



CONSULTATION RESPONSE

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DAERA's Draft Northern Ireland Climate Action Plan 2023-2027

About National Energy Action

National Energy Action (NEA), is the national **fuel poverty charity**, working across England, Wales and Northern Ireland, to improve the lives of people in fuel poverty. We support people with energy and income maximisation advice, and we advocate on issues such as the current energy crisis and the need to improve the energy efficiency of our homes.

We do not work alone. Partnerships and collaboration have been at our heart for over 40 years, helping us drive better health and wellbeing outcomes. In Northern Ireland, we chair the [Fuel Poverty Coalition NI](#) and we are the secretariat to the [All-Party Group on Fuel Poverty](#). We advocate for policy and regulatory reforms to protect the most vulnerable, and we deliver accredited training to improve standards in energy advice. Through the [Belfast Warm and Well Project](#), we provide advice and practical support to local people struggling to keep their homes warm.

Summary

NEA NI is the leading fuel poverty charity in Northern Ireland. Our mission is to ensure that everyone can afford to live in a warm and healthy home.

We welcome the opportunity to respond to this draft Climate Action Plan (CAP) 2023-2027. We strongly support its important ambition to reduce carbon emissions and meet the first carbon budget. However, our overarching caution to



policymakers is that **decarbonisation must be delivered in a way that safeguards affordable warmth and does not deepen fuel poverty.**

Northern Ireland faces both a **climate emergency** and a **fuel poverty crisis**, with **40% of households estimated to be living in fuel poverty** (LucidTalk and NEA NI, 2024)¹. These are not competing challenges. They are interconnected and must be tackled together. If action to decarbonise our energy system and residential sector increases costs for low-income households, it will fail to be just and fair. Conversely, effective measures to reduce fuel poverty – particularly investment in domestic energy efficiency – can directly reduce emissions.

The CAP is therefore a critical opportunity to address both crises simultaneously. To succeed, it must place **affordable warmth** and the principles of a **Just Transition** at its core.

Our response focuses on the **Energy** and **Residential Buildings** sections of the draft CAP, drawing on our extensive experience supporting fuel poor households and vulnerable energy consumers.

Overarching Principles

NEA NI believes that the Climate Action Plan must be guided by a set of core principles if it is to succeed in reducing emissions while also tackling fuel poverty. These principles are:

- **Affordable Warmth** – Decarbonisation must be delivered in ways that do not increase energy bills or worsen fuel poverty.
- **Progressive Funding** – The costs of transition must be fairly distributed, avoiding regressive levies or standing charges.
- **A Just Transition** – The transition must actively benefit low-income households, not only protect them from harm.
- **Fabric First** – Energy efficiency and housing retrofit are the foundation of affordable, low-carbon homes.

¹ NEA NI, (2024). [‘LucidTalk — NEA NI: September 2024 – Northern Ireland \(NI\) Attitudinal Poll’](#).



- **Statutory Accountability** – Targets for reducing fuel poverty and improving energy efficiency standards must be embedded in policy.
- **Equitable Access** – No postcode lotteries or eligibility barriers; the most vulnerable should be helped first.
- **Consumer Awareness and Support** – Behaviour change will only succeed if households are supported with clear information, advice, education, and protections.

Key Comments on Section 6.2: Energy Production and Supply Sector Contribution to Carbon Budget 2023-2027

NEA NI broadly agrees with the proposals to reduce emissions from energy production and supply, recognising the necessity of moving towards a decarbonised energy system.

Opportunities and Risks

We welcome the significant progress that has been made on renewable energy generation. In the long term, renewables can provide greater energy security and help shield households from the effects of global fossil fuel market volatility on their energy bills.

However, we remain concerned that the upfront costs of decarbonisation – such as grid upgrades, infrastructure investment, and the deployment of new technologies – may be disproportionately passed onto consumers. These costs often take the form of levies or standing charges, which fall most heavily on those least able to pay. Even where these cost increases are considered relatively small, we know from our experience supporting low income and vulnerable households, that even small additional expenses are an added strain and can make the difference between turning on the heating and hot water or sitting in a cold, damp home.

Furthermore, it is also important to recognise the cumulative nature of policy costs – what may seem like a modest increase in isolation can quickly become unaffordable when layered on top of other increases, particularly for those already in or at risk of fuel poverty. Consumer Council NI research highlights that cost is the primary concern for households when it comes to decarbonisation².

² Consumer Council for Northern Ireland, (2023). [‘Consumer attitudes to protection during energy decarbonisation’](#).



