



CONSULTATION RESPONSE

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Department for the Economy: Consultation on Support for Low Carbon Heat in the Residential Sector

About National Energy Action (NEA)

NEA is the national fuel poverty charity, working across England, Wales, and Northern Ireland to ensure that everyone can afford to live in a warm, safe, and healthy home.

NEA NI works to overcome the causes and effects of fuel poverty in four main ways. We provide **advice and support** to people struggling to heat their homes affordably; we **campaign and advocate** for policy and regulation to protect the most vulnerable and end fuel poverty; we carry out **research** to raise awareness and find solutions; and we provide **accredited training and qualifications** to improve standards in energy advice.

NEA NI's Consultation Response

Theme 1: Eligible Technologies

Question 1: Do you agree with the criteria used to inform technology eligible for support?

No.



NEA NI does not fully agree. We support the Department's focus on reducing carbon emissions and improving the energy performance of homes. However, we are concerned by the use of criteria 3 to rule out support for hybrid heat pumps in the new scheme. While air source heat pumps (ASHPs) and ground source heat pumps (GSHPs) are suitable for some homes, particularly new-build and well-insulated properties, they may not be the optimal solution for all, and other low carbon heat technologies should be considered.

Hybrid heat pumps offer a more flexible and affordable *transitional* option for certain households and house types, as they can see 85% of heat demand being met by low carbon sources, with a top up provided by natural gas, biogas, or another fuel. The Committee on Climate Change highlighted in their 2019 report on achieving net zero that a "hybrid-first" approach would be essential for heat decarbonisation during the 2020s¹.

Supporting hybrids may also offer a more cost-effective way to maximise the impact of limited budgets. While the Department for Economy (DfE) appears minded to support technologies that deliver the greatest carbon reduction per home, the constraints on NI Executive funding strengthen the argument to focus on carbon reduction per £ spent. By this measure, ASHPs, despite achieving the greatest carbon reduction per home, deliver less carbon saved per £ spent compared to hybrids. Supporting hybrids would enable more homes to be decarbonised within the same budget, resulting in greater overall carbon savings.

Question 2: Do you think that other criteria should be applied?

As noted above, we are unclear why hybrid heat pumps are not being considered for support for some households. Including hybrid heat pumps in the new scheme would expand access for more households while still achieving meaningful carbon reductions. We have explained this further in response to Question 1 and Question 4.

Question 3: The Department does not intend to provide financial support for biomass boilers, do you think there should be exceptions to this?

Yes.

¹ Committee on Climate Change, (2019). ['Net Zero: The UK's contribution to stopping global warming'](#).



Exceptions should be made for homes where the cost of retrofitting to the standard required for a heat pump is too prohibitive, especially in older rural properties/listed buildings.

It is common for low carbon heating schemes in other jurisdictions to include financial support for biomass boilers. For example, in Scotland, a grant or loan is available for eligible properties via Home Energy Scotland. The Boiler Upgrade Scheme (BUS) in England and Wales provides grants of up to £7,500 for a low carbon heating system. In most cases this is a heat pump, but the grant can cover a biomass boiler. When installed correctly, biomass boilers can have high efficiencies.

However, we would like to emphasise two important additional factors. Firstly, biomass boilers can be a relatively expensive option to maintain. It is paramount that householders are supported with clear and accessible information in advance of installations, including operating costs, so they can make an informed choice about their heating system. Secondly, we recommend appropriate measures to incentivise the burning of approved sustainable fuel in any biomass boilers, to minimise any negative impacts on rural air quality.

Question 4: The department does not intend to provide financial support for hybrid heat pumps, do you think there should be exceptions to this?

Yes.

We understand that the Department's intention at this stage is to support technologies that offer the greatest carbon savings rather than those that involve some burning of fossil fuels. However, DfE should not rule out hybrid heat pumps for homes where other heat pump technologies would not be suitable. Not all domestic properties' heating needs will be met by a heat pump alone, and these homes should not be excluded from the scheme. Furthermore, certain homes may be too prohibitive to retrofit to the required standard for an ASHP or GSHP – including some that are older, solid brick, listed, or rural.

