Organisations which hold a licence issued by or regulated by the Utility Regulator have already demonstrated financial stability and an acceptable track record through the licensing process, accordingly, they will be automatically entitled to accede to the Framework Document.

Essential criteria for acceptance as a Primary Bidder

An applicant will only be accepted as a Primary Bidder if it can meet the following criteria:

- 1) Is validly and properly constituted (e.g. whether by way of a limited company, registered charity, public/statutory organisation or otherwise) in its country of incorporation or origin;
- 2) Has a UK bank or building society account in the name of the primary bidder, which requires one signature on each cheque or withdrawal;
- 3) Is VAT registered;
- 4) Are not individuals or sole traders as these are not acceptable as registered primary bidders to the NISEP;
- 5) Can meet the requirements to provide appropriate accounts and information set out at paragraph 2d) of the registration process below;
- 6) Can demonstrate financial viability and financial capacity to deliver schemes, (please note, a credit check will be carried out for all applicants, Primary Bidder status may not be granted should the credit check state high risk and therefore indicate a risk in the applicant's ability in managing funds);
- 7) Can sign the Accedence Document in Appendix 6 of this document;
- 8) Can agree that all measures installed using NISEP funding, will be installed in Northern Ireland;
- 9) Can demonstrate technical capability of delivering energy efficiency, fuel poverty or renewable energy related projects (see technical soundness criteria below) or previous experience of overseeing contractors to carry out such work;
- 10) Can provide evidence of having a complaints procedure in place and quality assurance procedures; and
- 11) Can provide copies of their Health and Safety Policy and Risk Assessment Procedures.
- 12) Can provide a copy of their Data protection/GDPR policy.
- 13) Can provide evidence of their customer care policy and / or training staff have undertaken in working with vulnerable customers.
- 14) Can declare any conflicts of interest alongside their mitigating actions?
- 15) Will self-identify where they have been in breach of any laws and regulations?
- 16) Will self-identify where they have had a contract terminated for breach, failure or negligence etc on their part.

- 17) Can certify they meet ISO certification for quality assurances.
- 18) It has not previously had its registration for Primary Bidder status withdrawn within the last three years on the basis of quality issues, financial impropriety, poor record keeping, poor financial controls or fraud.
- 19) If Primary Bidder status was withdrawn 3 or more years ago, you must be able to demonstrate technical capability of delivering energy efficiency, fuel poverty or renewable energy related projects (see technical soundness criteria below) or previous experience of overseeing contractors to carry out such work, within the last 3 years; References will be required to support successful delivery and independent quality monitoring results will also be required.
- 20) Must have at least one member of staff who is suitably qualified to a minimum qualification of **accounting technician**, who will have oversight and who will be responsible for signing off the monthly payment claim. The primary point of contact for payment claim queries can remain with the Primary Bidder appointed contact, as long as the accounting technician maintains oversight of the monthly claim including the sign off of any changes that may impact the monthly claim amount.

Essential Technical Soundness Criteria

The applicant must demonstrate a sufficient track record in delivering (or managing) energy efficiency, fuel poverty or renewable energy schemes. An applicant will be deemed to have a sufficient track record if it can provide proof that it has previously undertaken at least one successful energy efficiency, fuel poverty or renewable energy scheme to the value of at least **£300,000** within one financial year and within the last three years and in which it had direct responsibility for the following:

- Project management, including where appropriate managing sub-contractors, installers, or other delivery mechanisms;
- Financial management of the scheme funding;
- Communication with those who benefitted from the scheme;
- Customer satisfaction processes including the resolution of customer complaints;
- Quality assurance processes including the monitoring of quality standards and rectification of any sub-standard installations;
- Record keeping, reporting and providing evidence of benefits realisation and the successful completion of the scheme;
- Fraud prevention and awareness.

The applicant must also confirm that it has knowledge of all relevant legislation and statutory duties. It is the Primary Bidder's responsibility to ensure that all schemes comply with relevant legislation and statutory duties.

Submitting a Bid

Before submitting bids for funding, a Primary Bidder must agree to adhere to the rules within this Framework Document by signing the Accedence Document in Appendix 6.

All Primary Bidders must either:

- 1) hold a Licence issued by or regulated by the Utility Regulator,

OR

- 2) meet the criteria below.

Registration

If Primary Bidders do not hold a licence as defined in (1) above, then they must register using the following procedure;

- 1) Apply to the Programme Administrator for details of the Programme Registration procedure;
- 2) Provide the following information/documentation to the Programme Administrator:
 - a. Name and address of applicant
 - b. Legal nature of applicant, e.g. a company incorporated under the Companies (Northern Ireland) Act 2006, registered charity, public body etc. and such further information concerning the constitution of the Applicant as the Programme Administrator may request
 - c. Contact details of a designated post-holder and named individual to whom all NISEP correspondence from the Programme Administrator will be addressed including postal address, email address and telephone number, in Northern Ireland
 - d. The most recent annual accounts of the applicant in respect of which an auditor's report has been prepared, together with that report and the annual accounts of the applicant for the two financial years preceding that together with the appropriate auditor's reports. (For companies not legally required to have an auditor's report prepared, accounts properly inspected and signed off by an accountant will suffice.) Also, such interim accounts (whether audited or not) may have been prepared in respect of a period more recent than those above. If the applicant is a wholly owned subsidiary Company, then audited group accounts should also be sent
 - e. Management Accounts for the last two quarters
 - f. Organisational structure and resources (fixed assets, staff numbers etc.)
 - g. A statement of capability demonstrating evidence of ability to complete the work; e.g. evidence of qualifications of staff or contractors to be used, membership of trade associations, courses attended and previous experience. NOTE: Registration can be withdrawn or future funding refused if the bidder fails to provide information to the Programme Administrator when requested or fails to keep appropriate records

- h. At least two references from organisations which have knowledge of the company's appropriate work and which can confirm that the applicant has been responsible for a fuel poverty, energy efficiency or renewable energy scheme which meets the criteria set out under technical soundness below
- i. If you intend to work with partner organisations on any schemes, please state how you intend to manage this relationship. Please note that it is the Primary Bidder's responsibility to ensure adherence to the rules within this framework document. Primary Bidders will be held responsible by the Utility Regulator for adherence to the framework document.
- j. A copy of your organisation's fraud policy and fraud response plan, including a statement of zero tolerance to fraud. A summary statement of any frauds or attempted frauds against the primary bidder in each of the previous three financial years together with a synopsis of the types of actions taken and their outcomes should also be supplied.
- k. A copy of your organisation's complaints procedure should be supplied along with details of your quality management system/quality assurance procedures for installation of measures;
- l. A copy of your organisation's Health and Safety Policy should be supplied along with details of Risk Assessment procedures followed.
- m. A copy of your organisation's Data Protection/GDPR Policy.
- n. A copy of your organisation's Customer Care or Customer Service Policy.
- o. A statement to declare any conflicts of interest alongside your mitigating actions.
- p. A statement confirming that, to the best of your knowledge, your organisation has not been in breach of any legal or regulatory requirement in the last five years.
- q. A statement confirming that your organisation has not a contract terminated for breach, failure or negligence on its part.
- r. A copy of your ISO certification for quality assurances.
- s. A statement to confirm that all staff entering customer homes will be Access NI checked.
- t. A copy of the organisation's draft safeguarding policy.
- u. A statement to confirm the organisation has or is working towards a Diversity and Inclusion policy.
- v. A report or document that demonstrates that you meet the Technical Soundness Criteria as listed above.

Once the submitted information has been reviewed and checked, the Programme Administrator, with the agreement of the Utility Regulator, will provide a response

to the applicant regarding the approval or rejection of Primary Bidder status. If appropriate, details of the successful applicant will be added to a Register of Bidders which will be held by the Programme Administrator.

If an applicant has been refused access to the NISEP by the Programme Administrator, then the applicant can appeal to the Utility Regulator. The Utility Regulator will reserve the right to refuse registration to any organisation which has not successfully demonstrated financial soundness or a successful track record of delivery, and/or does not meet any of the other eligibility criteria that may be required.

For existing Primary Bidders

All Primary Bidders intending to bid for funding for NISEP 2023 -25 must, by the date requested:

1. Complete the Call for Schemes Registration Form
2. Sign and return the Accedence Document
3. Send a copy of their organisation's fraud policy and fraud response plan, including a statement of zero tolerance to fraud
4. Provide a statement to confirm that all staff entering customer homes will be Access NI checked
5. Send a copy of the organisation's draft safeguarding policy
6. Provide a statement to confirm the organisation has or is working towards a Diversity and Inclusion policy

Review and withdrawal of Primary Bidder status

Should NISEP be extended beyond 2024/25, the Programme Administrator will review the status of each Primary Bidder that is not a licensed supplier following completion of NISEP 2024/25 schemes.

Primary Bidders that are not licensed suppliers must –

- 1) provide the Programme Administrator with an up-to-date version of the information listed in (2) as set out in the submitting a bid section above every three years, and
- 2) inform the Programme Administrator immediately should there be any change in relation to the information provided in the original application for Primary Bidder status under 2(b), 2(f), 2(j), 2(o), 2(p) and 2(q) above.

The Utility Regulator may withdraw Primary Bidder status from a Primary Bidder at any time where:

- 1) in the case of a Primary Bidder that is a licensed energy supplier, it no longer holds the relevant licence,
- 2) in the case of a Primary Bidder that is not a licensed energy supplier –
 - a) the Primary Bidder has not provided to the Programme Administrator an update of the information as required above, or

- b) there has been a change of circumstances since first registration which the Utility Regulator is satisfied, renders the Primary Bidder unsuitable for continuing registration as a Primary Bidder,
- 3) the Primary Bidder has not had a bid for funding approved under paragraph 4.4 in the previous three years,
- 4) the Utility Regulator is satisfied that there are, or have been, significant quality concerns in relation to measures installed by or on behalf of the Primary Bidder (including where the Primary Bidder has acted as an installer or sub-contractor for another Primary Bidder),
- 5) the Utility Regulator is satisfied that there are, or have been, significant quality concerns in relation to any work undertaken by or on behalf of the Primary Bidder or a connected party under any other government funded scheme, or
- 6) the Utility Regulator is satisfied that there are, or have been, any issues of financial impropriety, poor record keeping, poor financial controls or fraud on the part of the Primary Bidder or a connected party in relation to the NISEP or other government funded scheme.

For the purposes of 5 and 6 above, a party is a 'connected party' in relation to another party where –

- a. it is associated to that party within the meaning set out in section 256 of the Companies Act 2006, or
- b. it, or one of its directors, is associated with a director of that company within the meaning set out in section 252 of the Companies Act 2006.

If Primary Bidder status is withdrawn under (4) (5) or (6) above, the organisation in question will not be permitted to reapply for that status for a period of three years.

1.5 Amount which may be bid for by each Primary Bidder

The maximum capped amount for a new Primary Bidder (2023/24) in the NISEP will be £300,000 or an amount equivalent to the value of any previous single energy scheme they have delivered, **whichever is the lesser amount. This cap will remain for 2024/25.**

For existing Primary Bidders, the maximum capped amount for second year of participation in 2023/24, will be £500,000.

For existing Primary Bidders, the maximum capped amount for third year of participation in 2023/24, will be £1,000,000 pending successful delivery of their first-year schemes, following Audit.

For existing Primary Bidders, the maximum capped amount for fourth year of participation in 2023/24, will be £2,000,000.

A maximum cap of £300,000 will also be applied for NISEP 2023/24 to a Primary Bidder that has not participated in the NISEP within the last two NISEP years.

Please note if a Primary Bidder cap has been set for NISEP 2023/24, it will remain the same cap for NISEP 2024/25 and will not increase.

The minimum amount of NISEP funding a Primary Bidder can bid for individual schemes will be £100,000. Any submissions below this will not be accepted.

Please note, a Primary Bidder who is capped as above, can bid for a number of schemes up to £2,000,000, with the understanding that, if successful, they will then be awarded funding taking into consideration any cap that may apply. **Any submissions that total above £2,000,000 will automatically be rejected.**

Following receipt of a 'Call for Scheme's' registration form, a credit check will be carried out on all Primary Bidders applying for funding. NISEP funding may not be granted should the credit check state high risk and therefore indicate a risk in the applicant's ability in managing funds.

Please note, any registered Primary Bidder, including licenced Primary Bidders, are capped at £2,000,000. Should there be connected Primary Bidders, i.e. joint ownership, the cap remains in place. For the avoidance of doubt, one Primary Bidder cannot bid for schemes to the value of £4,000,000 if they own two registered Primary Bidder organisations.

1.6 Scheme Partnerships and Sub-contractors

It is the responsibility of the Primary Bidder to ensure that all NISEP funding is accounted for and appropriately spent on approved schemes in accordance with the conditions specified in this Framework Document and the terms agreed through the scheme submission, approval, and variation process. There will be no relationship between a scheme partner or sub-contractor (who is not a Primary Bidder) and the Utility Regulator and/or the Programme Administrator. It is the responsibility of the Primary Bidder to sufficiently vet any scheme partner or sub-contractor it may choose to work with and to ensure that they comply with all relevant laws and obligations. It is the responsibility of the Primary Bidder to ensure their installers / sub-contractors are certified and that certifications are routinely checked.

For the avoidance of doubt, a scheme partner refers to some other party who is a main contributor to the scheme in partnership with the Primary Bidder e.g. providing additional funding, providing access to the scheme participants and/or designing or setting up the scheme. A sub-contractor is defined as any individual or organisation undertaking NISEP works on behalf of a Primary Bidder, and this includes self-employed contractors. If the individual in question is not an employee of the Primary Bidder, then this section of the Framework Document will apply.

Primary Bidders must have fully documented, written and legally binding contractual agreements (NB: electronic copies must be held on record) in place with sub-contractors as part of a fair, transparent and binding procurement process, and those agreements must flow down the relevant terms of this Framework Document so that all obligations on the Primary Bidder are fully enforceable on their sub-contractors.

Contractual agreements between the Primary Bidder and subcontractors must also include a Conflict of Interest declaration, (this means that where there the Primary Bidder and subcontractor are linked parties the Primary Bidder must identify this and state how they intend to ensure that subcontractors are treated fairly and equally). The Primary Bidder will be responsible for Conflicts of Interest of subcontractors and the management and mitigation of such. For the avoidance of doubt, while contractual and other arrangements between Primary Bidders and scheme partners and/or subcontractors are entirely the responsibility of the Primary Bidder and not the Utility Regulator, the Utility Regulator is entitled to full oversight of all commercial dealings relating to NISEP. Funding will only be released to the Primary Bidder.

The Primary Bidder will remain solely liable for the return of any NISEP funding allocated to it and not spent on approved schemes in accordance with the provisions of the Framework Document. The scheme audits carried out by an auditor, on behalf of the Programme Administrator, must be conducted with the Primary Bidder and not a scheme partner or sub-contractor although they may be present at the audit.

Contractual or other arrangements between Primary Bidders and scheme partners and/or sub-contractors are entirely the responsibility of the Primary Bidders and not the Utility Regulator. This includes ensuring that any work carried out by scheme participants conforms to best practice, customer satisfaction and quality standards, and that all customers are provided with the appropriate guarantees and warranties. Primary Bidders are not expected to ask priority customers to sign waivers unless all the following points have been complied with:

- 1) Installers must identify and record the nature, standard and estimate the age of the existing plumbing. They should also ascertain and certify that in the installer's view it is suitable for the new system.
- 2) A water pressure test must be conducted before commissioning an upgraded/new system and the results of this test must also be recorded and available for inspection.
- 3) Where any evidence of microbore is present all applicable pipework must be automatically upgraded.
- 4) If any leaks occur within two months of installation at the property, the Primary Bidder is responsible for ensuring that the necessary additional works are carried out to ensure that the finished job meets NISEP quality standards.
- 5) The Independent quality inspector will also be required to verify their agreement with the points outlined above.

The Primary Bidder must not charge scheme partners or sub-contractors any fees purely to participate in NISEP. For the avoidance of doubt, the Scheme Submission Form should, where possible, include a transparent process, where fees may be charged to installers for poor quality installations or poor administration. If fees are charged, it is the responsibility of the Primary Bidder to ensure that such fees form part of any contractual relationship.

Primary Bidders are required to fully disclose the circumstances under which they have a contractually agreed the right to charge any fee to a contractor as part of the Scheme Submission Form. Furthermore, Primary Bidders are required to

demonstrate how they have communicated any additional fees to sub-contractors in advance. The Primary Bidder will be required to provide a detailed breakdown of any additional fees charged, giving rationale and quantum, as part of any NISEP scheme in the Post Implementation Report (as referenced in section 5.2). The application of any additional fees shall be subject to regular review by the Programme Administrator to ensure that they are in line with agreed processes. Fees charged must be detailed in the 5 month and 8 month interim reports and also be detailed in the PIR as 'Third Party Indirect costs'. Any invoices and contractual arrangements relating to fees charged, should be provided to the Programme Administrator and be made available at audit stage for the auditor's review.

The NISEP is funded by customer money, Primary Bidders should ensure that procurement processes used to engage other organisations (such as sub-contractors (including those of a self-employed nature), scheme managers, installers, inspectors and where appropriate partners) and suppliers of measures are fair and ensure best value use of NISEP funding. The nature of any contractual relationships must also meet this test. The Primary Bidder must declare in the submission form the proposed delivery structure (e.g. scheme partner, managing agent, sub-contractors, inspectors etc.) and if already appointed, name the participants.

Primary Bidders and their agents should adopt good practice by conducting a transparent, competitive procurement process on each occasion.

Where applicable, Primary Bidders and their agents should at all times conduct procurement activity in full compliance with 'The Public Contract Regulations 2015' and any applicable supplementary or supporting legislation thereof"

Where applicable, Primary Bidders must also comply with the Public Procurement Policy of Northern Ireland in the execution of all purchasing activity.

Any advertising completed as part of a procurement process, must be carried out in such a manner as is appropriate to bring the competition to the attention of the maximum number of qualified organisations. Such a process is likely to include but not be limited to the following components:

- *Clear specification of the terms for which the contract is being sought;*
- *Public advertisement in a form and to an extent that will ensure maximum exposure of the contract opportunity to potentially competent contractors;*
- *A reasonable time period for potential contractors to respond to the competition, usually recommended to be at least three weeks;*
- *Clear selection and award criteria, including any weightings to be applied, which are published at the time of advertising. These should be designed to enable as wide a range of potential bidders as possible to tender for the work, in so far as this is consistent with ensuring a competent field of bidders;*
- *A written evaluation process applied in a consistent and transparent manner to all bidders and from which constructive and detailed written feedback may be offered to unsuccessful bidders as requested;*
- *A requirement that any contractors declare and put in place procedures to avoid any form of conflict of interest. For the avoidance of doubt, we*

consider that sub-contractors appointed to inspect installations should not also be included as installers.

1.6.1 Distortion of Competition

Primary Bidders are required to ensure that they do not:

- (a) show undue preference to any affiliated person; or
- (b) exercise undue discrimination between any persons (or classes of person), or(c) otherwise act so as to materially distort or restrict competition in the energy services market to the detriment of consumers, in particular by (but not limited to) their actions in the selection of sub-contractors or partners, or the terms and conditions on which they are appointed.

For Primary Bidders that produce their own product, preferential treatment cannot be given to installers using this product as opposed to other equivalent products on the market. Financial penalties cannot be applied to installers using a different product.

1.7 Funding Allocation

An amount of funding equal to 80% of the total funding available will be ring-fenced for priority domestic customers as defined in Section 2.6.

60% of priority group funding will be ring fenced for schemes which do not require a contribution from priority customers. Where a scheme is marketed as “fully funded” there should be no customer contribution.

- 35% of the NISEP funds will be ring-fenced for priority domestic ‘whole house solutions’, at least 60% of which will go to schemes whereby no customer contribution is sought. This leaves 40% for WHS ‘customer contribution’ schemes. Geographical spread is also considered and the funding available may be separated into ‘On Gas’ and ‘On and Off’ gas areas should bids be submitted which are limited to ‘On Gas’ areas.
- 10% will be allocated to whole house solution Innovative schemes upgrading or converting to electric heating where Gas is not available, and where no customer contribution will be sought.
- 35% is allocated to other schemes such as priority domestic individual measures, of which at least 60% will go to schemes where no customer contribution is sought. Please note, for domestic individual schemes offering cavity wall insulation and loft insulation, no customer contribution should be sought.

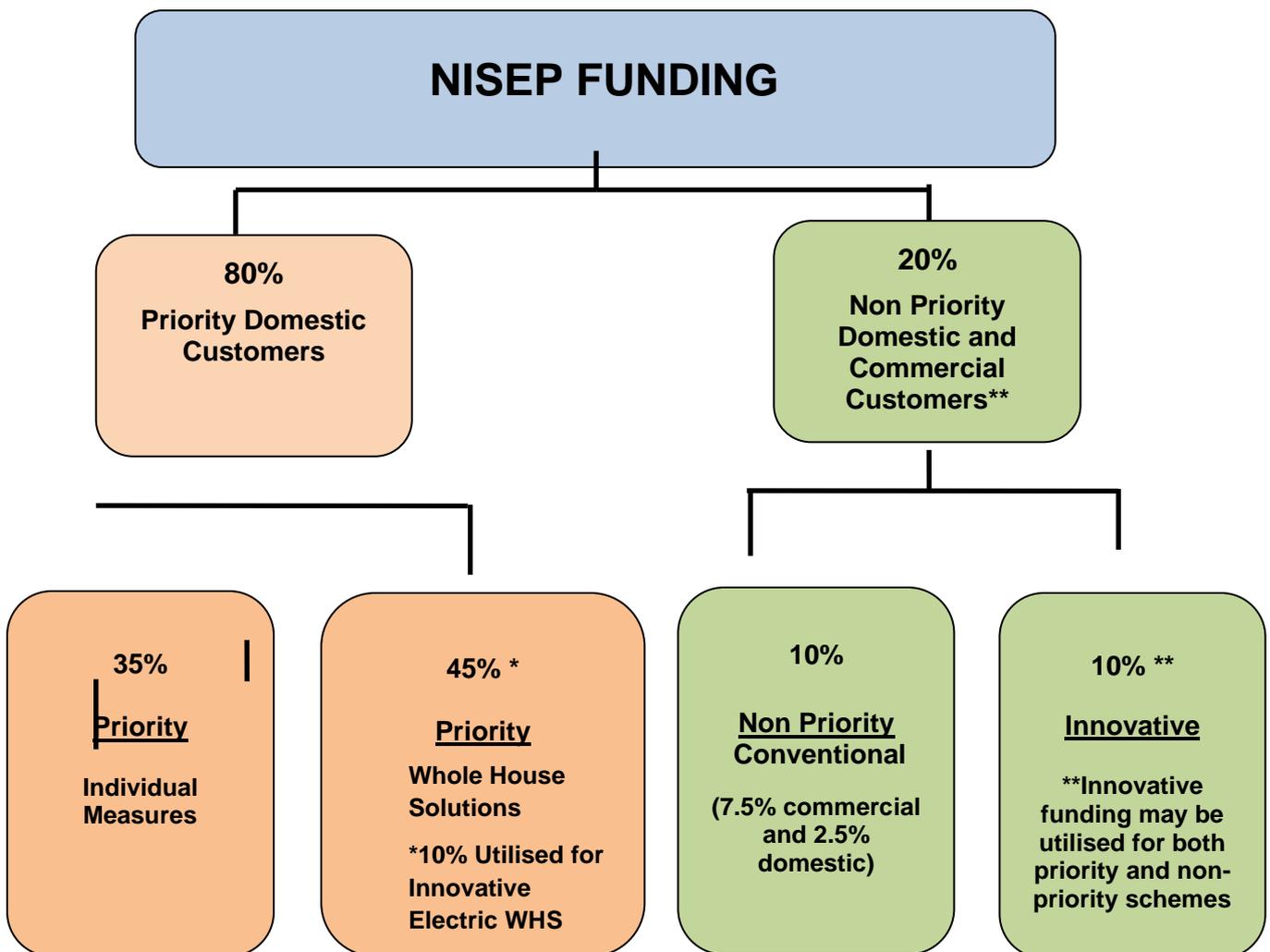
Whole house type schemes can still receive funding above the level of the 35% ring-fence if they can compete, on the basis of cost-effectiveness, with other schemes which offer partial solutions to a greater number of properties. The remaining 20% of funds is allocated to non-priority customers, split as follows:

- 10% allocated to non-priority domestic and commercial conventional technology schemes
- 10% allocated to domestic and commercial innovative technology schemes including hard to treat measures such as solid wall insulation schemes,

electric heating schemes and commercial renewable schemes (not including Innovative fully funded schemes targeting priority domestic electric heating).

Note: if the Programme Administrator does not receive enough bids to fill a particular ring-fenced classification it is at the discretion of the Programme Administrator, with the agreement of the Utility Regulator, to reallocate funding to an oversubscribed classification.

Figure 1.1 NISEP Funding Allocation



2.0 BROAD FRAMEWORK OF NISEP

2.1 Eligible Initiatives

Schemes submitted for funding must meet all of the following essential criteria:

- Schemes must be submitted by the deadline of 02 December 2022. The scheme submission form (included within scheme submission pack) must be provided as a summary of the scheme along with any required relevant information (as determined by the Programme Administrator) about the scheme;
- Schemes must be implemented within Northern Ireland. If the scheme is available to all of Northern Ireland, the Primary Bidder must be able to demonstrate that the scheme will be targeted throughout Northern Ireland. If a scheme is only targeting specific areas, the Utility Regulator has the right to review the amount of NISEP funding awarded based on geographic spread.
- Scheme submissions and the information contained within must comply with the NISEP operational rules and procedures as set out in this Framework Document;
- The maximum total NISEP bid per Primary Bidder is £2,000,000. NISEP bids for funding per scheme must be at least £100,000;
- Funding must be targeted at activities that result in sustainable energy measures being installed that benefit the consumer. It must be possible to verify and quality check the installations. Funding cannot be used for research, demonstration or purely behavioural or educational projects. Initiatives that only distribute measures with no guarantee of installation are also ineligible for funding;
- Schemes must be designed to target either priority or non-priority customers, but an individual scheme cannot target both, with the exception of innovative schemes which may be designed to target either priority or non-priority or both customer groups. Primary Bidders should contact the programme administrator for guidance before submitting a scheme.
- For insulation only schemes offering cavity wall and loft insulation measures, both measures must be equally marketed and offered to a qualifying householder and schemes should be designed to ensure maximum uptake of both measures. Unless there are exceptional circumstances, (which must be clearly documented in survey paperwork), both measures should be installed if required and suitable for the property. A thorough technical survey for insulation requirements should be carried out i.e., the Primary Bidder must not rely on the property owner/tenant to ascertain insulation requirements. Customers should also be made aware of the benefits of both insulation measures. Similarly, where solid wall insulation is offered, unless there are exceptional circumstances, both solid wall insulation and loft insulation should be installed if required and suitable for the property;
- Whole House Solution schemes should be designed to ensure the maximum uptake of measures offered per household i.e. unless there are exceptional circumstances (which must be clearly documented in survey

paperwork). A thorough technical survey for insulation requirements should be carried out i.e. the Primary Bidder must not rely on the property owner/tenant to ascertain insulation requirements. When a heating system is being installed, all measures included in the scheme submission should also be installed (where suitable for the property type and if required). Where a number of sub-contractors are used, Primary Bidders must also carry out a co-ordinating role to ensure that the maximum number of measures are installed as efficiently as possible to the maximum benefit of the property, including adequate ventilation given the range of measures installed. It is expected that customers are also provided with advice on how to use their heating controls effectively at the time of installation;

- Customers should be made aware of the benefits of both cavity wall and loft insulation measures. Where a priority customer is due to receive loft insulation, please allow the customer sufficient time to clear their loft. If the installer is aware that the customer may have difficulties with clearing their loft, it is expected the customer would be directed to organisations who may be able to assist. If a customer does not have sufficient time to clear their loft, at the end of the NISEP year for example, the customer should then be directed to an individual measures scheme to avail of the insulation measure. NISEP does not fund loft clearance i.e. storage items.
- For all domestic heating installs, a heating additive must be included. For further information please contact the Programme Administrator.
- Schemes aimed at priority customers must be targeted in line with the guidance provided in Section 2.6 and 2.7 of this document;
- Private tenants should only be able to avail of part funded schemes, e.g., 50/50 Whole House Solution schemes or insulation cashback schemes. Landlords therefore must contribute to the energy efficiency measures being installed.
- Landlords eligible for the above schemes are limited to a maximum of 10 properties per NISEP year.
- Measures promoted should be in customers' financial interest;
- Measures promoted must be proven technology which meet or exceed relevant standards (e.g. safety, quality, etc.) and are recognised by the Programme Administrator. Measures must comply with the specifications set out in Appendix 4, Guidance on the use of Energy Efficiency and Sustainable Energy Measures (refer to the Programme Administrator for any types of measures not included in this appendix).
- For domestic schemes, there should be no overlap with other grant or incentive schemes external to the NISEP for a particular measure/technology. It should be clear and cited on all paperwork that the NISEP is the source of grant funding, and that the customer is not receiving any other grant such as the Department for Communities' Affordable Warmth Programme or the Boiler Replacement Allowance. **Primary Bidders should request customers to declare in their application form whether they have been accepted under any other government funded programme or availed of a grant in previous years, for a similar measure.** Primary Bidder to name these grant programmes in the

application form, so visible to the customer. If a customer has been accepted (works yet to be completed or claimed for) under any other Government Programme, they are then not eligible for NISEP. Exceptional circumstances may be granted, and Primary Bidders should seek guidance from the Programme Administrator in the first instance.

