



**Fuel Poverty Coalition Northern Ireland  
response to the Department for the  
Economy's Energy Strategy  
Call for Evidence**

**March 2020**

## Introduction

This is a Fuel Poverty Coalition (FPC) response to the Department for the Economy's Energy Strategy Call for Evidence. The response was generated through a deliberative process, where a small group with expertise in this area identified the key issues that relate to fuel poverty in Northern Ireland in the context of an energy transition to zero carbon. These issues were used to design a wider workshop where 50 members of the FPC met together in the Skainos Centre on the 10th March 2020 to respond to the topic. They chose to work on four key aspects of energy policy that they feel impact on the issue of fuel poverty the most. There are broader considerations in this response that cover a wide range of issues relating to fuel poverty.

In each topic section, there is a series of questions which were used to inspire the conversation in groups during the consultation workshop.

The four topics that are of high significance to the FPC are:

- 1. Energy Efficiency**
- 2. Adoption of New Technologies for Heat**
- 3. Affordability and Who Pays**
- 4. The Role of the Consumer in the Transition**

This response is set out reflecting the insights and contributions of the members of the Coalition. The key insights are in bold with some further elucidation below each point.

### **Topic One – Energy Efficiency**

The questions the Fuel Poverty Coalition (FPC) examined:

1. What are the issues with the way energy efficiency is currently happening? Where is it unfair or ineffective? Where is it working well?
2. What must change for energy efficiency to be effective? What do we measure?
3. What methods of energy efficiency measures should be prioritised and what are the considerations that brings?
4. What if any, energy target or targets should be set for Northern Ireland?
5. What should the future of energy efficiency support look like and who should be key delivery bodies?
6. How might any energy efficiency programme be paid for?
7. Are there examples of successful citizen energy projects in Northern Ireland and elsewhere that have delivered improved energy efficiency to local communities?

#### **Overview (Energy Efficiency)**

Energy efficiency is the most urgent issue to address as it creates the greatest savings of both carbon and money for the investment. There is virtually no prospect of homes adopting more expensive carbon neutral heating systems without having first invested in having energy

efficient homes. There could be co-benefits from insulating homes effectively such as improving health outcomes. Northern Ireland has no energy efficiency target or legal mechanism to implement one. There is a UK wide plan for energy efficiency and the Northern Ireland Sustainable Energy Programme (NISEP), (often under threat), is our key contribution to that. An energy efficiency target could be based on an energy rating of the home. Data is lacking in Northern Ireland though, so we are unsure as to the fine detail of what is needed and what works. In Northern Ireland, we currently spend circa £50m per year on efficiency programmes — we think it would cost an estimated extra £22k per house to get up to an appropriate standard that is future proofed.

Fuel Poverty Coalition (FPC) members are acutely aware that 90% of the homes that will exist in 2050 are already built and we know that the bulk of energy demand is for heat. It is in that housing stock that the success of any energy strategy will stand or fall.

The FPC identified a number of considerations in this particular area:

### **The Critical Importance of an Effective Baseline (Energy Efficiency)**

There is a litany of issues with the data that is available or not available regarding energy efficiency and energy performance of homes. From inconsistent, unreliable data, to vague measurements and huge gaps in the types of data available — there is a huge need to improve in this area. There are a lot of different organisations working in a largely uncoordinated way collecting bits of data which cannot be easily aggregated. The result is a lack of management information from which sound policy and operational interventions can be made. A particularly harmful gap is in the private rental market and the levels of uptake of energy efficiency measures in that arena.

The FPC acknowledges the difficulty of collecting consistent, meaningful data but underline its absolute necessity. We are unable to devise the most cost-effective strategy if we don't really know what we are working with. This includes the housing stock, its condition, the work already carried out, the technology used to heat it and its energy efficiency rating.