Hybrid heat pumps offer a more flexible and affordable transitional option for some households and house types, as they can see 85% of heat demand being met by low carbon sources, with a top up provided by natural gas, biogas, or another fuel. In their 2019 report on achieving net zero, the Committee on Climate Change showed that a decarbonisation of



heat pathway in the 2020s would require a hybrid first approach². Currently many homes in NI continue to rely on more than one fossil fuel to heat their homes, such as oil and coal etc. Hybrid heat pumps could be a way of phasing this behaviour out.

Additionally, excluding hybrid heat pumps may not provide the Executive with the best value for money in terms of carbon savings per £ spent, as demonstrated by recent hybrid heating energy trials. For instance, Phoenix Energy has trialled Hybrid Heating Systems with private landlords and two housing associations, Alpha and Radius. These trials have shown that hybrids can achieve significant carbon emission reductions at a considerably lower cost than heat pump systems. Phoenix Energy has shared these findings with NEA NI, presenting a strong case for including hybrids in the new scheme for certain households. Incorporating hybrids could maximise the carbon reduction impact of limited funding by decarbonising more homes. We recommend the Department carefully reviews evidence from this and other trials to inform its decision-making.

Question 5: Should a minimum Seasonal Co-efficient of Performance of at least 2.8 or higher be applied to the low carbon technologies considered for support?

Yes.

It is essential that we work towards this to ensure that all householders, but particularly those on low incomes, can have a reasonable expectation that heat pumps will operate efficiently. Data from the Electrification of Heat Demonstration Project funded by the Department for Energy Security and Net Zero (DESNZ) showed that the median seasonal co-efficient of performance (SCOP) of air source heat pumps was 2.8 but noted that “performance variation remains high.”³ The lower the SCOP, the higher the cost of heating your home with a heat pump. A SCOP of 3 is regularly and consistently quoted as the expected efficiency of a heat pump and householders should have every reason to expect this to be the case in practice. To not insist on a minimum would be detrimental to consumer confidence in the transition to low carbon heat.

Setting a minimum through product standards is only one part of the solution. There also need to be clear installer standards, and enforcement of those standards, so that the SCOP achieved in practice is consistent with the rated performance of the product. With traditional gas and oil

² Committee on Climate Change, (2019). [‘Net Zero: The UK’s contribution to stopping global warming’](#).

³ Catapult, (204). [‘Heat pumps shown to be three times more efficient than gas boilers’](#).



boilers it has long been recognised that real world performance is worse than would be expected given the increasing efficiency requirements for the products themselves⁴. A similar situation must be avoided with the roll out of heat pumps at scale given that electricity is a more expensive fuel than gas or oil, and also to limit necessary increases in electricity generation and infrastructure required for the switch of home heating that is currently provided by fossil fuels.

Theme 2: Building Efficiency and Eligibility

Question 6: Should all domestic buildings be eligible for low carbon heating technology support?

Yes.

All domestic buildings should be eligible for low carbon heating technology support to ensure inclusivity, particularly for low-income households living in poorly insulated homes. Excluding these households due to their inability to afford energy efficient upgrades would worsen fuel poverty and restrict access to low-carbon heating solutions.

However, improving energy efficiency in homes is critical for the effective operation of low-carbon heating systems. Therefore, eligibility should be paired with comprehensive energy efficiency schemes to upgrade homes in tandem with low-carbon heating installations.

Question 7: What minimum energy efficiency criteria in relation to domestic buildings should be met (if any) to make them suitable for a low carbon heating technology support?

NEA NI recommends **Option C: An energy assessment of the home conducted by a technical adviser.**

This approach evaluates all aspects of a building's energy performance, avoiding sole reliance on EPC ratings, which may not always be fully comprehensive or suitable for determining compatibility with heat pump technologies. An up-to-date and accurate assessment ensures that low carbon heating systems are installed where they can operate effectively.

