

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?
Gwybodaeth ychwanegol a ddaeth i law yn ystod yr ymchwiliad	Additional information received during the inquiry
Cartrefi Cymunedol Cymru (Saesneg yn unig)	Community Housing Cymru



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Community Housing Cymru supplementary written evidence

CHC mentioned the “Our Power” energy supply model in Scotland when giving oral evidence to the Environment and Sustainability Committees inquiry into a smarter energy future for Wales and were asked to provide further written evidence on this model. Please see several links with information below, including a link to their website, a presentation that Our Power has been delivering at events and a press release:

<http://our-power.co.uk/>

http://chcymru.org.uk/uploads/events_attachments/Ein_Pwer_presentation_Sept_15_.pdf

<http://news.scotland.gov.uk/News/Power-to-the-people-1b3b.aspx>

We would be happy to discuss this model and other models further. Please see some supplementary evidence below which relates to some of the points that CHC raised in the oral evidence session.

1. Retrofitting existing homes should be the main focus. The longevity of *homes* means that around *two-thirds* of the *homes* that will be standing in 2050 had already been built before 2005. RSLs are a key part of the solution to delivering economic, social and environmental benefits i.e. tackling fuel poverty, creating jobs and decreasing carbon emissions. We need long-term partnerships with Welsh Government, Ofgem, Distribution Network Operators and other partners and when considering the supply of new homes, long-term partnerships with builders, colleges and other partners. Our vision is one which encourages local ownership and supply of renewable energy generation. We need a renewable energy vision and strategy. There is a need to be smart by reducing energy demand via behaviour change, insulation, innovative electronic control systems, etc. We need to be Smart by reducing energy demand first and then follow up with whole house retrofit packages (insulation mainly) and when you have achieved a good SAP rating, consider renewables but only when energy generated via renewables isn't lost because previous measures such as insulation stop energy leaking out of the home.
2. Any energy that is supplied should be supplied sustainably and this transition to a low carbon energy future must be socially just e.g. energy efficiency schemes should not be regressive in nature. CHC would like to see funding ring-fenced for non profit bodies who are supporting low income households etc and are able to tackle fuel poverty more directly. Why can't Distribution Network Operators prioritise non profit local organisations who support people in fuel poverty.
3. We can't just wait for powers to be devolved. We have to act now and have a bigger voice/influence at a UK Government level and more encouragement for e.g. local energy



supply. Welsh Government can have a significant influence on electricity consumption by households. RSLs are ideally placed for driving behaviour change. If we were to call for powers in one area, Welsh Government needs to seek additional or separate powers in relation to Energy Companies, the Energy Company Obligation etc. Whilst these areas are solely controlled by Central Government, Wales will continue to be in the position of responding to changes rather than driving them e.g. feed in tariffs. CHC welcomes the devolution of powers over all aspects of energy, including consumer matters, so that we can legislate, for example, to put an end to companies' powers to disconnect any home from gas or electricity and therefore putting energy companies on the same footing as water companies. There are many ways that the market could be regulated to better protect people in Wales, for example putting energy companies on the same footing as water companies so that they're forbidden from disconnecting customers, regulations over social tariffs and the requirement for companies to offer these to vulnerable people and extending regulations against miss-selling of tariffs to online forms of marketing. We also need to address energy company misbehaviour over direct debit tariffs.

4. CHC welcomes Welsh Government's reference in its consultation on an energy efficiency strategy to rural proofing and rural screening tools as part of good policy making. We know that poor energy infrastructure means that many homes in Wales are off grid (almost 20%) and therefore will typically pay more for their energy. There is no regulator for off-grid fuels, which is a key issue that needs to be addressed. Rural poverty in itself is very often well hidden and isolated in pockets, and this means that it may not be recognised by measures such as the Welsh Index of Multiple Deprivation. Furthermore, with Digital Exclusion typically being higher in rural parts of Wales, Digital exclusion means that many households don't have access to the best tariffs, which more often than not are available online only. We cannot properly protect Welsh consumers from price rises without obtaining further energy powers and the ability to regulate the energy market. In Wales, we pay an average of between 5 per cent and 10 per cent more for our energy than elsewhere. This is due largely to poor energy infrastructure for rural and post-industrial areas, the failure of competition to work in the market; and poor digital infrastructure. Off-the-gas households pay the most to heat their homes and due to their geographic isolation, they are the most hard to reach households in Wales. Grant support for energy efficiency projects in these communities is essential if we are to target households that are likely to be experiencing 'extreme fuel poverty', living with inadequate heating regimes, affecting their health and likely the fabric of their properties. The physical nature of fuel poor households (e.g. low income families living in solid wall and off-gas properties) highlights the need for schemes to move beyond lower cost measures (often as a single measure) and instead deliver packages of measures that will sufficiently raise household energy efficiency ratings. A minimum standard for energy efficiency could buffer low-income households from the impacts of future fuel prices. Welsh Government in its Warm Homes programme have rightly tried to focus on homes



