

NEA policy update

- East Midlands Fuel Poverty Forum
 - Thursday 9th March 2017

Nicky Swetnam
Project Development Co-ordinator
National Energy Action



Action for Warm Homes

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Warm Homes Campaign [1/2]

- Launched 29th November 2016
- Substantial press coverage including The Guardian, The Mirror, the Daily Mail Online, and the Yorkshire Evening Post
- Channel 4 News also ran a great piece which included an interview with Jenny.
- On Twitter there were at least 100 tweets on the campaign, with a reach of 231,000.
- As well as the support of Dave Johns (lead actor from I, Daniel Blake), we have also been fortunate to receive support from Harry Leslie Smith, a WW2 veteran and campaigner who is keen to work with us to promote the campaign.



.....[2/2]

- New materials released to help support frontline workers in assisting people in fuel poverty, which includes updated fuel poverty action guide and 'Steps to Affordable Warmth', as well as a brand new video version of the top tips
- We also had a number of events taking place that are funded through the Warm Homes Campaign award scheme
- 35+MP's are backing campaign and signed pledge cards
- Thank you for those of you supported the launch and/or held events during the campaign period
- The campaign ended on Fuel Poverty Awareness Day Feb 17th

For more info <http://www.nea.org.uk/campaigns-policy/warm-homes-campaign/>

or email sarah.wright@nea.org.uk.



Action for Warm Homes

ECO transition published (1/2)

- On the 30th January, BEIS published their long awaited response to the ECO Help to Heat consultation
- NEA had consulted supporters extensively before and during this consultation
- Key policy decision was to extend the transition to 18 months (compared to 12) and the transitional scheme will now run from April 2017 – September 2018
- Whilst the targets were increased on a pro-rata basis, the loss of 6 months of the scheme being fully focused on fuel poverty will result in a net reduction of support for those that need it most
- Analysis by NEA estimates the extension has created a shortfall of around £0.9 billion in lifetime savings for fuel poor households compared with what could have been achieved during that same period of fully fuel poverty focused future ECO activity
- This gap is equivalent to around 59,000 first time gas central heating systems



Other key announcements include....[2/2]

- Introducing a rural sub-obligation of 15% under CERO, to safeguard delivery in rural (including off-gas) areas. No rural sub-obligation applies to Affordable Warmth but the scoring uplift for Affordable Warmth measures installed in non-gas properties will be retained
- An adjustment to the Affordable Warmth Group which will be increased to around 4.7m rather than 4m (in consultation) households which will include more households who may not be in fuel poverty but are on lower incomes, who may also be struggling to meet heating and other bills
- This larger eligible group will now include social housing tenants living in the least energy efficient properties (EPC Bands E, F and G) who will be eligible for insulation measures and first time heating systems but not boiler replacements
- Confirmed that local authorities will have a role in determining eligible homes, following the introduction of the 'flexible eligibility' mechanism, which suppliers can use for up to 10% of their Affordable Warmth obligation.
- Capping the installation of mains-gas 'qualifying' boiler replacements under Affordable Warmth at the equivalent of 25,000 per year (37,000 over the 18 month transition period). No limits will be placed on other Affordable Warmth measures, including first time central heating
- NEA are now in discussion with BEIS about the longer-term ECO programme from 2018 and we are influencing the consultation which is now likely to be delayed until September 2017.
- For a more detailed briefing please contact emily.batchelor@nea.org.uk.
- You can also read the main points we make in our ECO response here: <http://www.nea.org.uk/media/news/nea-responded-help-heat-consultation/>.



PPM cap confirmed and vulnerability principle confirmed

- The CMA PPM cap will come into force from 1 April 2017, applying to all prepayment customers except those with an excluded smart meter (SMETS 2)
- The scale of the reductions required will vary significantly by supplier and depending on a customer's consumption but on average is worth £80 per year
- Following the cap announcement, Ofgem expect suppliers to begin making price announcements later in February
- Ofgem have also released draft proposals for a new vulnerability principle when moving towards introducing Principle Based Regulation (PBR)
- Coupled with a clear statement on preserving existing safeguards afforded under current licence conditions, NEA welcome attempts to introduce the broad vulnerability principle and the setting of a clear requirement for suppliers to not only identify but respond to the needs of domestic customers in vulnerable situations.