⁴ Bennett, G., Elwell, C., and Oreszczyn, T. (2018). *'Space heating operation of combination boilers in the UK: The case for addressing real-world boiler performance'*. Building Services Engineering Research and Technology. 40(1):75-92.



In principle, the energy efficiency of homes should always be improved ahead of a heat pump installation, and it makes sense that domestic building efficiency requirements should be a pre-requisite of support for heat pumps. For low-income households in particular this will have the following benefits:

- Maintaining the lowest possible running costs and protecting householders against negative impacts from future price rises as far as possible.
- Ensuring (as long as a suitable heat loss calculation is also carried out) that the heat pump and system aren't oversized. This avoids paying too much in the first place, helps the heat pump run efficiently in the longer term, and can avoid additional costs of replacing radiators etc. For smaller homes, where space is limited, this can also be a practical consideration with respect to the heat pump location.
- Greater levels of insulation can also provide the potential for a heat pump to be off for periods of time without significant drops in internal temperature. This is a significant consideration for low-income households who may try to ration their heating use, but it can also allow households to participate in providing flexibility to the electricity network and potentially benefit financially from this.

To maximise effectiveness, grants should be available to low-income households for both low carbon heating installations and necessary energy efficiency upgrades, such as insulation, double glazing, and improved heat distribution systems (e.g., radiators and underfloor heating). This dual-support approach ensures homes meet the required energy efficiency standards while avoiding financial barriers for vulnerable and low-income households.

A tailored approach is essential, as prescribing specific insulation levels is challenging due to inconsistencies in EPC ratings and variations in housing stock. Research highlights that insufficient insulation leads to higher running costs for heat pumps, underscoring the importance of comprehensive energy efficiency measures. These upgrades reduce energy bills, lower carbon emissions, and enhance the overall performance of low-carbon heating systems.

NEA NI endorses comments made by the Chartered Institute of Housing (CIH) NI in their consultation response, which emphasise the importance of *independent* technical advisors, to ensure that homeowners receive



unbiased advice and that the chosen solutions are truly in their best interest, rather than driven by commercial considerations.

Question 8: If you selected Option C – do you think support should be available towards the costs associated with an energy assessment as part of support for the installation of the low carbon technology?

Yes.

To avoid creating financial barriers and encourage participation in the scheme, this assessment should be provided at no additional cost.

Furthermore, many householders will require additional support to implement the recommendations from the assessment to ensure a heat pump is a viable and effective option in terms of both cost and thermal comfort. Without these improvements, the property may not meet the necessary 2.8 SPF threshold required for heat pump installation, potentially disqualifying households from the scheme. Therefore, we again emphasise the need for a dual-support approach – grants to low-income households for both low carbon heating and energy efficiency upgrades.

Question 9: Do you agree that support for low carbon heating technologies is provided separately for owner occupiers with alternative provision of support made for landlord, social housing, and non-domestic properties?

We partially agree.

While a mixed tenure scheme could offer significant benefits, including streamlined administration and the potential for mass roll-out, there are specific needs across tenures that need to be addressed.

For example, in the private rented sector (PRS), landlords must be adequately incentivised and supported to partake in the scheme and make domestic energy efficiency improvements. Without this, uptake will likely be low in the PRS, as seen under the Affordable Warmth Scheme.

Additionally, social housing providers and larger landlords may require a more flexible and tailored approach due to their scale and specific needs, including a dedicated social housing decarbonisation fund.



Question 10: Do you agree that self-build properties should be eligible for support at this time?

Yes.

NEA NI believes self-build properties should be eligible for support, although factors such as the age of the property, its existing heating system, and the level of insulation should be considered. Supporting self-build properties could promote innovative approaches to low carbon heating in custom homes. If future building regulations require low carbon heating as a standard, the approach to funding self-build properties may need to be reviewed.