There are organisations which need to be brought together in a data collection forum including the Building Research Establishment (BRE), the Northern Ireland Housing Executive (NIHE), Housing Associations, Local Authorities, Universities, and some non-profit organisations. Their work would be to create a standardised and centralised database for recording data (measures installed, fabric, costs) and to go to create some models of what is possible. There is also the possibility of collecting real-time data using Smart technology, which is increasingly present in people's homes. Having people complete their own questionnaires is also a possibility to give an overarching picture.

**[NIHE / BRE report into "Cost to make dwellings in Northern Ireland Energy Efficient" \(2019\).](#)**

### **Yes, You Need a Legislative Target for Energy Efficiency (Energy Efficiency)**

The second issue regarding energy efficiency, where there is unanimity, is on the topic of targets. Targets set in legislation is the tool that unlocks a thousand actions, from changing building control regulations, to the investment by landlords and housing associations. Alongside the legislation there is a need to put some work into defining what energy efficiency means for different homesteads. Some FPC members suggest a target to get all homes to Band C by 2030, while others go beyond that to the need for Band B homes to make new technologies viable.

The members of the FPC highlight some instances where there is greater possibility of driving the upgrading. These include — when a landlord or housing association is about to rent a property to a new tenant (i.e. it is not possible to rent out properties below Band C), or when a property is about to be sold.

Alongside the creation and installation of a target for Northern Ireland homes, there must be a form of oversight or scrutiny in the delivery of the target — aimed at different groups including energy providers, categories of home owners, and public bodies who together hold the budget as well as the oversight powers.

There is some thinking that the whole house should be included in the energy efficiency measures — including household appliances.

### **Leadership Needs to be Addressed if this is Going to Work (Energy Efficiency)**

Leadership in the work to create and deliver a coherent strategy for energy efficiency is necessary. Some go as far as to suggest there needs to be a new Department for Energy, Climate, and Carbon, maybe with an arm's length energy efficiency organisation like the Sustainable Energy Authority of Ireland (SEAI). A crucial role would be to simplify the bureaucracy and harmonise the messages and make them consistent. Should there be one big scheme; is that fairer?

While centralisation is attractive, there is also the reality that this work will remain the responsibility in some way, of lots of stakeholders from energy companies, to installers, builders, architects, QS's, public bodies, non-profit organisations and more. Consensus, coordination and consistency across all of these interests will be required. Some policies and programmes can duplicate what others are doing and equally some can cause unintended consequences for another.

There is also a key role for other authorities, such as Councils, who would have the best opportunity to lead on heat networks as well as educate and enforce on the upgraded building regulations.

A function of the centralised leadership would be to encourage and enable innovation.

*What will happen to the NISEP?*

There is also a need to acknowledge that lots of different properties will require different solutions and someone will have to arbitrate that — ensuring that the appropriate solution is proposed for each property. There is no one size fits all approach here.

Examples: — Quest, Devenish, Beechmount, breathe easy. Education strategy of future installers / experts etc.

### **Upgrading Homes Needs Careful Thought — Advice (Energy Efficiency)**

There is a lot of recognition that the cost of this programme of upgrades will be significant. The costs have to be managed in a way that creates the least impact on consumers. There are some practical actions and then a set of principles that may help with this aspect. In terms of action — there is a need to establish some comprehensive costings that will include the cost of upgrading different types of property (rural bungalow, social housing stock, apartments, etc) and to establish the payback periods for the upgrades.

#### Principles

Ensure the most vulnerable are protected;

Make upgrading cost effective by ensuring it saves more than it costs over time;

All options should be affordable to the average person;

Seek innovation in financial models — e.g. Would the banks be able to create new mortgage models for energy efficiency?

Whole house approach rather than one aspect at a time; and

Prioritise the worst performing to make the maximum gain.

### **Fairness is a Key Principle (Energy Efficiency)**

Many stakeholders are very concerned about the issue of fairness regarding energy efficiency and how it is brought to homes. This is built from past experience. The thresholds for who is able to access energy efficiency measures are seen as unfair by many, as they exclude so many in need (the working poor) and those who have capital assets but who are not able to access cash. Those in rented accommodation feel they are largely forgotten in these works and that do not have the same access to physical improvements. How can any new system incentivise landlords to access grants and programmes?