- For commercial schemes, or for schemes targeting priority domestic customers in privately rented accommodation, Primary Bidders should request customers to declare in their application form whether they have been accepted under any other government funded programme, or received any other public funding for the previous three financial years. This may impact energy savings reported and/or whether the scheme gives rise to State aid or subsidy control risks. Please speak to the Programme Administrator for further information. Energy savings will be apportioned between NISEP and any other government grant scheme in proportion to the funding provided, unless agreement has otherwise been reached with the grand awarding body.
- Measures must be specified and installed in accordance with all relevant British Standards. Further guidance on Standards is provided in Appendix 4. The list of standards is not exhaustive, and standards are subject to ongoing update - it is the Primary Bidder's responsibility to ensure that the most recent standards are used when implementing schemes;
- Schemes must be designed and managed cost effectively. In order to demonstrate this, Primary Bidders and their partners and sub-contractors must retain accurate records of the procurement process that they have undertaken (see 1.6 of this document for examples of good practice in procurement processes);
- By way of their procurement process, Primary Bidders must ensure that all contracts with and between Scheme Managers and/or sub-contractors and suppliers of measures ensure a 'level playing field' between energy service providers and industry bodies;
- Schemes must meet the additionality criteria defined in Section 2.2 below;
- Scheme design must not distort, restrict or impede competition within the market for energy services.
- Where Building Control or Planning Permission is applied for on behalf of the customer, Building Control/the Planning Authorities must be contacted by either the installer, managing agent or Primary Bidder, to confirm completion of works.
- To claim a NISEP grant and/or energy savings attributed, all measures must be installed, this includes LED's, hot water tank jackets, water widgets etc. These items cannot be left with a householder.
- If applicable, and in compliance with data protection regulations, where referrals are received from government funded organisations, Primary Bidders should ensure to provide feedback on acceptance/rejection of the referral or provide a status update if requested to the relevant organisation.

- Please note, oil should not be installed where gas is available. Primary Bidders should check with all applicable network operators if gas is available before upgrading an oil boiler with a new oil boiler.
- All publicity leaflets or notices or any other form of advertising or promotion of schemes must carry the branding and logo of the NISEP. See section 2.10 below on the use of the NISEP logo. Where applicable, Primary Bidders are expected to conduct marketing campaigns to encourage an adequate level of scheme uptake during the programme.

It is the Primary Bidder's responsibility to ensure that all schemes are managed to standards that comply with all relevant legislation. Consideration must be given to legislation relevant to each specific scheme, as well to overarching statutes that may affect the proposals, including but not limited to the Human Rights Act 1998, the Data Protection Act 2018 the General Data Protection Regulation (GDPR) 2016/679, and Freedom of Information Act 2000 and Environmental Information Regulations 2004.

Under no circumstances should the provision or offer of any assistance under a NISEP scheme, financial or otherwise, be conditional upon or linked in any way to either the supply of electricity and/or natural gas or to an agreement to be supplied. For the avoidance of doubt, eligibility criteria for assistance under a NISEP scheme should include only those criteria which are specified in either the Framework Document or the approved scheme submissions. In particular, such criteria should not, under any circumstance, include a requirement to be or to become a customer of a particular electricity and/or natural gas supplier.

It is the responsibility of the Primary Bidder to ensure that the appropriate documentation is checked to verify ownership of any property that avails of a NISEP install i.e., a mortgage statement, deeds etc. Documentation checked should be detailed on the application form.

Any application form for a domestic scheme, should include the following;

- To verify income criteria is met, a record of what type of documentation has been viewed such as a P60, letter from Social Security Agency, Post Office Account Statement, recent Payslips, or a Bank Statement to evidence income levels.
- Customer declaration to include whether they have been accepted under any other government funded programme or availed of a grant in previous years, for a similar measure. Primary Bidder to name these grant programmes in the application form, so visible to the customer.
- To verify ownership, a record of what type of documentation has been viewed such as mortgage statement, deeds etc. should be recorded by the Primary Bidder at application stage.
- Customer declaration that at the time of application that they currently reside at the property and that the customer is not currently seeking to sell the property. If private renting, the landlord should also sign a declaration to this affect.

In addition, schemes should be structured, where possible, to secure the maximum level of funding from third parties, e.g. equipment manufacturers, housing providers and fuel suppliers. The optimum contribution from customers benefiting from both Priority and Non-Priority schemes is as follows:

Priority customers	0%
Domestic Non-priority customers	50%
Non-Domestic customers	70%

For all Priority Schemes, (fully funded or customer contribution schemes) the customer must not be required to contribute towards additional measures such as smart heating controls, water widgets, hot water tank jackets, low energy lighting, reflective radiator panels and draught proofing. All additional measures offered per scheme, should be either 100% funded by NISEP or 100% funded by a third-party contribution.

For Priority schemes that are designed in such a way that a customer contribution is required, the contribution from a Priority customer must not exceed a maximum of 50% of the cost of the measure. (This excludes contributions from Social Housing Providers which may exceed this limit).

Where a deposit is taken from a customer in advance of work being completed, the Primary Bidder must have in place, and comply with, arrangements which ensure the following:

- The amount of that deposit will not exceed a maximum of 50% of the total amount of the expected contribution from that customer.
- The deposit is protected in law from the consequences of the insolvency of the Primary Bidder – or, where the deposit is paid to a scheme partner, the insolvency of that scheme partner – until the work to which that deposit relates has been completed, such that –
 - the deposit is ring-fenced and directly available to the customer in the event of such insolvency, and
 - mechanisms are in place to ensure that there is no shortfall in the amount available to the customer in respect of the deposit.
- The deposit taken is transparent on the Invoice issued to the customer and submitted as part of the claim process.

It will be for the Primary Bidder to ensure customer money is protected and to decide on the most appropriate arrangements to put in place to protect customer deposits in the event of insolvency. For example, this could involve putting in place an appropriate trust to the benefit of customers.

There should be no interest-bearing options offered to NISEP domestic customers. Should a Primary Bidder wish to offer a 0% interest option, they must first contact the Programme Administrator or request this as part of their Scheme Submission. Primary Bidders should provide details of how they will take all appropriate safeguards when offering finance options to customers. Customers should not be pressured and should be directed to appropriate advice for support.

The lender should also check that the repayment terms are affordable to the customer's individual circumstances.

For non-priority customers, including commercial customers, grant funding can be applied to cover the cost of the measure as well as installation costs. Primary Bidders must ensure that their approved NISEP funding amount or the percentage of NISEP grant funding is maintained.

2.2 Additionality

In order to approve schemes submitted by organisations, the Programme Administrator must be satisfied that they deliver energy savings and that the result will be over and above that which would have been achieved without NISEP funding. This principle is known as 'additionality' and is central to the administration of the Programme and determination of energy savings for completed schemes.

All scheme submissions must contain a statement that describes how all measures to be installed using NISEP funding will be additional to any activity already planned by a householder or business.

The following criteria must also be met in regards to additionality:

- Schemes must be additional to any planned activity, regulatory obligation, or government-funded initiatives;
- NISEP funding must form a minimum of 20% of the total scheme costs. In exceptional circumstances a case may be put forward by a Primary Bidder as to why a project should proceed with less than 20% of NISEP funding;
- The Programme Administrator must be satisfied that the Primary Bidder's action will lead to energy saving and that the total improvement is not due to other factors. Therefore, Primary Bidders must not set up any retrospective agreements to provide funding for measures already installed or purchased;
- Schemes should be designed to target only those customers who are not likely to have gone ahead with installing a measure anyway without any support or encouragement; and
- Primary Bidders will be required to retain evidence of the additionality of schemes and make it available for audit inspection.

2.2.1 Existing regulations and legal requirements

The Programme Administrator must be satisfied that any reduction in energy consumption achieved as a result of a NISEP funded scheme will be achieved in addition to that required by other regulatory requirements, such as Building Regulations Part F (Conservation of Fuel and Power). For example, where appropriate, action must lead to improvements in energy efficiency above the levels that would be achieved to meet the requirements of the current Building Regulations.

It is up to the Primary Bidders to familiarise themselves with the standards and requirements of the most up to date Building Regulations.

2.2.2 Actions with Partners and Third Parties

Where a Primary Bidder is planning to undertake a scheme in partnership with a third party, the Programme Administrator must be satisfied that this will result in increases in energy savings additional to those that would be achieved by the scheme partner without the Primary Bidder's funding. The following criteria will be taken into account:

Social Housing Providers

When partnering with Social Housing Providers (SHP), a Primary Bidder must obtain written confirmation that its involvement has resulted in additional energy savings. This declaration must be signed before the scheme commences. If any changes occur to the scheme, the SHP must sign another declaration. For this purpose, a change will be considered to mean a change in the type of measure installed, or a reduction in the Primary Bidder's average cost contribution of more than five percentage points. All works carried out under NISEP must be outside of the SHP's existing obligations (e.g. NISEP should not be used to fund the replacement of a broken boiler in a property owned by a SHP).

Monitoring may be necessary to avoid double counting between different schemes. The Programme Administrator may ask the Primary Bidder to inform the other stakeholders of their partnership to help avoid double counting of energy savings.

Other Government Programmes

Primary Bidders may be able to undertake action in conjunction with other Government programmes.

A signed letter must be provided by the relevant scheme partner to confirm that the Primary Bidder's actions have exceeded those of the Government programme and that the measures to be accredited to the Primary Bidder could not have been installed without the Primary Bidder's input, i.e. the Primary Bidder is not claiming measures which would have been installed through the other programme anyway.

There must be a clear, upfront agreement with the scheme partner to ensure there is no potential for double counting of energy savings (or other performance target) between NISEP and another government programme. If the Primary Bidder is part funding measures in conjunction with another government programme, then the energy savings accredited to the Primary Bidder will be in proportion to the funding they have provided.

EU Programmes

Where Primary Bidders wish to utilise NISEP funding to lever match-funding for EU programmes, the express permission of the Programme Administrator must be sought.

There must be a clear, upfront agreement with the scheme partner to ensure there is no potential for double counting of energy savings (or other performance target) between NISEP and the EU programme. If the Primary Bidder is part-funding measures in conjunction with another programme, then the energy savings accredited to the Primary Bidder will be in proportion to the funding they have provided.

Double Funding

There must be no double funding on any measures installed via NISEP and Primary Bidders must ensure they and their sub-contractors do not seek or claim funding via other NISEP schemes or any other grant scheme. The Programme Administrator will carry out duplicate funding checks across all NISEP schemes and across other Government Programmes but it is the responsibility of each Primary Bidder to ensure they have their own systems in place to check for duplicate claims within their scheme(s) and across NISEP years.

If there are any duplicate claims submitted and paid, the Primary Bidder will be required to return the money to NISEP.

Any suspected fraud or maladministration will be dealt with in accordance with the appropriate procedures including reporting to relevant authorities such as the PSNI.

2.3 Eligible costs

Any activity which satisfies the relevant criteria above is eligible for funding. Individual schemes may include some or all of the following additional costs:

- Scheme management and other indirect costs (see section 2.9); and
- Direct subsidies for measures.

2.4 Funding Available

Table 2.1 below details the NISEP funding available and the breakdown into the various categories for schemes:

Table 2.1 – NISEP funding

NISEP Funding	2023/24
Total Fund Available	£7,941,946
Programme Administrator's fee	£321,818
Amount Available for Schemes	£7,620,128
Priority Customers 80%	£6,096,102
Whole House Solutions 35%	£2,667,045
<i>Whole House Solution - no customer contribution sought</i>	£1,600,227
<i>Whole House Solution - customer contribution and social housing provider schemes</i>	£1,066,818
Whole House Solutions Innovative 10%	£762,012
<i>Whole House Solution - no customer contribution sought, Homeowner only, Electric Heating only</i>	
Individual Measures 35% <i>(Includes fully funded and Social Housing Provider Schemes)</i>	£2,667,045
Non Priority Customers 20%	£1,524,026
Conventional Commercial 7.5%	£571,510
Conventional Domestic 2.5%	£190,503
Innovative 10% <i>(Includes, but is not limited to; Priority/Non-Priority, Hard to Treat, Housing Association Electric schemes, Customer Contribution Electric schemes)</i>	£762,013

**Provisional estimate at this stage, this is related to NISEP 2023/24, if this amount changes, then the amount available for schemes will also change. Funding is also subject to annual CPI.*

The Programme Administrator's costs will be paid from the total funding available. In order to meet the Programme objectives, the funding is ring-fenced into a number of 'pots' to facilitate the delivery of different types of schemes. If the bids for funding do not use up all the money allocated to a particular pot, the Programme Administrator with the consent of the Utility Regulator may move the under-spend to another oversubscribed pot.

Where a pot is oversubscribed, the normal process will be that eligible scheme bids are ranked in order of cost-effectiveness and the most cost-effective schemes are awarded the highest percentage of funding available within that category, the next most cost-effective scheme will receive a small percentage of the funding available and so forth until all the available funding is allocated. Schemes that straddle the cut-off point for funding may be offered part-funding.

In the case of bids in a particular category exceeding the level of funding available, the more cost-effective schemes will be approved. However, to ensure the best use of funds and also equality of opportunity considerations, the Utility Regulator reserves the right to accept less cost-effective schemes, e.g. where they provide good additionality or where geographic spread, or specific target groups are relevant. **Whole House Solution schemes targeted at 'off gas' areas which may be less cost effective, may be considered to ensure availability of NISEP funding throughout NI in both 'on gas' grid and 'off gas' grid areas.**

Any NISEP funding that remains unspent during a given year will be carried over to the following financial year. Suppliers must inform the Programme Administrator, by November each year (as part of the 8 month interim report), of any potential under-spend in the schemes that they are undertaking so that this may be reallocated.

In addition to the funding available shown in Table 2.1, an additional amount will be collected each year to cover the incentive payments earned by successful schemes.

2.5 Payment of NISEP Funding

Primary Bidders are solely responsible for the accuracy of the information contained in payment claims submitted.

Funding will be paid to Primary Bidders undertaking approved schemes using the following method:

- i. Payments to be made every month in arrears, during the relevant scheme year, upon receipt of valid claims for reimbursement and satisfactory evidence that work has been fully completed (including any remedial works, if required) and of appropriate costs incurred. For whole house solution installations, 100% quality monitoring checks of all measures installed should be completed and signed off before a claim is submitted. All files in relation to monthly claims must be sent via Energy Saving Trust's secure FTS server. Primary Bidders must email NISEP@est.org.uk when either a claim spreadsheet and/or sample packs are uploaded.

Claim documentation to include:

- ii. Monthly Payment Claim Spreadsheet which includes;
- a. An 'instruction's' tab which sets out the steps for the monthly claim process. NISEP cannot fund retrospective installations. All measures must be installed and invoiced for by 31 March of the given NISEP year. This tab contains a detailed breakdown of the claim process, the documentation required to be submitted and the format in which it is to be submitted.

- b. Domestic 'Master Claim' tab containing all records of jobs completed per scheme including but not limited to; customer name, address, telephone number, email address, installer (where applicable, self-employed subcontractors used by the Primary Bidder, should be listed in the installer column where the relevant work has been carried out by that sub-contractor), cost of measure, customer and other party contribution, NISEP grant amount, measure type, fuel type, property type, tenure, age of property, install date, invoice number, job reference. Building control or planning fees, where applicable, should also be recorded.

For Housing Association (HA) schemes the same tab is used, with columns assigned for HA data entry including but not limited to; tenant name, address, HA Name, HA contact name and telephone number, installer, cost of measure, HA and third-party contribution, NISEP grant amount, measure type, fuel type, property type, tenure, installation date, invoice number, job reference.

For WHS schemes, all measures should be claimed together including heating, insulation and additional measures, where applicable.

For individual measure schemes, all insulation measures and/or additional measures installed in a property, should be claimed together. Therefore, completion of one row per property, including all applicable measures, is required on the 'master claim' tab.

- c. Commercial 'Master Tab' containing all records of projects completed including but not limited to; company name, site address, contact name, telephone number, floor area (if applicable) and fuel type, no. of measures installed and measure type, lifetime years, total annual kWh savings, dates of related paperwork, install start/completion date, job reference, invoice number, installer name, cost of measures, NISEP grant amount. Please note, customers must have signed up to the scheme's terms and conditions and received their 'grant offer letter' before work commences. Date of 'grant offer letter' must be before date of install and date of invoice. If not, the claim will be rejected by NISEP. Dates must be captured on claim paperwork.
- d. Indirect costs tab to include all indirect costs per scheme as broken down in the scheme submission spreadsheet (a sample of invoices will be requested to support costs for external marketing.). Primary Bidder must monitor indirect costs in line with the cap calculation

within the NISEP year and in Q4 as part of the claim process that they remain with the cap.

- e. All data entered on the master spreadsheet must be accurate and match the supporting paperwork.
- iii. A 20% random sample will be requested within each claim. If the 20% sample identifies a significant number of errors, (i.e. there are errors in the majority of the documentation supplied as part of the sample packs), the Programme Administrator may ask for an additional sample to check. Primary Bidders must submit the following for the sample selected;
- iv. Copies of invoices to support costs. For domestic schemes, all invoices must clearly detail the level of NISEP funding and itemise the measures installed and claimed under NISEP (Should invoices not be issued to customers for fully funded schemes, the customer must be left with appropriate documentation which clearly states the measure installed has been funded by NISEP. For customer contribution schemes, the full cost of the job should be stated on the customer invoice showing clearly what is funded by NISEP, third party and the remaining customer contribution amount. **If a deposit is taken this should also be stated.** For commercial, innovative and Housing Association schemes, Primary Bidders must highlight applicable costs to support the NISEP claim.

Invoice requirements are listed in the 'instructions tab' of the claim template. Invoices must be submitted to support direct costs and indirect costs (where applicable) and must have an invoice number along with a reference to NISEP and the relevant NISEP year.

- v. Copies of cavity / solid wall guarantee certificates, where applicable.
- vi. For domestic schemes installing heating and/or insulation, Building Control Certificates or receipts for cavity wall insulation, loft insulation and heating installations will be required. An email from the Building Control Department confirming receipt of a Building Control application is also accepted. **Should planning permission be required, confirmation that planning permission has been granted by the appropriate authority should be submitted as part of the claim. For commercial schemes, similarly, should building control or planning permission be required, confirmation that an application has been made to the appropriate authority should be submitted as part of the claim. All documentation must clearly list, the property/premise address and measure installed. NISEP does not fund Building Control regularisation fees.**
- vii. **The cost of the Building Control fee, planning permission and Wall Guarantee Certificates should be clearly laid out on invoices. Should Building Control or the Planning Authorities charge a higher amount than the standard fee per measure, please add a comment to the 'PB comment' column on the 'Master claim' tab to explain the higher cost.**
- viii. NISEP Claim Form (This includes install details signed off by all parties). For domestic schemes (excluding HA schemes), the customer (or an appointed representative), must be present at time of install, to sign off on all works complete under NISEP and to verify all measures installed, including vents. If vents are installed at a later time to insulation, the Primary Bidder (PB) should have a document that the roofer completes

and customer signs off to verify that the vents have been installed, and the number of vents installed, in addition to the Claim form which allows the insulation to be signed off. The customer must also tick if measures have been fully funded or partially funded via NISEP. Please note that all NISEP claim forms must be dated and signed off by the customer and installer within the NISEP year.

- ix. For commercial schemes, the customer must complete one claim form per project. This will include but is not limited to; site address details, number of measures installed, project cost, grant amount and grant level %. The customer must confirm that the works have not commenced prior to the Primary Bidder issuing formal approval, as can be supported by dates captured on paperwork submitted.
- x. For Social Housing schemes, the Social Housing Landlord will submit one claim form per bulk claim of measures, as supported by a 'master claim' spreadsheet. This will include but is not limited to; details on the number and total of NISEP grants being claimed, measures installed, total number of properties, third party contribution and total project cost. The HA will complete the declaration on behalf of the vulnerable tenant occupying the property. The Primary Bidder signs off on all claim form templates, declaring that they have undertaken all NISEP requirements.
- xi. Claims are submitted via a secure File Transfer Service (guidance on the use of this service will be provided once schemes are approved). Claims should be submitted to the Programme Administrator on or before 4th working day of each month. Should a claim be submitted early, the claim process will not necessarily commence until the 4th working day.
- xii. **Claims should be submitted monthly with the 'summary tab' signed off by the appropriate party, (refer to Section 1.4). Claims should only be made** following completed activity and we strongly discourage bulk claims to be submitted at the end of the year. Primary Bidders can only claim for measures completed and any remedial action required for a measure should be actioned before a claim is made and signed off accordingly. Primary Bidders should also ensure they have received all subcontractors' invoices before submitting any claim to NISEP. Please note the Programme Administrator is unable to process claims until all the information supplied by the Primary Bidder is both accurate and complete. The onus is therefore on the Primary Bidder to check that their claims are up to the required standard before submitting to the Programme Administrator for payment as this will cut down on queries and reduce payment turnaround times.
- xiii. **Primary Bidders must ensure to respond to payment claim queries within 5 working days.** The Programme Administrator will not be able to process a monthly claim if there are outstanding queries from a previous month. Please note, failure to process queries within the timeframe may result in less funding being released for the 2024/25 NISEP year.
- xiv. **The Programme Administrator will, within 10 working days after receiving all supporting documentation, check the claims and if satisfied, approve, and pass to the Utility Regulator. Should the claim be of a higher value than £300,000, the 10 working day automatically increases to 20 working days. The Utility Regulator will then authorise payment, if satisfied, within 5**

working days. NIEN have a further 10 working days to process the payment. In the event that either the Programme Administrator or the Utility Regulator requires further information, the time period will commence from the date upon which all the information is satisfactorily received.

- xv. The Programme Administrator will upload the endorsed monthly claim file to the FTS server for the Primary Bidder to download for their records (the file will be available on the FTS server for 20 working days, after which the file will then be deleted). It is the Primary Bidder's responsibility to maintain their own YTD file using these endorsed files uploaded each month and to ensure that no duplicate claims are submitted. Where duplicates are detected post payment refunds must be made without delay. Where the Programme Administrator detects duplicates across 3 or more monthly claims the scheme may be suspended pending a decision on the appropriate action to take to rectify the situation. Please take note of any Programme Administrator comments, as will be highlighted by the 'claim status' column on the 'claims master' tab.
- xvi. Templates include the; Monthly Master Claim Spreadsheet, NISEP Claim Forms and Monthly Claim Checklist Template pack which will be issued to all successful Primary Bidder's at the beginning of each NISEP year. Please note, the Programme Administrator will issue guidance to all Primary Bidders should the above process or systems used be amended at the beginning or throughout the NISEP year.
- xvii. For domestic schemes, for eligible customers, measures installed must be at the main place of residence.
- xviii. Depending on scheme type, the Programme Administrator may request additional documentation to support the monthly claim.

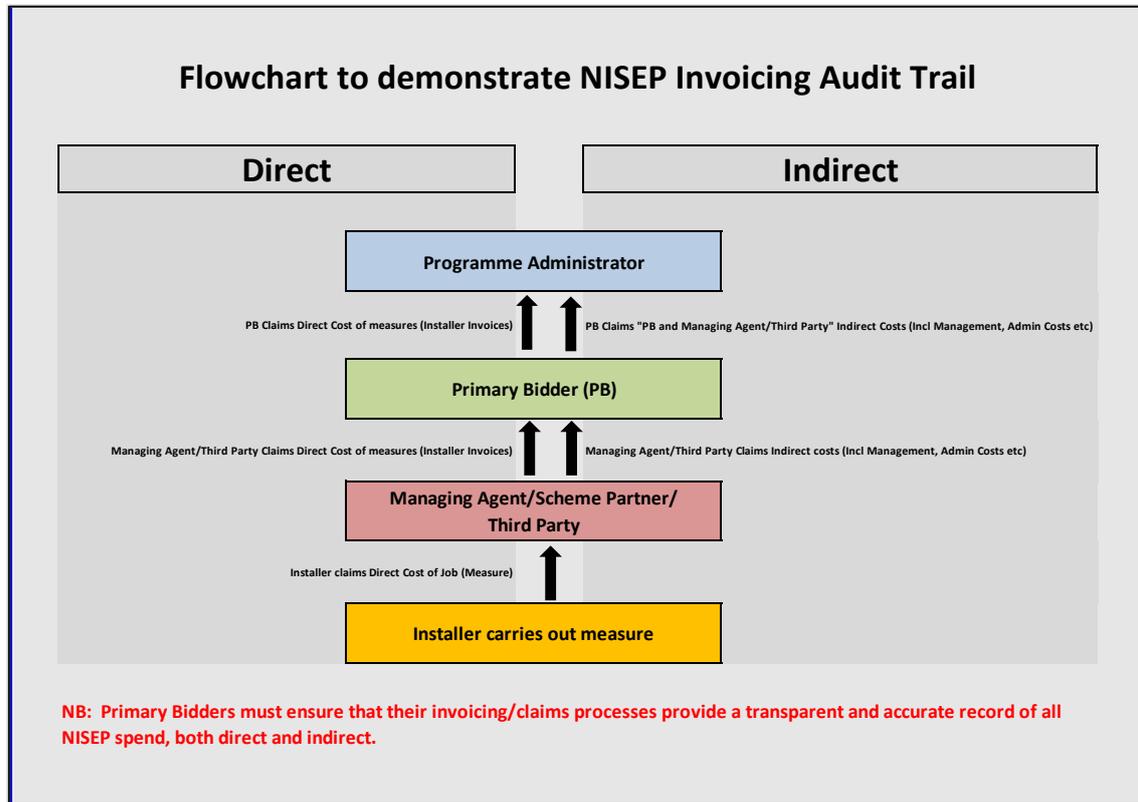
It is the responsibility of Primary Bidders to account for VAT and pay/recover VAT from HMRC in line with HMRC guidance. Claims for reimbursement of NISEP funding must not include VAT that is recoverable elsewhere. Neither the Programme Administrator nor the Utility Regulator provide VAT guidance. Please ensure to obtain VAT guidance from HMRC before commencement of NISEP 2023/24 and 2024/25. It is the responsibility of the Primary Bidder to be aware of any updated HMRC guidance throughout the NISEP years and to ensure that payment claims submitted are reflective of the latest guidance available. Total claims for reimbursement will not normally be permitted to exceed the total amount of funding which was allocated to a particular bidder following the scheme submission or approved scheme variation process.

Subject to the scheme variation approval process, schemes which fail to deliver the measures agreed will be required to return any unspent or mis-spent NISEP funding. In certain circumstances where a Primary Bidder has more than one scheme, the Programme Administrator may agree to the transfer of funding from an unsuccessful scheme to a successful scheme in the same category. It is the responsibility of the Primary Bidder to ensure that NISEP funding is spent as agreed and also that they recover any NISEP monies not spent on agreed measures. Allocated NISEP funding can only be spent on the approved scheme unless otherwise agreed through the scheme variation process.

NOTE: Primary Bidders are responsible for ensuring that the amount spent on schemes matches what they have claimed, any amounts over-claimed are

required to be repaid and failure to claim the correct amount within a reasonable time frame is at the Primary Bidder's own risk.

Primary Bidders must ensure that their invoicing/claims processes provide a transparent and accurate record of spend for each scheme (see below for requirements for direct and indirect costs evidence)



Primary Bidders must ensure that any indirect costs of sub-contractors or managing agents, such as administrative costs, are claimed as indirect costs. If the managing agent also subcontracts out works to an additional third party, outside of the Primary Bidder's contract, the Programme Administrator will also require these sub-contractor's invoices.

2.6 Focus on Vulnerability

The strategic objectives of the NISEP will continue to be helping customers to use energy efficiently and promoting sustainable energy supplies whilst having due regard for the needs of vulnerable (priority) customers.

Due to the current high level of fuel poverty in NI and the Utility Regulator's statutory duty to have due regard for vulnerable customers, the amount of programme funding ring-fenced for priority customers remains at 80%.

The main factor in determining financial vulnerability is low income. When assessing vulnerability, all priority schemes must include an income threshold as the primary criteria.

In addition, all priority schemes may include one or more of the following criteria which will be considered as intensifying characteristics for financial vulnerability:

- Age - to include older people, young people (under 16) and children;
- Disability or chronic illness;
- Rural location; and/or
- SAP (Standard Assessment Procedure) rating of property of 54 or below – i.e. an EPC rating of E, F or G.

When working on the targeting of help to the financially vulnerable, the Utility Regulator will firstly consider low income and then use the other characteristics to identify priority households. Each scheme must state how it intends to address other characteristics; however, the Utility Regulator will set the income criteria. **The income threshold will remain £5k higher than the Affordable Warmth income criteria, which may be subject to change.**

The income criteria for 2023/24 and 2024/25 **non contribution-based priority** schemes will be as follows:

- Single person household with an income/pension of less than £28,000 gross, or;
- Couple or single parent family with an income/pension less than £35,000gross.

The criteria for 2023/24 and 2024/25 **customer contribution priority** schemes will be as follows:

- Single person household with an income/pension of less than £35,000* gross, or;
- Couple or single parent family with an income/pension less than £40,000*

Scheme bidders should use the overarching characteristics as defined above to develop specific eligibility criteria for schemes aimed at priority customers. The scheme-specific vulnerability criteria to be used must be included within the scheme submission at the bidding stage and will be subject to approval by the Utility Regulator. For clarity when setting criteria, scheme bidders should set out how they will attempt to ensure that priority customers are directed towards the scheme that best suits their needs (whether it is a government scheme, or a separate scheme approved under the NISEP).

