

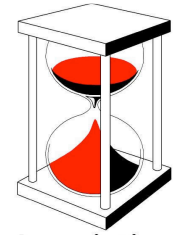


**Friends of
the Earth
Scotland**

12 June 2008

Ending fuel poverty in Scotland by 2016

A submission to the Scottish Fuel Poverty Forum from Friends of the Earth Scotland and the Association for the Conservation of Energy



**Association
for the
Conservation
of Energy**

1. Introduction

This submission to the Scottish Government's Fuel Poverty Forum sets out the main changes in policy that we believe are required if Scotland is to achieve its target of eradicating fuel poverty, so far as reasonably practicable, by 2016. The submission represents the views of both Friends of the Earth Scotland and the Association for the Conservation of Energy.

2. Strategic approach

- 2.1. A more strategic approach, including **greater synergy between policies to tackle fuel poverty and climate change**, is needed. It is vital that policies designed to reduce carbon emissions also contribute, where possible, to tackling fuel poverty, and vice versa.
- 2.2. Specifically, we would advocate **a sectoral target within the Scottish Climate Change Bill** to cut emissions from the residential sector by at least 3 percent. per annum.

3. Reform of the Central Heating Programme and the Warm Deal

- 3.1. The Central Heating Programme (CHP) and Warm Deal (WD) **must be better targeted** at those in most need. A **subsidised boiler maintenance scheme** should also be established for those in most need.
- 3.2. The **eligible group for new systems should be extended** to include families with a child with a disability and other vulnerable groups such as low-income single parent families and the chronically sick. Grant levels should also be increased to reflect the actual cost of installation.
- 3.3. The **measures funded under CHP and WD must be expanded to include 'hard to treat' measures, microgeneration and in some cases, community-scale combined heat and power.** Those microgeneration measures included should be those deemed most successful at cutting fuel poverty and carbon emissions in the current EST-run pilot study. 'Hard to treat' measures with proven effectiveness can be adopted immediately into the WD, while more novel technologies should first be piloted.
- 3.4. Better synergy is required between Government-funded programmes and those funded from other sources. Specifically, we would advocate **that 'standard' measures such as loft insulation and cavity wall insulation are not normally funded under the CHP and WD**, but that finance to install these measures is secured through the Carbon Emissions Reduction Target (CERT) wherever possible. Both Government-funded and CERT measures should be available through a single point of access, and could be further augmented through top-up funding or low-interest loans, in order to maximise the energy efficiency improvement achieved through a single batch of measures.

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4. Non-Government investment

- 4.1. It is vital that Scotland secures its fair share of CERT investment. Evidence under the Energy Efficiency Commitment suggests it is not currently doing so¹. It may be sensible to set a specific target for CERT investment in Scotland. One might argue, for instance, that since mean annual air temperature in Scotland is approximately 18% lower than in England, CERT spending per head should be 18% higher in Scotland than in England². In practice a more robust methodology for calculating any Scottish target would be needed.
- 4.2. In addition to the above, better targeting of CERT investment at those in most need is required. We would suggest a working group is established to investigate **better data sharing** between the Department for Work & Pensions, the energy utilities and the Energy Saving Trust's new Home Energy Efficiency Database.

5. Regulatory and other measures

- 5.1. The Government must, in our view, consider a **package of grants and low-interest loans** to finance energy efficiency improvements in the housing stock (as is currently in place in Germany³).
- 5.2. In tandem to the above, the Government should **set minimum energy efficiency standards for properties at point of sale or rental**. We would suggest NHER 5 as a minimum standard to start with, though this could be raised over time. Requiring minimum standards would be extremely unpopular without the corresponding finance, in our view.
- 5.3. Consideration should be given to introducing **planning policy which requires investment in the energy efficiency of the existing building stock** surrounding planned new developments (so-called 'Balance Trading').
- 5.4. Legislation on common repairs to tenements should be amended to **facilitate the installation of microgeneration equipment** on tenements.

6. Measures beyond the remit of the current Fuel Poverty Forum

- 6.1. Even with the measures outlined above, it is in our view highly unlikely that the Scottish Government will meet the 2016 target without **increasing the resources** that Government is able to direct at addressing fuel poverty.
- 6.2. While generally speaking the promotion of energy efficiency is devolved whilst the regulation of energy efficiency is reserved, in practice there are some areas of confusion. It may be sensible to **examine where powers lie in this area and seek greater clarity**.

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¹ Around 7 percent of investment under EEC1 was in Scotland, yet Scotland has 9 percent of the UK's dwellings.
Source: Ofgem (2005) *A review of the Energy Efficiency Commitment 2002 – 2005*

<http://www.ofgem.gov.uk/Sustainability/Environment/EnergyEff/Documents/1/11254-18105.pdf>

² Mean annual air temperature at low altitude ranges from about 7 °C to 9 °C in Scotland. In England the range is from about 8.5 °C to 11 °C, a discrepancy of approximately 18%.

Source: The Met Office <http://www.metoffice.gov.uk/climate/uk/>

³ Germany is investing €1.4bn per year in a scheme to provide grants and low-interest loans for improving the energy efficiency of the domestic housing stock. The payback period on loans is up to 30 years.

For more details see Scottish Government (2008) *Review of energy efficiency & microgeneration support in Scotland*, Appendix A.
Available online: <http://www.scotland.gov.uk/Publications/2008/05/30140737/11>