The criteria for applying for grants is fragmented and the criteria is too complex — therefore many assume that they will not be eligible and do not even apply. Vulnerable people may not be able to understand what they are supposed to be applying for or are unaware that the programmes exist.

It is worth noting that schemes without criteria have been successful (Kirklees) and it may be deduced that means testing is an admin heavy process that brings associated costs.

In terms of the rural divide, where there is no gas network available, some suggest that it is worth considering if the “off-grid” households could get priority.

### **Ensure Good Standards are Enforced (Energy Efficiency)**

Past work on energy efficiency has been plagued with poor quality workmanship or materials, which have left homeowners and tenants disappointed and disillusioned with the whole concept. Meaningful standards and having trusted installers are important. Strong enforcement and a high bar to qualify to be an approved installer are required to protect the good and reputable companies from bad reputation created by others. Scrutiny becomes important.

## **Topic Two – Adopting New Technologies**

Questions:

1. What are some of the important considerations for the fuel poor with these technologies?
2. What is an appropriate pathway and timeline for the decarbonisation of heat between now and 2030, and subsequently to 2050?
3. Beyond insulation — What are the most cost-effective and sustainable steps that government might take to accelerate the reduction of the carbon intensity of heating fuels (while protecting the fuel poor)?
4. What are your thoughts on district heating schemes in Northern Ireland and where should responsibility lie for facilitating these?

### **Overview (New Technologies)**

With regards to fuel poverty, we will have to get people off gas and oil over time. Some people say that the most effective technologies are based on what we already know (as opposed to new untested tech). The most likely technologies are heat pumps, storage heaters, hydrogen, biogas, like bio methane mixed in gas and maybe others. There is a consideration for short, medium, and long-term solutions.

### **Adoption of New Technologies**

The Fuel Poverty Coalition (FPC) examined the need for and challenges of adopting new technologies in heating and powering homes. They identified several clear aspects to consider:

1. The need for a timeline that sets out clearly what will happen.
2. Managing the Implications of Adopting new technology.
3. The role of education and learning to bring people along with the transition.
4. The need for innovation around the infrastructure that is in place.
5. Appropriate roll out of the new supplementary technologies.
6. The use of smart tech in enabling efficiency.

### **The need for a timeline that sets out clearly what will happen (New Technologies)**

There is an accepted climate imperative that Northern Ireland addresses its carbon emissions as recognised in the UK Legislation that sets out a target of net carbon zero by 2050. The FPC recognises the primacy of this target and sees that its (much needed) legislative adoption in Northern Ireland holds both opportunity and challenge for those in fuel poverty. The opportunity

comes from the target allowing for the status quo to be genuinely challenged. For too long householders have been trapped using old technology in poorly insulated homes in both the private and rented sectors, as well as purchasing unregulated fuels to produce heat. Effective quality assurance has not always been in place for works carried out or for new technologies and people have been left to find their own information and solutions on what to do, without access to independent or joined up advice. The challenge comes from both the cost and the inconvenience of new tech.

The FPC ask the Department for the Economy (DfE) to set out a clear timeline that will show what is achievable during the coming 30 years. This timeline has to recognise that:

- Most technologies that will be effective in the short term are already tried and tested;
- Emerging technologies will be required to upgrade what is there (e.g. biogas in the natural gas pipes); and
- Emerging technologies could help to leapfrog carbon technologies altogether (hydrogen, heat pumps etc).

The timeline must set out what will happen in the next five years, up to 2030 and then beyond that. Householders think in terms of boilers — they have only two boiler installations up to 2050. Therefore, the solution technologies have to be fully in place by 2035 to enable an effective chance at achieving the goal. This means that they have been tried and tested and all cost implications have been worked out.

The other factor in setting out a timeline is that for many houses in Northern Ireland, that timeline only becomes meaningful after the houses have undergone a deep retrofit. Many of the new technologies will be much less effective if they are being deployed in leaky houses.