Question 11: Do you think additional financial support should be available to those homes in rural and island locations?

NEA NI recommends **Both – rural and island.**

We are supportive of a rural uplift for eligible rural and island locations as part of the new low carbon heating scheme. It is essential that additional financial support is provided to these homes, as they can face unique energy challenges.

In NI, 68% of homes rely on oil for heating, increasing to 82% in rural areas. Being off the gas grid limits low carbon heating options. Furthermore, oil remains an unregulated fuel, meaning these consumers do not benefit from the same protections offered by the Utility Regulator to gas consumers.

The cost of decarbonisation is also higher in rural and island locations, where installing low carbon heating systems and energy efficiency measures can be more expensive. In rural and border areas, longer travel distances for installers and limited competition can drive up prices. To address this, the Department should focus on skilling up the rural workforce in the heat pump and renewables sector. Leveraging and expanding existing courses at local colleges can reduce reliance on installers traveling from further afield. Additionally, DfE should consider supporting households in border areas to use installers from the Republic of Ireland where this proves more cost-effective.

Providing additional financial support is crucial to overcoming these barriers. In GB, support is provided to rural homes and homes off the gas grid through targeted energy efficiency schemes including the Energy



Company Obligation (ECO) and the Home Upgrade Grant, aimed at low income and vulnerable consumers. NEA NI wishes to stress the importance of border-proofing and rural-proofing NI's decarbonisation policies and schemes to ensure a fair and just energy transition for everyone, regardless of location.

Question 12: If you answered yes to Question 11, how would homes be identified as rural by the Department?

The Department could **adopt a combined approach** to identifying rural homes.

First, it could apply the statutory definition, which classifies rural areas as settlements with a population of 5,000 or fewer and the open countryside, based on the Settlement Development Limits from Area Development Plans. This definition already identifies 37% of NI's population as living in rural areas.

Secondly, the Department could incorporate an updated version of NISRA's 2015 drive-time analysis, which distinguishes "accessible" rural areas from more "remote" rural locations⁵. Remote areas, such as the Glens of Antrim, Ards Peninsula, large parts of South Down and the Mourne, South Armagh, and West and East Fermanagh, as well as West and Mid Tyrone and the Sperrins, are more than 30 minutes from larger settlements. These areas often face significant challenges, including higher poverty and deprivation levels.

This combined approach would help the new scheme address the unique needs of rural households, particularly in border regions and areas reliant on domestic home heating oil –where the cost and access to low carbon heating solutions can be more challenging.

Question 13: Do you agree that to be eligible for support, a new heating installation should replace fossil fuel heating, replace direct electric heating, or be installed where no central heating currently exists?

Yes.

⁵ NI Statistics and Research Agency, (2015). [‘Review of the Statistical Classification and Delineation of Settlements’](#).



We agree, provided that there is targeted support to help households in need. This approach rightly prioritises the most vulnerable, such as those reliant on fossil fuel heating or those living without central heating, who face significant challenges to heat their home affordably.

Question 14: Do you agree that replacing a low carbon heating system with another low carbon heating system should be ineligible for support?

No.

There should be exceptions to this rule. For instance, if a low carbon heating system was installed many years ago, is poorly installed, beyond repair, or unsafe, replacement may be necessary. Similarly, if the manufacturer is no longer in business and the householder cannot afford a replacement – particularly if they are vulnerable and without a viable central heating system – support should be available. Ensuring vulnerable households have access to reliable and functioning heating systems must be a key goal of the new scheme.

Theme 3: Consumer Eligibility

Question 15: Should households who have received energy efficiency support via schemes such as NISEP or Affordable Warmth be able to apply for additional low carbon heat support?

Yes.

Households who have previously received energy efficiency support should still be eligible for low carbon heat support – particularly if they did not receive a boiler upgrade through a previous scheme or if the upgrade was completed many years ago. This approach acknowledges that multiple upgrades may be required to achieve significant energy savings and reduce carbon emissions.