Where possible, if a priority customer meets the criteria for more than one scheme, steps should be taken to ensure that the customer is either given appropriate advice on the best scheme for their individual circumstances or directed to an appropriate advice-giving agency.

Note: eligibility criteria should not, under any circumstance, include a requirement to be or to become a customer of a particular electricity and/or natural gas supplier.

For Social Housing Provider tenants, vulnerability criteria must be set, as outlined above, and appropriate eligibility checks in place at application stage, as with all other priority customers. The Social Housing Provider will be expected to make declarations to confirm that all tenants have met the eligibility criteria.

It is the Primary Bidder's responsibility to ensure that customers qualify and meet the vulnerability criteria set. There should be some form of physical verification carried out with potential householders such as viewing a P60, letter from Social Security Agency, Post Office Account Statement, recent Payslips, or a Bank Statement to evidence income levels. For data protection purposes, it is not

necessary for this documentation to be copied or retained, the Programme Administrator does not require sight of the documentation for verification purposes. However, a note should be made on the householder's application form of what type of documentation has been viewed and this record may be requested at audit.

Primary Bidders should also ensure that the customer declares at the time of application that they currently reside at the property and that the customer is not currently seeking to sell the property. If private renting, the landlord should also sign a declaration to that affect.

Appendix 2 refers to a vulnerability matrix, designed to assist Primary Bidders with scoring vulnerable customers which can help ensure funding is provided to those most in need. The vulnerability matrix can be used whereby schemes are oversubscribed and the Primary Bidder has a waiting list. Organisations specialising in dealing with vulnerable customers can assist Primary Bidders assess vulnerable customers, via the matrix. Primary Bidders should ensure that all customers understand waiting times and that communication is clear to any person that has enquired/registered for a NISEP scheme. Primary Bidders should contact the Programme Administrator for further information if required.

2.7 NISEP Priority Group Schemes

Under NISEP, the 80% of funds set aside for schemes aimed at priority group customers will be split between 'whole house solutions' and 'individual energy efficiency measures'. Both approaches are described below. Priority customers are not expected to contribute financially to measures being installed in their homes. For example, with a fully funded insulation scheme (offering both cavity wall and loft insulation measures), a property should be able to avail of both loft and cavity wall insulation at no cost to the priority customer.

Within the priority pot, at least 60% of the funding must be awarded to fully funded schemes. For priority whole house solution schemes that are designed in such a way that a customer contribution is required, the contribution from a priority customer must not exceed a maximum of 50% of the main heating measure. For these priority schemes no incentives will be paid on energy savings attributed to the priority customers' contribution. Any customer contribution made must be shown on the PIR under the Customer Contribution heading.

Where a customer contribution is sought in the priority group section, the Primary Bidder must ensure they have adequate processes in place to ensure that they hold due regard for ability to pay within the target group.

Primary Bidders must ensure that all staff are aware of all NISEP schemes available which have a similar offering and put procedures in place to ensure that where a customer contribution is sought within a priority scheme:

- 1) Those customers are always directed to the scheme which is best for them first; this may include Government, NISEP and other schemes. It will always be assumed that equivalent schemes which do not require a contribution, or which require a lower contribution are best. Primary Bidders should be aware of all NISEP schemes and other energy efficiency grants available. **If the NISEP scheme offered is not the most appropriate for the customer, or if the Primary Bidders scheme is fully subscribed, the customer should be directed to a more appropriate**

scheme. Should a Primary Bidder of an Individual Measures scheme be contacted by a customer who would benefit from a Whole House Solution scheme, the Primary Bidder must signpost the customer on as appropriate rather than accept the customer onto their scheme. Primary Bidders should also ensure their installers or sub-contractors are aware of this. Primary Bidders should inform the Programme Administrator of the status of their schemes via the annual reporting schedule, the Programme Administrator will use this information and share across NISEP Primary Bidders and external organisation's who may refer to NISEP schemes.

- No priority group customer is ever given the 'hard sell' or pressurised to take up a scheme. Should Primary Bidders use cold calling techniques to generate referrals, they must adopt a fair code of practice, which should be included with the scheme submission. For example; installers must carry identification and ensure suitable documentation is available at point of contact which states the details of the Primary Bidder, so verification of the scheme can be sought by the customer; awareness of the 'No Cold Calling' signage.
- **Where a customer contribution is sought, including a deposit, this must be made clear to the customer.** A signed agreement must be completed by the customer, prior to any work taking place, and a copy of the agreement left with the customer. The NISEP Claim form must clearly state if a customer contribution has been sought.
- Customers should not be left with contact information to make an onward referral to complete their grant application and consent should be sought from the customer in advance of transferring any customer data.
- **Primary Bidders must ensure that schemes are designed to ensure maximum uptake of all measures; where multiple contractors are undertaking the works and where customers have availed of one measure, the Primary Bidder is responsible for ensuring that the work of various sub-contractors is coordinated and carried out to deliver maximum benefit to the household.**

Insulation measures for house extensions on their own are not normally permitted, as the energy saving assumptions for domestic schemes are calculated using a whole house. However, it may be permissible in certain circumstances and if a Primary Bidder has a request regarding approval for a house extension, they should contact the Programme Administrator providing further information.

For Priority Schemes targeting Social Housing Providers, vacant properties are not eligible, unless documentation can be provided to verify the tenant's name, that they are due to take residency within 2 months, and that they meet the vulnerability criteria set.

Where a scheme is targeting privately rented properties, the landlord of the property and the property itself receiving the measures must be registered with the Landlord Registration Scheme (<https://www.nidirect.gov.uk/articles/landlord-registration-scheme>) and appropriate checks and records kept to verify this. The

Landlord's permission must be sought for any work to be carried out in their property, and appropriate paperwork retained by the Primary Bidder to verify this.

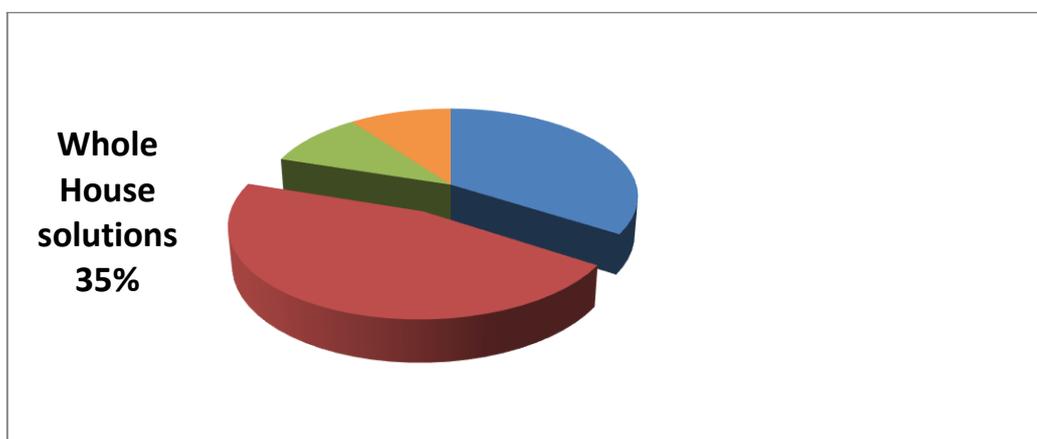
Building Control and Planning Permission costs for all Priority Domestic schemes must be fully funded through NISEP (excluding Social Housing Provider schemes) and should be clearly stated on the invoice. These costs must be included in the Mandatory Inputs tab of the scheme submission spreadsheet. Customers must be provided with all the required information in relation to Building Control/Planning Permission applications. This includes; who is responsible for arranging the survey, confirmation that NISEP will fund the cost for Building Control/Planning Permission for Priority Schemes (where applicable) and the relevant contact details for the Building Control Office/Planning Authority. In the event that an install funded through NISEP fails a Building Control/Planning Permission inspection, it is the responsibility of the Primary Bidder to ensure any issues are rectified to enable a Building Control/Planning Permission Certificate to be obtained.

It is expected that all staff interacting with priority customers will have had appropriate training to engage with vulnerable customers in a suitable manner. Staff entering customers' homes should also be Access NI checked. Primary Bidders may be asked to provide details of such training / certificates at audit stage.

2.7.1 Whole House Solutions

45% of total NISEP funding is ring-fenced for providing whole house solutions i.e. full packages of heating systems and insulation measures, (at least 60% of which should go to schemes which do not require a customer contribution). (Figure 2.1). Where cavity wall or loft insulation is included in a WHS package there is expected to be no customer contribution towards the insulation measures. Any additional measures proposed (i.e., LED bulbs, smart controls, HWTJ's, Draught proofing etc) should be fully funded by NISEP or fully funded by a Third Party contribution. Customers should be made aware of the benefits of insulation measures and reasons for not accepting these measures as part of a WHS grant should be exceptional.

Figure 2.1 Proportion of funding allocated to whole house solutions



Qualifying households will have existing electric (E7), solid fuel central heating, no central heating or an old inefficient (15 years+) or broken beyond viable economic repair oil, natural gas, or LPG boiler. Customers converting from electric central heating can only convert to other forms of electric heating, for the avoidance of doubt this includes High Heat Retention Storage Heaters or Heat Pumps. Customers must be signposted on to alternative appropriate schemes available. An electric conversion to any other fuel source that is more carbon intensive is not eligible under NISEP. Customers in 'off gas' areas with no existing central heating (where a solid fuel fire or electric room heater is used as the primary heat source), can only convert to other forms of electric heating.

To maximise the uptake of Whole House Solutions, Primary Bidders should note that eligibility for new heating systems should be based on the existing system being at least 15 years old OR broken beyond viable economic repair (NB: For heat pump schemes, the criteria may vary, please speak to the Programme Administrator for further information). Schemes replacing old oil, gas or LPG boilers should ensure that the make, model type and age of the boiler are recorded.

NISEP schemes must target these qualifying properties and set appropriate vulnerability criteria to ensure that funds are used to assist those most in need. Whole house solutions **should** include a full package of energy efficiency measures where required and suitable for the property, such as those described below. (See Appendix 4 for required specifications of measures.)

- Cavity wall insulation;
- Full loft insulation;
- Hot water cylinder insulation;
- Radiator Reflective panels;
- An efficient central heating system with an 'A' rated boiler and full heating controls;
- Lagging of hot and cold water pipes;
- Internal or external solid wall insulation for solid bricked properties;
- LED lighting (max 4 per household) may also be provided as part of a whole house solution;
- Draught Proofing;
- Shower Flow Regulators
- Renewable technologies where applicable;

As Table 2.1 shows, the estimated minimum funding available for whole house solutions in qualifying homes in 2023/24 is £2,667,045 with additional £762,012 available for Innovative Whole House Solution schemes targeting electric heating.

Primary Bidders must put processes in place to ensure that properties are surveyed before work commences to check that the households are eligible for whole house solutions. A survey must also be carried out, post-implementation to ensure all the work has been carried out as intended.

Installers of heating systems must be appropriately accredited i.e. for gas central heating systems installers must be registered with Gas Safe and for oil central heating systems registered with OFTEC, renewables installers must

be MCS accredited. All heating systems must be installed with appropriate heating controls (as specified in Section 3.0 of Appendix 4) and the customer must be given proper instruction on the efficient use of these controls. Installations must meet all relevant Building Regulations and be carried out in accordance with all relevant British Standards.

Under a whole house solution scheme, all installs must meet current Building Control (BC)/Planning Permission requirements and adhere to OFTEC/Gas Safe Guidance. Items such as oil tanks, radiators, TRV's and piping (central heating and domestic piping) should be replaced if broken or beyond viable economic repair, or if a water pressure test indicates it is not compatible with the new system, (i.e. microbore) or if there is visible evidence of deterioration which would impede the new boiler and/or system functioning appropriately or if they do not meet Building Control/Planning Permission requirements or OFTEC / Gas Safe Guidance. In addition to guarantees and workmanship warranties, the Primary Bidder is responsible for any necessary works in relation to all piping (including domestic piping) for up to two months after installation, therefore this additional work can be claimed from NISEP. It is important that documentation is properly updated and made available, should it be required, to support costs claimed. Please note, NISEP does not cover costs for redecoration. Primary Bidders should take this into consideration when submitting whole house solution claims. Secondary claims will not be processed for additional works relating to a NISEP heating install at the same property. Also, the total NISEP funding amount that has been awarded to a Primary Bidder, will not be increased to cover any additional works.

Primary Bidders upgrading an oil boiler in off gas areas are required to check that the new system and items such as Oil Tanks meet current OFTEC standards. The system should be made to meet OFTEC guidance and conform fully. NISEP will fund this work to ensure all installs meet this Best Practice Guidance.

Where multiple contractors are used, the Primary Bidder is responsible for coordinating the work and ensuring during post implementation quality assurance visits that all measures installed are working in coordination with each other to the maximum benefit of the household.

Primary Bidders must ensure they meet all Health and Safety guidance in relation to the removal of back boilers.

See <https://www.hse.gov.uk/services/localgovernment/boilers.htm> for more information.

Primary Bidders should contact their local Council to ensure compliance and to seek advice if they encounter installs that have never had Building Control certification. In instances whereby any additional works are required, Primary Bidder's should collate information on survey forms / technical reports to support the need for additional works. This level of information will be required to process NISEP payments. E.g., Should a Primary Bidder be installing a new heating

system and cavity wall insulation in a property that has adequate loft insulation, if the ventilation in the roof space does not meet Building Control requirements, it should be brought up to standard as part of this whole house solution. Primary Bidders can claim for the additional vents as part of the cost of the job. Primary Bidders should always contact the Programme Administrator in advance of undertaking these works for further guidance.

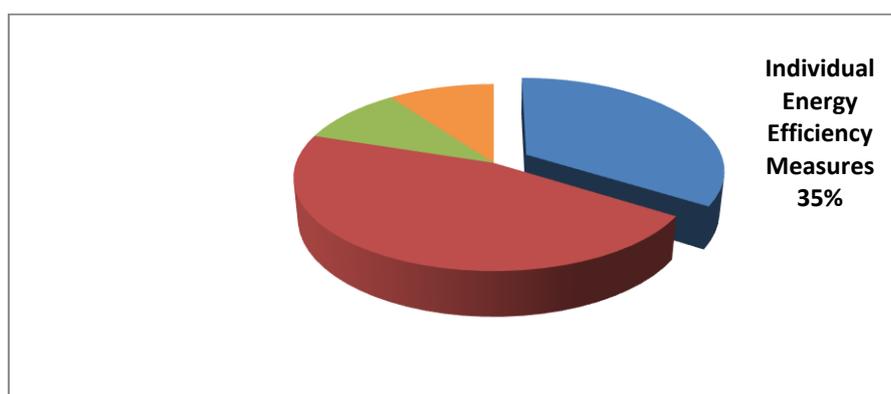
Heating installs must also be compliant with manufacturer's instructions. NISEP also requires minimum heating control standards to be met. Smart heating controls are the only additional heating controls to Building Control standards that can be claimed for under NISEP. If customers would like additional works beyond what is described in the points above this must be invoiced and paid for separately to NISEP.

Where insulation and/or a heating system is to be installed in a privately rented property, Primary Bidders are requested to consider eligibility criteria relating to length of tenancy. A minimum of 6 months remaining of the tenant's current lease agreement should be considered. The Landlord's permission must also be sought. Supporting documentation may be requested at audit.

2.7.2 Individual Energy Efficiency Measures

As shown in Figure 2.2 below, up to 35% of the NISEP funding is available for the provision of individual measures (for example smart heating controls, cavity wall insulation, loft insulation and solid wall insulation). Again at least 60% of which should be for priority customers who cannot afford to make a financial contribution.

Figure 2.2 Proportion of funding allocated to individual energy efficiency measures



This is in recognition of the fact that the properties may have central heating boilers less than 15 years old that are lacking in controls, or well-controlled heating systems but inadequate levels of solid wall, cavity wall, loft, or hot water cylinder insulation. Energy efficient light bulbs can be included in schemes (max 4 per household) but only when being provided with other measures.

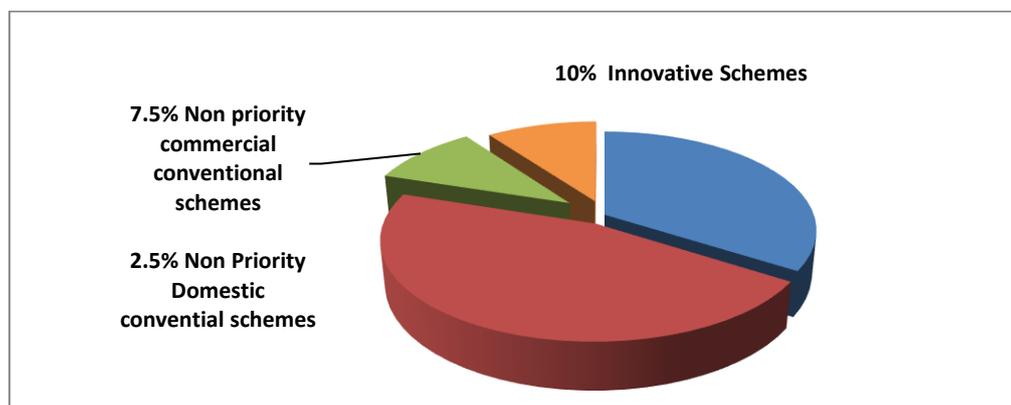
Dwellings receiving measures under this category must be inhabited by Priority customers. Guidance on heating controls is given in (as specified in Section 3.0 of Appendix 4).

As table 2.1 shows, the estimated maximum funding available for individual measures in qualifying homes in 2023/24 is £2,667,045.

2.8 NISEP Schemes for Non-Priority Customers

Outside of the main financial vulnerability focus of NISEP, 20% of the total fund is available for non-priority customer schemes (Figure 2.3).

Figure 2.3 Proportion of funding allocated to non-priority customers



As Table 2.1 above shows, the estimated total amount of funding available for Non-Priority schemes in 2023/24 is £1,524,026. This is allocated into two separate pots as follows:

- a) Funding for conventional non-priority domestic schemes (will amount to 2.5% of total funds i.e. an estimated £190,503).
- b) Funding for conventional non-priority commercial schemes (using established energy efficiency technology) will amount to 7.5% of total funds i.e. an estimated £571,510.
- c) Funding for innovative schemes will be 10% of total funds i.e. £762,013. (Innovative funding can be utilised for both priority and non-priority bids but excludes innovative whole house solutions targeting priority customers with no contribution required).

Renewable technologies may be considered for inclusion in Non-Priority schemes (Commercial / innovative) as long as they are a proven technology approved by the Programme Administrator, and the measures are in the customer's financial interest.

The definition of innovative schemes in the non-priority group will include schemes which help to bring forward emerging but proven domestic or commercial technologies that provide a better energy efficiency performance than 'standard' measures. Research and/or demonstration projects are not permitted under NISEP. For 2023/25 High Heat Retention Storage Heaters and renewable technologies will be considered in the Non-Priority Innovative category for both Housing Association properties and for schemes where a customer/landlord contribution is sought.

Note: the technologies permitted within non-priority group schemes will be continually reviewed by the Utility Regulator and the Programme Administrator.

Scheme bidders should contact the Programme Administrator in advance of submitting a scheme which they consider is innovative to state the case as to why. The Programme Administrator will then decide if the scheme should be treated as innovative. Primary Bidders should check with the Programme Administrator in the first instance whether or not a scheme will be appropriate for the innovative category before the submission stage and within a reasonable timeframe.

In order to maximise the cost-effective use of NISEP funding, the level of contributions from customers and third parties that Primary Bidders should aim for when developing Non-Priority schemes is 70% as specified in Section 2.1.

Non-Priority Customers must be provided with all the required information in relation to a Building Control and/or Planning application (if applicable), this includes; who is responsible for arranging the survey, who funds the cost for Building Control / Planning and the relevant contact details for the Building Control/ Planning Office, should they be required. For domestic Non-Priority schemes, the Primary Bidder must always ensure that Building Control/Planning permission is applied for, where applicable, and the fee added to the customer contribution element. This should be clearly stated on the customer invoice. A customer is not eligible for the NISEP if Building Control / Planning permission has not been applied for (where applicable).

For commercial schemes Building Control and Planning Permission should also be sought where applicable and confirmation supplied to the Programme Administrator that planning has been received and building control applied for processing payment claims.

In the event an install funded through NISEP fails a Building Control inspection, it is the responsibility of the Primary Bidder to ensure any issues are rectified to enable a Building Control Certificate to be obtained. If planning permission is required this must be granted prior to any works commences.

Grant funding provided to commercial enterprises may be considered 'State aid' or a 'subsidy' and is subject to regulation in order to avoid unfair distortions of competition. Commercial enterprises include landlords of privately rented accommodation inhabited by priority domestic customers. All Primary Bidders who are working with schemes which offer support to commercial undertakings must ensure that their procedures comply with the guidance on State Aid and subsidy control provided in Appendix 7.

Separate rules apply depending on whether the funding constitutes 'State aid' or a 'subsidy'. Primary bidders should consider the guidance included in Appendix 7 to determine the rules that apply to their schemes.

It should be noted that the rules in relation to State aid in the agricultural sector are slightly different. There is also a national ceiling for the cumulative amount of de minimis State aid to the agricultural sector at Member State level. There is also a requirement on the UK to actively monitor the ceiling. Therefore, any Primary Bidder intending to give support to commercial enterprises in the agricultural sector should inform the Programme Administrator of how much they forecast will go to that sector this year. At the end of the year the Primary Bidder will also need to report the actual amount given to the agricultural sector which will then be notified to DEFRA.

It is the Primary Bidder's responsibility to keep records in accordance with the notices provided in Appendix 10.

2.9 Indirect Cost Assumptions

Indirect costs include all the Primary Bidder's management costs associated with implementing a scheme. (Direct costs refer only to the actual costs incurred for the installation of the measures, as evidenced by installer invoices.)

It is important that indirect spend under NISEP is clearly reported in scheme submissions. A Primary Bidder submitting a scheme will have to build the indirect costs into the overall scheme costs, breaking them down as follows:

- Scheme design and development;
- Scheme facilitation/managing agent costs;
- Grant administration;
- Marketing;
- Monitoring;
- Evaluation and reporting;
- Surveying and Inspection; and
- Third party indirect costs.

When each submitted scheme is evaluated by the Programme Administrator, the level of NISEP funding attributed to indirect costs will be analysed to ensure that indirect costs do not constitute an undue amount of overall scheme costs and that there is no cross subsidy between indirect costs and measures costs.

For each individual scheme, a limit will be placed on the level of indirect costs allowed to be subsidised from NISEP funding. This maximum limit will be 5% of the overall NISEP funding amount requested for Direct Costs or will be based on the average cost of measures for each house/premises calculated as follows, whichever is the higher amount.

(£250 x individual household/commercial property cost) / (£1000 + individual household/commercial property cost)

Examples are shown below:

Scheme 1 is a scheme installing cavity insulation in 500 properties. The insulation installations are estimated to cost **£750** per property:

$$\text{£250} \times \text{£750} / \text{£1000} + \text{£750}$$

$$= \text{£187,500} / \text{£1750}$$

$$= \text{£107.14}$$

- The indirect cost that is allowed per property is £107.14
- The total cost of the scheme measures is £375,000 (£750 x 500)
- Indirect costs of up to £53,570 (£107.14 x 500) will be allowed i.e. 14.3% of the measure costs for that scheme.

Scheme 2 is a whole house scheme (heating system plus insulation) costing **£4,200** per property and will provide measures for 80 households:

$$\text{£}250 \times \text{£}4,200 / \text{£}1000 + \text{£}4200$$

$$= \text{£}1,050,000 / \text{£}5,200 = \text{£}201.92$$

- The indirect cost that is allowed per property (heating + insulation) is £201.92
- The total cost of the scheme measures is £336,000 (£4,200 x 80)
- Indirect costs of up to £16,153.60 (£201.92 x 80) will be allowed i.e. 4.81% of the measures costs for that scheme.

Scheme 3 is a commercial scheme aimed at a single large user costing **£10,000**:

$$\text{£}250 \times \text{£}10,000 / \text{£}1000 + \text{£}10,000$$

$$= \text{£}2,500,000 / \text{£}11,000$$

$$= \text{£}227.27$$

- The total cost of the scheme measures is £10,000
- The indirect costs for the single property are £227.27 i.e. 2.27% of the measures cost.

This calculation is provided only as a guide to the maximum limit allowed and should not be used to calculate the indirect costs for a particular scheme. A full and justifiable breakdown of the estimated indirect costs, as illustrated above, must be provided within the scheme submission.

Note: the limit on indirect costs is a limit on how much the NISEP funding will contribute to indirect costs. If indirect costs are higher but a Primary Bidder or scheme partner wishes to contribute some of the costs, they may do so i.e. the indirect costs may exceed the limit as long as NISEP funding is not paying for the extra amount.

In cases where a Primary Bidder's indirect costs are unavoidably greater than the level allowed, for example, in very small schemes or where it is not possible to lever-in indirect costs from other partners, representation must be made to the Utility Regulator via the Programme Administrator, for 'one-off' consideration. All relevant information must be included to justify the level of indirect costs and evidence (e.g. letters from third parties) provided that indirect costs are not available from other sources.

The indirect cost calculation applies at the initial submission stage, Scheme Variation stage, final end of year claims and Post Implementation Report stage. Primary Bidders should monitor indirect cost spend throughout the NISEP year to ensure the cap is not exceeded. Primary Bidders should also confirm when submitting claims, that the indirect costs remain within the cap, in particular relation to claims made towards the end of the NISEP year where the Primary Bidder is claiming the final approved amounts.

In exceptional circumstances, the Utility Regulator is permitted to increase the cap at their discretion; this would be subject to a full explanation by the Primary Bidder.

The Utility Regulator reserves the right to deduct any unapproved overspend on indirect costs from any incentive payments earned. The indirect costs claimed will be checked as part of the scheme audit process

2.10 Use of the NISEP logo

To ensure that consumers benefitting from NISEP schemes are aware of the origin of their funding, the NISEP logo should be used by:

- Primary Bidders;
- scheme partners/sub-contractors; and
- programme administration.

The logo should be used on all of the above groups' literature, application forms and publications in respect of sustainable energy schemes which are wholly or jointly funded by NISEP. The use of the logo on these documents is an acknowledgement that the scheme has received funding from NISEP, documentation should also state 'NISEP' when using the logo.

NISEP is not an accreditation scheme and the Utility Regulator and NISEP do not endorse or approve installers. The NISEP logo must not be used to indicate endorsement or approval of a supplier, installer or product. The NISEP logo is not a quality mark/ guarantee mark/ safety mark and must not be used to suggest such.

For specific guidelines on the colour, size, and placement of the NISEP logo, please refer to the branding guidelines:

[Northern Ireland Sustainable Energy Programme - branding guidelines | Utility Regulator \(uregni.gov.uk\)](#)

The use of the NISEP logo should only therefore be used by the groups identified above and only applied to acknowledge the source of the funding. If any other groups wish to use the NISEP logo, written consent must be obtained from the Utility Regulator.

Primary Bidders must comply with the NISEP Branding Guidelines. It is also the Primary Bidder's responsibility to ensure that their sub-contractors comply with the NISEP Branding Guidelines and that any marketing materials used are of sufficient quality and contain the correct details about the scheme being offered.

Primary Bidders must inform customers benefitting from their schemes of the origin of the funding. The NISEP logo must be used on all scheme documentation and publicity materials and the source of the funding must be transparent on all forms of marketing and/or advertising, including radio advertising. Primary Bidders must ensure that all sub-contractors also use the NISEP logo on their documentation so that customers are aware of the source of funding. It must also be transparent on all invoices that NISEP has funded or partially funded the measures installed. See Section 2.5 for more detail.

3.0 OVERALL ENERGY SAVINGS

3.1 Energy Savings from Schemes

Historically, schemes have had their energy savings assessed on the basis of 'ex-ante' figures. That is the savings are agreed in advance of implementation as opposed to an 'ex-post' methodology where the savings would be determined based on energy monitoring before and after the installation of the measure. This practical approach gives an agreed and consistently utilised set of data for all participants and will continue.

BREDEM³ has been the main source of assessing the energy savings from insulation and heating measure schemes in the past. The model calculates the energy requirements of domestic dwellings and estimates the likely savings resulting from energy efficiency improvements. In 2019 the methodology was updated and changed to Energy Saving Trust's Dynamic Engine (DE) which is a SAP based model that is used to calculate all of Energy Saving Trust's savings, energy consumption calculations and evaluations. Although related to the BREDEM model, the DESAP based model is updated annually with the latest assumptions to ensure it is accurate as possible for a given year. It is validated and is based on a government approved methodology in the UK and when aggregated over all users, has been shown to accurately predict national domestic energy consumption.

The energy savings accredited under NISEP will be expressed in terms of gigawatt hours (GWh) and also in terms of the monetary benefits to the consumer in terms of reduced bills. 100 per cent of the additional energy savings arising from a scheme will be accredited to the NISEP, unless funding is secured from other sources, whereupon savings may be apportioned as described in section 3.6 of this document.

In line with best practice for carbon accounting, Energy Saving Trust now uses a new methodology which means that all greenhouse gases, (Carbon Dioxide, (CO₂), methane and Nitrogen Oxide for scopes 1, 2 and 3 (scope 1 refers to direct emissions, scope 2 refers to energy indirect emissions and scope 3 refers to other indirect emissions) are incorporated into the scheme submission spreadsheet. This means that savings generated from carrying out energy efficiency measures includes those savings from all greenhouse gases and not just CO₂, which is known as carbon dioxide equivalent emissions or CO_{2e}. This model is providing an accurate picture of the impact of all greenhouse gas emissions. Historically scope 1 CO₂ emissions was the primary metric for carbon accounting, however, since then, carbon accounting has moved on to include all the other greenhouse gas emissions and all scopes (1 to 3), as it was found they have a significant impact on how they impact the climate.