### **The Important Role of Education and Learning to Bring People Along with The Transition (New Technologies)**

The greatest factor in enabling a transition to new technologies and new behaviours will be how the public are “brought along” on the journey. This is a question of engagement, listening, informing householders, and enabling new behaviours. There are likely to be a range of options and solutions being sold to the public by different vested and well-meaning interests. The transition promises to be confusing. Proponents of different technologies will be selling those as solutions, adding to the confusion. The householder will require support, incentives, and independent information that is bespoke to each property. The information must be consistent over time.

Even today, the information about what to do is complex and contested. People will need very simple straightforward advice and information on their options. This includes helping householders understand what the best technology will be for each given house, and how they can navigate the options from insulation options, to boiler replacement, to integrating new energy sources, and even to exporting surplus energy.

The education programme should operate alongside the timeline. Getting people to upgrade what they have — using smart controls, efficiency measures and access to grants that are

already available seems like the best way to get people to on the journey. People require reassurance that the investment they make today will not turn out to be worthless or inadequate for the future.

Smart tech such as boiler controls and digital thermostats will proliferate. Those who are not already tech savvy will have to be helped to use them effectively over time.

Some of the education project may need to start in schools and be part of an on-going campaign with solid, reliable, consistent messages for how different categories of householder can access support and action.

Another aspect of the education project is with the construction industry — everyone from building control, planners, architects and engineers, through to builders and installers.

Trails can help to demonstrate how the new technologies will perform in the real world and this too can form part of the education process.

### **What Should We Do with a Brand New Gas Network? (New Technologies)**

The FPC recognise that the ongoing roll-out of a Gas Network is anomalous given that gas is not a route to zero carbon. We understand the argument that it is cleaner and cheaper than oil, for those who can access a gas connection. However, it still means that the second boiler that people install from here on will not be a traditional gas boiler. We think consideration must be given to leapfrog technology to help those moving from oil, to get to carbon zero heating within ten years. We understand that the gas network could potentially be used to transport hydrogen.

Therefore, the FPC would like some clear messaging from Government on what the future ambitions for the gas network are including:

- When will it be financially paid off?
- What other gases are possible to transport in the network that are viable for the household to use?
- When could alternative gases begin to be transported?
- What are the potential cost implications of different fuel types (bio methane, hydrogen etc)?

### **Create an Easily Understood and Logical Timeline (New Technologies)**

The great energy transition from 2020 through to 2050 will require a series of steps from now, to the medium term and then out to the long term. It would be hugely helpful to have a realistic timeline set out showing how that is going to roll out over the next 30 years. It will help resolve some of the questions that people have now about leapfrogging carbon technology (why are we installing gas when it is not a carbon solution?), when will current boilers be no longer available? What are hybrid boilers able to cope with in terms of fuel mix?

Short term:

- Reduce demand for heat in dwelling.
- Use surplus wind energy to heat dwellings.
- Insulate, insulate, insulate.
- Deep retrofit – insulation and ventilation.

Medium Term Pathway:

- Campaign to end oil (currently 68%).
- Bio oil needed.
- Information / education on new technologies.
- Incorporation of renewables feeding into heat requirements.
- Support for fuel poor households to install gas.
- Same incentives East and West.
- Explore renewable options.
- Need baseline test for all new technologies (conditional study of).
- Support for non-fossil fuel initiatives.
- Explore community-based schemes.

Long term:

- Gas uses 50% hydrogen.
- Hydrogen.
- Wind turbine, electrolysis to produce hydrogen.
- Heat pumps — electricity powered 'green'.
- Hybrid heat pumps — mostly demand and supply.
- Thermal storage — electric storage.
- Not windy; you need storage solution.
- High retention storage heaters?

**Manage the Cost of Adopting New Tech (New Technologies)**

Beyond the issue of knowledge and education, a further barrier and risk is the cost of adopting new technologies. Many of the alternative technologies that exist today are beyond the price range of the fuel poor including heat pumps and solar installations.

What are the costs associated with running technologies like heat pumps? There will need to be tariffs put in place to help with the efficient running of these technologies.