Furthermore, grants for low carbon heat technologies like heat pumps have not been available under schemes such as the NI Sustainable Energy Programme (NISEP) or the Affordable Warmth Scheme.

Eligibility for additional support should consider the age of the previous installation and the standards applied at the time, ensuring households



with outdated or inefficient systems are not left behind in the transition to low carbon heating.

Question 16: Should support options be designed to prioritise or target certain groups of people (such as those on low incomes)?

Yes.

Support options should be designed to prioritise and target vulnerable groups, particularly those on low incomes and in fuel poverty. These households are disproportionately impacted by high energy costs, are most at risk of cold homes, and most in need of support with the costs to transition to low carbon heating.

NEA NI recommends targeting the following groups who often face unique challenges in terms of their energy usage:

- **Pre-payment meter (PPM) customers**, especially those on low incomes, can often experience energy rationing as a result of not being able to afford the upfront costs of accessing energy, leaving them in cold homes.
- **Private Rented Sector (PRS) tenants**, who often have little or no agency about their payment type, their heating type or which energy efficiency measures they have installed in their home, yet often bear the burden of the higher energy bills.
- **Rural and border area households**, who often face higher energy costs due to living in older, solid wall properties with poor insulation, reliance on non-regulated fuels such as domestic home heating oil and face wider access issues to heating engineers or other support services.
- **Digitally excluded households**, who already face an energy cost premium due to not being able to access the best deals or missing out on programmes that are only accessible to those that are online.
- **Households with disabilities or medical conditions**, including respiratory, cardiovascular, or mental health conditions, as they may need to heat their homes to higher temperatures or for longer durations.



- **Households with older people, babies and young children**, who are especially vulnerable to suffering longer term impacts from exposure to the cold.
- **Households where English is not the primary language**, who may struggle to access support to reduce their energy costs due to information not readily available in different languages.

To target these groups effectively, NEA NI recommends:

- Leveraging suppliers' **Customer Care Registers** to identify vulnerable customers.
- **Working with gas and oil heating engineers** to locate households with older, less efficient heating systems that would most benefit from upgrades.
- Ensuring homes are **retrofitted** to accommodate low carbon heating technologies, such as heat pumps, and **educating households** on managing these systems effectively.

Question 17: Should prioritisation or additional support be given to those with older (perhaps 15+ years) fossil fuel boilers?

Yes.

This could be one of the eligibility conditions for the new scheme, as these boilers are typically less efficient, more costly to run, and have higher carbon emissions.

Additional support may also be needed to upgrade outdated heat distribution systems, ensuring households can fully benefit from new low carbon heating technologies.

Question 18: Should additional support be offered to the consumer where no central heating system is present in the home?

Yes.



Additional support for these households will be essential to achieve the significant upgrades required for a new low carbon heating system, including installing heat distribution systems and improving insulation. Providing this support is vital to ensure these households can avail of the new scheme.

Question 19: Should those with multiple occupied properties e.g. holiday homes be eligible to apply for support for more than one property?

No.

Support should be prioritised for main dwellings to ensure funds are directed towards those in greatest need. NEA NI support grants exclusively for low-income households, who are unlikely to own multiple properties.

For additional properties, a low-interest loan could be considered as an alternative to grants, ensuring public funds are used efficiently while still encouraging decarbonisation efforts.

Question 20: Do you agree that the Department has a requirement for consumer protection measures to be associated with support for low carbon heating technology?

Yes.

Decarbonisation of home heating requires that householders either make significant investments in changes to their own homes, or that they allow others to make changes to their homes under government funded schemes. Robust consumer protection is a fundamental element of building the necessary trust and confidence. NEA NI believes the Department and the Utility Regulator has a clear responsibility to ensure robust consumer protection measures are in place, to safeguard consumers and maintain high standards in installation and post-installation support.