3.2 Savings based on 'Accredited Discounted Lifetime Energy Savings' (i.e. agreed and verified by the Programme Administrator)

In order to compare the cost of saving energy with the cost of energy supply, savings should be multiplied by the discount factor to give 'discounted lifetime

³ BREDEM - the Building Research Establishment Domestic Energy Model

energy savings'. A discount factor, as per the standard in the Treasury Green Book, of 3.5% is used.

It should be noted, however, that the actual year-on-year energy savings will consequently be greater than the figures shown in this document. For example, a discounted lifetime financial saving of £11,517 could in fact represent an annual saving of £1,000 for 15 years (£15,000 lifetime saving without a discount rate).

3.3 Types of Fuels Eligible to be Saved and 'Fuel Standardisation'

Primary Bidders will be able to implement schemes that save electricity, gas, oil, coal and liquid petroleum gas (LPG).

A fuel standardisation factor (FSF) is applied to all the energy savings. This methodology means that the energy savings for gas, oil, coal and LPG installations will be adjusted according to the ratio between the electricity carbon factor and all the other fuel carbon factors.

The fuel standardisation factors can be seen in the table below. As electricity is the base value, it has a factor of 1. The other fuel's carbon factors are divided by the electricity carbon factor to calculate their fuel standardisation factor relative to electricity. This means that as gas's carbon factor is less than electricity's carbon factor it has a fuel standardisation factor less than one. As coal's carbon factor is much higher than electricity is has a carbon factor higher than one. These fuel standardisation factors are multiplied by the energy savings to ratio up or down the energy savings accordingly. It should be noted that the FSF is only applied to the energy savings (GWh) and not to the financial savings or the carbon savings.

Table 3.1 shows the fuel standardisation factors (FSF) for each fuel type and their corresponding carbon dioxide and carbon factors.

Table 3.1 Fuel Standardisation Factors calculated from the carbon dioxide factors

Fuel	Carbon dioxide factor (kgCO ₂ e/kWh)	Carbon factor (kgCe/kWh)	Fuel Standardisation Factor (FSF)
Electricity	0.258	0.070	1.00
Gas	0.211	0.058	0.82
LPG	0.235	0.064	0.91
Oil	0.301	0.082	1.17
Coal	0.393	0.107	1.52

Note: figures shown have been rounded, calculations shown in the example below and in the table above, use exact figures. Schemes involving renewable technology that generate electricity will assume that the electricity generated is carbon neutral.

The example in Table 3.2.1 below shows how this methodology would work when comparing the installation of cavity wall insulation in an electrically heated post

1976, three-bedroom, semi-detached home against one with oil heating and gas heating. Table 3.2.2 shows how the methodology is applied to a 3.5GWh of energy savings, illustrating how the energy saving total is affected in the submission sheet.

Table 3.2.1 Example of fuel standardisation factor (FSF) applied to cavity wall insulation energy savings

Fuel type	Cavity wall insulation energy savings (kWh/year)	Fuel standardisation factor (FSF)	Energy savings accredited toward targets (kWh/year)
Electricity	2,369*	1.00	2,369
Oil	1,063*	1.17	1,241
Gas	1,125*	0.82	920

*Energy savings for cavity wall insulation vary by different fuel types due to the different efficiencies and responsiveness of the heating systems. Electricity has a higher energy saving as electric storage heaters are less responsive than gas and oil central heating systems.

Table 3.2.2 Example of fuel standardisation factor (FSF) applied to 3.5 GWh of energy savings per year

Fuel type	Example energy savings per year (GWh/year)	Fuel standardisation factor (FSF)	Energy savings accredited toward targets (GWh/year)
Electricity	3.5	1.00	3.5
Gas	3.5	0.82	2.9
LPG	3.5	0.91	3.2
Oil	3.5	1.17	4.1
Coal	3.5	1.52	5.3

The carbon factors for natural gas, LPG, oil and coal are sourced from the Department for Business, Energy & Industrial Strategy (BEIS) Greenhouse gas reporting: conversion factors 2022 which are consistent with the concept introduced in ECO and Green Deal in GB. The electricity carbon factor is supplied by the Northern Ireland Utility Regulator each year. All the carbon dioxide figures use carbon dioxide equivalent factors (kgCO₂e/kWh). This means that they include all greenhouse gases associated with that fuel type.

3.4 Lifetime of Sustainable Energy Measures

In line with the Government's Climate Change Programme, and as has been the case with EEL/NISEP projects since 2001, the energy saving benefits will be assessed over the full lifetime of the measures. The considered lifetimes of the various measures, which will be used in calculating the energy saving benefits, are shown in Table 3.3 below:

Table 3.3 Lifetimes of Measures

Energy Efficiency Measure	Lifetime (years)**
Loft insulation	30
Cavity Wall insulation	40
Internal/external solid wall insulation	36
Efficient boiler	15
Heating Controls	15
Hot water cylinder insulation and pipe insulation	10
Energy efficient lighting (LEDs)	30,000 hours*
Domestic refrigeration and appliances	Various

*Indicative value – Actual LED lifetime used to calculate energy savings will be based on manufacturer’s declaration.

** Refer to Appendix 3

3.5 Cost of Measures (for information only)

Table 3.4 indicates typical indicative costs of key measures. The Programme Administrator requests evidence to support cost of measure assumptions in scheme submissions and it is the Primary Bidder’s responsibility to ensure the cost of measure figures submitted are justifiable. The following factors have also been considered when setting suitable measure costs to determine whether or not any adjustment should be made:

- The impact of inflation over the period of NISEP
- The reduction of costs due to bulk purchases on installations

Table 3.4 Typical Costs of Measures

Energy Efficiency Measure*	Cost of measure	Additional costs
Virgin loft insulation	£450	Roof vents = £400
Top-up loft insulation	£400	Roof vents = £400
Cavity wall insulation (full fill or partial fill)	£650	Cavity vents = £60
Cavity wall insulation (extract and refill)	£2,000	Cavity vents = £60
An efficient central heating system (A rated gas boiler and wet distribution system)	£3,300	
An efficient central heating system (A rated oil boiler and wet distribution system)	£3,700	
Hot water tank Insulation jacket	£26	
Energy efficient lighting	£4 - £6	
Solid Wall Insulation	£5,100 - £20,200	

Air Source Heat Pump	£13,000	
High Heat Retention Storage Heaters	£6,000	

**Costs are based on median costs from the 2020 NISEP submissions data. Except for solid wall insulation which is based on an average cost per m2 due to lack of data, ASHP and HHRSH data is based on 21/22 NISEP scheme completion costs.*

3.6 NISEP Targets and Incentive to Exceed Targets

Levels of target cost effectiveness will be calculated following a review of schemes completed in NISEP 22-23 and schemes submitted for NISEP 23/25. The targets will be communicated out by November 2023.

These targets will be used for the purposes of calculating incentives for the two years NISEP 23/25 and are not used for submission purposes. If schemes are not successful and do not continue in 24/25, but have earned incentives for 2023/24, the incentive payment will be paid after the 2024/25 year.

Primary Bidders, should still develop and submit schemes that are cost effective, bearing in mind that funding is awarded on the basis of cost-effectiveness and that there is usually multiple bids submitted within each funding category. Cost Effectiveness targets do not impact the allocation of funding.

*** NOTE: where a scheme submission has characteristics which significantly differ from the schemes undertaken in that category in the previous year, or where there has been low uptake in that category in previous years , the Programme Administrator reserves the right to review target cost effectiveness for that particular scheme and/or category.**

In order to encourage Primary Bidders to bring forward schemes and thereby ensure that the objectives of the NISEP are met, the Utility Regulator will award an incentive payment to Primary Bidders exceeding energy saving targets.

The level of incentive payment for a scheme is based on each GWh of energy savings the target is exceeded by, as set out below:

- Priority Group schemes = £2,000 per GWh of target exceeded
- Non-Priority Group schemes = £1,000 per GWh of target exceeded
- Innovative Whole House Solution Schemes in both categories = £2000 per GWh of target exceeded

The variance in incentive payments for Priority and Non Priority Groups is to acknowledge the generally greater degree of complexity involved in undertaking schemes for priority customers and Innovative schemes, for example: the difficulty in identifying households to participate in a scheme, checking that eligibility criteria are met and ensuring that the person has been referred to the best scheme/programme for them and dealing with individual households and customers with various types of vulnerability. Innovative whole house solution schemes may require more technical surveys and handholding on customers throughout.

No incentive is payable for simply meeting the target.

For 2023/24 and 2024/25, there will be a cap on the amount of funding available for incentives. Approximately 4% of NISEP funding for schemes will be collected for incentive payments to reward those Primary Bidders who exceed the energy saving target. This amount will be £300,000 (the Incentive Cap).

Should the total amount of incentives earned by Primary Bidders exceed the Incentive Cap, the payments will be adjusted in accordance with the following formula:

$$\frac{\sum IPPB}{\sum IPTotal} \times IC = CIP$$

Where:

CIP means the Capped Incentive Payment payable to the Primary Bidder

IC means the Incentive Cap

$\sum IPPB$ means the sum of the Incentive payments due to the Primary Bidder calculated in accordance with the Framework Document

$\sum IPTotal$ means the sum of all Incentive payments due to all Primary Bidders under the NISEP calculated in accordance with the Framework Document.

IMPORTANT NOTE: Instances Where Incentives May not be Paid:

- 1. If schemes are not delivered in accordance with the requirements in the Framework Document, Accedence Document and/or the terms on which they were approved/varied.**
- 2. Some schemes may involve funding from other energy suppliers or Government Departments/Organisations such as DfC or NIHE. Energy savings must be split pro-rata to the funding unless it can be confirmed in writing that Government Departments/Organisations such as DfC or NIHE would not have undertaken the relevant scheme without NISEP funding and that they (DfC/NIHE) will not be counting the energy savings or measures for the purposes of fulfilling performance targets, then the Primary Bidder can be credited with all the savings.**
- 3. If third party funding is sought from a gas/water/electricity licence holder, subject to a price control, the energy savings from the scheme must be split between the two license holders pro-rata on the basis of funding provided by NISEP. This is to ensure that there is no double counting between energy savings attributed to another license holder's price control and NISEP.**
- 4. Where significant quality issues are discovered, the Utility Regulator reserves the right to withhold the payment of incentives or payment of further funding until such issues are resolved. For clarity, significant quality issues are taken to mean installations which do not meet safety or energy saving standards or quality of installation standards, or issues with payment claims or paperwork.**

5. Where customer satisfaction rates are low and/or customer complaints remain outstanding, the Utility Regulator reserves the right to withhold the payment of incentives or payment of further funding until a satisfactory resolution has been achieved.

6. Where a priority group scheme requires a customer contribution for the purpose of calculating incentives – the energy savings will be divided pro-rata on the basis of the level of customer contribution. Those savings which result from the priority customer contribution will not attract an incentive payment.

7. If duplicate claims for work are found after the Primary Bidder has been paid and the funds have not been returned directly following a request from the Programme Administrator, the Utility Regulator reserves the right to deduct the amount of the duplicate claims from the incentives earned.

If appropriate, apportionment of savings will be discussed with Primary Bidders when they are submitting schemes.

3.7 Customer Financial Savings

Customers who benefit directly from sustainable energy measures do so in two principal ways:

- Reduced energy consumption leading to lower bills
- Improved comfort

The total benefits to customers should therefore consider both the direct cost savings on fuel bills and the value of the savings taken up in improved comfort levels. These should be valued at the same rate as the energy savings. Thus, the total benefit to customers is simply the potential energy saving before comfort is accounted for, multiplied by the appropriate unit price.

When calculating the benefits that result from NISEP schemes, the fuel prices illustrated in table 3.6 should be used:

Table 3.6 Cost of Fuels (Source Energy Saving Trust, October 2022^{*})**

Fuel type	Domestic cost per kWh	Commercial cost per kWh*
Electricity standard rate (lighting measures)	16.39 p/kWh ^{***}	15.08 p/kWh
Electricity off-peak rate (heating or insulation measures)	8.74 p/kWh ^{***}	N/A
Gas	12.26 p/kWh ^{***}	3.07 p/kWh
LPG	11.34 p/kWh	11.34 p/kWh ^{**}
Oil	9.32 p/kWh	9.32 p/kWh ^{**}
Coal	6.19 p/kWh	6.19 p/kWh ^{**}

**For schemes targeting large commercial energy users (over 70kVA) the Programme Administrator may decide it is more appropriate to use the price actually paid by the customer.*

***Due to lack of data the average domestic prices are used.*

****Prices are based on an average of supplier tariffs of October 2022, discounted further according to the Government announcement of 08 September 2022. Please note, the discounts are subject to change pending timelines for implementation. Correct as of 1st October.*

The Programme Administrator will review these prices on an annual basis, and update if necessary, so that an accurate picture of the financial benefits realised by customers benefiting from NISEP can be derived.

The customer financial savings of schemes, on an aggregate basis, will be used as a performance indicator in assessing the overall success of the NISEP for a particular year and the benefits it has produced for society. At an individual level, the customer financial savings of a particular scheme will be used in analysing the success of that scheme and assessing whether similar schemes should be approved in the future.

3.8 Carbon Savings

The Energy Saving Trust recommends that the carbon emission factors for the different types of fuels detailed in Table 3.1 are used when reporting the carbon savings resulting from NISEP schemes. These factors are source from the official government source for company reporting in the UK which include Northern Ireland.

The financial and carbon savings resulting from schemes will be calculated automatically by the scheme submission spreadsheet developed by the Energy Saving Trust. The carbon savings of schemes, on an aggregate basis, will be used as a performance indicator in assessing the overall success of the NISEP for a particular year and the benefits it has produced for society and the environment. At an individual level, the energy savings of a particular scheme will be used in analysing the success of that scheme and assessing whether similar schemes should be approved in the future.

4.0 PROCEDURES FOR SCHEME SUBMISSION

4.1 Submitting a Bid

For 23/24 Primary Bidders will submit a bid as per outlined below. Approved schemes will run for two full NISEP years, subject to satisfactory performance in year 2023/24 and criteria defined in this Framework Document being met. Therefore, Primary Bidders do not need to submit a bid for the 24/25 NISEP year.

Bids for funding must take the form of a formal detailed scheme submission as discussed in this section, it must contain all of the information listed under 4.3.1, and 4.3.2 of this document and must also include a scheme summary using the scheme submission form (SSF) supplied by the Programme Administrator. Primary Bidders are required to complete and send signed electronic copies of each submission to the Programme Administrator.

Note: Any false declaration made as part of the scheme submission may constitute evidence of fraud and will be dealt with accordingly.

A call for schemes is sent out in October to all registered Primary Bidders. Primary Bidders who intend to bid for funds must return the registration form, attached to the call for schemes notification, to the Programme Administrator by 14 October 2022. The Programme Administrator will then send out an up-to-date version of the scheme submission pack. **Final and complete** scheme submissions must be submitted to the Programme Administrator by **02 December 2022 at the latest.**

Any bids received after 02 December 2022 will not be considered for funding and will be rejected automatically. Bids received within the appropriate time period, but which are incomplete, of insufficient quality or do not meet the criteria for funding may also be rejected.

There will be no opportunity to resubmit bids for approval after 02 December 2022.

Primary Bidders will have sole responsibility for any contractual arrangements or agreements in relation to the scheme submitted.

Following the bidding period, Primary Bidders should be informed at the beginning of March if their bids have been successful or otherwise.

Electronic copies of bids for funding must include an electronic signature and be sent to the Programme Administrator at the following email address:

nisep@est.org.uk

The scheme submission form should be sent in Word format and the Scheme Submission Spreadsheet, and Primary Bidder Summary must be sent in excel format.

The Programme Administrator will carry out 1-1's with all Primary Bidders who register at the 'call for schemes stage' and will discuss the scheme submission process and standardisation in more detail.

4.2 Scheme Referencing

Each NISEP scheme submitted must have a specific reference number.

The format of this number shall be made up as follows:

Primary Bidder ID / Year / Scheme Number / Scheme Measure Type / Customer Type

The Primary Bidder ID consists of 3 or 4 letters that clearly identify the Primary Bidder and will be allocated by the Programme Administrator.

The year should be shown as the last two digits of the financial year in which the scheme is to be implemented.

The scheme number should consist of two digits. Should a Primary Bidder submit more than one scheme in a given financial year, the scheme number should increase sequentially for each scheme, e.g., 01, 02 etc.

The scheme measure type should be shown as follows:

H = Heating (Including boilers and controls) only

I = Insulation only

L = Lighting only

M = Mix (e.g. a heating, insulation & lighting scheme)

R = Renewable Energy

O = Other measures not covered by the above

IV = Innovative

The customer type should be shown as follows:

P = Priority group customers

NP = Non-Priority group customers

To illustrate an example, if 'Green Energy' submitted one scheme to be undertaken in the 2023/24 financial year, and that scheme was an insulation scheme aimed at non-priority customers, the scheme reference number would be:

'GRE 23 01 I NP'

4.3 Statement of Method

Primary Bidders must submit a Statement of Method for each scheme which must consist of the following:

1. Scheme Submission Form

2. Scheme Submission Spreadsheet

Guidelines on the main areas that Primary Bidders must cover are contained in the following paragraphs. This is not intended to be an exhaustive list of requirements but should provide a useful template for Primary Bidders to use when preparing their scheme submissions. A summary scheme submission form for recording the main details must be completed in full but supplementary information should also be submitted, as necessary, to ensure that the Programme Administrator receives full details of the scheme.

4.3.1 Scheme Submission Form

The intention of the Scheme Submission Form (SSF) is to provide the Programme Administrator and the Utility Regulator confirmation that submissions will be delivered in line with the criteria set out in the Framework Document. Where schemes are particularly large, complex or innovative, additional information may be required. Please reference this list of requirements within the Scheme Submission Form when bidding for schemes.

The SSF **must** contain:

The scheme reference number;

The scheme title (must not contain Primary Bidder's name);

The SSF which **will** include the following, (but is not limited to) the areas of detail: (further information will be provided as part of the scheme submission pack).

-  A detailed description of the scheme, including the measures involved. This must clearly indicate which ring-fenced funding category the scheme is being submitted to.
-  A description of the properties targeted by tenure type (Owner Occupier/Private Rented/NIHE/Housing Association), if applicable to the scheme.
-  An indication of any links with other programmes
-  Please detail proposed delivery structure i.e. a Primary Bidder may have partnered with another organisation or use a Managing Agent to run the scheme, and appoint Sub-Contractors to carry out x, y, z. If these have already been selected, please name.
-  Where the scheme is to take place, geographically. If the scheme is available to all of Northern Ireland, the Primary Bidder must be able to demonstrate that the scheme will be targeted throughout Northern Ireland. If a scheme is only targeting specific areas, the Utility Regulator has the right to review the amount of NISEP funding awarded based on geographic spread.
-  A summary of the costs (by Primary Bidder, customers and other parties) of the scheme.

4.3.2 Scheme Submission Spreadsheet

Primary Bidders must submit the technical details of the scheme using the submission spreadsheet, which will be provided by the Programme Administrator.

The main technical details which require input are:

-  Scheme reference number



The scheme submission spreadsheet has been standardised, (excluding commercial and innovative schemes) to aid the submission process, however, on scheme delivery, Primary Bidders are still expected to allocate grants on a first come first served basis, and should not try to maintain scheme submission inputs at a detriment to eligible customers. This is specific to domestic schemes aimed at priority customers; for Commercial schemes, the Primary Bidder may assess applications based on the cost effectiveness of that particular scheme.

For applicable domestic schemes; the standardisation process allows the bidding process for NISEP funding to remain competitive, but is now defined by the cost of measure, indirect costs and third party contributions.

The scheme submission spreadsheet will now present standardised assumptions for the following required inputs:

Whole House Solution Schemes - the % target is specified for the number of properties entered by current fuel type, property type, number of bedrooms and fuel switch;

E.g. Primary Bidder must enter 25% of 3 bed semi detached homes converting from oil to gas.

Primary Bidders will be able to populate schemes which target on gas areas, off gas areas or both.

Individual Measures – the % target is specified for the number of properties entered by current fuel type, property type and number of bedrooms;

E.g. Primary Bidder must enter 10% of 3 bed semi detached home 0 - 300 mm of Loft Insulation.

The scheme submission spreadsheet lists all targets that the Primary Bidder needs to enter. Targets are different for Whole House Solution, and Individual Measure schemes.

Other required inputs which have been standardised include;

- Number of vents expected per loft insulation install;
- Number of core vents expected per CWI install;
- CWI Guarantee certificate costs;
- Metres² of the floor area and wall area of the property.
- **Building Control fees**

Please note, the floor area, M2 of walls and lofts defined in the scheme submission spreadsheet are to be used to help develop the costs per property type in the submission only. Primary Bidder must use actuals measurements on scheme delivery and when populating the Post Implement Reports.

Primary Bidders will be able to insert other measures in addition to heating and insulation measures, Please note, there is no standardisation of schemes submitted to the Innovative category or Commercial category.

✓ Details of the direct cost of each measure per property type and customer grouping (non-priority / priority). The Primary Bidder must provide supporting data, post August 2022, to support the costs entered, for example, invoices, quotations / tender documents. To ensure costs are realistic the Primary Bidder must also consider the impact of inflation over the period of NISEP. Primary Bidders should not use PIR data from a previous year to support costs. All direct costs associated with a measure install must be included in the “cost of measure” cell on the scheme submission spreadsheet. The initial survey should also be incorporated into the ‘cost of measure’ with post installation surveys and quality monitoring inspected inserted as indirect costs. The exception to this, is where a managing agent or partner is employed to carry out the surveys and then these jobs are subcontracted out to installers. This managing agent/partner survey fee should then be included as an indirect cost, as issued to the Primary Bidder separately to the installers invoice. The costs entered must be accurate and to the best of the Primary Bidder’s knowledge at time of submission.

•
✓ Details of the amount of Primary Bidder, customer & third party financial contribution per measure. **Any VAT costs that require NISEP funding must be clearly included in the total costs and declared on both the scheme submission form and included within the figures entered in the scheme submission spreadsheet.** VAT treatment declared as part of the bid submission must be reflective of claims submitted upon scheme delivery, with the exception of where HMRC guidance has changed and a scheme variation should be submitted to document this change and its impact to costs. Should there be a variance to the treatment of VAT between bid submission and claims submitted, as a result of administration errors, it will be the responsibility of the Primary Bidder to cover this cost.

It is the Primary Bidder’s responsibility to seek HMRC guidance where there is any doubt or confusion regarding how to handle VAT. Any guidance issued by HMRC may require to be shown at audit.

✓ A breakdown of indirect costs including management and administration.

Further information and requirements will be provided as part of the scheme submission pack.

4.3.4 Renewables

If your scheme submission includes solar thermal panels (solar heating panels), photovoltaic panels (solar electricity panels) or heat pumps, then there is a separate renewable scheme submission spreadsheet that will allow you to calculate your standardised savings and calculate actual impact during the post installation review (PIR) stage. The spreadsheet will output the savings and costs which you can copy into the main scheme submission spreadsheet.

The calculations in the renewables scheme submission spreadsheet uses weighted average energy savings in the standardisation section. This means that the savings take into account the Northern Irish house type mix and fuel type mix resulting in a single energy saving for each of the three renewable types.

The post implementation report (PIR) section of the tool, calculates the savings according to the house type, fuel type and bedroom number selected allowing for more bespoke savings to be outputted. All the energy prices and carbon factors used in the tool are updated in line with main SSS assumptions.

Solar thermal panels (solar heating panels)

Savings are based on Energy Saving Trust's field trial data.

Photovoltaic panels (solar PV, solar electricity panels)

Savings within the tool are based on a 4kWp system assuming the occupants are in the household from 6pm per day. The savings represent the reduction of electricity needed to be imported in from the electricity grid, it does not include any export payments.

Heat pumps

Savings are based on modelling that assumes an SPF of 3 and the heating distribution system running at a flow temperature of 45 degrees Celsius. The oil heating system being replaced by a heat pump is assumed to be an F or G rated boiler (75% efficiency).

4.4 Scheme Approval / Rejection

Rejection Criteria

Bids will be rejected due to incompleteness or significant errors. This will be defined as any error which could reasonably be said to result in incorrect or misleading information being used to evaluate schemes. This will include but may not be limited to the following:

1. Bids submitted with incorrect costs entered onto the 'General Inputs', 'Mandatory Inputs', 'Lighting Inputs' tabs which do not reflect the supporting evidence provided. (This could be Direct Cost of Measure, Third party, Customer Contribution, Indirect Costs).
2. Bids submitted where energy savings manually entered do not reflect the supporting evidence. (Domestic LEDs, / Commercial measures)
3. Bids submitted with no supporting documentation to verify costs entered / manual data entry of energy savings.
4. Bids submitted where either the Scheme Submission Form, Scheme Submission Spreadsheet (Domestic and/or Renewables) or Primary Bidder Summary file is not submitted by the due date.
5. Bids where the standardisation has not been used. (NB: where numbers of measures are too small for standardisation to be achieved, the Primary Bidder should contact the PA before submission to provide an explanation for this in the Scheme Submission Form, this will only be relevant for small bids of NISEP funding and is not a common occurrence.)

6. Bids which don't meet the eligible initiatives section 2.1 of the Framework Document.
7. Bids where any of the documents sent are incomplete i.e. applicable sections left blank.
8. Bids submitted after the due date.
9. Bids received where the total exceeds the £2m cap will result in the Primary Bidder being rejected.
10. Bids where additional measures under priority whole solutions scheme are not fully funded (by NISEP or Third Party).

Bids will be accepted if minor clarifications points are required.

Minor Clarifications Accepted:

1. Typos in the Scheme Submission Form figures (where the SSS is correct).
2. Typos in scheme reference
3. Target audience query
4. Primary Bidder summary file does not match the scheme submission spreadsheet.

Scheme submissions must be developed in compliance with the operational rules and procedures of the NISEP as set out in this Framework Document. If a scheme is approved on the basis of inaccurate or inappropriately compiled information, the Utility Regulator reserves the right to take remedial action.

The Programme Administrator assesses all bids on an equal basis. Schemes must fulfil the objectives of the NISEP; the information provided at submission stage must be accurate and complete at the time of submission and be in compliance with the Framework Document. **The Programme Administrator is able to clarify minor points with Primary Bidders, However the Primary Bidder will not be able to resubmit the Scheme Submission Spreadsheet to make changes to their bid.** The Programme Administrator will also take into consideration the performance of a scheme in a previous year, if applicable. If the Programme Administrator is satisfied that the relevant criteria have been met, it will recommend schemes (within the funding limits) to the Utility Regulator. It is at the discretion of the Utility Regulator whether or not to approve a scheme.

In the case of bids in a particular category exceeding the level of funding available, the more cost-effective schemes will be approved. However, to ensure the best use of funds and also equality of opportunity considerations, the Utility Regulator reserves the right to accept less cost-effective schemes, e.g. where they provide good additionality or where geographic spread or specific target groups are relevant. In the case of two schemes having the same cost-effectiveness but funding being insufficient to cover both schemes, the Utility Regulator reserves the right to award the funding to the scheme which has a previous record of success (if relevant). The Utility Regulator also reserves the right to award part-funding to schemes that have run in previous years and have had significant underspend and to schemes that have a limited geographical spread within NI.

Primary Bidders will be notified of final approval in writing from the Utility Regulator. Schemes **must not** commence until final approval has been granted and confirmed by the Utility Regulator.

The award of funding takes into consideration a number of factors, including but is not limited to;

- cost effectiveness, (that is the amount of energy saved per NISEP pound spent; however, it will depend on measure cost, indirect costs and other party funding, as opposed to fuel, property and measure split. These will now be standardised as described above to give a fairer more equal representation across all domestic scheme submissions;
- geographical spread, schemes targeting 'on gas' areas only will be assessed in one specific category and schemes targeting both 'off gas' and 'on gas' areas, therefore covering all of Northern Ireland, will be assessed within a separate category. Properties passed data will be provided to the Programme Administrator by the Utility Regulator to identify the ringfence for 'gas only' schemes.
- targeting specific groups.
- Depending on the number of schemes submitted, schemes will then be apportioned funding based on their cost effectiveness ranking and availability of funds within each category.

The Utility Regulator reserves the right to take other factors into consideration; such as first time bidders and successful track record of delivering on NISEP spend but also on the successful administration of schemes, all of which are subject to the limits in the Framework Document. The Utility Regulator and the Programme Administrator are unable to provide the specific details of the Scheme Submissions that relate to the award of funding to any one Primary Bidder.

Primary Bidders should note that the Utility Regulator's written approval for a scheme acts as an agreement between the Primary Bidder and the Utility Regulator to undertake the scheme in accordance with the rules of the Framework Document and their submission. The approved schemes will become a schedule to the signed Accedence Document.

To ensure scheme recipients are informed that funding has been obtained from the NISEP, the scheme must incorporate the NISEP logo in accordance with branding guidelines, in conjunction with the scheme participant's logo if required, on scheme documentation, publications and any other publicity material. (See Section 2.10)

4.5 Scheme Variation

Primary Bidders must deliver schemes in accordance with the Framework Document and in accordance with the approved scheme submissions or allowed scheme variations. If there is a variation to a scheme, including changes to predicted energy savings, measure costs, indirect costs or types of measures installed, please contact the Programme Administrator who will then advise if a scheme variation form should be submitted for approval.