The cost of adoption would probably come down significantly if the building regulations mandated new houses or renovated houses to install these technologies. We believe building regulations are out of date and not in alignment with the desire to achieve net zero.

Part of the cost implications of adopting new technologies is the need to train and develop industry wide skills in solar, heat pumps, and alternative fuels.

Cost has to be key both in terms of capital cost and the tariff to run it.

- Private sector / rural / private rented sector — will people be penalised?
- Private rented sector — legislation changes needed, or nothing will happen.
- Establish the real running costs of different technologies.
- Consider an energy tax on new builds.

Need to look at the existing tariff structure for electricity — need to make sure that these consumers who are ‘fast adaptors’ and have new tech in their homes are not penalised by larger power consumers or rewarded by burdening costs on the fuel poor.

- Need agile tariffs
- Time of use tariff

### **District Heating (New Technologies)**

District Heating remains a niche opportunity at the moment. If it is to become a serious player in the energy field, it will require high levels of support. District heating poses a problem in dispersed populations — it will really only work in higher density neighbourhoods — probably as the result of new build.

There are a range of fuels that could be seen as good prospects for district heating including converting waste energy and bio digesters — either on farm or at a municipal level, and central biomass boilers.

Responsibility — Councils, housing authorities, Utility Regulator, universities, H.E intuitions through education.

Community planning imperative. This leans itself to a Government-led collaborative process.

### **Heat Pumps (New Technologies)**

Heat pumps are probably the major option for all the homesteads that are off grid and reliant on unregulated oil. Widescale adoption is unlikely until the cost comes down. Heat pumps are not suitable to all dwellings, especially those that are not well insulated. They are not cheap to install. It needs to be one of the long-term solutions that will fall into place when economies of scale bring down costs, when homeowners are more comfortable with the tech aspect, and when electricity generation has been increased. Woodside in Lurgan is a case study that appears to be working well.

### **Smart Tech (New Technologies)**

The move to new technologies will be facilitated by smart tech. Already early adopters are using technology in the home to control thermostats etc. It will be important to help homeowners make the most of the smart tech as it holds great promise for increasing efficiency. The other side of it is the data that smart tech produces. At the moment, this is largely the preserve of private companies who are using the data to produce new products. The ability to access such data will be critical for Government to be able to tailor bespoke solutions that are much needed given the variety of housing types cross the country. The

vulnerable in particular will require support in this regard as there is huge potential for abuse and accidental misuse of the technology.

- Domestic home energy needs to 'talk to one another' — each device can't work in isolation, prove to energy devices / technologies in the home to be SMART and interact with each other for benefit.
- Easier in new homes but much harder for existing housing stock.
- Costs associated with these.
- Cost, ease of use, accessibility for consumers, especially the fuel poor, these should be the key considerations.
- Technology needs to be suitable for the housing type.
- Are there 'SMARTER' ways to use existing tech and infrastructure e.g. the grid, agreements on usage time etc. will reduce the need for large scale grid reinforcement — there will still be a cost but this could be reduced significantly through demand changing behaviours and better use of existing tech and infrastructure.
- Energy for lifestyle schemes / smart thermo / zones.
- Protection of data.

### **Advice (New Technologies)**

There were a couple of further insights on the topic of New Technologies — one is the danger for the Government in quickly promoting one or two particular technologies, which may then turn out not to be the best option, as there is a possibility that something new will emerge in the middle future — in ten years' time. Therefore, it would be prudent for the Government to promote options and to encourage innovation in the sector. There probably won't be a silver bullet technology — so the job is to help people access the solution that is best for them and to make what is available as user friendly, secure, effective as possible through working with industry and others and by enforcing strict quality standards as well as creating space for trials of new tech and helping foster that.

Worth looking at Belton energy communities the Republic of Ireland (ROI).