Progressive Funding and Energy Social Tariff

We therefore recommend that the NI Executive adopts adequate mitigations to protect vulnerable households, including **progressive funding mechanisms** that fairly distribute the costs of the transition.

We also continue to advocate for greater financial support for low income and vulnerable households, including the introduction of an **energy social tariff**. In partnership with Fair by Design in 2022, NEA developed [proposals](#) for such a tariff, which would offer a discounted unit rate and reduced standing charges for households in fuel poverty or on a low income.

Social tariffs are already used for other essential services, such as broadband, and in Great Britain the **Warm Home Discount Scheme** has provided mandatory social price support since 2011. It requires larger electricity suppliers to provide a £150 annual bill discount to qualifying low-income and vulnerable households. The absence of any equivalent scheme in Northern Ireland leaves vulnerable consumers uniquely exposed.

Support with Understanding and Behavioural Change

The transition to decarbonisation represents a fundamental shift in Northern Ireland's energy landscape, requiring significant behavioural changes and infrastructural changes. Currently 63% of our households rely on domestic home heating oil - compared to just 4% of the UK as a whole. This highlights the scale of the challenge, as many households will be required to learn new skills and adopt new behaviours to make efficient use of emerging technologies.

Provisions are needed to support this change and make the transition as straightforward as possible for energy users. Research by the Consumer Council for Northern Ireland has suggested that there remains low awareness of the energy transition among domestic consumers and underscores the need for **consumer education and support**. For example:

- *Low Awareness:* Three in ten consumers reported having no understanding of the term "Net Zero", while only 54% were aware of the Executive's commitment to achieving net zero by 2050.³
- *Desire for Information:* Almost six out of ten (58%) consumers said they would like to receive more information on the benefits of decarbonisation and energy transition.⁴

³ Consumer Council for Northern Ireland, (2023). [‘Attitudes to the Energy Transition’](#).

⁴ Consumer Council for Northern Ireland, (2023). [‘Research on the impact of the energy crisis on affordability and the impact of energy transition on consumers’](#).



Energy Security and Grid Modernisation

Finally, we stress that energy security and grid modernisation must be at the centre of future planning. Investment in decarbonisation should be designed not only to meet emissions targets but also to deliver a reliable and affordable supply for all households. A decarbonised system must also be a reliable one. Grid upgrades and energy security should be treated as **consumer protection** issues, ensuring that all households **maintain affordable, secure supply**.

Key Comments on Section 6.5: Residential Buildings Sector Contribution to Carbon Budget 2023-2027

NEA NI agrees with the proposed policies and proposals in the draft CAP, but we remain concerned about the **lack of pace in domestic energy efficiency schemes**. Without urgent acceleration, NI will struggle both to effectively tackle fuel poverty and to achieve the reductions in residential emissions needed for the first carbon budget.

Housing Quality and Fuel Poverty

Poor housing quality is a central driver of fuel poverty in Northern Ireland. Up to March 2023, dwellings with a valid Energy Performance Certificate (EPC) had a median energy rating in band D ([DfC, 2024](#)). This leaves many households exposed to high energy costs due to poor thermal performance and inefficient heating.

Addressing housing quality must be a cornerstone of climate action. Reducing heat demand through **insulation and building fabric upgrades** must be the foundation of affordable, sustainable decarbonisation. Financial support for low-carbon heating technologies is important, but it must always be paired with measures to improve energy efficiency to be truly effective.

Existing and Proposed Schemes

We endorse the continuation and enhancement of existing schemes like the **Affordable Warmth Scheme** and the **Northern Ireland Sustainable Energy Programme** (NISEP). We especially welcome the proposals for a **new, more ambitious 'Warm Healthy Homes Scheme'** and commitments to a **One Stop Shop** to support access to specialist energy advice and grants – although progress on this has been slow. These initiatives are essential for improving the



energy efficiency of existing homes, especially those occupied by fuel-poor households.

These schemes must be comprehensive, accessible, and adequately funded. They should be designed with simplicity and accessibility in mind, prevent postcode lotteries, and support the most vulnerable. Existing schemes must not be discontinued until demonstrably better alternatives are in place. In particular, NEA NI is concerned about the future of NISEP, which is a lifeline for fuel poor households, especially in the context of sustained limited funding of the Affordable Warmth Scheme. We believe the Department for the Economy must not reduce or close this fund unless and until a replacement can be shown to deliver better outcomes for fuel-poor households.

