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Action for Warm Homes

Fuel Poverty and Net Zero

Definitions of fuel poverty vary, but consistently capture lower income homes with high energy costs.

Fuel poor homes therefore often are inefficient and have some of the highest emissions

Tackling fuel poverty is crucial to meeting net zero.



Important household characteristics for policy

Energy Efficiency Levels

Heating Type

Payment Type

Disabilities/medical conditions

Digital Exclusion

Tenure

Language

Rurality

Challenges that policy should consider

- Both up front costs and running costs are an issue for low income households
- Disruption and upheaval in the home
- Currently no centrally funded advice provision in England (although new pilot in Wales)
- The difficulties in changing behaviours
- A lack of consumer protection outside of the electricity and gas markets
- The lack of understanding, capacity, and knowledge

A historic look at policy – pitfalls

ECO

- Does adequately address rural households
- Allows household contributions

RHI

- Not ringfenced for fuel poor households
- Not help for up front costs

FiT

- Regressive levy cost recovery
- Not accessible for fuel poor households

Green Homes Grant (England Only)

- Complex voucher system
- Short term delivery

Nest Scheme (Wales)

- Poor rural reach (low cap)
- Historically not fabric first

Policy should address...

Funding Mechanisms

- Fabric First
- Upfront and running cost support
- Focus on fuel poverty

Distributional Impacts

- Understand and mitigate impacts for each policy
- Help for legacy coal users

Advice and Protections

- A framework for advice
- Regulate heat
- Assess extent of HH infrastructural change

Whole systems approaches

- Role of energy networks
- Review required behaviour change

What are the upcoming policy risks?

Green Gas Levy, and broader levy design

Carbon Tax on Gas

End of statutory price protection

Also coming...

Heat and Buildings Strategy

ECO 4

Successor to RHI