This includes ensuring consumers receive clear and transparent information at all stages of the process. Consumers must be supported to make an informed choice regarding their heating system based on their needs and property characteristics. Information should cover the benefits, limitations and costs of different low carbon heating technologies,



including energy-related behavioural changes needed to effectively manage these systems, and where to access ongoing support.

The 2016 Each Home Counts review⁶ made recommendations on how families and individuals should be properly protected when they installed energy efficiency and renewable energy measures in their homes. A key part of this was the need to improve long-term consumer protection and to create a simplified redress system. To not implement consumer protection as a fundamental part of a concerted drive towards low carbon heat would be a significant backward step.

NEA have been working at Fishwick in Preston⁷ to rectify failed external wall insulation installed under a previous UK Government energy efficiency scheme. As a consequence of poor workmanship, an installer who went into administration, and a lack of consumer protection, householders in Fishwick have been left with problems of damp and mould that have negatively affected their physical and mental health. Our experiences have shown how difficult it is to rebuild trust in communities who've experienced such problems, and how costly it is to put failures right rather than for the work to be done right in the first place.

Of most relevance to this consultation is the lingering damage that failures such as Fishwick have had on the reputation of external wall insulation and on the whole concept of energy efficiency retrofit. Effective consumer protection is not just necessary for individual householders, but also to preserve public confidence in low carbon heating.

Question 21: What do you feel would be the best method of consumer protection?

NEA NI recommends **Option A – Need for Installers to be Registered to a certification scheme such as MCS**. MCS certification means installers possess the necessary skills and expertise to deliver high-quality installations. Additionally, the MCS scheme provides a mechanism for resolving disputes and addressing insulation-related issues. By setting industry standards and promoting good practices, MCS supports consistency across the sector.

Question 22: If it is required for installers to be accredited to a certification scheme in order to take part in any future

⁶ Bonfield, P. (2016). [‘Each Home Counts: An Independent Review of Consumer Advice, Protection, Standards and Enforcement for Energy Efficiency and Renewable Energy’](#). GOV.UK.

⁷ For more information visit: www.nea.org.uk/fishwick



government support, should funding be made available towards certification fees?

Yes.

It is our understanding from partners that there are currently only 10 or less MCS certified installers located in NI. Funding for installer certification fees could incentivise an increase in this number.

Question 23: Should any electrical work completed as part of the low carbon heating technology installation be required to be certified by an approved accredited body?

Yes.

Any electrical work completed as part of the low carbon heating technology installation should be certified by an approved accredited body. Consumer protection and safety must be the top priority, and all installations should meet the highest standards. Uncertified work could lead to unsafe conditions that put householders at risk and can affect home insurance claims or mortgage approvals.

The Department should refer to guidance issued by trusted organisations, such as Electrical Safety First. Requiring certification from accredited bodies will help ensure installations are safe and compliant and provides lasting protection for consumers.

Theme 4: Financial Assistance

Question 24: Do you agree with the criteria for the administration of support for low carbon heating technologies?

Yes.

NEA NI agrees with the proposed criteria for administering support for low carbon heating technologies. The focus on accessibility, effective management, and addressing upfront capital costs is a positive approach. However, to ensure the scheme works effectively for all, especially vulnerable households, additional considerations are required.



Firstly, the application process must be as simple and straightforward as possible. Some vulnerable households may require **additional support or handholding** to identify the grant, coordinate with installers, and manage ongoing maintenance. While the criteria aim to minimise ongoing obligations, a purely “fit and forget” approach will not be suitable for many people. Continued support and guidance around maintenance will be essential to ensure households fully benefit from the technology.

Secondly, **clear communication** will be vital. The Department should consider providing a flowchart or step-by-step guide to clearly outline the scheme processes, making it easier for charities like ours to direct households to access the scheme.

Thirdly, the grant must be **accessible, fairly distributed, and targeted** towards those in most need, particularly fuel-poor households.

Question 25: Do you agree with the approach to offer support by providing a one-off capital grant?