Primary Bidders must submit a scheme variation to request the transfer of funding between direct and indirect costs, regardless of % of NISEP funding. This type of transfer will require approval from the Utility Regulator.

For variations of up to 5% of NISEP funding between schemes, no formal approval is required, (as long as the total funding awarded to the Primary Bidder is not exceeded), however the Programme Administrator must be notified in writing. For variations of 5-10% of NISEP funding, Programme Administrator endorsement must be sought.

Any significant variations and variations above 10% must be approved by the Utility Regulator. Primary Bidders undertaking more than one scheme must not presume that funding can be transferred between schemes. Dependent on value (if above 5% of total NISEP amount approved), prior approval should be sought to transfer funding from an underperforming scheme to a more successful scheme. Overspend on a successful scheme will not be subsidised by NISEP unless prior approval has been given to transfer funds from an underperforming scheme or additional funds have been granted.

Where a Scheme Variation relates to costs, the figures entered in the Scheme Variation Form template, should be the figures that will be claimed from NISEP. Any VAT costs that require NISEP funding must be clearly included in the figures entered in the Scheme Variation Form with a note included to that effect.

Notification of a scheme variation must be submitted within a reasonable timeframe (no later than the end of February of applicable NISEP year) if to be approved by the Utility Regulator and no later than the end of April (of applicable NISEP year) if only PA approval/notification is required), to allow the Programme Administrator and /or the Utility Regulator to review before completion of the NISEP year. Failure to do so may result in the Scheme Variation not being approved. (See Section 4.5 of the Framework Document for further guidance).

Primary Bidders will be notified by writing if the change/variation has been approved.

In the event that scheme variations exceed the accepted tolerance levels and/or the total amount of NISEP funding awarded, and approval has not been granted by the Utility Regulator, any relevant costs will be required to be borne by the Primary Bidder.

Turnaround times for the approval of scheme variations will depend on the time taken to resolve any queries or requests for further information, however, the Programme Administrator will initially assess any scheme variation within 10 working days of receipt and decide on the appropriate action to be taken. Once all the necessary information has been received, the Programme Administrator will have a further 5 working days to consider and approve the Scheme Variation or forward to the Utility Regulator, as appropriate. The Utility Regulator will endeavour to give written approval or reject the Scheme Variation within 5 working days of receipt of the form endorsed by the Programme Administrator or on receipt of the answer to any further queries.

The Utility Regulator/Programme Administrator reserves the right to invoke the scheme variation process to move funds from an underperforming scheme to a scheme that has had a more successful uptake, if it becomes apparent that a scheme is unlikely to spend all the funding awarded to it.

4.6 The NISEP Programme Timetable:

Whilst bids received will be in respect of two years, scheme year-end reporting and auditing will still be carried out annually on the basis of measures installed by 31 March each year. Primary Bidders must ensure that they do not overspend their year one allowance, unauthorised year-end overspends will not be covered by NISEP. Please refer to section 5.1 for further details on year 2 allocation.

The NISEP timetable is set out in Figure 4.1.

- In October a request for submissions for schemes to commence the following April is made to all registered Primary Bidders.
- Primary Bidders return the call for schemes registration form by mid October.
- Accedence Documents must be signed and submitted to the Programme Administrator by 4 November 2022.
- All bids for schemes commencing 1 April 2023 are to be received by the Programme Administrator by 2 December 2022.
- Primary Bidders will be informed at the start of March of the outcome of their application (please note that this will be subject to the timely provision of any further information requested on scheme submissions and the resolution of any queries).
- Schemes to commence in Q1.
- At the start of July (after three months) the Programme Administrator should be notified on progress and whether or not the scheme will run as planned. Progress reports and Quality Monitoring results are to be submitted after five months (in September) and eight months (in December). Potential under-spend should also be flagged so that reallocation of funding can be completed if needed.
- All work should be completed by 31 March of applicable NISEP year.
- Final Payment Claims will need to be submitted by the 4th working day of May for the applicable NISEP year.
- A Post-Implementation Report must be submitted by end of June for the applicable NISEP year.
- Scheme audits of all schemes will be carried out in September / October for the applicable NISEP year.
- Post-Implementation Report Approval Letters will be sent out in February for the applicable NISEP year subject to the satisfactory completion of reports and provision of any follow-up information and also to satisfactory audit. This letter will signify the end of the scheme process. The Accedence Agreement will then terminate after the UR has confirmed satisfactory completion of the schemes following the 2025 audit process.
- Subject to satisfactory audit reports in relation to all Primary Bidders, incentive payments, where earned will be paid February 2026 subject to the timely provision of any further information requested, the approval of the Post-Implementation Reports, and a satisfactory audit for all Primary Bidders. Please note that the payment of incentives may be delayed where audit issues are raised.

FIGURE 4.1 NISEP Operational Timetable

Month	Action	Target Date	Responsibility
April	Commencement of approved schemes	Start April	Primary Bidder
May	Previous NISEP year final payment claims submitted	Start May	Primary Bidder
	Individual meetings held with successful Primary Bidders	End May	Programme Administrator
June	Processing previous NISEP year payment claims	End June	Programme Administrator
July	3-month update confirming current schemes will go ahead and notification of delivery structure including named Managing Agent/Sub-Contractors	Start July	Primary Bidder
	Post-implementation reports (PIR) submitted for previous year's schemes	Mid July	Primary Bidder
	Confirm underspend from previous year	End July	Programme Administrator
August	Collate 3 month statements provided by Primary Bidders and provide summary statements to the Utility Regulator	Start August	Programme Administrator
September	5-month interim report for current schemes submitted	Start September	Primary Bidder
	Audit of previous year's schemes (estimated start date)	Start September	Programme Administrator
	Review 5 month interim reports provided by Primary Bidders and provide a summary report to the Utility Regulator including recommendations for potential underspend	End September	Programme Administrator
November	Incentive Targets reviewed and published	Mid November	Programme Administrator

	Progress Meetings held with registered Primary Bidders	Mid November	Programme Administrator
December	8-month interim report for current schemes submitted and under-spend on current schemes reported	Start December	Primary Bidder
	Audit report completed for previous year	End December	Programme Administrator
January	Review 8 month interim reports provided by Primary Bidders	End January	Programme Administrator
	Post-implementation reports submitted to Utility Regulator	End January	Programme Administrator
February	Post-Implementation Report Approval Letter sent to Primary Bidders	End February	Utility Regulator
	Recommendations for Funding for following year	Start February	Programme Administrator
	Incentive payments calculated for both NISEP years (Feb 2026)	End February	Programme Administrator
March	Letters sent to Primary Bidders re. continuation of next year's schemes	Start March	Utility Regulator
	Payment notices sent to NIE Ltd for incentives earned in previous year	Start March	Utility Regulator
	Completion of current schemes	End March	Primary Bidder
	Annual Report on performance in previous year completed	End March	Programme Administrator
	Payment notices sent to NIEN Ltd for additional scheme funding	End March	Utility Regulator

5.0 SCHEME REPORTING

5.1 Interim Progress Reporting and success criteria

Primary Bidders who have schemes approved must notify the Programme Administrator and the Utility Regulator after three months (i.e. in July) whether or not the scheme will proceed in a timely manner and as originally submitted. If this notification is not received the scheme approval may be cancelled.

Primary Bidders undertaking NISEP schemes must submit an interim report to the Programme Administrator after five months (September) and eight months (December) for each year of the NISEP. This report must provide details, on a scheme by scheme basis, of the current NISEP spend to date and the forecast final NISEP spend. The Primary Bidder should provide details on; No. of customer applications approved; NISEP Funding committed for approved applications; No. of customer applications on waiting lists; Estimated NISEP costs associated with waiting lists. If the scheme is no longer taking new applications, this should be highlighted. Primary Bidders are encouraged to provide additional detail of any issues they think may be relevant to the Programme Administrator and the Utility Regulator such as details of any corrective action to be taken to ensure the approved scheme is delivered as planned.

Customer complaints received throughout the NISEP year must be documented and reported on via the interim reporting schedule. Should any complaints be related to the quality of installations, the Primary Bidder must ensure that the NISEP install is re-inspected by the independent quality inspector, who will verify that all issues are resolved and there are no quality concerns.

Quality Monitoring results including details of remedials and actions taken, must also be provided as part of the 5 month and 8 month interim reports. Primary Bidders must provide details to capture reasons where insulation is not being claimed as part of a WHS package; or where in an individual measures scheme, only one insulation measure is being claimed, as opposed to two. Final Quality Monitoring results must also be signed off by the independent qualified Quality Monitoring Inspector and submitted along with the Post Implementation Report. The original email from the inspector to the Primary Bidder with these results must be submitted. Quality monitoring reports should state how well the range of measures on offer have worked as a package, including that there is adequate ventilation given the range of measures.

In addition, Primary Bidders must inform the Programme Administrator of any forecast under spend in their schemes in the 8-month report. At this point the Utility Regulator reserves the right to move underspend between schemes and Primary Bidders to maximise spend prior to NISEP ending in March of each applicable NISEP year.

The Programme Administrator will forward these interim reports to the Utility Regulator. Scheme variations should be reported, as soon as they are required, in accordance with Section 4.5.

The Primary Bidder must also inform the Programme Administrator by email when a scheme is no longer taking applications, so that this can be communicated out to all relevant parties.

Approved schemes in NISEP 2023/24 will run for two full NISEP years, subject to satisfactory performance in year 2023/24 which will be assessed from the information provided in the 8-month interim report and from any direct feedback received by the Programme Administrator on scheme delivery. The template for this 8 month report may change to allow for further feedback on delivery of 23/24 schemes. The following will be considered:

1. Predicted Underspend
2. Customer Satisfaction / Complaints
3. Quality Monitoring / Remedials
4. Compliancy with Framework Document Requirements
5. Duplicates identified
6. Whole House Solution Uptake, (where insulation has not been offered as part of a whole house solution)

Overall scheme performance will be considered in the reallocation of funding. Schemes will be given a similar level of funding in this second year or will be offered a lesser amount depending on the previous years' performance as outlined above. Scheme continuation into 24/25 will not be approved if there are significant issues raised in-year or if there has been no uptake in 2023/24.

For the avoidance of doubt; significant issues may include but may not be limited to any issues which have:

- resulted in the suspension of the scheme as per the accedence agreement;
- had a significant detrimental effect on the overall well-being of an individual NISEP recipient (where customer has notified NISEP);
- any evidence of potential fraud, gross misconduct or negligence.

5.2 Scheme Completion Reporting

Once a scheme is completed, Primary Bidders are required to complete a post-implementation reporting (PIR) pack which must be submitted via the secure File Transfer Service, together with other documentation, to the Programme Administrator by the end of June.

The documentation submitted must include:

- PIR spreadsheet containing final outturn data. All information to be quoted on the post-implementation form can be derived from the tabs within the PIR spreadsheet.
- Results of customer satisfaction. Primary Bidder to provide results to support % figures entered on PIR form. This should detail, number of surveys sent and returned, and where applicable, reasons for unsatisfied customers and actions taken to resolve any issues. Primary Bidders are requested to submit the customer satisfaction information available at that time. If further responses are received after submission of PIR, and numbers should change, the latest figure should be provided at audit stage.

- Results of Quality Monitoring. Final Quality Monitoring results must be signed off by the independent qualified Quality Monitoring Inspector and submitted along with the Post Implementation Report. Where CWI has been inspected, the inspector must also complete a declaration where they will agree with the metres ² claimed by the Primary Bidder. The original email from the inspector to the Primary Bidder with these results must be submitted. These results must reflect the results entered into the PIR by the Primary Bidder. The Primary Bidder must include details on the number of measures inspected, the number of failed 1st and 2nd inspection, details of remedials, highlighting issues identified, dates rectified, and any subsequent action taken with installers etc. . Primary Bidders are requested to submit the quality monitoring information available at that time. If information should change, any updates should be provided at audit stage.
- Fees charged, if applicable. Primary Bidder to provide details of fees charged (and not claimed under NISEP), including name of sub-contractor, confirmation of contract in place, invoice date/number, and total amount of fees charged per contractor. The reason for the charge should be clearly specified. For example, admin fees charged to sub-contractors for re-inspections and/or remedials. The total figure should be added to the 'third party indirect costs' cell in the 'Scheme Summary' Tab of the PIR spreadsheet.
- Further Breakdown Worksheet – Primary Bidders must include background calculations (including formulae) in this worksheet for all figures (not provided by the Programme Administrator), that have been manually entered such as energy savings, lifetime years etc.
- Completed Post-Implementation Form:
 - All sections must be completed; 'Key Indicators' table (pre-populated by PA), 'Customer Satisfaction results and Narrative', 'Quality Monitoring results and Narrative', 'No. of Households/Premises benefiting' (pre-populated by PA), 'Scheme Narrative', 'Reasons for variances to scheme design and actual', and 'Installation Summary'.
 - Within the 'Reasons for variances to scheme design and actual' section, it is important to explain any discrepancies between the original scheme submission (or approved scheme variation) and completion, in terms of average costings, scheme uptake and statement of method:
 - In the case of costs, this may be due to more or less uptake than was initially envisaged (in which case any known factors should be cited), or something more specific such as average cost of measure.
 - In the case of scheme methodology, it may be an alteration of delivery mechanism, or a change in terms of the measures offered.
 - Primary Bidders must specify the number of scheme variations approved within a NISEP year, if applicable, and the reasons for those scheme variations.

- The installation summary (pre-populated by PA) should include a breakdown of the number of measures installed by measure type.

5.3 Geographical and Sectoral Information

Along with the post-implementation report, information must be supplied on the geographical distribution of both Priority and Non-Priority schemes. This information must include the number and types of measures installed by postcode. Please ensure accurate data entry of full addresses including postcodes.

This information is retained on a database. It is the Primary Bidder's responsibility to ensure that they are compliant with all relevant legislation including but not limited to the General Data Protection Regulation (GDPR) 2016/679 in relation to data given to the Programme Administrator.

The Programme Administrator will provide a suitable platform for the submission of this information.

6.0 SCHEME MONITORING AND AUDITING

6.1. Customer Satisfaction Monitoring

Primary Bidders are required to undertake and report on the monitoring of customers' satisfaction with the scheme, the measures installed and the installation process.

The Primary Bidder shall survey for customer satisfaction a minimum of:

- 10 per cent of all homes receiving individual measures costing less than £3,000;
- 100 per cent of homes receiving whole house solutions and individual measures costing over £3,000.

Where schemes are undertaken in the industrial and commercial sector, customer satisfaction monitoring should be undertaken for:

- at least 10 per cent of installations where installations –cost less than £20,000;
- at least 50 per cent of installations where the installation cost is from £20,001 to £50,000;
- 100 per cent of installations where the installation cost exceeds £50,000.

In all cases, the Primary Bidder should use their best endeavours to achieve at least a 50 per cent response rate to all customer satisfaction surveys. Primary Bidders should ensure responses can be followed up on, should there be any issues, i.e. insertion of customer details or reference numbers.

Any customer complaints are received throughout the NISEP year must be documented and reported on. Where customer complaints are related to the quality of installations, the Primary Bidder must ensure that the NISEP install is re-inspected by the independent quality inspector, who will verify that all issues are resolved and there are no quality concerns. This will be reviewed as part of the interim reporting schedule.

For further guidance, Appendix 2 of this document contains an example of a customer satisfaction survey for heating/insulation schemes.

6.2 Quality of Installation Monitoring

It is important that high standards are maintained and form part of a 'quality culture' adopted by all Primary Bidders. Accordingly, Primary Bidders must have a quality assurance (QA) procedure in place, that they will adopt when undertaking their NISEP scheme. This procedure should comply with all requirements as outlined in this Framework Document.

The QA procedure must address issues such as the quality of materials used and products installed. However, for appliance schemes, assuming that all products used have relevant CE marking, and have an energy performance rating of A, there are no additional quality monitoring requirements.

Quality monitoring should be carried out by a suitably qualified, independent person (from a different company, at least as qualified, to the installer of the measures), who should check whether or not the measures have been installed in line with the requirements in Appendix 4 and the current approved British

Standards, etc. (Supporting documentation of accreditation will be checked at audit). The Quality Monitor appointed for a NISEP scheme cannot be the Primary Bidder and must be completely independent to the scheme. A Primary Bidder is also unable to be the Quality Monitor under any other NISEP scheme. The Quality Monitoring contract should be between the Primary Bidder and the Quality Monitor directly and not held by a subcontractor or a managing agent on the Primary Bidders behalf. It remains the Primary Bidders responsibility to appoint the Quality Monitor.

Post-installation quality inspections should be scheduled to take place when all the work is fully completed. This must include a comment on how many of the measures offered by the scheme were taken up and how well the measures installed are working as a package (e.g. does the property have adequate ventilation given the range of measures installed).

Additionally, Primary Bidders must quality assure working practices. There is a requirement to survey and report on the quality of installation in a minimum of:

- 25% of homes receiving cavity wall insulation and 5% of homes receiving loft insulation measures. The Primary Bidder must ensure that there is an equal split of inspections across all Primary Bidder and sub-contractor installs, apportioned to the number of measures installed. Quality Monitoring must be carried out on a monthly basis so any issues identified can be addressed sooner and appropriate action taken. Where a property receives both measures and has been selected for inspection the quality monitoring inspection must include both measures.
- 100 per cent of properties receiving a Whole House Solution, where heating measures are installed and if applicable where insulation measures are installed alongside heating if required. The quality inspection should comment on **all** measures installed (including heating and insulation) and how well the measures are working as a package (e.g. does the property have adequate ventilation given the range of measures installed). Quality Monitoring should be completed before monthly claim submission.
- 100 per cent of more expensive domestic individual measures such as solid wall insulation.

Primary Bidders must ensure that measures installed using NISEP funding conform to appropriate high-level quality standards and that quality monitoring procedures are followed, as outlined in the Framework Document. Please note that it is the responsibility of the Primary Bidder to ensure that any work carried out by a third party/sub-contractor meets the required quality standards and that, where necessary, remedial works are undertaken.

Any deficiencies identified in the quality monitoring process must be rectified, re-inspected, and signed off by both quality inspector and customer. Desktop inspections are appropriate on some occasions, such as, if labels are missing, a photograph will confirm that they have been added, in these circumstances, Energy Saving Trust will accept confirmation that the Primary Bidder has checked that the customer is satisfied with the remedial action. Photos taken of remedials (for insulation only) should be GPS stamped to show the date and location of the photo.

For insulation installs the inspector must assess the accuracy of the M2 of the property against the metres² claimed under NISEP, to ensure no over-measuring takes place. Should any over-measuring be highlighted by the quality inspector, the Primary Bidder must notify the Programme Administrator within 10 working days. If the claim has been made and paid, a refund will be requested for the difference in measurement. If primary bidders become aware of consistent over-measuring by any subcontractor or installer, they must take appropriate action and detail this via the interim reporting schedule.

The inspector should also check that the property has adequate ventilation and meets the required standards. Primary Bidders should ensure that as part of the Quality Monitoring process for both heating and insulation fully funded schemes that customers are asked if any financial contribution has been sought. Please report on these findings as per the reporting schedule. First inspections should exceed a 90% pass rate for schemes with less than 100 installs and for schemes with more than 100 installs the first time pass rate is 95%. Primary Bidders should be taking appropriate action to ensure this. If there are high levels of failure, the Primary Bidder will have to provide assurances that all installs meet required standards. Quality monitoring is the responsibility of the Primary Bidder. Failure to meet the target pass rates and/or if there are significant customer complaints received, this may lead to a proportion of funding being withheld until the Primary Bidder can provide sufficient evidence to both the Programme Administrator and the Utility Regulator to show that the situation has been rectified and quality requirements are being met.

It is the responsibility of Primary Bidders to inform relevant bodies i.e. BBA / KIWA, Gas Safe, OFTEC, of quality monitoring results where there have been significant failures or where concerns have been raised. Please ensure to make these terms transparent to sub-contractors before work commences under NISEP.

NISEP can only be used to fund the initial Quality Monitoring inspection. If there are additional works required to meet standards that have been identified at initial inspection, these works can be funded under NISEP. NISEP funding cannot be claimed for either re-inspections of remedials (due to poor quality installations), as these works should have been carried out to standard at time of initial install, or for any repairs (e.g. damages as a result of poor-quality installations). It is the responsibility of the Primary Bidder to ensure that re-inspection or repair fees, as a result of poor-quality installations, are covered, via the Primary Bidder themselves or their sub-contractor/managing agent. Primary Bidders should ensure sub-contractor / managing agent are aware of these costs. If costs are to be charged, invoice descriptions used should be transparent. It is also expected that this is included in any contractual arrangements.

Primary Bidders must refer to the above points in the Quality Monitoring section of the scheme submission form, and detail how this will be actioned with individual schemes.

Primary Bidders should make it part of the customer terms that customers are required to provide access to the property for quality inspections. It should also be made clear that failure to do so by the customer may require the customer to repay all or part of the NISEP funding that was provided.

Should bidders undertake schemes in conjunction with other organisations, such as the Northern Ireland Housing Executive (NIHE), then while, quality monitoring remains the responsibility of the Primary Bidder; it may be the case that these

organisations will undertake the quality monitoring. Should this be the case, Primary Bidders must provide an outline of the quality assurance procedure adopted by the partner organisation for the scheme. Likewise, Quality Assurance procedures adopted by other nominated scheme partners may be used if suitable and agreed.

Where schemes are undertaken in the industrial and commercial sector, quality monitoring should be undertaken for:

- at least 10 per cent of installations where installations –cost less than £20,000;
- at least 50 per cent of installations where the price is from £20,001 to £50,000;
- 100 per cent of installations where the installation cost exceeds £50,000.

NOTE: The Utility Regulator is continuing to consult on whether PAS 2030/2035 a BEIS endorsed framework should be made mandatory for all NISEP works. PAS 2035 covers how to assess dwellings for retrofit, identify improvement options, design and specify Energy Efficiency Measures (EEM) and monitor retrofit projects. In the interim however, for 2023/24, NISEP will continue with the current Quality Framework as outlined in this Framework Document. Should NISEP move towards a requirement for PAS 2035, Primary Bidders will be given notification in advance of 2024/25 schemes.

6.3 Scheme Auditing

Once the schemes are completed, an audit arranged by the Programme Administrator will take place after Post Implementations Reports have been submitted. The Primary Bidder must be present at the audit and have all the required paperwork/records available for inspection. The purpose of the audit will be to check that the scheme has been implemented in the manner approved by the Utility Regulator, and that the funding has been utilised as reported by the Primary Bidder. Primary Bidders are required to retain all paperwork relating to the scheme operation, procurement, indirect costs, additionality, performance and monitoring and make it available for audit inspection. This information shall be retained by the Primary Bidder for at least **seven** years after the scheme has been completed.

The following information is likely to be reviewed during Programme Administrator's audit:

- **Financial Information:**

The scheme costs, including but not limited to, evidence of cost of measure, Building Control/**Planning Permission receipts**, indirect costs (where applicable), and the customer/third party/Primary Bidder contributions to the scheme will be established, and checked against those claimed in the scheme's post implementation report. Invoices must be retained by the Primary Bidder and may be viewed to verify costs as part of the sample address checking.

The key aim will be to confirm the amount of NISEP funds spent by the Primary Bidder on the approved scheme.

- **Procurement:**

The audit will check that procurement processes used to engage sub-contractors (such as scheme managers, installers, inspectors) and suppliers of measures are designed to ensure best value use of NISEP funding. The EU Energy Services Directive requires that member states in relation to energy services “should endeavour to avoid any distortion of competition in this area, in order to guarantee a level playing field between all energy service providers”. All Primary Bidders should ensure that they retain an accurate record of their procurement process (see section 1.6 of this document for additional guidance and details).

- **Installation of Measures:**

The audit will check that the types of measures installed are consistent with the approved scheme submission/variation. With regard to completed schemes, it will be necessary for the Primary Bidder to provide evidence that the numbers and types (including property types) of measures claimed in the PIR are correct and match records compiled during the year. There will be a 5% sample address check carried out on those schemes being audited (over and above any in-year address checks already made by the Programme Administrator).

The Auditor may check:

- That all new oil and gas central heating systems include a condensing boiler and appropriate heating controls.
- Evidence that surveys are assessing the existing pipework for suitability of the new system and that a water pressure test has been conducted in relation to heating upgrades prior to commissioning of the system.
- Evidence that where oil or LPG boilers have been replaced, they were over 15 years old or broken beyond viable economic repair.
- Fuel switch has been recorded from existing to new.
- That the age and type of the property has been recorded for each address
- The depth of loft insulation has been recorded for each address; previous levels of insulation should also be noted at survey stage.
- That lighting products delivered are EU A-rated for energy consumption.
- That appropriately trained/accredited installers and accredited products have been used.

The audit may involve physical inspection of the installations in a sample of properties.

- **Delivery Mechanisms:**

The audit will check that the delivery mechanisms and terms under which a scheme is offered to customers is in line with that described in the

approved scheme submission/variation (as set down in section 4), including the involvement of any retailers or contractors. For priority schemes, evidence of the appropriate targeting of customers using the set vulnerability criteria will be sought. The Auditor will obtain supporting documentation from each Primary Bidder to confirm that staff interacting with priority customers will have had appropriate training to engage with vulnerable customers and that all staff entering customer homes will be Access NI checked. The Auditor will check that the organisation has a safeguarding policy in place.

- **Energy Savings:**

The audit will check that the scheme delivered the required energy savings and that there is supporting documentation to evidence savings achieved. Energy Savings will be calculated in accordance with the methodology used by the Programme Administrator.

- **Additionality:**

The audit will check that there is evidence to support the statement of additionality of the scheme made in the scheme submission. Evidence of additionality will be inspected and therefore should be retained for audit purposes.

- **Scheme Variations:**

The audit will check that appropriate approval was obtained for any variations to the scheme submission.

- **Monitoring:**

The audit will check the methodology the Primary Bidder had in place for:

- Quality assurance, with regard to the installation of measures (including how failures were rectified, what per cent of installations were checked, who carried out these checks, whether or not measures, in particular LEDs, are of a correct specification).
- Customer satisfaction (including the per cent of customers questioned and of those who responded how many were satisfied / dissatisfied. And the audit will also check how dissatisfied customers were dealt with and that all issues have been resolved).

Completed projects implemented under the NISEP will be subject to audit. The Framework Document gives details of how the audit will be conducted and the information that will be required to be presented. All Primary Bidders are expected to co-operate in full with the audit of NISEP. Primary Bidders have a responsibility during the audit to provide adequate and reasonable assurance in respect of the proper administration of the scheme(s) and ensure that any NISEP funding is claimed in an accurate and timely manner. As the audit of the 2022/23 schemes will commence in the autumn of 2023, Primary Bidders are expected to fully

comply with the audit requirements. Should audit requirements not be complied with, the Utility Regulator reserves the right to withhold funding or halt 2023/24 schemes.

Primary Bidders undertaking schemes must submit interim reports, using the template provided, to the Energy Saving Trust after 5 months, due September 2023 and again after 8 months, due December 2023. These reports must provide details on a scheme-by-scheme basis of the progress of schemes including the current NISEP spend to date and the forecast final NISEP spend. Details on quality monitoring, customer satisfaction and whole house solution uptake, should also be included in these reports.

Primary Bidders should provide additional detail of any issues they think may be relevant regarding the performance of the scheme. Applicants are also required to submit year 1 post-implementation reports after completion of 31 March 2024 installations and year 2 post-implementation reports upon completion of the scheme, that is by July 2024 and July 2025 respectively. This date is dependent on advice from the government relating to the current COVID-19 situation and may be revised by the Utility Regulator.

GLOSSARY

Carbon/Carbon dioxide emissions – fossil fuelled power stations generate electricity by burning large amounts of fossil fuels to turn water into steam. These fuels contain carbon and during combustion this combines with oxygen to form carbon dioxide which is a greenhouse gas. Greenhouse gases are accepted as contributing to climate change.

Carbon neutral – a fuel source which captures carbon as it grows to release it during combustion may be regarded as carbon neutral since there is no net increase in carbon release.

Energy efficiency – using less energy to provide the same level of energy service. For example, insulating a home allows a building to use less heating and cooling energy to achieve and maintain a comfortable temperature. Another example would be installing energy saving light bulbs instead of incandescent lights to attain the same level of illumination. Efficient energy use is achieved primarily by means of a more efficient technology or process rather than by changes in individual behaviour.

Energy saving light bulbs –Light Emitting Diodes (LEDs) are a cost-effective option for most general lighting requirements. LEDs are available to fit most fittings and are particularly good for replacing spotlights and dimmable lights, they are more efficient than CFLs and will save you more money in the long term.

Energy Services - the physical benefit, utility or good derived from a combination of energy with energy efficient technology and or with action, which may include the operations maintenance and control necessary to deliver the service, which is delivered on the basis of a contract and in normal circumstances has proven to lead to verifiable and measurable or estimable energy efficiency improvement and/or primary energy savings

Fuel poverty – a customer is said to be in fuel poverty, or is deemed as ‘fuel poor’ if they need to spend more than 10% of their weekly income on energy in order to obtain an acceptable level of warmth

‘Hard to heat’ or ‘hard to treat’ homes – These are homes which are constructed with solid walls, i.e. without a cavity between the outer external wall and the inner wall surfaces.

Non-priority domestic customers – an identified domestic customer group who are not deemed as priority generally because they have the means to pay for the energy saving measures from within their own budget.

