



About National Energy Action (NEA)

Established in 1981, NEA works throughout Wales, England, and Northern Ireland to campaign for action to help low income and vulnerable households who are living in cold, damp, homes which they cannot afford to heat and which are damaging to their health and wellbeing. We also undertake research and work collaboratively with supporters and partners from a wide range of sectors to improve access to energy advice, training, and energy efficiency products and services.

Some of the way NEA Cymru is assisting fuel poor households in Wales include:

- Training over 100 frontline advisors and community workers throughout Wales to enable them to help clients struggling to pay their energy bills, and over 80 people have gained a Level 2 City & Guilds fuel debt advice in the community qualification.
- Supporting vulnerable consumers to be better informed about the rollout of smart meters.
- Through our Forces for Warmth project we are increasing awareness and understanding of fuel poverty amongst the forces community in order to help serving and ex-service personnel.
- We are engaging a range of health and social care professionals to understand the impacts of fuel poverty and signpost vulnerable individuals to support through our Better at Homes project.
- We are a co-founding member of the Fuel Poverty Coalition Cymru which brings together organisations to campaign for improvements to policies and programmes to help households in Wales struggling to keep warm.
- We provide secretariat to the Fuel Poverty and Energy Efficiency Cross Party Group, helping Assembly Members to learn about the issues facing fuel poor households, giving opportunities to question Ministers and supporting debates in plenary.
- NEA's annual fuel poverty monitor reviews fuel poverty policies in the four UK nations and provides an opportunity to identify cross nation learning to inform policy makers and practitioners.

Our wider policy and stakeholder engagement work includes hosting the only fuel poverty focused annual conference in Wales as well as our fuel poverty forums and e-fuel poverty network which collectively enabled over 1100 stakeholders from the public, private and voluntary sectors to share ideas and best practice, and help tackle fuel poverty collaboratively.

Introduction

In response to the Welsh Government's consultation on locally owned renewable energy I have pleasure in submitting evidence from National Energy Action (NEA) Cymru, the Welsh arm of the fuel poverty charity NEA.

NEA Cymru's primary focus is on those households in fuel poverty (spending more than 10% of household income on heating the home) or severe fuel poverty (needing to spend more than 20% of household income on heating the home).

NEA Cymru welcomes the Welsh Government's commitment to, and supports the principle of, local ownership of renewable energy projects. NEA Cymru's response primarily focuses on Question 8 in relation to the benefits and priorities for action for community energy schemes in Wales.

NEA Cymru would like to see a prioritisation of community energy projects using renewable resources to support the Welsh Government's ambitions to mitigate the impacts of fuel poverty which is affecting nearly 1 in 4 households in Wales. These projects can reduce energy costs for those least able to afford them, ensuring homes are warm and more conducive to good health, whilst providing a community benefit fund which could be used to support households to become more energy efficient and encourage behaviour change.

NEA Cymru makes the following recommendations to the Welsh Government to ensure low income and deprived communities can be kept warm in their homes at a more affordable cost:

Recommendations:

- A prioritisation of renewable community energy projects developed in deprived communities to support the Welsh Government's ambitions to mitigate the impacts of fuel poverty.
- Community benefit funds should be used to support households to become more energy efficient and encourage behaviour change.
- Engage stakeholders working with fuel poor communities to enable better understanding of the barriers and challenges to participation in local community energy schemes and how these might be overcome.
- Disseminate the evaluation of the Bethesda trial pilot scheme and its progress in recruiting fuel poor households.
- Encourage local authorities and social housing providers to take a leading role in developing community energy projects for the benefit of their disadvantaged communities.

In September 2016, the Welsh Government announced £90K funding for the first UK trial of a new local energy scheme providing cheaper electricity to approximately one hundred households using renewable energy from a local hydro scheme in Bethesda. It was envisaged that if the pilot was successful it could be rolled out to areas across Wales, prioritising communities with high fuel poverty. NEA Cymru fully supports this ambition. Energy is an essential service and it is right that the Welsh Government should explore how fuel poor households can benefit from community energy schemes. Providing cheaper energy at a more affordable cost via renewable resources and utilising local energy is a sustainable way to both reduce fuel poverty and carbon emissions.

According to information on the Energy Local website customers with a prepayment meter are not able to access the scheme at present and would need to swap their prepayment meter (PPM) for a credit meter. This can be difficult for many low income households who are used to daily and weekly budgeting. PPM customers are generally more likely to be fuel poor and vulnerable, pay more, have fewer competitive tariff choices and are more exposed to the risk of self-disconnection, yet they could potentially benefit the most from being part of a community energy scheme. This is also true of those consumers paying the highest prices for their energy.

It is not yet clear when the evaluation of the trial will be disseminated and whether it has recruited local households in fuel poverty. In response to a question during a presentation of the project at a

stakeholder event it was suggested that it had been difficult to recruit fuel poor households to take part in the scheme. Further work needs to be undertaken to understand the reasons behind this.

Typically locally owned energy projects tend to be established in more affluent communities which are often better placed to access finance and capitalise on the opportunities. In more deprived communities practical support to develop the schemes is needed. Given the propensity for community energy projects to be established in more affluent areas, the Centre for Sustainable Energy is undertaking research into how to start renewable energy projects in deprived communities. It is not clear whether findings from this research have been published.

Rural Welsh Energy Advisorship Programme

During 2010-13 NEA Cymru worked with Calor to deliver a 3 year project designed to help fuel poor households in rural, off gas communities in Wales to reduce their energy consumption through a community led approach. Whilst fuel poverty is a problem that affects all parts of Wales, one of the factors that distinguish fuel poverty from other types of poverty in Wales is its concentration in rural areas. It is estimated that fuel poverty in rural areas is almost double that of urban areas primarily as a result of mains gas not being available in many rural areas, leaving households reliant on more expensive sources of fuel to heat their homes and the poorer average energy efficiency of rural homes.

Evidence from the Calor project showed that there was keen interest in renewable technologies and collective switching and bulk buying schemes but high upfront costs and lack of knowledge about renewable technologies and how to set up buying schemes limit the potential for fuel poor households to engage with these technologies.

Local authorities and social housing providers can play a key role in identifying households who are vulnerable to fuel poverty and delivering local solutions to help tackle and reduce the level of fuel poverty in their communities. They are ideally placed to take a leading role in developing community energy projects for the benefit of local people as a key trusted intermediary. The Cymru/Wales Together collective switching project run by Cardiff and the Vale of Glamorgan councils, which helped people to save money by switching to a cheaper energy deal secured through bulk buying power, provides a foundation on which to build and an opportunity to further support households to become more energy efficient and the scheme could be expanded upon.