Yes.

NEA NI agrees with the approach to offer support through a one-off capital grant, as it provides a clear incentive for households to invest in low carbon technologies while reducing administrative burdens for both the Department and the consumer.

However, we strongly believe the grant must be **accessible, fairly distributed, and targeted** towards those in most need, particularly low-income and fuel-poor households who face the greatest financial barriers to adopting low carbon solutions. By addressing upfront costs, the grant can reduce a significant obstacle, enabling these households to access more sustainable and energy-efficient heating systems. It is also essential that the grant is comprehensive, covering additional costs such as remedial work and redecorating, to avoid further financial burdens.

NEA always support grants for low-income households over loans (even where these are interest free), as many of our clients are financially vulnerable and cannot afford repayments. We would welcome more detail from the Department on the eligibility criteria, to ensure support is directed to those who need it most. For those who can afford to contribute, the Department could consider offering loans as an alternative to complement the grant scheme.



Question 26: Which option do you think should be the approach to the level of financial support for eligible technologies?

NEA NI recommends **Option 2 – apply different amounts of funding per eligible technology type.**

This approach would ensure the level of support reflects the varying costs of different technologies. Additionally, it allows for flexibility based on the size of the property and any additional heating system requirements, such as more radiators.

While NEA is technologically agnostic, our main priority is that grants provided to low-income households are comprehensive. The level of support should be sufficient to cover the full costs of installation and associated works, to prevent any additional financial burden on householders.

Question 27: Are there any cost barriers beyond the cost of the technology that you feel may impact on the successful rollout of low carbon heating technology support?

Yes.

There are additional cost barriers beyond the cost of the technology. If grants to low-income households are not fully comprehensive, these additional costs could impact the successful rollout of low carbon heating technology.

This includes the cost of **retrofitting homes** to a standard necessary for low carbon technologies to operate effectively. For example, loft, floor and cavity wall insulation. This can involve significant upfront costs.

Furthermore, when installing some technologies, there might be additional costs that need to be covered in order to ensure that it can work effectively, or even just to restore the home to a reasonable state. In a Call for Evidence issued by NEA in July 2021 to stakeholders across the UK and Europe, 86% of respondents agreed that ancillary costs are a barrier to fuel poor households decarbonising their heating⁸. Some examples of these ancillary costs are:

⁸ For more information see: National Energy Action and Energy Action Scotland, (2021). [‘Fuel Poverty Monitor 2021’](#), pp. 34 – 39.



- **Rewiring.** To make some changes to a home, it must be rewired for safety reasons. This can cost thousands of pounds.
- **Servicing and maintenance.** Grant funding provided through many available schemes do not cover the costs of annual servicing and maintenance. If these costs cannot be met by the household, there is an increased risk of the heating system developing a problem.
- **Redecorating and paintwork.** Some low-carbon installations will result in a home needing redecoration in order to restore it to its previous state.
- **Upgrading the electricity network.** In some cases, when a householder decides to install a heat pump as their main heating source, their connection to the electricity grid may not be enough to support such equipment. NEA is aware of some occasions where the network has demanded that the household provides a financial contribution towards the cost of the upgrade before it takes place.

Another potential cost barrier is the **cost of running the new system**, especially when electricity prices are high. Even when building fabric upgrades are undertaken, low-income households may find it difficult to afford the running costs of low carbon heating. Providing eligible low-income households with a discounted electricity tariff is a way to address this cost barrier. NEA NI has long been calling for the **introduction of an energy social tariff** to provide discounted, targeted energy bill support to those in the greatest need.

Question 28: Do you have suggestions as to how the department can ensure financial support delivers the best possible value for money?

Yes.

To ensure financial support delivers the best possible value for money, the Department should:

- **Focus on Domestic Energy Efficiency** – Financial support for low carbon technologies should be paired with assistance for essential energy efficiency upgrades, such as insulation and improved heat distribution systems. This dual-support approach ensures homes are made suitable for technologies like heat pumps, while reducing



financial barriers for low-income and vulnerable households, maximising energy savings, and lowering running costs.