Priority domestic customers – this is an identified domestic customer group within the energy consumer sector. They are deemed as priority because they will benefit most from targeted energy efficiency, renewable energy and heating

system measures. They are vulnerable on the basis of income and their ability to pay for energy particularly during cold periods.

Public Service Obligation – A Public Service Obligation (PSO) is a levy which is charged at a flat rate on all units of electricity demand and therefore paid by all electricity customers. The PSO levy is composed of a number of different components one of which is a charge for the NISEP.

Renewable technologies – generally, technologies which produce energy without consuming or depleting a fuel, deliver heat/power by extracting energy from the environment and which are driven from sources which can be replenished. Examples appropriate to buildings would be wind turbines, heat pumps, hydro-electric plants, biomass boilers or solar panels for heat or electricity (PV).

SAP Rating – SAP is the Government's Standard Assessment Procedure for the energy rating of dwellings. SAP 2005 is adopted by government as part of the UK national methodology for calculation of the energy performance of buildings. It is used to demonstrate compliance with building regulations for dwellings and to provide energy ratings for dwellings.

Scheme Manager – someone or an organisation who is contracted by the Primary Bidder to oversee the installations or programme of work.

Scheme Partner – refers to some other party who is a main contributor to the scheme in partnership with the Primary Bidder e.g. providing additional funding, providing access to the scheme participants and/or designing or setting up the scheme.

Statutory Organisation – an organisation which exists due to a legal or government requirement.

Sub-contractor – refers to some other party sub-contracted by the Primary Bidder (or other participant in the scheme acting on its behalf) to carry out work on the scheme e.g. installers or inspectors. This includes self-employed contractors who are not employees of the Primary Bidder, part of its organisation, or Scheme Partners.

Sustainable Energy Measures – The materials and technologies which are used within homes to provide an improvement in energy efficiency. A measure could be the installation of insulation in a loft or cavity wall or a complete heating system.

Trade Association – a body which represents the constituent member organisations or individual members associated with a particular trade or activity.

ACRONYMS

BEIS – Department for Business, Energy and Industrial Strategy

BRE – Building Research Establishment

CERT – Carbon Emissions Reduction Target

DfE – Department for the Economy

DfC – Department for Communities

DHW – Domestic Hot Water

EEL – Energy Efficiency Levy

EPoS – Electronic Point of Sale

ESR – Energy Saving Recommended

EU – European Union

LED – Light Emitting Diode

LPG – Liquid Propane Gas

MCS – Micro-generation Certificate Scheme

NIHE – Northern Ireland Housing Executive

NISEP – Northern Ireland Sustainable Energy Programme

OFTEC – Oil Firing Technical Association

ONS – Office of National Statistics

RPI – Retail Price Index

SHP – Social Housing Provider

TRV – Thermostatic Radiator Valve

Appendices



Appendix 1

Customer Satisfaction Survey Example

APPENDIX 1 – EXAMPLE OF CUSTOMER SATISFACTION SURVEY

Northern Ireland Sustainable Energy Programme Customer Satisfaction Survey – Heating/Insulation Measures

You have recently received heating and/or insulation measures through the Northern Ireland Sustainable Energy Programme. In order to evaluate the success of the programme, it would be useful for us if you could take just a couple of minutes to complete this short questionnaire.

Name	
Address	

Q1	What measures did you have installed? <i>(tick all that apply)</i>	Loft insulation	<input type="checkbox"/>
		Cavity wall insulation	<input type="checkbox"/>
		New heating system	<input type="checkbox"/>
		New heating controls	<input type="checkbox"/>
		Thermostatic radiator valves	<input type="checkbox"/>

Q2	How satisfied were you with the quality of work undertaken by the installers?	Very satisfied	<input type="checkbox"/>
		Quite satisfied	<input type="checkbox"/>
		Neither satisfied nor dissatisfied	<input type="checkbox"/>
		Not very satisfied	<input type="checkbox"/>
		Not at all satisfied	<input type="checkbox"/>

Q3	How did you find the process to apply for NISEP funding?	Very Easy	<input type="checkbox"/>
		Easy	
		Not very Easy	
		Difficult	
		-	

Q4	Are your fuel bills lower since the energy saving measures(s) installed? <i>(May not be applicable if no fuel bill has been received since installation).</i>	Yes	<input type="checkbox"/>
		No	
		If yes, please comment	

Q5	Were you given advice on how to control your heating system, at the same time as the work was carried out?	Yes	<input type="checkbox"/>
		No	<input type="checkbox"/>

Q6	How would you rate this energy advice?	Excellent	<input type="checkbox"/>
		Good	<input type="checkbox"/>

		Satisfactory	<input type="checkbox"/>
		Poor	<input type="checkbox"/>
		Very Poor	<input type="checkbox"/>
Q7	Overall, how would you rate the energy saving scheme?	Excellent	<input type="checkbox"/>
		Good	<input type="checkbox"/>
		Satisfactory	<input type="checkbox"/>
		Poor	<input type="checkbox"/>
		Very Poor	<input type="checkbox"/>

If you have any additional comments about any aspect of the work carried out, please use the space below.

Thank you for taking time to complete the questionnaire, this information is very useful to us to ensure we get the best out of future Northern Ireland Sustainable Energy Programme schemes.

Please return the completed form to: (Insert scheme managers address).

Appendix 2

Example of Vulnerability Matrix

NISEP Vulnerability Matrix			
Householder Name:		Address:	
Tel:			
Mobile:			
Nominated Third Party:		Tel:	
Relationship to Householder:			
Needs Assessment			
Household Occupancy Age/s	Rating	Select One	Additional Comments
Referring Householder Over 75	10		
Referring Householder Aged 18-59 with Child/children 5 and under	10		
Referring Householder aged 18-59 with Child/children aged 6-18	8		
Referring Householder aged 60-74	7		
Assessment Score ()			
Household Health	Rating	Select All Approp	Additional Comments
Verifiable(Serious)health condition (May include but not limited to: cancer, dialysis, oxygen dependent, respiratory issues, Asthma)	10		
Disability Scheme (May include but not limited to: Blue badge scheme)	9		
Property has damp/mould (Provide location and details)	8		
Assessment Score ()			
Household Heating	Rating	Select one	Additional Comments
No heating system	10		
Economy 7/Solid fuel/LPG	7		
Heating system Broken or 15+ years old (Oil/gas)	5		
Assessment Score ()			

Needs Assessment Continued

Existing Insulation Measures	Rating	Select Two	Additional Comments
No cavity wall insulation/ Solid wall property	5		
Defective cavity wall insulation	2		
No loft insulation	5		
Defective loft insulation	2		
Assessment Score ()			

Additional Needs /Services Required/ Onward Referrals

(For Example: Age NI, Affordable Warmth, Assisted bin lift, Benefit Entitlement Check, CLARE Project, Red Cross, Fold Floating Support, Falls Prevention Team, Home Safety / Handy man, Good Morning Service, NIFRS, Environmental Health, PCSP (security measures), Winter Warm Pack, Food Banks, Connected Community Hubs)

Assessment Outcome	Max Points Available	Points	Assessed Vulnerability Rating
Occupancy Age	10		Low-Medium <input type="checkbox"/> High <input type="checkbox"/> Low-Medium 1-38 High 39-57
Health	27		
Heating	10		
Existing Insulation	10		
			NISEP Referral
			Referred to: _____
Max Points Available	57		Referral Date: _____
Total Assessment Points			

Referring Agent Details

Name: _____	Organisation: _____
Signature: _____	Address: _____
Date: _____	Email: _____
Tel: _____	Tel: _____

Appendix 3

Guidance on the use of Energy Efficiency and Sustainable Energy Measures

APPENDIX 3 – GUIDANCE ON THE USE OF ENERGY EFFICIENCY AND SUSTAINABLE ENERGY MEASURES

The following provides guidance on the installation of sustainable energy measures. Where appropriate, reference is made to relevant British Standards or guidance notes. An overview of British Standards is available at the BSI website at the following address. Copies of the Standards can also be ordered through this site.

This Appendix is for guidance only and does not provide an exhaustive list of relevant Standards. British Standards and other legislation are subject to ongoing update - it is the Primary Bidder's responsibility to ensure that all relevant Standards and Legislation are followed when implementing NISEP schemes.

Primary Bidders undertaking Commercial schemes must use products that are currently on the energy technology list wherever possible:

https://etl.beis.gov.uk/engetl/fox/live/ETL_PUBLIC_PRODUCT_SEARCH. If the Primary Bidder proposes products for installation that are not on the list they must provide evidence to the Programme Administrator that they meet relevant safety and quality standards, as well as evidence of product performance.

1.0 INSULATION MEASURES

1.1 Loft Insulation

Loft insulation provided under NISEP schemes should ideally be installed to a depth of 300mm. Depths of less than 300mm will only be considered for the accreditation of energy savings where it is physically impossible or unsafe to install 300mm.

Where downlighters exist in ceilings, Primary Bidders should ensure appropriate covers are installed for fire safety compliance. Primary Bidders are able to claim for the cost of the downlighter covers as part of the cost of measure.

Removal of existing loft insulation material should only be carried out if the insulation material is defective. Where there is no failure of the pre-existing product, removal of any pre-existing loft insulation is not permitted solely to allow a 0-300mm job and the associated energy savings. A Primary Bidder can only claim energy savings for the amount of new insulation that is actually required to be installed to provide a minimum of 300mm depth.

The Programme Administrator uses a measure's lifetime to gauge when a measure at a specific property address may need replaced. For example, if loft insulation was installed to required standards 3 years previous, and there has not been some specific incident causing damage, it would not be reasonable for it to be replaced after 3 years based on the measure's lifetime. Therefore, the Programme Administrator would request further documentation to support a claim. In the scenario of loft insulation top ups, again the Programme Administrator would require documentation to support a claim.

The lifetime of loft insulation is assumed to be 30 years.

Loft insulation products must be compliant with the following British or European Standards:

BS EN 13162:2012+A1:2015 – ‘Thermal insulation products for buildings. Factory made mineral wool (MW) products. Specification This document details the standards loft insulation materials must meet to be eligible as a qualifying action under the Order.

BS EN 5803 Part 5:1985 – ‘Thermal insulation for use in pitched roof spaces in dwellings. Specification for installation of man-made mineral fibre and cellulose fibre insulation.’ This standard specifies the requirements when installing loft insulation in pitched roof dwellings.

BS 5250:2011+A1:2016 Code of practice for control of condensation in buildings All lofts insulated by a NISEP scheme must include, where appropriate, loft boarding in order to provide safe access to the cold water tank. When insulating lofts, the loft hatches must be insulated and draught sealed.

In addition to these requirements, good practice when insulating roof spaces requires the insulation of the cold water tank and associated pipe work. The relevant British Standard is:

BS 5422:2009– Method for specifying thermal insulating materials for pipes, tanks, vessels, ductwork and equipment operating within the temperature range -40°C to +700°C.

Cases of condensation in newly insulated lofts have been identified in previous programmes. There are several factors that can lead to condensation in lofts, such as failing to draught seal the loft hatch or the blocking of loft vents with insulation. Scheme managers must ensure that their installers take care to minimise the risk of condensation when installing loft insulation.

Insulation installed to 300mm ensures that the loft has a U-value of 0.16W/m²K, based on the product installed having a lambda of 0.044W/mK. Suppliers can be accredited for installing other insulates, although the lambda will need to be verified and the thickness recorded to ensure that the loft has the U-value of 0.16W/m²K.

Primary Bidders must also ensure that where loft insulation is installed that ventilation requirements meet required standards.

1.2 Cavity Wall Insulation

The energy savings associated with cavity wall insulation are displayed in the Scheme Submission Spreadsheet. The energy savings differ between homes constructed over the age ranges outlined in the submission spreadsheets. Installers must therefore provide the age of the property insulated when reporting to energy suppliers, to enable Primary Bidders to accurately report on their completed schemes.

A declaration from the surveyor and clear evidence must be provided, should a Primary Bidder wish to record an install different from the two scenarios above.

The lifetime of cavity wall insulation is assumed to be 40 years.

The cavity wall insulation material installed must result in a U-value equivalent to

or better than 0.50W/m²K and must be certified by an appropriate UKAS accredited certification body (BBA or similar). If using an accreditation body other than BBA please provide the Programme Administrator with the relevant information for consideration and approval. The following British Standards and must be conformed with:

BS EN 13162:2012+A1:2015 – Thermal insulation products for buildings. Factory made mineral wool (MW) products.

BS EN 16809-1:2019 - Thermal insulation products of buildings. In-situ formed products from loose-fill expanded polystyrene (EPS) beads and bonded expanded polystyrene beads. Specification for the bonded and loose-fill products before installation.

BS EN 16809-2:2017 - Thermal insulation products of buildings. In-situ formed products from loose-fill expanded polystyrene (EPS) beads and bonded expanded polystyrene beads. Specification for the bonded and loose-fill products after installation.

BS 8104:1992 - Code of practice for assessing exposure of walls to wind-driven rain.

The suitability of full fill cavity construction is dependent on the exposure of the site and the nature of the outer leaf. Further information is given in BRE's BR262 'Thermal Insulation: Avoiding Risks', NHBC Standards, and Zurich Building Guarantees Technical Manual.

Best Practice Guidelines

The technical requirements are outlined in the following documents published by Cavity Insulation Guarantee Agency (CIGA):

Assessor's Guide: Suitability of external walls for filling with cavity wall insulation. Part 1 existing buildings, revised April 2013

Technician's Guide to Best Practice – Installing cavity wall insulation,

Technician's Guide to Best Practice – Flues, chimneys and combustion air ventilators.

Conservatories, Technical Guidance Note.

Ventilation requirements on a cavity wall installation must be adhered according to the CIGA best practice guidelines. Combustion air ventilation requirements 1st July 2014

Partial Fill Cavity Wall Insulation

Partial fill insulation is permitted under NISEP and must meet technical standards as outlined by an appropriate body such as BBA or CIGA. Energy savings pertaining to partial fill jobs were deemed to be 25.9% of the original post-1976 full cavity wall insulation savings for all property types and fuels for partial fill jobs. However, the methodology has now changed and the savings are now calculated using a SAP based model, which is in line with the majority of the other savings,

this makes the partial fill cavity wall savings more consistent and comparable with the other savings. It is expected that all Primary Bidders offering Cavity Wall Insulation as part of their scheme will provide a partial fill if the customer requires this.

It is assumed that any property built between 1991 and 2012 and receiving cavity wall insulation will be a partial fill install and recorded as such on relevant paperwork and on PIR spreadsheets. Older properties which receive partial fill must still be declared and clearly identified on submission and PIR spreadsheet.

Properties built after 2012 should not require cavity wall insulation and therefore will not qualify for NISEP funding.

A declaration from the surveyor and clear evidence must be provided, should a Primary Bidder wish to record an install different from the two scenarios above.

Extraction and Refill

Extraction and refill jobs are permitted, providing they account for no more than 30% of jobs under a fully funded scheme. **These do not need to be costed in to your submission however any intention to carry out extraction and refill work must be specified in the Scheme Submission Form, regardless of it being fully funded or otherwise, with relevant costs entered in the 'supporting costs' tab of the Scheme Submission Spreadsheet** (under a cash-back scheme, it is assumed the recipient is funding the extraction and NISEP is part funding the insulation, however the total job cost must be recorded clearly in the monthly master claim template).

Where extraction and refill jobs are being carried out, they should only be done where the existing insulation material is defective, and the property is more than 20 years' old. Extraction and refill is not permitted solely to remove old fibre and replace with new bead where there is no failure of the pre-existing product.

Should the property be less than 20 years old, and the existing insulation material defective, prior approval from the Programme Administrator must be sought with paperwork submitted to the Programme Administrator to support the requirement for extraction before any works commence.

Please note, NISEP cannot fund works that are covered under an existing wall insulation guarantee.

Wall Insulation Guarantee Certificates

A valid wall insulation guarantee i.e. CIGA, Qualitymark (or equivalent) must be provided to the customer when the wall insulation work has been completed. A copy of the certificate must also be provided to the Programme Administrator. If using a guarantee body other than CIGA or Qualitymark (or equivalent), please provide the Programme Administrator with the relevant information for consideration and approval. In providing approval, the Programme Administrator and Utility Regulator make no judgement as to the likelihood that a particular

guarantee will be honoured if the issuing body ceases to exist or does not have sufficient funds to honour the guarantee.

Utility Regulator reserves the right to review our best practice guidelines in relation to the accepted wall insulation guarantee certificates during the NISEP year.

It is the Primary Bidders responsibility to ensure that the customer is left with sufficient paperwork in order to make a claim (if needed) under a guarantee.

1.3 Draught Proofing

When calculating the draught proofing energy savings, BRE has assumed that only buildings with 'high ventilation rates' should be insulated to merit the accreditation of the energy savings listed in the Submission Spreadsheet. Scheme managers should therefore attempt to target homes with 'high ventilation rates' when undertaking draught proofing schemes. Typically, this type of home will be in an exposed position or have ill-fitting or sash style windows.

The lifetime for draught proofing measures is assumed to be 10 years.

The British Standard relevant to the materials used for draught proofing is:

BS 7386:1997 – ‘Specification for draught strips for the draught control of existing doors and windows in housing.’ This Standard specifies the requirements for products to fit the common types of installed doors and windows in housing not originally designed to incorporate draught stripping.

BS 7880:1997 – ‘Code of practice for draught control of existing doors and windows in housing using draught strips.’ This standard specifies the requirements when installing draught-proofing.

1.4 Hot Water Cylinder Insulation

The energy savings for cylinder insulation are calculated using the BRE model.

A lifetime for cylinder insulation is assumed to be 10 years.

The relevant British Standard for cylinder insulation is:

BS 5615:1985 – ‘Specification for insulating jackets for domestic hot water storage cylinders.’ This Standard specifies the performance, in terms of the maximum permitted heat loss, the materials, design and marking of jackets for cylinders to BS699 and BS1566.

1.5 Reflective Radiator Panels

The energy savings shown below are attributable to reflective radiator panels constructed in a 'louvered' or 'saw toothed' fashion (with raised ridges) and incorporating a reflective surface, which is by far the most common method of design.

The energy savings on a 'per square metre installed basis' are 86.9kWh/annum for gas heated homes and 86.7 KWh for oil heated homes of solid wall construction. These savings are attributable to panels installed behind radiators on external solid brick walls.

The above data is based on measurements on a panel with a reflective surface. Panels are available which do not have a reflective surface, in which case its effect on energy saving should be taken as one half of the above value.

Radiator panel energy savings should be calculated on a 'per panel' basis. This calculation requires the assessment of the area of the reflective radiator panel, which should then be applied to the data shown above. For example, a panel with a surface area of 0.3 square metres would achieve energy savings of 26kWh when installed.

In submitting such schemes, the scheme submission spreadsheet assumes the number of panels required per property type; therefore, the Primary Bidder must enter the number of properties as opposed to the number of panels, allowing the overall scheme savings to be calculated correctly.

A measure lifetime of 10 years should be assumed for radiator panels.

1.6 Solid Wall Insulation

Energy saving figures are available from the Energy Saving Trust for a variety of different solid wall insulation products and for a range of target U-values.

Solid wall installation (internal or external) is typically installed to achieve U-values of 0.30 W/m²K.

The lifetime of solid wall insulation is 36 years.

The following technical standards and specific requirements apply and solid wall insulation materials must conform to the following British or European Standards:

BS EN 13914-1:2016 – 'Design, preparation and application of external rendering and internal plastering – Part 1: External rendering.' This standard specifies the materials, aspects of design, mixes and methods of application of cement-based renderings to all common types of new and old backgrounds. It also includes advice on the inspection and repair of defective renderings.

BS 8212:1995 – 'Code of practice for dry lining and partitioning using gypsum plasterboard.' This standard contains recommendations for materials, design backgrounds and insulation of dry lining to walls, ceilings and partitioning.

When solid wall insulation is composed of material for which no British or European Standard exists, the material must be certified by the British Board of Agrément (BBA), or another UKAS Accredited Technical Approval Body for their thermal performance.

Guidelines

Guidelines for solid wall insulation (of an existing wall) recommend an improvement to the U-value of 0.30W/m²K in line with Building Regulations.

Further details are provided in the following publication:

<http://www.buildingcontrol-ni.com/assets/pdf/TechnicalBookletF12012.pdf>

2.0 LIGHTING MEASURES

2.1 LED Lighting

LED lighting that is suitable for domestic applications is being developed by a wide range of manufacturers. The most common LED products available are replacements for existing halogen reflector lamps (spotlights). The benefits are low power consumption and an extremely long lifetime. Compact Fluorescent Lamps (CFLs) in domestic properties and halogen lamps are no longer eligible measures under NISEP. LED bulbs installed via NISEP should be A+ rated.

Schemes that plan to install LED lamps should ensure that the performance of the lamps meets the requirements of this Standard: 2009/125/EC Eco design requirements for directional lamps, light emitting diode lamps and related equipment. Primary Bidders should contact the Programme Administrator if guidance on the suitability of specific products is required.

In the scheme submission spreadsheet, there is a 'lighting inputs' tab. For domestic schemes, the replaced lamp wattage assumed will be standardised at 60W and the assumed lamp usage per year will also be standardised at 577 hours. The Primary Bidder will only be required to input the anticipated 'new lamp wattage' and 'lamp lifetime hours', 'number of bulbs' to be installed along with the relevant costings. To support lighting replacement for Priority Domestic Schemes, the wattage of the bulbs installed will be captured in the master claim spreadsheet. The original bulb being replaced is assumed at 60W. At PIR stage the Primary Bidders will report on the actual 'lamp lifetime hours' as displayed on the product spec of the lamps purchased and installed and support the lamp wattage as recorded in the master claim spreadsheet. Where the life status is shown as 'ongoing' the manufacturer's claimed lifetime (i.e. as shown on the packaging) should be entered.

This will then calculate the saving per lamp.

Primary Bidders must also enter the number and cost per lamp into the relevant cells.

Commercial LED schemes should have savings calculated based on the on-site survey that will include operating hours, wattage of new lamps and wattage of old lamps etc. These should be entered manually into the electrical inputs tab, with all background calculations detailed on the further breakdown tab.

However, for Commercial Lighting schemes, not all lighting on a site will be used for the same amount of time so there could be many individual calculations required at a given site. Therefore for all Commercial Lighting Schemes, lifetime years should be based on approx. running hours. For sites with broadly continuous operations: Enter energy savings over a 9 year lifetime and for sites with up to 12 hours operations per day: Enter energy savings over a 20 year lifetime. Primary Bidders must provide the rationale of site mix entered.

For schemes installing variable speed drives, compressors or other energy efficient technology, the measure lifetime entered into the scheme submission spreadsheet must be based on the manufacturer's declared lifetime (in hours) divided by the operational hours of the site, with a maximum accepted lifetime of 15 years. For example, a site operating for 8,000h per year receiving a variable speed drive with a rated lifetime of 100,000h would claim savings over a lifetime of 12.5 years

(100,000 / 8,000). Again, Primary Bidders must be able to provide background and supporting documentation for lifetime years entered. Primary Bidders should contact the Programme Administrator in advance of scheme submission for further advice and guidance on lifetime years.

3.0 HEATING MEASURES

3.1 Boilers

Any new boiler provided by a NISEP scheme should be gas fired wherever gas is available to fuel it. Primary Bidders must ensure that scheme criteria states that if gas is available it will be installed. Please ensure your scheme application form and T&C's reflect this. Oil should only be provided in exceptional circumstances in an 'on-gas' area. Customers in off-gas areas, with no existing central heating i.e., where a solid fuel fire or electric room heater is used as the Primary heat source, can only convert to other forms of electric heating.

Schemes replacing old oil boilers should ensure that the make, model type and age of the boiler is recorded.

Boilers installed in schemes must be 'A' rated. A database of boiler efficiency can be found at:

<https://www.ncm-pcdb.org.uk/sap/searchpod.jsp?id=17>

It indicates the energy efficiency of all currently available boilers.

The lifetime assumed for boilers is 15 years.

Several British Standards also apply:

BS 5440-1:2008 –Flueing and ventilation for gas appliances of rated input not exceeding 70 kW net (1st, 2nd and 3rd family gases). Specification for installation of gas appliances to chimneys and for maintenance of chimneys.

BS 5440-2:2009 **BS 5440** Part 2: 2000 – 'Flueing and ventilation for gas appliances of rated input not exceeding 70 kW net (1st, 2nd and 3rd family gases). Specification for the installation and maintenance of ventilation provision for gas appliances.

BS 6798:2014 –'Specification for selection, installation, inspection, commissioning, servicing and maintenance of gas-fired boilers of rated input not exceeding 70 kW net.

BS 7671:2018+A1:2020 – Requirements for Electrical Installations. IET Wiring Regulations

BS EN 14336:2004 - Heating systems in buildings. Installation and commissioning of water based heating systems.

BS EN 12828:2012+A1:2014 - Heating systems in buildings. Design for water-based heating systems.

BS EN 12831-1:2017 - Energy performance of buildings. Method for calculation of the design heat load. Space heating load, Module M3-3.

Primary Bidders must adhere to all legislation pertaining to back boilers to which Primary Bidders are legally obligated to comply with. Please refer to the relevant Building Control legislation and the Health & Safety Executive: <https://www.hse.gov.uk/services/localgovernment/boilers.htm>

It is the Primary Bidder's responsibility to meet all required standards regarding the safety of back boilers.

For further guidance please refer to the domestic heating compliance guide:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/697525/DBSCG_secure.pdf

3.2 Heating Controls

The Submission Spreadsheet enables the calculation of energy savings for smart heating controls referred to as 'Intelligent Heating Controls' within the spreadsheet. The savings are calculated by entering the existing controls scenario before installation, and then entering the type of heating controls installed by the scheme.

The spreadsheet assumes one 'package' for smart controls Package C/D/E to Package F (replace Room Stat with Intelligent heating control)*.

Installations will meet the standards outlined in the guidelines to the Northern Ireland Building Regulations 2012.

<http://www.buildingcontrol-ni.com/regulations>

In addition, heating controls must all be installed in line with:

BS 7671:2018 – 'Requirements for electrical installations, IEE wiring regulations, 17th Edition'

BS EN 14336:2004 - Heating systems in buildings. Installation and commissioning of water based heating systems

BS EN 12828:2012+A1:2014 - Heating systems in buildings. Design for water-based heating systems

BS EN 12831-1:2017 - Energy performance of buildings. Method for calculation of the design heat load. Space heating load, Module M3-3

Best Practice guidelines

A lifetime of 15 years is assumed for heating controls.

The Scheme Submission Spreadsheet should be used to calculate the energy savings from heating controls. The spreadsheet contains savings options for either installing heating controls in tandem with a new boiler or installing controls only.

The numbers of each type of control package to be installed should be entered and the results are linked automatically to the summary page.

TRVs should be fitted on all radiators in a dwelling except in rooms where there is a room thermostat. The number of TRVs that can be fitted in a dwelling is dependent on a number of factors such as the number of rooms and the number of radiators present. The savings are based on the house type and bedrooms entered.

3.4 Disposal of Oil Tanks

Primary Bidders must adhere to NIEA's guidance on 'the disposal of oil tanks in a controlled manner' which came into effect from 1st January 2020.

Primary Bidders must consider the following: if the customer wishes to keep possession of the oil tank, according to NIEA, this is accepted, as it is not being discarded as waste, with the important proviso that any residual oil in the tank is drained off for use directly as heating oil or disposed of to an authorised facility. The installer must record that the customer has opted to retain the tank.

Primary Bidders should also support priority customers and signpost them to organisations to aid with the drainage of oil before the planned install date to ensure they can adhere to the guidance.

If the oil tank has already been disposed of before a gas installation, the customer may be in breach of the existing Hazardous Waste Regulations (Northern Ireland) 2005, if there is no record that the tank has been disposed of to an authorised waste facility. It must then be recorded by the installer that there was no oil tank in situ when the gas installation was performed. Please seek further guidance from DAERA if this situation arises. **Evidence may be requested at audit.**

For guidance on the safe disposal of oil tanks, please refer to the DAERA site. It is the Primary Bidder's responsibility to meet all required standards regarding the safe disposal of oil tanks.

5.0 RENEWABLE ENERGY SCHEMES

This section provides information on factors considered when quantifying the benefits of installing micro generation measures. This section will not provide energy saving data for all micro generation measures. The Energy Saving Trust undertakes field trials of micro generation measures and is continually updating energy saving assumptions based on the results.

If your scheme submission includes solar thermal panels (solar heating panels), photovoltaic panels (solar electricity panels) or heat pumps, then there is a separate renewable scheme submission spreadsheet that will allow you to calculate your standardised savings and calculate actual impact during the post installation review (PIR) stage. The spreadsheet will output the savings and costs which you can copy into the main SSS where it will be added to the results.

The calculations in the renewables scheme submission spreadsheet uses weighted average energy savings in the standardisation section. This means that the savings take into account Northern Ireland's house type mix and fuel type mix resulting in a single energy saving for each of the three renewable types. The post installation report (PIR) section calculates the savings according to the house type, fuel type and bedroom number selected allowing for more bespoke savings to be outputted. All energy prices and carbon factors used in the tool are updated in line with main scheme submission spreadsheet assumptions.

Solar thermal panels (solar heating panels)

Savings are based on Energy Saving Trust's field trial data.

Photovoltaic panels (solar PV, solar electricity panels)

Savings within the tool are based on a 4kWp system assuming the occupants are in the household from 6pm per day. The savings represent the reduction of electricity needed to be imported in from the electricity grid, it does not include any export payments.