## **Topic Three — Affordability**

Questions examined by the Fuel Poverty Coalition (FPC):

1. What are the key considerations for who pays?
2. Where is fairest to get that money and how should the bill payer be brought into that? What protections are needed?
3. With regards to investing in energy efficiency — What are the current issues in relation to affordability and what are the key issues to be addressed? What are some of the future considerations?
4. How should we ensure that energy remains affordable for domestic consumers?

### **Overview (Affordability)**

Transition to a low carbon economy will require huge investment in alternative means of heating and powering our homes, as well as for energy efficiency retrofit programmes. With regards to power — we will need different grids, smart technology, more distributed sources, and more of it. Currently it is the bill payer who pays for most investment but that is quite weighted towards business. Business in Northern Ireland also pay more than business in GB for their energy, whereas domestic consumers pay less towards levies in their bills than GB consumers.

### **The Key Considerations for Who Pays (Affordability)**

There is an acknowledgement that this programme of transition is going to cost a lot of money and that the public will have to make a big contribution — either through higher bills or through general taxation. People need to know the figures. How much will a transition cost? What will different aspects cost — such as deep retrofit, boiler replacement, introduction of heat pumps, increased storage etc.? People are concerned that raising bills will indeed push more vulnerable people into fuel poverty and they will require some form of help and protection and social tariffs are often burdensome and bureaucratic. Energy will become a greater chunk of a household budget.

There is a concern that landlords would push the cost of refurbishment onto higher rental bills.

On the flip side people also recognise that once the capital investment is done, that customers will enjoy better quality of life, improved health outcomes and lower fuel bills. Whatever solutions are chosen, they are predicated on having the right data and having some good modelling done as to how different finance strategies will play out in the real world.

There are also opportunities to think of innovative ways of getting money into the system — examples include grants, 0% pay scheme to change oil to gas, house value-based loans, changing the winter fuel payment, co-payment system models for consumer and provider.

Another consideration for the transition is creating a willingness for people to change. People change habits reluctantly so any strategy to transition has to acknowledge that and work around it. Included in this is the idea that we need to change how we use energy and improve households' behaviours; an example might be penalising higher usage bills with an escalating cost for excess usage.

Another consideration is how energy demand is likely to change in the future. More electrified systems — from cars to heating will require more electricity use. Need to model that into the projections on the future costs.

### **Ensure Fairness and Consumer Involvement in Financing (Affordability)**

The current system of paying for home upgrades is inadequate. All schemes together currently account for around £25 million, equating to a £6 levy on a domestic bill. We have 300k homes

to improve, which will cost at least £250 million per year. New models have to be found. Here are some considerations:

- Taxation rather than levy? But risk of money not being directed where it's needed. Taxation means those at risk of fuel poverty are more protected.
- Ring fenced budget, if lifting from bills then back to energy efficiency.
- Energy tax on new sales.
- Look at different financial models.
  
- An early exercise is to identify all those who have a stake in the energy system that leads to where the costs can be recovered. This includes the Departments of Government where there is complementarity of outcome. Longer term benefits costs for the Departments of Health or Education?
  
- Social Economy providers where the profit motive is mixed with social purpose.
  
- Financial houses who are looking for sound investments — over time a house with the right measures is a safer bet than one without — especially if increased running costs will be associated with it in the future. The value of the property is likely to be connected to its energy performance. This goes for mortgage providers as well as those providing financing for energy upgrades.
  
- The Northern Ireland Sustainable Energy Programme (NISEP) needs to be ring fenced (short term action).
  
- Housebuilders (developers) have a huge responsibility and they will only be driven by the regulations that exist. There could be incentives where developers pay a levy to help subsidise other upgrades.
  
- Energy companies themselves have a clear role in that they need to be invested in the energy performance of their customers. They have the reach and the know how to help minimise bills.
  
- Polluter pays — the highest energy users pay the greatest amount. It would seem sensible to ensure that the increased amounts that are collected in this way are ringfenced to spend on energy efficiency. Carbon Tax — interest hits bigger users / Politically tough to sell / big stick.
  
- Another way of thinking about spreading the cost is doing area-based approaches where there are economies of scale in local areas — estates, villages etc. This could be more locally managed with incentives for the local area in getting high levels of buy in.
  