https://www.ofgem.gov.uk/system/files/docs/2017/01/standards_of_conduct_for_suppliers_in_the_retail_energy_market_0.pdf



Action for Warm Homes

Bonfield Review – Each Home Counts (1/2)

- Final review released on the 19th December
- A new Framework includes:
 - A Quality Mark for all energy efficiency and renewables measures. This will comprise 3 elements:
 - Consumer Charter - to ensure households receive excellent customer service, access to a clear redress process and which will guarantee protection
 - Code of Conduct – which sets out how a company operates, behaves and reports
 - Code of Practice – relevant to the installation of individual measures



Each Home Counts (2/2)

- Companies will also have to display competences with the various regulatory bodies eg Health and Safety Executive
- An Information Hub will be established with verified information and guidance
- There will also be a Data Warehouse which will hold EPCs (access free) and other data eg from Ofgem on schemes they administer (requires secondary legislation).
- The recommendations apply to England and Bonfield has not considered the devolved administration' schemes but urges collaboration between the nations to implement recommendations
- An Implementation Board has been set up to take forward the recommendations but considering a Strategic Governance Board to guide the implementation plan.
- Some improvements already in place eg Trust mark for boiler installs through HSE and Gas Safe Register
- To read the report click [here](#)



RHI response

- 14th December Gov issued consultation response
- There will be increases in support for domestic heat pumps and tariffs for new ASHPs and GSHPs will be increased to 10.02 p/kWh and 19.55p/kWh respectively
- There will be changes to the support given to ground source heat pump systems supplying multiple properties
- There will also be a requirement that all new domestic heat pumps have electricity meters installed, to provide households with more information on the performance of their systems
- Heat demand limits will be introduced, to limit the level of annual heat demand in respect of which any household can receive support
- The Government also intend to introduce the option for households to assign their rights to payments through the scheme to a third party. However, this will not be delivered alongside the spring 2017 reforms
- This means that disappointingly the RHI policy remains poorly directed at the fuel poor
- Subject to Parliamentary approval, the changes to the Scheme Regulations announced in the consultation response are expected to come into effect in April 2017
- To read the full response click [here](#)



Digital Economy Bill

- The Digital Economy Bill could play an important role in supporting energy companies to identify and deliver help to struggling energy consumers in line with the Fuel Poverty Strategy for England
- NB currently Part 5 of the Bill – Digital Government – Chapter 1 [PUBLIC SERVICE DELIVERY], clause 30 [Disclosure of information to improve public service delivery] AND Clause 31 [Disclosure of information to gas and electricity suppliers]
- NEA highlighted support for new powers but pushed Peers to table amendments which can help other critical actors deliver assistance
- In particular how councils, local public sector health bodies and energy network companies should also be able to access information to identify and support vulnerable households
- Therein, tailored advice and referrals for affordable warmth interventions could be possible
- Could make it easier to secure funding from HWBs, CCGs and others towards the cost of energy efficiency interventions (either on an individual or aggregated basis)
- For more information please contact peter.smith@nea.org.uk



Prospectus for Universal Affordable Warmth

- Launched in Parliament in January
- In summary, the report profiles the different types of AW schemes across the UK and how, as well as bringing a household out of fuel poverty, they simultaneously deliver wider benefits
- Profiles best practice across a number of affordable warmth schemes
- Aims to encourage collaboration between local services
- The Prospectus also aims to highlight the key ways in which Parliamentarians can facilitate, help, champion, help expand, and replicate good practice schemes in their own constituencies.
- We also include some top tips for engaging with Parliamentarians independent of the group
- Unsurprisingly in the national recs we give a lot of prominence to importance to EE as infrastructure etc and there was a good discussion on this at the event.
- The report is available [here](#)



Update on engagement with NIC

- NIC have published a response to one of their first consultations - about process and methodology
- Response highlights respondents called for energy efficiency to be a key theme of the NIA, with some suggesting it should be linked to a strategy for decarbonising the UK's heating supply
- NIC are currently developing their NIA with an interim report published later this year to set out what infrastructure is needed.
- NEA has engaged at workshops and directly with NIC to make a strong case for domestic energy efficiency to be regarded as a hugely important infrastructure priority
- An engagement strategy is in place and we are working alongside non-departmental public bodies, a growing number of industry and NGO
- Mirroring energy efficiency as an infrastructure priority across the whole of the UK would help complement energy initiatives and potentially help unlock access to public infrastructure funding
- Using new Prospectus will also be lobbying MPs to make the case in advance of the Budget 2017 and as part of the UK Government's industrial strategy
- In addition, feeding into a delivery options report by Frontier Economics which will be published in February



