

Cynulliad Cenedlaethol Cymru Pwyllgor Amgylchedd a Chynaliadwyedd	National Assembly for Wales Environment and Sustainability Committee
Dyfodol Ynni Craffach i Gymru?	Smarter energy future for Wales?
Ymateb gan National Energy Action Cymru (Saesneg yn unig)	Response from National Energy Action Cymru
SEFW 05	SEFW 05



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Wales



Environment and Sustainability Committee's Inquiry into A Smarter Energy Future for Wales: Written evidence from NEA Cymru

In response to the Environment and Sustainability Committee's inquiry into 'A Smarter Energy Future for Wales?' National Energy Action (NEA) Cymru has the pleasure of submitting written evidence for your consideration.

NEA is a UK fuel poverty charity with more than 30 years' experience campaigning for greater investment in energy efficiency to help those who are poor, vulnerable, and living in a cold home. NEA Cymru is the dedicated Welsh arm of NEA.

NEA Cymru does not wish to provide oral evidence to the committee.

The energy mix

1. NEA Cymru has no comment on this question.

The grid

2. Household gas and electricity bills are on average higher in Wales than in England and Scotland. Due to higher fuel bills and lower household income, many households in Wales are in fuel poverty, a problem that affects all parts of Wales. One of the main factors for rural fuel poverty is the high concentration of off gas areas in Wales.
3. Approximately 20 per cent of households in Wales are off gas ¹and reliant on more expensive sources of fuel to heat their homes such as oil and electricity. The current gas distribution network does not allow the distribution of gas in many rural areas, mainly due to distance from gas network and cost of installation. The connection and distribution of electricity face similar cost and distribution issues as gas due to substation distances in rural areas. These gas and electricity distribution issues may restrict and limit the ability of a development of a rapid rollout of a smart energy system in Wales.
4. At present, funding is distributed by the gas and electricity distributors with support by the Welsh Government's Nest Scheme. However, this does not pay for the full cost of gas connection.
5. To ensure vulnerable and fuel poor consumers don't miss out on the benefits of smart energy, the Welsh Government needs to work closely with the Welsh gas and electricity distribution network operators (DNOs) to find innovative and economic solutions to developing a smarter energy system which takes into account Wales' unique geography whilst also lowering the gas and electricity bills of its householders.
6. Alongside smart energy solutions, the Welsh Government and gas network distributors must continue to provide eligible households funding towards the installation of gas supply to their existing domestic property.
7. NEA Cymru would also urge the Welsh Government to work closely with DECC to address insufficient funding available for the low income householder to fund the full connection to the grid.

Ownership, regulation, operation and investment

8. NEA Cymru has no comment on this question.

Storage

9. NEA Cymru has no comment on this question.

Ownership

10. NEA Cymru has no comment on this question.

Energy efficiency and demand reduction

11. NEA Cymru welcomed the recent Welsh Government announcement of a review of Part L of the Building Regulations in 2016. To ensure that energy efficiency in houses are improved, the Welsh Government must lower its 8% aggregate improvement for CO2 emissions for new-build housing compared to 2010 Part L of the building regulations as well as re-instate the code of sustainable homes level 3 regulation on all new builds.
12. There are numerous environmental, social and economic impacts if the planning and building regulations for new and existing stock was improved in Wales. By having a well-insulated and energy efficient house, homeowners use less energy to heat their homes, reducing their fuel bills.
13. The benefits for building and adapting more energy efficient homes will eradicate many of the causes of fuel poverty; improve health and wellbeing, reducing demand on the NHS. There are currently 475² needless deaths every year across Wales directly attributable to vulnerable households living in cold homes. This could figure could be less if Wales improved and adapted its building regulations.
14. In addition, improving housing energy efficiency standards will help boost economic growth and maintain a highly skilled green jobs workforce in Wales. For every £1 spent on the Welsh Government's Arbed 2 energy efficiency scheme, £2 was generated in the Welsh economy.

Communities - making the case for change

15. NEA Cymru worked with Calor on the FREE (Future of Rural Energy in Europe) Programme³ between 2010 and 2013 to assist fuel poor households in off-grid rural communities in Wales. The project helped individual households reduce their energy consumption and encouraged local communities to work through a community led approach to promote best practice in energy efficiency and carbon reduction, with the overall aim of reducing levels of fuel poverty in off-grid areas.
16. NEA's FREE project supported local community based organisations in Ceredigion, the Llŷn Peninsula and Anglesey, areas with high levels of fuel poverty and no access to the mains gas network to set up projects that would help reduce fuel poverty among local people. The scheme was developed as a partnership project between a range of organisations working within the rural community; including various local authority departments, NHS, housing associations, credit union, community voluntary council and voluntary organisations.
17. The main aim of the project was to ensure that information about keeping warm in the winter was provided on a local basis and that all information was made accessible in one place. The project developed a pack containing this information and making it easy to signpost people for further help and support on fuel poverty, debt and health. This type of model should be replicated in other parts of

Wales and may particularly benefit people living in rural areas who were less likely to receive information through other avenues.

18. Mains gas remains one of the cheapest ways to heat a home but is not an option for rural households not connected to the mains gas network, increasing their likelihood of being in fuel poverty. Various rural communities in Wales have set up syndicates to bulk purchase oil. For one scheme operating in Ceredigion, the average annual household saving by participating in this kind of syndicate is around £150. Additional benefits of these schemes beyond reducing fuel poverty include increasing community cohesion, rural isolation, health and wellbeing as well as reducing the number of tankers on the road.
19. There is a high level of interest in rural Wales for setting up and participating in oil bulk buy schemes. There may be opportunities for farmers, as large consumers of oil, to take part in these kinds of syndicates and drive them forward. The success of these schemes often lies in their local community organisational basis but syndicates would benefit from larger organisations, such as local authorities, supporting them. For example, support could take the form of office facilities being provided free of charge, facilitation of networking between syndicates, expert advice on developing existing syndicates in new directions such as incorporating other off-grid fuels and investigating renewables, and provision of information on setting up a syndicate to communities where they do not yet exist.

NEA Cymru September 2015

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/267375/off_gas_grid.pdf

² <http://www.ons.gov.uk/ons/rel/subnational-health2/excess-winter-mortality-in-england-and-wales/2013-14--provisional--and-2012-13--final-/stb.html?format=print>

³ [http://www.nea.org.uk/Resources/NEA/NEA%20Cymru-Wales/Documents%20\(English\)/Calor%20Policy%20Report-Year%203-Wales-final.pdf](http://www.nea.org.uk/Resources/NEA/NEA%20Cymru-Wales/Documents%20(English)/Calor%20Policy%20Report-Year%203-Wales-final.pdf)