Heat pumps

Savings are based on modelling that assumes an SPF of 3 and the heating distribution system running at a flow temperature of 45 degrees Celsius. The oil or gas heating systems being replaced by a heat pump is assumed to be an F or G rated boiler (75% efficiency).

The Microgeneration Certification Scheme (MCS) has been set up to ensure that the quality of micro generation products and their installation is of an appropriate standard.

Micro generation products installed in NISEP schemes must be accredited by the MCS and they must be installed by a MCS accredited installer. (SolarKeymark products are considered to be equivalent to MCS and therefore are also allowed).

Further details on the MCS can be found at the following web link:

<http://www.microgenerationcertification.org>

Heat Pump products should be listed on the European Energy Labelling Directive as well as being MCS accredited.

Installers should refer to the Domestic Heating Compliance Guide

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/697525/DBSCG_secure.pdf

Installers should also be signed up to the Renewable Energy Consumer Code further details of which can be found at:

<http://www.recc.org.uk>

Please contact the Programme Administrator for advice on renewable energy measures that may be considered for inclusion in NISEP schemes and for guidance on their installation.

6.0 OTHER RELEVANT LEGISLATION

The following legislation (not an exhaustive list) may or may not apply to works carried out during a NISEP scheme.

The legislation can be reviewed at the following website: <http://www.hmsso.gov.uk>

It is the responsibility of each Primary Bidder to ensure that they have carried out their schemes in accordance with appropriate legislation.

Construction (Health Safety & Welfare) Regulations 1996

These regulations are aimed at protecting the health, safety and welfare of everyone who carries out construction work. They also give protection to other people who may be affected by the work.

Health and Safety at Work Act 1974

(HASAWA) provides a wide, embracing, enabling framework for health, safety and welfare in the UK.

Construction Design and Management (CDM) Regulations 1994

These regulations have been produced to ensure that Health, Safety and Environmental issues are addressed during the life-cycle of a building or plant.

Control of Substances Hazardous to Health 1994 (COSHH)

This legislation prohibits work involving exposure to hazardous materials (chemicals, micro-organisms, gases, etc.) unless a 'suitable and sufficient' assessment of these exposures has been carried out.

Noise at Work Regulations 1989

These regulations aim to protect workers from the risk of hearing damage due to excessive noise.

Electricity at Work Regulations 1989

The purpose of these regulations is to ensure precautions are taken against the risk of death or personal injury from electricity in work activities.

Environmental Protection Act 1990

The aim of this Act is to ensure that any potential polluting process has an authorisation from either the Environment Agency or Local Authority and that control measures are in place to prevent, minimise or render harmless emissions into the surrounding environment.

Ozone depleting substances (ODS) regulation 2000

This regulation affects users, producers, applicants, maintenance and servicing engineers, and those involved in the disposal of all ODS. These include

chlorofluorocarbons (CFCs), hydro chlorofluorocarbons (HCFCs), halons, 1,1,1 trichloroethane, carbon tetrachloride and bromochloromethane (CBM). These substances are mainly used in refrigeration, air-conditioning, foam blowing, as solvents and in fire-fighting.

Appendix 4

Role of the Programme Administrator and Relationship with the Utility Regulator

APPENDIX 4 - ROLE OF THE PROGRAMME ADMINISTRATOR AND RELATIONSHIP WITH THE UTILITY REGULATOR

Appointment of the Programme Administrator

Under the terms of the Northern Ireland Electricity Networks Ltd. (NIE Networks) Licence the Northern Ireland Authority for Utility Regulation (the Utility Regulator) may appoint a Programme Administrator to oversee the detailed operation of the Northern Ireland Sustainable Energy Programme (NISEP). The role of Programme Administrator is defined by Condition 43 of the NIE Networks plc licence.

Role of the Programme Administrator

The role of the Programme Administrator and the relationship with the Utility Regulator will be formalised by an agreement/contract. The Programme Administrator (PA) must carry out the role defined in the agreement covering the broad areas as set out below:

1. General Administration and Review of NISEP

- Providing an annual plan, at the start of April, to the Utility Regulator for ensuring the availability of sufficient trained staff, and appropriate administrative arrangements to deliver the service as detailed below;
- Developing and maintaining appropriate and detailed administrative processes and template documents for management of the NISEP, including the development of new processes and documents as required;
- Developing, maintaining and updating Primary Bidder and Energy Saving Trust tracking spreadsheets to contain summary information of schemes for each NISEP year. Tracking spent and unspent funds to ensure there is no overall overspend of NISEP funds and that under-spend is reduced as far as possible;
- Assisting the Utility Regulator in developing the NISEP and, if required, putting forward proposals for appropriate energy saving targets, incentive mechanism, revisions to the rules and procedures etc. This will include an annual review of the operation and performance of the Programme including the types of schemes allowed;
- Undertaking other related activities as reasonably required by the Utility Regulator in relation to the NISEP. Where work is additional to that carried out under this agreement and is reasonably expected to incur additional costs, this must be agreed by both parties before the costs are incurred.
- Completing a review following NISEP close in 2025 that evaluates the overall success of the programme. The report should be forwarded to the Utility Regulator by the end of March 2026 and include metrics on the various measures installed, financial benefits to customers and the associated energy and carbon savings. This report will also include an overall assessment of the programme and customer satisfaction along with lessons learned for future energy efficiency schemes.

2. Liaison with Primary Bidders and registration of new applicants

- Advising potential applicants on the Primary Bidder registration process and criteria to be met;
- Processing applications for registration of Primary Bidders and keeping a record of their applications;
- Endorsing applicants who meet the criteria for Primary Bidder registration as laid out in the Framework Document and recommending to the Utility Regulator for approval;
- Providing ongoing advice and guidance to registered Primary Bidders throughout all stages of the design, implementation and reporting of schemes, including but is not limited to the following:
- Providing points of clarification to ensure Primary Bidders are adhering to the Framework Document.
- Regularly liaise or hold frequent meetings with Primary Bidders to ensure they are meeting their contractual requirements.
- Liaising with Primary Bidders within the scheme year on quality monitoring issues.
- Manage outside enquires from parties interested in NISEP.
- Engage with outside stakeholders interested in NISEP such as the PHA funded Energy Efficiency Advisors, NEA and NIHE Energy Efficiency Grants team.
- Deliver a seminar or host one-to-one sessions for Primary Bidders, as required, during the “call for schemes” phase to explain NISEP scheme submission requirements and processes.

3. Review and Updating of Framework Document

- Maintaining and updating the NISEP Framework Document on an annual basis, including relevant appendices. This includes re-evaluation of the incentive mechanism where necessary and the method of calculating the cost effectiveness targets, updating figures in tables as appropriate and any other updates deemed necessary to the content of the Framework Document. Maintain the standardised approach to a number of key assumptions in the Scheme Submission Spreadsheet for submitting bids through the Scheme Submission process;
- Evaluating and recalculating the cost effectiveness targets for each category of scheme on an annual basis, and within year if necessary, using the method described in section 3.6 of the Framework Document or as agreed with the Utility Regulator.

4. Evaluation and Monitoring of Schemes

- Maintaining a model (the model and associated intellectual property belong to Energy Saving Trust), using Excel, for calculating energy savings and other benefits from schemes such as carbon savings and gross customer financial benefits. The model must be suitable for use by Primary Bidders to facilitate scheme development, submission and reporting and incorporate the calculation of energy savings and other benefits from schemes. The spreadsheet must be capable of calculating the energy savings in terms of discounted lifetime energy savings (GWh) as per the Framework Document but also capable of meeting the reporting requirements of the Energy Efficiency Directive¹ i.e. gross calorific annual savings (TWh). Providing a demonstration of the workings of the model to the Utility Regulator when requested to do so;
- Providing technical advice to Primary Bidders to assist in scheme development, to include training on the use of the model spreadsheet;
- Receiving scheme submissions from Primary Bidders with all the necessary associated documentation and information, to include a summary submission form;
- Liaising with Primary Bidders as necessary to ensure the requirements of the Framework Document have been met in the development of each scheme;
- Assessing and endorsing scheme submissions and associated supporting documentation with reference to criteria laid out in the Framework Document, to include verification and validation of scheme proposals, cost-effectiveness of schemes and energy savings to be expected. Forwarding recommendations for award of funding to Utility Regulator for final approval (excluding assessment of VAT treatment by Primary Bidders);
- Ongoing assessment of progress of approved schemes with reference to the Framework Document. Overseeing the scheme variation process including endorsing proposed variations that are consistent with the Framework Document and where appropriate forwarding to Utility Regulator for approval;
- Assessing and processing monthly payment claims, with proof of work done, from Primary Bidders as outlined in section 2.5 of the Framework Document to include a sample size of 20%. (Excluding assessment of VAT treatment by Primary Bidders.)
- Receiving and analyzing the three month statement, the five-month and eight-month interim progress reports from Primary Bidders and post-implementation reports for all schemes, with associated information, ensuring schemes are delivered as per approved submission/scheme variation;

¹ Directive 2012/27/EU of the European Parliament and of the Council on Energy Efficiency
NISEP 23/25 Framework Document V1.1

- Ensuring final energy savings claimed for schemes are calculated correctly and adjusted if necessary in line with the parameters set out in the Framework Document. Liaising as required with Primary Bidders to ensure any queries are sorted out, any duplicate claims are removed and any monies claimed in error are returned before forwarding post-implementation reports to Utility Regulator for approval;
- Calculating incentives earned by Primary Bidders, as appropriate, using overachievement on energy saving targets and ensuring that there is no double counting of energy savings as per section 3.6 of the Framework Document;
- Monitoring the NISEP budget and ensuring timely identification of pressures and easements;
- Maintain the standardised approach to a number of key assumptions in the Scheme Submission Spreadsheet for submitting bids through the Scheme Submission process.
- Undertake duplicate checks in year and across NISEP years between all NISEP schemes on a monthly and annual basis once PIRS have been submitted, liaising with Primary Bidders where relevant on duplicates found to resolve the duplicate or until a refund has been made.
- Liaise with NIHE and Invest NI on duplicate checks between NISEP and other Government funded schemes on at least a quarterly basis, using a secure mode of transfer of NISEP data to the relevant bodies for checking.

5. Maintaining Records, Auditing and Reporting

- Keeping and maintaining, in an easily accessible manner, adequate records of all approved and unapproved schemes and associated documentation. Holding records and associated data for all schemes currently and previously undertaken including scheme submissions, scheme variations, interim reports, outputs in terms of measures installed and energy savings and funding spent. Also retaining all other NISEP related records required to perform the activities associated with the PA role, for seven years from the end date of the individual scheme year, as per the Data Sharing Agreement between the Utility Regulator and Energy Saving Trust All scheme records and data must be handed over to the Utility Regulator at the end/termination of the PA Heads of Agreement and the PA will no longer retain any NISEP documents after termination;
- Providing the Utility Regulator with monitoring information on the geographical spread of domestic measures funded by NISEP, reported as a percentage split of measures per District Council Area;
- Providing additional analysis and statistics relating to NISEP schemes as reasonably required by the Utility Regulator. If data other than that which Energy Saving Trust as Programme Administrator is required to hold, is requested by Utility Regulator, this may incur additional cost which must be agreed by both parties before the data is provided;

- Identifying where improvements to processes, procedures, data-capture and data accuracy can be made;
- Engaging an independent qualified auditor or accountant to: Carry out an audit on 100% of NISEP schemes (where NISEP funding has been claimed) from each Primary Bidder on an annual basis to verify that they have been delivered in line with the approved statement of method
- Prepare an audit report;
- Follow up on issues arising from audits and make recommendations for improvements to future schemes; and
- Provide assurance on the:
 - Number and scope of scheme audits and the standard to which they have been completed; and
 - Financial and administrative processes operated by Primary Bidders
 - Financial and administrative processes of the Primary Bidder,
 - Technical expert physical inspections. A technical expert can be engaged on a case by case basis and paid for separately by agreement in advance of the work being carried out.
- On an annual basis, sight based physical inspection will take place on a minimum of 20 random properties. The basis of the sight based physical inspection will be proposed by Energy Saving Trust each year for UR's agreement and will as a minimum verify that work claimed is completed.
- Operating a zero tolerance policy in relation to fraud in terms of both the undertaking of schemes by Primary Bidders and the administration of the Programme and maintain all necessary documents to ensure that any such incidents are identified and reported in a timely manner;
- Completing an annual report, in a format appropriate for publication, on the performance of the NISEP. This will include the results of all NISEP schemes implemented, a summary of overall savings achieved (as per the Framework Document), a summary of measures installed and the geographic spread of customers benefitting, an analysis of NISEP spend including incentives paid to participants and details of any relevant issues that arose during the year;
- Reporting the overall energy savings achieved by the NISEP both in terms of lifetime energy savings and the gross calorific annual energy savings (TWh) as required by the Energy Efficiency Directive.
- Provide an annual assurance to UR that Energy Saving Trust's internal administrative processes have delivered effective controls in relation to the NISEP. This can be done through Energy Saving Trust's internal administration process.

- On behalf of the Utility Regulator, the Programme Administrator evaluates all schemes submitted under NISEP against the relevant criteria, and provides technical advice to assist in scheme development. The Programme Administrator carries out audits of completed schemes to verify that they have been delivered in line with the approved statement of method.
- The Utility Regulator and the Programme Administrator will operate a zero tolerance policy in relation to fraud.
- In the instance of a whistleblowing allegation and/or the Utility Regulator or Energy Saving Trust have reason to believe that a fraud may have occurred, Energy Saving Trust will provide information and advice to UR to assist in the investigation.

The Programme Administrator will carry out the day to day administration and management of the NISEP as detailed above. However, the Utility Regulator will retain overall responsibility for the NISEP and final approval on all significant decisions.

The Programme Administrator is registered with the Information Commission as a Data Controller.

There is a Data Sharing Agreement in place between the Utility Regulator and the Programme Administrator.

Appendix 5

NISEP Accredence Document

APPENDIX 5 - NISEP ACCEDENCE DOCUMENT (THE AGREEMENT)

This Deed of Agreement must be executed by all Primary Bidders and delivered to the Programme Administrator by [xxxx 20xx].

Private & Confidential

DATED **20**

[xxxxxxxxxxxxxx] **(1)**

and

THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION **(2)**

NISEP ACCEDENCE DOCUMENT
(THE AGREEMENT)

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THIS DEED OF AGREEMENT is made this [xx] day of [xxxxxxx] 20[xx]

BETWEEN:

- (1) [xxxxxxxxxxx][*delete as appropriate*: a company limited by shares and incorporated/a company limited by guarantee and incorporated / a charity registered / a statutory organisation [Properly registered or incorporated in Northern Ireland or its country of origin] (registered number xxxxx) whose registered office is at [xxxxxxxxxxxxxxxxxxxxxx] (“**Primary Bidder**”); and
- (2) **The Northern Ireland Authority for Utility Regulation** a body corporate acting on behalf of the Crown whose address is at Queens House, 14 Queen Street, Belfast BT1 6ED (“**the Utility Regulator**”).

WHEREAS:

- (A) The Primary Bidder is an organisation which has been registered to offer energy saving and/or renewable measures in accordance with the Approved Schemes under the **NISEP**.
- (B) The Fund represents a limited amount of funding for the provision of sustainable energy measures for third parties.
- (C) On behalf of the **Utility Regulator**, the **Programme Administrator** administers and manages the **NISEP** and is responsible for ensuring the appropriate allocation of funding under the **NISEP**.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1 Definitions and Interpretation

1.1 In this Agreement, unless the context otherwise requires, the following words and expressions shall have the respective meanings set out below:

“Agreement” means this agreement including the Schedules appended to it.

“Approved Scheme” means each of those Schemes including any variations thereto which have been approved by the Utility Regulator in accordance with the Framework Document. Any Approved Scheme whether or not approved subsequent to the Date of Commencement shall form a separate Schedule to and be part of this Agreement. Schemes will initially be approved for 1 year, subject to assessment of satisfactory progress via the 8 month progress reports, schemes may be permitted to continue unchanged into year 2. Where this happens Primary Bidders will be informed by the eight-month progress report approval letter of scheme year 1.

“Business Day” means any day which is not a Saturday, a Sunday or a bank or public holiday in Northern Ireland.

“Competent Authority” means any court of competent jurisdiction and any local, national or supranational agency, inspectorate, minister, ministry, administrative or regulatory body, authority, official or public or statutory person (whether autonomous or not) of, or of the government of Northern Ireland, the United Kingdom or of the European Union.

“Confidential Information” means, those matters or information as set out in Clause 12.

“Date of Commencement” means the date of this Agreement.

“Direct Subsidies”	means the reimbursement for measures as specified in the Framework Document and representing the reimbursement of the reasonable cost of providing measures under Approved Schemes by the Primary Bidder. For the avoidance of doubt, Direct Subsidies excludes Indirect Costs.
“Directive”	means, Directive 2006/32/EC on energy end-use efficiency and energy services.
“Eligible Costs”	means in relation to an Approved Scheme, Direct Subsidies and Indirect Costs.
“Environmental Information Regulations”	means the Environmental Information Regulations 2004
EU State Aid Law	means the provisions of EU State aid law which apply within Northern Ireland pursuant to Article 10(1) of the Ireland/Northern Ireland Protocol on the UK-EU Withdrawal Agreement 2018
“Framework Document”	means the document entitled the Framework for Northern Ireland’s Energy Efficiency Levy Programme prepared by the Energy Saving Trust on behalf of Utility Regulator dated January 2023 or any document which supersedes such document.
“Force Majeure”	means, in respect of a Party, an event outside the reasonable control of that Party affecting its ability to perform any of its obligations under this Agreement including Act of God, fire, flood, lightning, war, armed hostilities, revolution, act of terrorism, riot or civil commotion, but excluding industrial action or failures of suppliers.
“FOIA”	means the Freedom of Information Act 2000, and any subordinate legislation made under the Act from time to

time, together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation.

- “Fund”** means a fund, established by Northern Ireland Electricity plc (or the successive holder of its electricity transmission licence), for such period and amount as may be specified in the Framework Document for the purpose of subsidising the operation and delivery of improvement measures in accordance with NISEP.
- “Funding”** means the application of NISEP funds to the Primary Bidder in accordance with this Agreement.
- “Good Industry Practice”** means, in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;
- “Incentive”** means a payment to the Primary Bidder in respect of that Primary Bidder achieving a level of energy savings (GWh) which is greater than the energy saving target set according to the level of funding spent and the target cost effectiveness for the category of measure and calculated in accordance with the Framework Document.
- “Indirect Costs”** means scheme management and other indirect costs which have been reasonably and efficiently incurred by the Primary Bidder specified in the Approved Schemes.
- “Law”** means any statute, directive, statutory instrument, regulation, order or equivalent legal instrument, or any binding decision of a Competent Authority.
- “NISEP”** means the energy efficiency programme known as the Northern Ireland Sustainable Energy Programme which is

designed to promote energy efficiency measures and/or the use of renewable technologies and is approved by the Utility Regulator (or any successor or alternative energy efficiency programme which the Utility Regulator may from time to time approve).

“Party”

means either of the Primary Bidder or the Utility Regulator (and “Parties” shall mean both of them).

“Post-Implementation Report”

means the report submitted to the Project Administrator which confirms outturn results of the approved Scheme in scheme year one and two including but not limited to final spend, final number of measures carried out and outturn energy savings.

“Eight month progress report Approval Letter of Scheme Year One”

means the approval letter from the Utility Regulator to the Primary Bidder following satisfactory completion of the eight month progress report to satisfy their continuation into scheme year two.

“Post-Implementation Report Approval Letter of Scheme Year Two”

means the approval letter sent from the Utility Regulator to the Primary Bidder following satisfactory completion of the Post-Implementation Report.

“Programme Administrator”

means any legal or natural person who has been appointed by the Utility Regulator for the purposes of administering on the Utility Regulator’s behalf part or all of the NISEP in the terms expressed in the Framework

Document or any other contract or agreement concluded with that person.

“Project” means the delivery of the Approved Schemes collectively according to this Agreement by the Primary Bidder.

“Request for Information” means a request for information under either the FOIA or the Environmental Information Regulations.

“Scheme” means those group of energy saving and/or renewable measures and their delivery mechanisms proposed by the Primary Bidder and described in the Scheme Submission.

“Scheme Submission” means details of each Scheme as submitted to the Programme Administrator by the Primary Bidder.

“Subsidy Control Act” means the provisions of the Subsidy Control Act 2022 and any implementing legislation.

1.2 In this Agreement, except to the extent that the context otherwise requires:

- (a) reference in the singular shall include references in the plural (and vice versa) and words denoting natural persons shall include corporations and any legal entity (and vice versa);
- (b) the words and phrases **“other”**, **“including”** and **“in particular”** shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible;
- (c) references to a particular Clause or Schedule are references to that clause of, or schedule to, this Agreement;
- (d) any reference to **“this Agreement”** or to any other agreement or document is a reference to it as amended, supplemented, novated or superseded from time to time and includes a reference to any document which amends, is supplemental to, novates, or is entered into made or given pursuant to or in accordance with any terms of it;

- (e) references to any legislation, statute, statutory instrument, regulation or order (or any provision thereof) shall include (i) any subordinate legislation made under it, (ii) any provision which it has modified or re-enacted, and (iii) any provision which subsequently supersedes it, supplements it, or re-enacts it (with or without modification);
 - (g) the headings are inserted for convenience only and are to be ignored for the purposes of construction; and
 - (h) reference to “Primary Bidder”, “Northern Ireland Electricity plc” or to “the Utility Regulator” shall include reference to their respective successors, reference to the respective persons to whom they transfer this Agreement in accordance with its provisions, and (to the extent commensurate therewith) reference to the respective persons to whom they assign and/or sub-contract their rights and/or obligations under this Agreement in accordance with its terms.
- 1.3 Where no time period is specified for performance of any obligation under this Agreement, the obligation shall be required to be performed within a reasonable period of time.
- 1.4 If there is an inconsistency between any provisions of this Agreement and the NISEP Framework Document or between the Agreement and any of its schedules, then the provisions of this Agreement shall prevail.
- 1.5 Upon a Scheme Submission becoming an Approved Scheme it shall be incorporated as a schedule to this Agreement and shall form part of it.
- 1.6 No variation to an Approved Scheme shall be valid unless it has either been approved in accordance with or allowed for under the Framework Document.
- 1.7 Subject to clauses 1.5 and 1.6, this Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous drafts, agreements, arrangements and understandings between them, whether written or oral, relating to its subject matter.

2 Commencement and Duration

- 2.1 This Agreement shall commence on the Date of Commencement and shall continue in force until it is terminated in accordance with this Agreement.

3 The Project

- 3.1 The Primary Bidder shall use best endeavours to implement and complete the measures in accordance with and as set out in the Approved Schemes.
- 3.2 The Primary Bidder shall comply with the requirements on it as set out in the Framework Document and shall operate at all times according to Good Industry Practice.

4 Information

- 4.1 The Primary Bidder shall ensure that all information provided under this Agreement including any Scheme Submission, is reliable, accurate and complete, and complies with the requirements of the Framework Document.
- 4.2 The Primary Bidder shall furnish the Programme Administrator and the Utility Regulator with such information or documents relevant to the NISEP as they may in their discretion require, including but not limited to:
 - (a) written progress reports of the Project as and when requested by the Programme Administrator, such reports to be satisfactory to the Programme Administrator;
 - (b) technical progress reports on the Project as and when requested by the Programme Administrator, such reports to be satisfactory to the Programme Administrator; and
 - (c) any information required under the Framework Document.
- 4.3 The Primary Bidder shall notify the Utility Regulator and the Programme Administrator promptly if the implementation or execution of the Project is suffering significant delays or if an event of Force Majeure is occurring or has occurred.
- 4.4 The Primary Bidder shall at all times accurately maintain all books, accounts and records required by law (whether in the United Kingdom or otherwise) and in accordance with Good Industry Practice.

5 Inspection

- 5.1 In order to ensure the proper and effective utilisation of the Fund, the Primary

Bidder shall permit the Programme Administrator and the Utility Regulator (or such duly authorised agent of either) to enter the premises of the Primary Bidder during normal working hours (unless a statutory or regulatory obligation requires entry outside of these hours) to inspect any asset and any accounting or other record in respect of any funding which has been paid or may become payable in connection with the Approved Scheme and to review and, if applicable, copy the same.

6 Funding of Eligible Costs and Incentives

- 6.1 Subject to the terms of this Agreement, the Utility Regulator shall authorise a payment of Funding from the Fund in respect of Eligible Costs in relation to the amounts specified in the Approved Schemes only.
- 6.2 The Utility Regulator shall have the right to set-off any amount in respect of monies due to the Fund from the Primary Bidder, against any monies to be authorised for payment to the Primary Bidder.
- 6.3 In respect of Eligible Costs, the Utility Regulator shall authorise the release of a payment within 30 Business Days of the dates set out in the Framework Document and receipt of the following:
 - (a) a valid statement specifying the relevant amount of Funding; and
 - (b) satisfactory evidence of completion of the work as required by the Framework Document; and
 - (c) valid endorsement by the Programme Administrator.
- 6.4 Subject to the terms of this Agreement, the Utility Regulator shall authorise a payment from the Fund in favour of the Primary Bidder in respect of Incentives within 30 Business Days of the Utility Regulator issuing a Post-Implementation Report Approval Letter. Incentives shall be calculated in accordance with the Framework Document.
- 6.5 The Utility Regulator may in its absolute discretion reduce any Incentive payable in respect of an Approved Scheme in line with 3.6 of the Framework Document or where the Primary Bidder has failed to achieve the required standards of either customer satisfaction or quality to a material extent and which has not been satisfactorily remedied, as set out in the Framework

Document.

- 6.6 Any payment in favour of the Primary Bidder under this Agreement may be subject to an audit or review and may be adjusted or recovered based on the results of such audit or review.

7 Conduct of the Project

- 7.1 The Primary Bidder shall ensure that Approved Schemes are implemented and conducted in a manner that is compliant with any applicable law.

- 7.2 The Primary Bidder shall use all reasonable endeavours to ensure that Approved Schemes are implemented and conducted in a manner so as to be consistent with the requirements on the Utility Regulator in law in relation to:

(a) EU State Aid Law;

(b) the Subsidy Control Act; and

(c) Article 6 of the Directive.

8 Project Completion

- 8.1 Upon completion of the Project, the Primary Bidder shall issue a Post-Implementation Report to the Programme Administrator for review.

- 8.2 Following completion of that review and once the Utility Regulator is satisfied that the Primary Bidder has completed the Project in accordance with the terms of this Agreement and the Framework Document, it shall issue depending on the applicable scheme year either a Post-Implementation Report Approval Letter of Scheme Year One or a Post-Implementation Report Approval Letter of Scheme Year Two to the Primary Bidder and an authorisation for any payment of Funding which is due, not to be unreasonably withheld.

9. Suspension of Payments

- 9.1 The Utility Regulator may suspend authorisation of any payment without notice, in addition to any other remedy under this Agreement or in Law, in the following circumstances:

(a) When the Utility Regulator has reason to believe or suspect that any of

the following apply:

- (i) any payment under this Agreement has been deemed or is likely to be deemed aid under EU State Aid Law or a subsidy under the Subsidy Control Act;
 - (ii) the Primary Bidder has breached any term of this Agreement;
 - (iii) fraud or misuse of Funding in respect of an Approved Scheme has occurred;
 - (iv) the actions or omissions of the Primary Bidder, or the terms or manner of implementation of an Approved Scheme, have the effect that the Utility Regulator may reasonably be said to be, or to be likely to become, in breach of any requirement of Law.
- (b) There is an ongoing criminal investigation in relation to any aspect of the NISEP.
 - (c) The Primary Bidder has notified the Utility Regulator or the Programme Administrator that an event of Force Majeure has occurred or is occurring.

9.2 In any case where:

- (a) a breach by the Primary Bidder of its obligations under this Agreement is capable of remedy and without giving rise to concern over the future management of the Project that breach is remedied within a reasonable period notified to the Primary Bidder by the Utility Regulator; and
- (b) such breach is the sole reason for the exercise of the Utility Regulator's right to cease making payments in accordance with clause 9.1,

the Utility Regulator shall reinstate the authorisation of the Funding.

10 Return of Funding

10.1 The Utility Regulator may require the Primary Bidder to promptly repay to the Fund such proportion of the Funding as the Utility Regulator may reasonably specify in writing in the following circumstances:

- (a) the Primary Bidder commits a material breach of this Agreement and fails to remedy the breach within 20 Business Days of notice requiring it to do so;
- (b) the Primary Bidder withdraws from an Approved Scheme or otherwise ceases to proceed with the Project, and does not recommence the Project within 20 Business Days of a notice requiring it to do so;
- (c) there is reason to suspect corruption or fraud in relation to any of the Funding provided to the Primary Bidder;
- (d) the Funding is held to be incompatible with EU State Aid Law or the Subsidy Control Act.

10.2 Where any sums are repayable to the Fund under the provisions of this Clause 10 and the Primary Bidder has failed to comply with any requirement under this Agreement, the Utility Regulator shall be entitled to recover from the Primary Bidder the reasonably incurred costs of the Utility Regulator in establishing the Primary Bidder's repayment liability and in recovering the sums due.

10.3 Neither failure to exercise nor any delay in exercising any right, power, privilege, or remedy under this Agreement shall in any way impair or affect the exercise thereof or operate as a waiver in whole or in part.

10.4 No single or partial exercise of any right, power, privilege or remedy under this Agreement shall prevent any further or other exercise thereof or the exercise of any other right, power, privilege or remedy.