DfC's draft Fuel Poverty Strategy has proposed that all such changes should be tested using a distributional impact assessment tool, similar to Ofgem's model in Great Britain. While this tool has limitations, it can help identify how costs and benefits are distributed across consumer groups. A similar mechanism in Northern Ireland could be beneficial, but it must be tailored to the local context. At a minimum, any replacement of NISEP or introduction of new levies should be subject to this type of assessment, and mitigations put in place.

Funding Gaps and Delivery Pace

The CAP estimates that 53,000 homes could be supported during the plan period. This ambition would be transformative, but current budgets fall well short. For example, the Affordable Warmth Scheme allocation for 2025–26 is just £2.5 million, plus £5 million in legacy commitments, compared with the £14 million assumed in the CAP. NEA NI does warmly welcome the Department's efforts to increase funding for the scheme during a challenging budgetary period. However, this does not change the fact that at the current level of funding, the pace of delivery will fall significantly short of the stated ambition.

Funding Opportunity: UK Government's Warm Homes Plan

Barnett consequentials from the UK Government's Warm Homes Plan (WHP) present a major opportunity to direct much-needed additional resource into **retrofit and domestic energy efficiency improvement schemes**, delivering the dual benefits of lower household bills and reduced carbon emissions.

In June 2025, the UK Government confirmed a commitment of £13.2 billion to the WHP. NEA welcomed this investment, which promises to bring long-term benefits to fuel-poor households and is expected to provide substantial funding for Northern Ireland through Barnett consequentials.



NEA NI is fully aware that this funding is unhypothecated and its allocation is at the discretion of the Executive. Nevertheless, we strongly believe it should be prioritised for tackling fuel poverty through large-scale investment in retrofit programmes. Directing resources into programmes such as DfC's statutory Affordable Warmth Scheme, or the future Warm Healthy Homes Scheme, would enable more approvals, support many more households, and deliver enduring improvements to affordability, health, and carbon reduction.

Fuel Poverty Strategy for Northern Ireland

NEA NI has long advocated for the delivery of a new, sufficiently resourced Fuel Poverty Strategy for Northern Ireland, supported by a comprehensive cross-departmental action plan. We are pleased that progress is being made, with the consultation on the draft strategy closing in March 2025. We are currently awaiting publication of the consultation report and the finalised strategy.

Overall, [NEA NI's response](#) welcomed the draft strategy's key objectives, proposed outcomes, and actions. However, we were disappointed by the lack of specific, measurable targets – particularly a **clear target for reducing fuel poverty**.

Statutory Targets and Standards

A crucial element missing from the draft Fuel Poverty Strategy - and, by extension, from this CAP - is a commitment to **introduce a statutory fuel poverty reduction target**. Without such a target, there can be no guarantee of sustained progress in reducing fuel poverty, nor a clear framework to align fuel poverty action with the CAP's wider objectives.

In addition, NI currently has no **statutory Minimum Energy Efficiency Standards (MEES)** for residential properties. While Energy Performance Certificates (EPCs) are required when selling or renting, there is no legal requirement for properties to meet a minimum EPC rating.

The draft Fuel Poverty Strategy proposed introducing MEES for the Private Rented Sector by 2027. We strongly endorse this but have called for the final strategy to include specific, measurable targets for MEES implementation and the reduction of fuel poverty. The Fuel Poverty Coalition NI's 2023 [joint report](#) recommended a target to reduce fuel poverty to 20% by 2027 and eradicate it by 2035, ensuring no low-income households live in homes with an EPC rating below band C. Embedding such commitments into law would provide the necessary framework for aligning the Fuel Poverty Strategy and the Climate



Action Plan, ensuring that progress on fuel poverty goes hand in hand with emissions reduction.

Equity in Access

It is vital that support is prioritised for the most vulnerable households, with a clear “help the worst first” approach. Provision must be made to ensure equitable access across all areas of Northern Ireland, avoiding postcode lotteries in scheme delivery.

Consumer Awareness and Behavioural Change

The transition to decarbonisation will require households in NI to change how they heat and power their homes. This will be challenging, as many will need to adopt new technologies and behaviours. Consumers must be supported with advice, education, and protections. NEA NI is well placed to contribute to any consumer protection or engagement working group associated with delivery of this CAP and warmly offer our expertise.

Conclusion

In conclusion, NEA NI calls for the final Climate Action Plan 2023–2027 to integrate efforts to reduce carbon emissions with measures to end fuel poverty, to deliver a truly Just Transition that prioritises affordable warmth for all.