at the greatest risk of fuel poverty and sought improvements which can be made at the lowest cost to the taxpayer. More support and investment is needed generally, but particularly so for rural households. Housing Associations have significant numbers of low performing and hard to treat properties which house many vulnerable/low income families and require more expensive energy efficiency measures.

5. Housing and health- Fuel poverty is responsible for a number of excess deaths. In England and Wales there were 18,200 estimated excess winter deaths (EWDs) in 2013/14 representing 11.6% more deaths in the winter period, compared with the non-winter period. A report by Age UK claims that illness related to living in a cold home costs the NHS £1.36bn every year. Wales should be exploring the potential for “Boiler Prescription Scheme” projects that we have seen in England. Another good practice example includes the warm homes healthy people fund which was actually established by the Department of Health in the UK Government. These are funds for local initiatives that demonstrate how local authorities will reduce deaths over the winter months. It provides funding to deliver energy efficiency and heating improvements to the most vulnerable people, provides residents with benefits advice, ensures better public awareness of the impacts of cold weather and provides staff and volunteers with fuel poverty/cold weather awareness training. More funding like this should be made available for organizations in Wales, including RSLs and Care & Repair Agencies.
6. Investment- CHC would like to understand whether the Green Investment Bank, for example, could be a useful avenue for funding energy efficiency and renewable energy projects in Wales. The KfW bank in Germany, for example, has provided significant investment into energy efficiency, corporate environmental protection and renewable energies. The German development bank KfW borrows freely and is transforming the energy efficiency of the nation's homes. KfW is owned by the German state. There is potential within Wales to replicate projects such as the Energiesprong project in the Netherlands. See here for the Energiesprong website <http://www.energiesprong.eu/>
7. CREW Regeneration Wales’ research into the Low carbon skills requirements for the regeneration and built environment professional services sector in Wales, clearly illustrated that energy efficiency supply chain skills are not limited to the trade level of skills development, but identifies critical skill gaps in the professional services sector in key provision including planners, architects, engineers, road designers and landscape architects¹. As well as up-skilling installers, there is a need to introduce training and apprenticeship schemes to make sure installation skills are not lost to the industry. This includes improving links to schools/education, educational programs at all levels (including professional training and development), improvements to education and training throughout the industry in order to replicate the design and construction skills,

¹ <http://regenwales.org/upload/pdf/110612105831Low%20Carbon%20Skills%20Research%20-%20Full%20Report.pdf>



knowledge and experience gained through experimental retrofit projects, the increased presence of skills on the government agenda, more education around fabric first, more retrofit related CPD, etc

8. Consumer demand for energy efficient homes and whole house retrofit is a big issue. There is a need for far greater levels of public engagement and appetite for low carbon technologies. Lack of information, consumer awareness, interest, and understanding are all still barriers, as well as awareness of the measures, solutions and technologies available. There is a lack of a coordinated marketing approach and independent and consistent advice. Easy access to clear and relevant information on energy issues and the support available is a critical element of tackling fuel poverty in Wales. This advice needs to reflect consumer needs and circumstances. There is currently a range of organisations that provide advice to consumers on energy issues. To avoid confusion the system needs to be simplified and better co-ordination is needed between these services. All avenues and incentives need to be explored for people to take up energy efficiency measures e.g. perhaps there should be a council tax incentive if people carried out energy efficiency works

9. CHC outlined a range of clear messages around innovation and energy storage and other technologies in our original written submission to the committee and we would welcome on-going dialogue with the committee regarding how we can tackle these challenges and opportunities together in the future. CHC feels that its Registered Social Landlord members can play a significant role in partnership with others to lead the development of local and community based Smart Living energy demonstrator projects.

10. Future Generations Act-There is potential within the FG Act to address some of the issues raised in the committee inquiry. One of the indicators mentioned for example in the FG Act indicators is a minimum SAP rating. There is also issues such as embodied energy which is the energy used in manufacture and movement of materials – there is a need to reduce carbon impacts from the manufacture and supply of construction materials, space and water heating, power for appliances and lighting, water and sewage treatment, and transport.