11 Termination

11.1 This Agreement shall terminate 20 Business Days after the issue of the Post-Implementation Report Approval Letter of Scheme Year Two to the Primary Bidder.

11.2 The Utility Regulator may also terminate this Agreement at any time in the following circumstances:

- (a) The Primary Bidder commits a material breach of any of its obligations under this Agreement which in the view of the Utility Regulator is incapable of remedy;

- (b) The Primary Bidder fails to remedy or persists in any breach of any of its obligations under this Agreement (other than as referred to in (a) above) after having been required in writing to remedy or desist from such breach within a period of 20 Business Days;
- (c) If by the end of the period of three months from the date on which the schemes are approved the Primary Bidder has not initiated the Project to the reasonable satisfaction of the Utility Regulator;
- (d) An audit of the Primary Bidder's management or conduct in relation to any Approved Scheme or any funds paid to it fails to provide adequate and reasonable assurance to the Utility Regulator in respect of the proper administration of the Project and any NISEP funding (and for the avoidance of doubt this includes any NISEP-related conduct or funding paid prior to the Commencement Date);
- (e) An order is made or a resolution is passed or a petition is presented for the winding up of the Primary Bidder or circumstances arise which entitle a court of competent jurisdiction to make a winding-up order of the Primary Bidder;
- (f) An order is made for the appointment of an administrator to manage the affairs, business and property of the Primary Bidder or documents are filed with a court of competent jurisdiction for the appointment of an administrator of the Primary Bidder or notice of intention to appoint an administrator is given by the Primary Bidder or its directors or by a qualifying floating charge holder (as defined in paragraph 15 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989);
- (g) A receiver is appointed over any of the Primary Bidder's assets or undertaking or if circumstances arise which entitle a court of competent jurisdiction or a creditor to appoint a receiver or manager of the Primary Bidder or if any other person takes possession of or sells the Primary Bidder's assets;
- (h) The Primary Bidder makes any arrangement or composition with its creditors or makes an application to a court of competent jurisdiction for the protection of its creditors in any way;

- (i) The Primary Bidder becomes bankrupt and/or the Primary Bidder is unable to pay its debts within the meaning of Article 103 of the Insolvency (Northern Ireland) Order 1989 or any statutory modification or re-enactment thereof; or
- (j) The Primary Bidder enters a voluntary arrangement or composition with its creditors and/or distress or execution order is levied or Enforcement of Judgement Office proceedings are commenced against any of the property of the Primary Bidder or any similar proceedings are commenced in any other jurisdiction.
- (k) In the reasonable opinion of the Utility Regulator, the actions or omissions of the Primary Bidder, or the terms or manner of implementation of an Approved Scheme, have the effect that the Utility Regulator may reasonably be said to be, or to be likely to become, in breach of any requirement of Law.

11.3 Either Party may terminate this Agreement in an event of Force Majeure which has continued for longer than 40 Business Days and upon giving 10 Business Days' notice in writing.

11.4 Termination shall be without prejudice to any claim or right arising out of any breach of any obligation under this Agreement occurring before then and without prejudice to those clauses which are expressly (or by implication) intended to survive termination (including Clauses 14, 15, 16, 17, 18, 20, 21, 22 and 23).

12 Disclosure, publicity and confidential information

12.1 The Utility Regulator may publish details of the following:

- (a) amounts and types of Funding made available to the Primary Bidder under the Approved Scheme; and
- (b) the details of any application made under this Agreement; and
- (c) the details of outcomes for the year as contained within, but not limited to a Post Implementation Report;

at such times and in such manner as the Utility Regulator may decide.

- 12.1 The Primary Bidder may only publish or release details of any information and/or any application made under this Agreement with the prior written approval of the Utility Regulator.
- 12.2 The Primary Bidder shall render the Utility Regulator such assistance as the Utility Regulator may reasonably request in connection with any publicity which the Utility Regulator may deem appropriate in respect of the NISEP.
- 12.3 Any know-how or proprietary information including business plans and policies of the Primary Bidder provided to the Utility Regulator and marked confidential shall be treated as Confidential Information for the purposes of this Agreement.
- 12.4 The Utility Regulator shall make reasonable endeavours to ensure that Confidential Information herein is treated as confidential and accordingly shall not be disclosed to any other person or entity other than to its professional advisors who are subject to obligations of confidence or as required by law or to the Programme Administrator, without the prior written consent of the Primary Bidder.
- 12.5 The Primary Bidder acknowledges that any information required under either this Agreement or the Framework Document has not been obtained by virtue of the provisions of the Energy (Northern Ireland) Order 2003, Part II of the Electricity (Northern Ireland) Order 1992 or Part II of the Gas (Northern Ireland) Order 1996.
- 12.6 The Primary Bidder acknowledges that the Utility Regulator is subject to the requirements of FOIA and the Environmental Information Regulations and shall assist and co-operate with the Utility Regulator (at the Primary Bidder's expense) to enable the Utility Regulator to comply with these information disclosure requirements.
- 12.7 The Primary Bidder shall ensure that its sub-contractors performing obligations in connection with this Agreement shall:
 - (a) transfer any Request for Information to the Utility Regulator as soon as practicable after receipt and in any event within three days of receiving a Request for Information;
 - (b) provide the Utility Regulator with a copy of all information in its

possession or power in the form that the Utility Regulator requires within seven days (or such other period as the Utility Regulator may specify) of the Utility Regulator requesting that information; and

- (c) provide all necessary assistance as reasonably requested by the Utility Regulator to enable the Utility Regulator to respond to a Request for Information within the time for compliance set out in section 10 of FOIA or regulation 5 of the Environmental Information Regulations.

12.8 The Utility Regulator shall be responsible for determining in its absolute discretion whether any information:

- (a) is exempt from disclosure in accordance with the provisions of FOIA or the Environmental Information Regulations;
- (b) is to be disclosed in response to a Request for Information, and in no event shall the Primary Bidder respond directly to a Request for Information unless expressly authorised to do so by the Utility Regulator.

12.9 The Primary Bidder acknowledges that the Utility Regulator maybe obliged under FOIA or the Environmental Information Regulations to disclose Information:

- (a) without consulting with the Primary Bidder, or
- (b) following consultation with the Primary Bidder and having taken its views into account,

provided always that where this Clause 12.9(b) applies the Authority shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give the Primary Bidder advanced notice, or failing that, to draw the disclosure to the Primary Bidder 's attention after any such disclosure.

12.10 The Primary Bidder acknowledges that any lists or schedules provided by it outlining Confidential Information are of indicative value only and that the Authority may nevertheless be obliged to disclose Confidential Information in accordance with Clause 12.9.

13 Data Protection

13.1 Personal Data shall be defined as any information relating to an identified or identifiable natural person, including, but not limited to a person's name, surname, home address and date of birth.

13.2 To the extent that the Primary Bidder processes any Personal Data ("Company Personal Data") in connection with the performance of the Project under this Agreement, the Primary Bidder shall:

- a) fully comply with all applicable laws and regulations regarding data protection and personal privacy protection, including but not limited to the EU General Data Protection Regulation (GDPR);
- b) process Company Personal Data strictly for the purposes of performing the Project under this Agreement;
- c) process Company Personal Data in accordance with instructions;
- d) ensure that its personnel are authorised to access Company Personal Data and will respect and maintain the confidentiality and security of the Company Personal Data;
- e) implement appropriate technical and organisational measures to protect any Company Personal Data against accidental or unlawful destruction of accidental loss, alteration, unauthorised disclosure or access and provide a level of security appropriate to the risk represented by the processing and nature of Company Personal Data to be protected;
- f) retain Company Personal Data only for the period that is necessary to serve the purposes of this Agreement, unless the Primary Bidder is required to store Company Personal Data by law for a further period of time;
- g) obtain prior written consent from the Utility Regulator before transferring Company Personal Data to any third parties or sub-contractors in connection with the Project under this Agreement;

- h) only transfer Company Personal Data to countries outside the European Economic Area that ensure an adequate level of protection;
- i) promptly notify the Programme Administrator and the Utility Regulator of any accidental or unauthorised access no later than 24 hours after the Primary Bidder becomes aware of it; and
- j) promptly notify the Programme Administrator and the Utility Regulator of any legally binding request for disclosure of Company Personal Data by a law enforcement agency and/or any request received directly from individuals who the Company Personal Data relates (“Data Subjects”) before responding to that request, unless the Primary Bidder has been otherwise authorised to do so.

13.3 The Primary Bidder acknowledges that where they have collected information from their customers for the purposes of completing NISEP measures they are the controller of that Personal Data (“the Data Controller”) and shall fully comply with all applicable laws and regulations regarding data protection and personal privacy protection including but not limited to GDPR.

The Primary Bidder agrees to the lawful sharing of data with the Programme Administrator for the purposes of claiming NISEP funding, ensuring compliance with the NISEP framework document, auditing and reporting of NISEP outcomes. Where data has been passed to the Programme Administrator, the Utility Regulator will act as data controller of information received. The treatment of all data held by the Programme Administrator on behalf of the Utility Regulator will comply with all applicable laws and regulations regarding data protection and personal privacy protection including but not limited to GDPR.

The Primary Bidder will be responsible for the notification of any data breaches (in relation to the data for which they are the data controller) to the appropriate authority.

14 **Force Majeure**

14.1 If either Party is affected by an event of Force Majeure then the affected Party shall notify the other in writing giving details of the relevant matters and shall keep the other reasonably informed of events. The affected Party

shall take all reasonable steps to minimise the effects of the Force Majeure on the performance of its obligations under this Agreement.

- 14.2 The Primary Bidder shall not be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under the Project if such delay or failure result solely from an event of Force Majeure. In such circumstances the affected party shall be entitled to a reasonable extension of the time for performing such obligations by the Utility Regulator or Programme Administrator.

15 Partnership, agency and third parties

- 15.1 Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the Parties, constitute any Party the agent of another Party, nor authorise any Party to make or enter into any commitments for or on behalf of any other Party.

- 15.2 The Primary Bidder remains wholly liable under this Agreement for any conduct of partners, managers, sub-contractors or agents working on its behalf in relation to its obligations hereunder.

- 15.3 Any sub-contract, the costs of which are to be claimed as an Eligible Cost, must be awarded according to the principles of best value for money (best price-quality ratio), transparency and equal treatment (for information on what is acceptable see 1.6 of the Framework Document).

16 Documentation

- 16.1 The Primary Bidder shall retain all documentation relating to the Project for a period of seven years following termination and provide a copy of any documentation upon request to the Utility Regulator for the duration of that period.

- 16.2 The Primary Bidder shall provide a copy of such documentation to any Competent Authority upon request regarding any payment under the NISEP which may be considered aid under EU State Aid Law or a subsidy under the Subsidy Control Act by that Competent Authority.

17 Adequacy of damages

- 17.1 Except as expressly provided in this Agreement, the rights and remedies

provided under the Agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

- 17.2 Without prejudice to any other rights or remedies that the Utility Regulator may have, the Primary Bidder acknowledges and agrees that damages alone would not be an adequate remedy for any breach of the terms of this Agreement by the Primary Bidder. Accordingly, the Utility Regulator shall be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of this Agreement.

18 Liability and indemnity

- 18.1 The Primary Bidder shall, until twelve years from termination, indemnify, keep indemnified and hold harmless the Utility Regulator from all actions, claims, demands, liabilities, damages, costs, losses or expenses (including without limitation consequential losses, loss of profit, loss of reputation and all interest, penalties, legal and other professional costs and expenses) resulting from any action or omission by the Primary Bidder or those it engages to fulfil its obligations under this Agreement.
- 18.2 The Primary Bidder acknowledges that the Utility Regulator has no responsibility, financial or otherwise, for expenditure or liability arising out of the NISEP and any Approved Scheme, including that arising as a result of the purchase of equipment, marketing expenditure and/or consumable items.

19 Assignment and benefits

- 19.1 The Primary Bidder may not, without the prior written consent of the Utility Regulator, assign or in any way encumber any right to receive funding or other benefit or entitlement in connection with NISEP.
- 19.2 No term of this Agreement shall be enforceable by a third party (being any person other than the parties hereto) under the Contracts (Rights of Third Parties) Act 1999.
- 19.3 The Primary Bidder shall ensure that Funding is applied only in accordance with the terms of this Agreement, in particular in accordance with the approved schemes.

20 Insurance

20.1 The Primary Bidder shall at its own expense insure with a reputable firm of insurers, all its property, assets and effects of an insurable nature, including (without limitation) its buildings, plant, machinery and equipment against all and any loss, damage, risk, contingency or public liability as may from time to time be requested by the Utility Regulator (or, if no such request is made, against such loss, damage, risk, contingency or public liability as a prudent company or firm in the same business as the Primary Bidder would insure against) to the full replacement value thereof and shall produce the policy or policies of insurance together with proof of payment of the necessary premiums to the Programme Administrator on request.

21 Severance

21.1 If any provision of this Agreement (or part of a provision) is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.

21.2 If any invalid, unenforceable or illegal provision of this Agreement would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to give effect to the intention of the Parties.

22 Audits

22.1 The Primary Bidder agrees to all requirements in the Framework Document in respect of any audit. In addition to such audit processes, the Utility Regulator may, at any time up to five years after termination, arrange for audits to be carried out, in relation to any aspect of the Project.

22.2 Such audits may cover financial, technical and other aspects (such as accounting and management principles) relating to the proper execution of the Project and the application of Funding.

23 Service of Notices

23.1 Any written notice to be served by the Utility Regulator on the Primary Bidder under the terms and conditions of the Agreement may be served by ordinary first class post, or facsimile transmission. The Primary Bidder will be deemed

to have been duly served with the notice on the day it is sent if sent by facsimile transmission or on the following day if sent by first class post.

24 Governing law

24.1 The Agreement shall be governed in all respects by the laws of Northern Ireland and the Parties hereby irrevocably submit to the exclusive jurisdiction of the Northern Ireland Courts for all purposes in connection with this Agreement.

Executed as a deed by [xxxxxxx] (“Primary Bidder”) acting by

[xxxxxxx/ NAME OF FIRST DIRECTOR], a director and

_____ [Insert Signature and Date]

[xxxxxxxxx /NAME OF SECOND DIRECTOR/SECRETARY], [a director OR its secretary]

_____ [Insert Signature and Date]

Executed as a deed by the **Utility Regulator** acting by

[xxxxxxxxxxx/ NAME OF FIRST DIRECTOR], a director

_____ [Insert Signature and Date]

and [xxxxxxxxxxx/NAME OF SECOND DIRECTOR/SECRETARY], [a director OR its secretary]

_____ [Insert Signature and Date]

Appendix 6

Minimum Requirements of a Fraud Policy

APPENDIX 6 – MINIMUM REQUIREMENTS OF A FRAUD POLICY

Fraud Policy

The statement of internal procedures and zero tolerance policy towards fraud to be supplied by Applicants as part of the registration process must include the following:

- 1) **Accountable Officer.** Must be a named senior person within the organization who will have responsibility for fraud policy and procedures.
- 2) **Internal delegations.** May include responsibility for prevention/detection/reporting of fraud at all staff levels.
- 3) **Identification of fraud procedures.**
- 4) **Internal audit procedures and roles.**
- 5) **Compliance procedures.**

Internal fraud response plan to include

- 1) **Internal reporting and investigating procedures.**
- 2) **Disciplinary/prosecution policy and procedure for recovery of losses.**
- 3) **Reporting requirements.**

Appendix 7

State Aid and Subsidy Control Guidance and Declaration Forms

Appendix 7 – State Aid and Subsidy Control Guidance and Declaration Forms for Commercial Schemes

Undertakings in the Commercial Sector

All Primary Bidders operating schemes under the NISEP which benefit commercial entities (including landlords of privately rented properties) should note the following and act accordingly.

EU State Aid law

The EU's State aid regime continues to apply within Northern Ireland to:

- a) measures involving the movement of goods and the wholesale electricity markets; and
- b) measures that "affect trade" between Northern Ireland and the EU.

Benefits given to entities which are "carrying on an economic activity consisting of offering goods or services on a given market" may be considered State aid and are subject to regulation in order to avoid distortions of competition. In principle, this may include benefits given to commercial customers (although it is unlikely to include benefits given to landlords of privately rented properties).

State aid must be notified to the European Commission before it is granted unless it is *de minimis* or benefits from a 'block exemption'.

EU State Aid law – de minimis aid

Smaller amounts of aid does not need to be notified to the European Commission if they fall below a certain threshold. This applies where:

- a) the amount of aid granted to the commercial customer; **and**
- b) any previous State support granted to the commercial customer in the previous three fiscal years,

does not exceed €200,000 (or its sterling equivalent).

Going forward and before committing to providing benefits to commercial entities under the NISEP, Primary Bidders must ensure that:

- a) All commercial entities receiving benefits ("Recipients") under the NISEP are notified that they are beneficiaries of aid under the *de minimis aid Regulation* (Commission Regulation (EC) No. 1407/2013, "the Regulation" (For most recent document reference please visit [De Minimis aid | Department for the Economy \(economy-ni.gov.uk\)](#)); and

- b) Recipients provide a declaration in relation to de minimis aid, to the Primary Bidder.

The required notice and declaration are set out below. They can be given and returned in either paper or electronic format. Where Primary Bidders do not have time to change application forms, these can be separate from any application documentation.

In accordance with this addendum and from the date of this notice, Primary Bidders must ensure that benefits under the NISEP are not granted to commercial undertakings without giving notice and receiving a valid declaration.

Primary Bidders should note that there are different rules which apply to some types of undertaking and the Regulation does not permit *de minimis* aid under the Regulation to be given to the following entities ("**excluded undertakings**"):

- a) undertakings active in the fishery and aquaculture sectors; and
- b) undertakings active in the primary production of agricultural products or in the sector of processing and marketing agricultural products.

Primary Bidders should provide Recipients with a copy of the list of the excluded undertakings at the time of notification but will not be expected to provide advice on it.

Generally, we will not require Primary Bidders to verify the veracity of declarations. However where information becomes available to the Primary Bidder or its partnership agent that a declaration is false, then the offer of benefits under the NISEP must be withdrawn, any work which is not contracted should be halted and the Utility Regulator and Programme Administrator must be informed.

Primary Bidders will be expected to retain records of all commercial undertakings who have received de minimis aid for at least 10 years and produce them on request by any UK public authority, the Programme Administrator or the European Commission.

In addition to the above, the Utility Regulator has decided that in order to help prevent inappropriate claims, all commercial undertakings receiving NISEP benefits will be required to declare that they have not claimed or received more than one lot of NISEP funding or benefits from any NISEP scheme in respect of the same work.

<p>NISEP - Notice to commercial recipients</p> <p>Name of Firm.....Date</p> <p>Under the Ireland/Northern Ireland Protocol on the UK-EU Withdrawal Agreement 2018, EU State aid law continues to apply in respect of measures which relate to the movement of goods and wholesale electricity markets and</p>
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which affect trade between Northern Ireland and the EU. The applicable EU State aid law includes EC Regulation 1407/2013 (the "**Regulation**").

The support provided to you under NISEP is provided as *de minimis* aid for the purposes of the Regulation. The Regulation states that there is a ceiling of €200,000 (or its sterling equivalent) for all *de minimis* aid that can be provided to any one firm (including any linked firms) over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years).

The proposed gross value of benefit¹ to you under the NISEP:.....

Before we can proceed in providing any funding, services or goods under the NISEP you must make and return a valid Required Declaration.

Any *de minimis* aid awarded to you under this offer letter will be relevant if you wish to apply or have applied for any other *de minimis* aid. You will need to declare this amount to any other aid awarding body who requests information from you on how much *de minimis* aid you have received.

For the purposes of the Regulation, you must retain this letter for at least 10 years from the date of receipt and produce it on request by any UK public authority or the European Commission.

To ensure appropriate allocation of funding under the NISEP recipients are also required to give a declaration that they have not claimed or received funding or benefits more than once under the NISEP in respect of the same work.

1. Gross value of benefit means the benefit before any deduction of tax or any other charge.

NISEP - Required Declaration from commercial recipients

(to be returned once complete)

We declare that:-

1. The total amount of *de minimis* aid that we will receive as a result of the proposed grant under the NISEP in this and the previous two financial years will not exceed €200,000 (or its sterling equivalent);

2. We are not an excluded undertaking for the purpose of the Regulation; and

3. We have not claimed for or received more than one lot of NISEP funding, services or goods from any NISEP scheme in respect of the same work.

Signature.....

Print name.....

For and on behalf of(name of recipient firm)

Date.....

EU State Aid law – block exemptions

Pursuant to Regulation (EU) No 651/2014 (the "**General Block Exemption Regulation**"), certain categories of aid will be exempt from the requirement to notify the European Commission, provided that such measures fulfil certain conditions.

In principle, funding granted under the NISEP may be eligible for exemption under the General Block Exemption Regulation. This is particularly the case where an approved scheme involves investment aid to be granted to an SME.

In order to be eligible for exemption under the General Block Exemption Regulation, the total value of the funding must not exceed certain thresholds depending on the category of aid and must not exceed certain percentages of the total eligible costs of the investment.

Going forward and before committing to providing benefits to commercial entities under the NISEP, Primary Bidders must ensure that the Utility Regulator and Programme Administrator are informed of:

- a) the total value of the funding to be provided to the commercial customer;
- b) the total costs of the investment project concerned; and
- c) the value of any funding which will be provided by the commercial customer in relation to the grant.

EU State Aid law – Aid to the Agricultural Sector

Benefits given to commercial entities active in the agricultural production sector by public authorities, or at their direction, may be considered State aid, where such measures have an effect on trade between the EU and Northern Ireland.

In principle, this may include benefits given under the NISEP. Smaller amounts of aid does not need to be notified to the European Commission where it is granted to entities active in the agricultural sector if they fall below a certain threshold. This applies where:

- d) the amount of aid granted to the commercial customer; **and**
- e) any previous State support granted to the commercial customer in the previous three fiscal years,

does not exceed €15,000 (or its sterling equivalent).

Primary Bidders must ensure that:

- a) All undertakings in the agricultural production sector receiving benefits (“**Recipients**”) under the NISEP are notified that they are beneficiaries of aid under Commission Regulation (EU) No. 1408/2013, (the “**Regulation**”), and
- b) Recipients provide a declaration in relation to de minimis aid, to the Primary Bidder.

The required notice and declaration are set out below. They can be given and returned in either paper or electronic format. Where Primary Bidders do not have time to change application forms, these can be separate from any application documentation.

In accordance with this addendum and from the date of this notice, Primary Bidders must ensure that benefits under the NISEP are not granted to recipients without first giving notice and receiving a valid declaration.

Generally, we will not require Primary Bidders to verify the veracity of declarations. However where information becomes available to the Primary Bidder or its partnership agent that a declaration is false, then the offer of benefits under the NISEP must be withdrawn, any work which is not contracted should be halted and the Utility Regulator and Programme Administrator must be informed.

Primary Bidders will be expected to retain records of all undertakings who have received de minimis aid for at least 10 years from the date on which the last individual aid was granted under the scheme and produce them on request by any UK public authority, the Programme Administrator or, within a period of 20 working days, to the European Commission.

In addition to the above, the Utility Regulator has decided that in order to help prevent inappropriate claims, all commercial undertakings receiving NISEP benefits will be required to declare that they have not claimed or received more than one lot of NISEP funding or benefits from any NISEP scheme in respect of the same work.

NISEP - Notice to undertakings in the Agricultural Production Sector

Name of Firm.....Date

Name of Firm.....Date

Under the Ireland/Northern Ireland Protocol on the UK-EU Withdrawal Agreement 2018, EU State aid law continues to apply in respect of measures which relate to the movement of goods and wholesale electricity markets and which affect trade between Northern Ireland and the EU. The applicable EU State aid law includes EC Regulation 1408/2013 (the “**Regulation**”).

The support provided to you under NISEP is provided as *de minimis* aid for the purposes of the Regulation. The Regulation states that there is a ceiling of €15,000 (or its sterling equivalent) for all *de minimis* aid that can be provided to any one firm active in the agricultural sector (including any linked firms) over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years).

The proposed gross value of benefit¹ to you under the NISEP:.....

Before we can proceed in providing any funding, services or goods under the NISEP you must make and return a valid Required Declaration.

Any *de minimis* aid awarded to you under this offer letter will be relevant if you wish to apply or have applied for any other *de minimis* aid. You will need to declare this amount to any other aid awarding body who requests information from you on how much *de minimis* aid you have received.

For the purposes of the Regulation, you must retain this letter for at least 10 years from the date of receipt and produce it on request by any UK public authority or the European Commission.

To ensure appropriate allocation of funding under the NISEP recipients are also required to give a declaration that they have not claimed or received funding or benefits more than once under the NISEP in respect of the same work.

1. Gross value of benefit means the benefit before any deduction of tax or any other charge.

NISEP - Required Declaration from undertakings in the Agricultural Production Sector (to be returned once complete)

We declare that:-

1. The total amount of *de minimis* aid that we will receive as a result of the proposed grant under the NISEP in this and the previous two fiscal years will not exceed €15,000 (or its sterling equivalent); and

2. We have not claimed for or received more than one lot of NISEP funding, services or goods from any NISEP scheme in respect of the same work.

Signature.....

Print name.....

For and on behalf of (name of undertaking)

Date.....

UK Subsidy Control Act 2022

Where EU State aid rules do not apply to benefits given to commercial entities (including landlords) by public authorities, or at their direction, because they do not affect trade between Northern Ireland and the EU, they may be considered to be a subsidy and subject to additional regulation under the UK's subsidy control regime (the Subsidy Control Act 2022). In principle, this may include benefits given under the NISEP.

Where a public authority intends to grant a subsidy, it must ensure that the subsidy complies with certain principles. The public authority must also ensure that an entry is made in the subsidy database maintained by the Department for Business, Energy & Industrial Strategy in respect of the subsidy.

However, smaller amounts of financial assistance (so-called minimal financial assistance) may be exempt from these requirements. This will be the case where:

- a) the total amount of the funding granted under NISEP; **and**
- b) the total value of public funding (including aid awarded under the EU State aid rules),

does not exceed £315,000.

Going forward and before committing to providing benefits to commercial entities under the NISEP, Primary Bidders must ensure that:

- a) all commercial entities receiving benefits ("**Recipients**") under the NISEP receive a notification which:
 - a. explains that the funding will be given by way of minimal financial assistance under the Subsidy Control Act 2022;
 - b. specifies the gross value amount of the funding; and
 - c. requests written confirmation from the Recipient that its capacity to receive minimal financial assistance will not be exceeded by receiving the NISEP funding;
- b) Recipients provide a declaration in relation to minimal financial assistance, to the Primary Bidder; and
- c) The Primary Bidder provides written confirmation to the Recipients detailing:
 - a. that the Recipient has received a subsidy by way of minimal financial assistance;
 - b. the date on which the subsidy is given; and

c. the gross amount of the assistance.

The required notifications and declarations are set out below. They can be given and returned in either paper or electronic format. Where Primary Bidders do not have time to change application forms, these can be separate from any application documentation.

From the date of this notice, Primary Bidders must ensure that benefits under NISEP are not granted to commercial undertakings without giving notice and receiving a valid declaration.

Generally, we will not require Primary Bidders to verify the veracity of declarations. However, where information becomes available to the Primary Bidder or its partnership agent that a declaration is false, then the offer of benefits under the NISEP must be withdrawn, any work which is not contracted should be halted and the Utility Regulator and Programme Administrator must be informed.

Primary Bidders will be expected to retain records of all commercial customers who have received minimal financial assistance for at least 3 years.

In addition to the above, the Utility Regulator has decided that in order to help prevent inappropriate claims, all commercial undertakings receiving NISEP benefits will be required to declare that they have not claimed or received more than one lot of NISEP funding or benefits from any NISEP scheme in respect of the same work.

NISEP - Notice to commercial customers

Name of Firm.....Date

The Northern Ireland Authority for Utility Regulation (the Utility Regulator) offers [commercial customer] a Minimal Financial Assistance (MFA) subsidy under the Subsidy Control Act 2022, subject to your agreement to, and compliance with, the terms and conditions set out below.

The proposed gross value of benefit¹ to you under the NISEP:.....

Before conferring a benefit to you under the NISEP we require written confirmation that the benefit will not exceed [commercial customer's] MFA threshold of £315,000 cumulated over this and the previous two financial years, as specified in section 36(1) of the Subsidy Control Act 2022. This means you must confirm that you (including any group companies) have not received more than [£315,000 minus the gross value of benefit] in MFA subsidies or comparable types of subsidies (see section 42(8) of the Subsidy Control Act) during this year and the previous two financial years.

We take this opportunity to remind [commercial customer] that you are required to keep a written record of the amount of MFA you have received and the date/s when it was received. The written record must be kept for at least three years beginning on the date on which the MFA was given. This will enable you to respond to future requests from public authorities on how much MFA you have received and whether you have reached the cumulative threshold.

To ensure appropriate allocation of funding under the NISEP recipients are also required to give a declaration that they have not claimed or received funding or benefits more than once under the NISEP in respect of the same work.

NISEP - Required Declaration from commercial recipients
(to be returned once complete)

I confirm, for and on behalf of [commercial customer] that:

1. The receipt of minimal financial assistance of [£x] from the Northern Ireland Authority for Utility Regulation will not exceed [commercial customer's] MFA threshold specified in section 36(1) of the Subsidy Control Act 2022.
2. We have not claimed for or received more than one lot of NISEP funding, services or goods from any NISEP scheme in respect of the same work.

Signature.....

Print name.....

For and on behalf of(name of recipient firm)

Date.....