- **Prioritise Low-Income and Vulnerable Households** – Financial assistance should target vulnerable groups, particularly those on low incomes and in fuel poverty. These households are disproportionately impacted by the challenges of high energy costs, cold homes, and transitioning to low carbon heating systems.
- **Focus on Making Warm Homes More Affordable** – Enhancing home insulation and heating systems directly tackles fuel poverty and significantly reduces excess winter deaths caused by cold and damp housing. By highlighting the broader health and social benefits of warm homes, the scheme can provide value beyond energy savings, improving overall quality of life and well-being.
- **Commit to Consumer Protection and Transparency** – Require installations to meet high standards through qualified installers. Provide consumers with clear, accessible information at every stage, including the benefits, limitations, and costs of different low-carbon technologies, the behavioural changes required to manage them effectively, and where to access ongoing support. This will empower consumers to make informed decisions based on their heating needs and property characteristics.
- **Collaborate with Industry** – Partner with industry stakeholders to develop clear guidelines for installations, maintenance, and ongoing consumer support.
- **Thoroughly Monitor and Evaluate** – Implement a robust framework to assess the scheme's impact on household energy efficiency, fuel poverty reduction, and long-term cost savings. Regular reporting will ensure transparency and accountability in the use of public funding and enable the Department to make necessary adjustments to enhance effectiveness.

Theme 5: Supply Chain and Skills

Question 29: Is the supply chain and manufacturing base in NI well established to cope with demand for installations of low carbon heating technologies if demand increases?

No.



It is our understanding from partners that this is absolutely not the case and that there are currently only 10 or less MCS certified installers located in NI.

Question 30: Is there any evidence of after-care delays with repairs and maintenance of heat pumps due to supply chain shortages and delays that may cause someone to be without heating?

There is a risk of after-care and maintenance delays due to supply chain shortages. For example, we have been anecdotally informed that in the Republic of Ireland, the demand for heat pumps is driving up prices and service availability. This has seen some companies, in the short-term, prioritise new installations over maintenance, as new installs are more profitable, and maintenance costs are higher.

Question 31: How can growth of the skills base within the heat pump industry be supported by the private sector and government to complement any support for low carbon heating in

- a) the short – medium term (up to 10 years) and**
- b) the long term (over 10 years)?**

It is crucial that the private sector and government stimulates investment and growth in this sector and workforce.

In the short term, the private sector and government should consider:

- Providing funded training through programmes such as SkillIUp.
- Leveraging and expanding existing courses at local colleges to train more young people in low carbon technologies and heat pump installations.
- Offer funding for installer certification fees.

In the longer-term, the private sector and government should consider:

- Investing in apprenticeship programmes that develop a pipeline of skilled workers for the future.
- Engaging with schools and colleges to promote careers in the low carbon heating sector.



Question 32: Is there an adequate amount of heat pump installers within NI to cope with demand for installations as well as aftercare and repairs/maintenance should demand for heat pumps increase in the short – medium term?

No.

It is our understanding from partners that there is not currently an adequate amount of heat pump installers in NI to cope with an increased demand for installations, aftercare, and repairs/maintenance. It is imperative that a shortage of installers does not negatively impact the quality of installations, aftercare, and maintenance for consumers.

Question 33: What actions can be taken to support the scaling and growth of the low carbon industry, particularly installers, to meet future demand projections of heat pump deployment targets?

To support the scaling and growth of the low carbon industry, particularly installers, we propose the following actions:

- Provide clear and consistent policy messaging to incentivise investment in the sector here.
- Offer additional financial support for installer training and certification.
- Partner with schools and colleges to promote careers in the sector and expand existing courses.
- Raise awareness among consumers about the benefits of low carbon heating technologies.
- Establish early clear practices and standards for industry.