- Social tariffs.
  - Pros — Smaller groups pay less death / Calibration — where do we set.
  - Cons — Others pay more couple of extra £.

- Northern Ireland bound into wholesale prices.
- Level of Grant funding, limited funding currently — future considerations — look elsewhere for other examples, more investment needed.

### **Ensure That Energy Remains Affordable for Domestic Consumers (Affordability)**

The FPC members discussed a number of measures that can help ensure that the most vulnerable can be protected when the transitional arrangements roll out. These are listed below:

- Lower tariff for vulnerable people and those on benefits, make it easy to follow.
- Consumer protection frameworks.
- Ensure forward thinking strategy in place.
- Consumer always paying for an issue that wasn't consumers fault.
- Consumer paying if then they should be dealt with first, poorer customer paying more so there should be first.
- Should we think about lifting a levy from oil?
- Social tariff for very low income — never will be able to afford energy efficiency.
- Tailored, means tested.
  
- Cost of electricity should be capped by government.
- Cars should be separately metered in lower/middle and night tariff.
  
- Schemes running in other areas, countries.
- Generating electricity, yourself.

#### **SMART METERS:**

- network has to manage the peak (+storage).
- can reduce peak usage.
- manage customer behaviour.
- didn't change customer behaviour.
- helps with forward planning.
- but is expensive.

## **Topic Four – Consumer at the Centre**

Questions examined by the Fuel Poverty Coalition (FPC) members.

1. In a new energy strategy — what are the potential impacts on consumers, in particular, the fuel poor?
2. What policies or schemes are needed to protect vulnerable consumers?
3. How should the government consider the consumer when making strategic choices?
4. What types of advice and information are required by all consumers and what are the best mechanisms facilitating this?

5. How can the consumer be given an effective role in the transition to low carbon energy systems?

### **Overview (Consumer at the Centre)**

Currently energy policy and regulation are spread over several organisations and Departments. There is no single source of unbiased information about what works and what grants are available. Energy policy is largely driven by the need to ensure good supply, reduce costs, and now, to transition to a low carbon system. The consumer is not always to the fore when these big questions are being decided. There is a need to keep the question of cost to the fore and in particular, how we protect fuel poor. Decarbonisation costs could have a disproportionate negative impact on fuel poor. The Energy Strategy should protect fuel poor customers. There is a deliberation to be had around balancing the cost impact on consumers and for it to be placed on general taxation. People are concerned at the level of fragmentation in the system. Some services are good, others not so. Grants advice and information is very difficult for most people to make sense of. In a rapid transition there is a lot of potential for miss selling and abuse and this could lead to a devastating loss of trust in doing anything. No organisation currently exists that can offer all the relevant information on all areas e.g. energy efficiency, renewables, grant, billing issues. How does it all work together — would be better for consumers if there was a better way to share information e.g. via councils?

There is too much potential for particular consumers to be left behind, get confused and do nothing.

There is also a new emerging group of consumers who also produce information (Prosumers). These people may be more technically aware but still require information, advice and support to make the most of what they have invested in and to ensure they are not being ripped off by middlemen operations.

### **Engage with Consumers (Consumer at the Centre)**

Customers want to be involved. The ethos must be engagement at all stages. If there are conversations that materially affect the energy supply, price, availability, source etc. then the customers voice must be heard. This is a very different concept to past policy making where decisions have not always been transparent and instead largely imposed.

There is a willingness from consumers to work with these issues in a way that is constructive, and which will lead to actions that have a better chance of working which is in everyone's interest. Within this there is a need for some sophistication. As there are many different stakeholders who are on the supply side of energy policy, there are many on the demand side who each has a distinct set of insights and issues. Some of the distinct voices include:

- Older people;
- Private homeowners;
- Rural dwellers;
- Social housing;
- Private rented tenants and their landlords;

- Young people;
- Low earners who fall outside of benefit basket;
- Disabled and impaired; and
- Representatives of various vulnerable people.