HECA reports

- On the 10th January BEIS issued updated guidance on HECA
- Alongside requesting other info (due by the end of March) BEIS highlights relevance of Gov duties to all LAs on FP/PRS etc
- It also asks whether local authorities intend to take up the 'flexible eligibility' proposals for the ECO from April 2017
- Important to respond to do justice to existing work
- Please also underline partnerships that are established in the area to deliver support, including with the health sector, social care services, energy suppliers and charities.
- See: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/581598/HECA_Guidance_2017.pdf



Paper for GDNs

- NEA has worked with all the GDNs to identify opportunities for them to meet or exceed their connection targets and install first time central heating systems
- The paper will set out why it is important to address fuel poverty in off grid households and the role of gas distribution networks
- BEIS's impact assessment for ECO2t notes only 4,000 fully funded first time central heating systems are installed under ECO2T,
- This leaves a shortfall of 12,650 gas central heating systems required to complete a pro rata share of the remaining RIIO-GD1 target.
- Given the lack of funding for First Time Central Heating (FTCH) the paper explores the funding gap and identify different options to fill this void . It recommends:
 - A commitment in the upcoming Budget for a continuation of funding for first time central heating (FTCH) in England and Wales
 - A ring-fence in the longer term ECO scheme for FTCH
- NEA and the GDNs hope the UK Government will respond to the conclusion and recommendations in time for the Budget
- For further information regarding this report please contact Juliette Burroughs, NEA's Senior Research and Policy Officer
- T: 0207 250 8319 | M: 0774 040 3530 | E: juliette.burroughs@nea.org.uk.



Action for Warm Homes

Other consultations

- NEA has responded to 3 other key consultation response this quarter;
 - A joint call for evidence on smart flexible energy by BEIS and Ofgem
 - The Future of heat in domestic buildings by BEIS
 - A response to the Public Accounts Committee investigating the state of the nation's housing stock.
 - National Infrastructure Commission: Call for Evidence
- Currently NEA intends to respond to the following consultations this quarter:
 - Ofgem draft Forward Work Programme 2017-18
 - Consultation on large supplier smart meter roll-out plans
 - Labour's Industrial Strategy Consultation
 - Proposed changes to Government's Standard Assessment Procedure (SAP)



Key upcoming priorities

- Following up on key responses
- Prospectus and GDNs report dissemination
- ECO (fallout from transition consultation response and longer term scheme)
- PRS regulations revisions and consultation
- Further engagement with NIC and production of the NIA



Thank You



Action for Warm Homes

ALEO East Midlands

HECA reporting 2017

- General facts
- What type of report
- What to include in the report
- Future reporting
- None compliance

- 25 HECA reports from East Midlands LAs
- Range of different formats
- Focus of Green Deal and ECO
- Prepared by a wide range of teams from housing to planning
- No designated HECA Officers

What type of report?

- Update report on 2015?
- Can be in different formats
- Must be a link on the website
- LA aspirations for the next two years
- Themes: Supporting local growth, Reducing carbon emissions, Reducing energy costs

What to include...

- Local energy efficiency ambitions and priorities
- Measures that take advantage of financial assistance and other benefits offered from central Government initiatives
- Measures the LA has developed to implement energy efficiency cost effectively
- A timeframe for delivery and national and local partners

Local energy efficiency ambitions and priorities

- CO² reduction targets
- Ambitions for energy provision
- Emissions reductions
- Fuel poverty targets
- Flexible eligibility “Statement of Intent”
- Establish a baseline

Measures that take advantage of financial assistance and other benefits offered from central Government.....

- Physical measures and soft measures
- Fuel poverty
- Boilers and heat pumps
- Smart meters
- Min energy efficiency standards in PRS

Measures the LA has developed to implement energy efficiency cost effectively...

- Use of street by street or area based approach
- Identify potential partners

A timeframe for delivery and national and local partners

- Includes combined authorities
- To allow reporting and more sub reporting to attract funding

General.....

- Further update reports every two years.
- Reports must be electronic.
- Can use common templates.
- If the report is going to be late....speak to BEIS
- If you don't report.....

Thank you

darsh.chauhan@leicester.gov.uk