



11 July 2018

Rt Hon Claire Perry MP,
Minister of State for Energy & Clean Growth,
Department for Business, Energy & Industrial Strategy,
1 Victoria Street,
London SW1H 0ET.

Dear Claire,

Energy Company Obligation and NIC energy efficiency recommendations

As you know, the End Fuel Poverty Coalition is a broad coalition of anti-poverty, environmental, health, trade union and consumer organisations working to eradicate fuel poverty and thereby improve people's health and quality of life, reduce living costs, create jobs and reduce carbon emissions.

Despite a recent enhanced focus on reducing energy prices, we believe that dramatically improving domestic energy efficiency levels remains the most enduring solution to end cold homes. Currently, however, the Energy Company Obligation (ECO) remains the only mechanism in England delivering vital domestic energy efficiency improvements.

The new, welcome stated aim of ECO is to bring affordable warmth to low-income, vulnerable and fuel poor households. Within proposals for ECO3, your Department acknowledged that, given the scheme's focus on low-income and vulnerable households, the government "*no longer assumes that householders will continue to co-fund measures*". The coalition welcomes this - yet these very households are still very likely to be required to make a financial contribution to the energy efficiency measures provided through the scheme in the future, despite having already contributed to the policy through their energy bills. The coalition advocates that low-income and vulnerable households should not be required to make capital contributions to ECO, as these households are simply unable to afford the upfront costs. Requiring households to make capital contributions will mean that those in the deepest fuel poverty will not benefit from much-needed improvements. We therefore call on you to introduce a clear prohibition of household contributions in ECO3.

Additionally, the coalition has significant concern following BEIS's proposal to end support for oil-fired boilers through ECO. The households that use oil-fired boilers are often off-gas and in the deepest fuel poverty. The current proposals would therefore leave 140,000 of the poorest households in England with no way to heat their home. The impacts of this policy decision could therefore directly lead to poor physical health, excess winter deaths, increased anxiety and in some cases suicide.

In highlighting these concerns, the coalition fully acknowledges the Government's ambition for a low-carbon future as set out in The Clean Growth Strategy. As such, oil-boilers are not consistent with this vision. However, in the short term, it is also critical not to put the decarbonisation of heat on a direct collision course with your efforts to tackle fuel poverty. We believe therefore that, if the Government do end support for oil boilers, it is vital that these households are able to access alternative policies, such as the Renewable Heat Incentive (RHI). As with the better targeting of ECO, this recommendation was made by the Climate Change Committee (CCC) in their advice to the UK Government on how to meet carbon budgets and mitigate impacts on fuel poverty levels. It was also committed to by Ministers in 2016, but has so far failed to be delivered on.

Finally, the coalition highlights the upcoming opportunity for the Government to use public infrastructure capital to co-fund ECO and deliver area-based energy efficiency schemes to systematically improve the quality of UK housing in every part of the country. In this context, the coalition welcomed yesterday's publication of the National Infrastructure Commission's (NIC) National Infrastructure Assessment (NIA). As I am sure you are aware, the NIC urges the UK Government to put in place a combination of regulation and funding to increase the rate of insulation measures installed in UK homes to 21,00 a week by 2020. We therefore hope that the Government will accept the NIC's recommendations as a matter of urgency and make the most of the upcoming Comprehensive Spending Review to secure the resources needed to deliver warmer and healthier homes.

Yours sincerely,

Jenny Holland,
Chair,
End Fuel Poverty Coalition.

The End Fuel Poverty Coalition is supported by:

10:10 – Action with Communities in Rural England – Advice4Renters – Age UK
Association for the Conservation of Energy – Association of Local Energy Officers – Camden Council
Camden Federation of Private Tenants – Centre for Sustainable Energy – Child Poverty Action Group
Disability Rights UK – E3G – Energy Saving Trust – Friends of the Earth – Fuel Poverty Action
Generation Rent – Islington Council – National Energy Action – Oxford City Council – UNISON