### **Regulation and Policy Needed to Protect Vulnerable and Associated Scrutiny (Consumer at the Centre)**

Regulation is seen as a necessary part of the work of protecting the vulnerable consumer. Policies, schemes have to be created and deployed that are simple to operate. This may well be a principle-based regulation that can be applied widely and in the many different contexts that are about to happen.

The term “vulnerable’ is used widely but meaning different things to different people. It would be helpful if the regulations could define what is meant by a vulnerable person so that they can be more clearly protected rather than falling into a generic catch-all terminology. Also, the consideration of consumers in regulation allows for a better understanding of the knock-on effects of a policy or strategic decision.

Another aspect of regulation is need to have legal powers that accompany them so there are teeth. An example is the current gap regulatory powers for the Utility Regulator (UR), who does not have the power to regulate third parties and of course, the very unsustainable situation where the home heating oil industry falls outside of regulation.

We need to build on the consumer protection framework.

Enforcement of any rules and regulations is also essential. There is not a comprehensive overarching scrutiny body at present. Government must enable a scrutiny function from consumers perspective.

### **Create One Source of Responsibility (Consumer at the Centre)**

There are too many bodies who have a piece of the puzzle and there is not a coordinating mechanism. Different Departments have responsibility for different parts of the system and there are many other public bodies who have a piece of the puzzle — from consumer rights to energy efficiency programmes. While it is unrealistic that one Department maintains responsibility for all aspects of energy policy, there is a need for a coordinating mechanism on the policy side and also one on the customer facing side. One single independent service and implementation e.g. Codema in Dublin and the Sustainable Energy Authority of Ireland (SEAI). One early priority is to harmonise the approach of building control and planning standards.

### **Enable Independent Advice (Consumer at the Centre)**

We need independent advice and information impartial not government or private interests. Consumer council of energy — independent advice and regulators as funder.

Impartial and independent advice and information.

One stop shop for advice right avenues for all generations — all areas of advice on energy.

Need to be simple clear easy to find.

Adequate advice and support services.

Transparency.

Evidence based impartial easy understand and available through multi channels — one stop shop, tailored to sector consumers, landlords and commercial.

### **Smart Data (Consumer at the Centre)**

The FPC sees a big future role in smart data. We believe it can be used to gradually create the evidence needed in terms of behaviour and technologies that have been deployed. It has the potential to enhance efficiency and to tailor appropriate services. Smart data linked used to identify those in need of other forms of help. Smart technology can identify those at risk e.g. self-disconnection. Of course, the role of data brings its own issues in terms of data management and privacy issues. Reporting on findings and how the data is being used will be important. There is perhaps a case for the data to be open source so that multiple parties are able to use it.

### **Focus on Education (Consumer at the Centre)**

Education programmes in schools to inform consumers of tomorrow.

Education to enable people to think about future solutions to increase awareness.

Show positive impact for consumers.

Knowledge and education key.

Education — limit the fear detail.

### **Provide Practical Help to Change (Consumer at the Centre)**

Need to bring people along on the journey.

Who talks to consumers?

Demystifying the use of technology engagement.

New technologies to be simple to use.

People can be left behind without right level of support and education.

Target customers e.g. those who get winter fuel allowance for signposting to service information etc.

Even those who can afford to pay should be incentivised e.g. partial funding.

Help make new tech affordable.

People who are vulnerable often don't work to engage so need to be brought on board.

Consider introducing a policy like Wale's Wellbeing Agenda to consider everyone's well-being and consider future generations.

Provide funding at community level to empower communities to develop their own solutions.

Fuel poverty is a complex issue, but there is a great opportunity to get the experts in the field into the room to get the policy right. There, of course, is a need to establish a process to join all aspects in an on-going conversation with the key players, including the consumer and

people experiencing fuel poverty, Industry, government and the voluntary sector. We look forward to working with you to this end.

**Response submitted by:**

Pat Austin

Chair, Fuel Poverty Coalition NI

Director, NEA NI

[info@fuelpovertyni.org](mailto:info@fuelpovertyni.org)