

CONSULTATION RESPONSE

Submitted: February 2025 | Contact: shannon.montgomery@nea.org.uk

Department for Communities: Consultation on a new Fuel Poverty Strategy for Northern Ireland

About National Energy Action (NEA)

NEA is the national fuel poverty charity, working across England, Wales, and Northern Ireland to ensure that everyone can afford to live in a warm, safe, and healthy home.

NEA NI works to overcome the causes and effects of fuel poverty in four main ways. We provide **advice and support** to people struggling to heat their homes affordably; we **campaign and advocate** for policy and regulation to protect the most vulnerable and end fuel poverty; we carry out **research** to raise awareness and find solutions; and we provide **accredited training and qualifications** to improve standards in energy advice.



NEA NI's Consultation Response

General Comments

NEA NI has long advocated for an updated Fuel Poverty Strategy, as there is a clear need for a strategic, cross-departmental, and cross-sectoral approach to tackle Northern Ireland's fuel poverty crisis. Indeed, <u>polling</u> conducted for NEA NI in September 2024 revealed that as many as 40% of NI households are now living in fuel poverty¹.

In 2023, the Fuel Poverty Coalition (FPC) NI, chaired by NEA NI, published a joint report outlining key strategic priorities and action points for a new Fuel Poverty Strategy. Since then, we have continued to press for action and engaged extensively with the Department for Communities (DfC) and the wider Executive, including as members of DfC's Fuel Poverty and Just Transition Reference Panel. We commend the DfC Climate Change Division team on their thorough stakeholder engagement throughout the development of this draft strategy.

In summary, NEA NI welcomes the draft strategy's key objectives, proposed outcomes, and actions. However, we are disappointed by the lack of specific, measurable targets – particularly a clear target for reducing fuel poverty. We also urge that the finalised strategy is backed by comprehensive funding and a detailed action plan for effective implementation.

¹ NEA NI, (2024). 'NEA and LucidTalk Poll 2024'.



Vision and Principles

Question 1: Do you agree with the proposed vision and guiding principles? If not, please suggest alternatives and why.

Yes. NEA NI agrees with the proposed vision and guiding principles; however, we believe they should be supported by a clear, measurable target for reducing fuel poverty.

The proposed vision - "A warm, healthy home for everyone" - is clear and aspirational. It succinctly conveys that fuel poverty is a cross-departmental and cross-sectoral challenge, encompassing issues relating to energy, health, housing, equality, social deprivation, and environment. It closely aligns with NEA's mission "to ensure that everyone can afford to live in a warm, safe, and healthy home."²

However, affordability must be at the heart of this vision. Without ensuring that energy costs are manageable for all households, particularly the most vulnerable, the goal of a warm, healthy home for everyone cannot be fully realised.

In 2023, a joint FPC NI report identified seven overarching principles that should be embedded into the design, development and implementation of a new Fuel Poverty Strategy to ensure it delivers effectively for fuel poor homes. These principles were:

- 1. 'Help the Worst First': Government action must be adequately targeted to ensure those most in need or considered to be the most vulnerable are supported first.
- 2. **'Prevent Postcode Lotteries'**: The Strategy must make provision to support low income and vulnerable households equally across Northern Ireland.
- 3. **'Embed an Emergency Response'**: The Strategy must recognise the urgency of the cost-of-living crisis and the impact this is having on fuel poor homes in Northern Ireland.

² NEA, (2025). 'About National Energy Action (NEA)'.



- 4. **'Be Collaborative and Transparent'**: The Strategy must encourage collaboration across multiple departments, public health agencies and stakeholders.
- 5. **'Embrace a Just Transition'**: The Strategy must align with decarbonisation and Northern Ireland's Net Zero objectives.
- 6. **'Develop Long-Term and Future-Proof Policies'**: The Strategy must stand up over time.
- 7. **'Support a Fabric First Approach'**: The Strategy should focus on improving homes through the implementation of energy efficiency measures.

We are encouraged that the draft strategy's four proposed principles closely reflect FPC NI's recommendations. Below we have commented further on each principle:

PRINCIPLE	EXPLANATION
Long-term	Ensure people are lifted out of fuel poverty by focusing on
sustainable	long term solutions rather than short term fixes, aligning
solutions	our duties under the Climate Change Act (NI) 2022,
	including those relating to the Just Transition principle and its connected objectives to ensure that actions taken eliminate poverty, inequality and social deprivation.

- We strongly agree this principle, which reflects FPC NI's recommendations on a Just Transition (5), future-proofing policies (6), and a fabric-first approach (7).
- Investment in domestic energy efficiency is a long-term, sustainable solution to addressing fuel poverty, offering value for public funds. Energy-efficient homes require less energy to heat, thereby simultaneously reducing household energy bills and lowering our carbon emissions.



- We welcome that the **necessity of emergency support** in some instances is recognised throughout the draft strategy, alongside the need for investment in long-term solutions.
- The commitment to eliminating inequality must encompass preventing post-code lotteries in provision of support to all low-income and vulnerable households, including those in rural areas.

PRINCIPLE	EXPLANATION
Needs-	Respond to the changing needs of people in or at risk of
based	fuel poverty by providing more flexible, holistic support that prioritises those most in need.

- We strongly agree with this principle, which closely aligns with the FPC NI's recommendation to Help the Worst First (1).
- To be effective, schemes and support programmes should be carefully targeted. Resources should be directed toward those most in need, including households with low incomes, high energy costs, and limited access to support. This targeting must also account for vulnerable groups such as older people, children, individuals with disabilities, and those in rural or hard-to-reach areas.
- We commend the emphasis on **flexibility**, recognising that our energy landscape is rapidly evolving, including energy price fluctuations and decarbonisation policies which impact households.
- The inclusion of holistic support is particularly important. Addressing fuel poverty requires a multi-faceted approach that includes financial aid, but also energy efficiency improvements, communication, education, behavioural change, advice, and access to sustainable energy solutions.

PRINCIPLE	EXPLANATION
Collaborative	Building partnerships, referral networks and
	collaboration across all sectors of society will be at the
	heart of everything we do.



- NEA NI also strongly agrees with this principle, which reflects the FPC's recommendation on **collaboration** (4).
- Effective and meaningful **cross-departmental** and **cross-sectoral** collaboration will be essential to the strategy's success.

PRINCIPLE	EXPLANATION
Participative	Empowering people and communities to seek long-term
	solutions, recognising and removing barriers, and
	enhancing the capacity and confidence of fuel poor
	people to seek support.

 We strongly agree with this principle. However, we recommend it is strengthened by including 'emergency support' in the explanation. This would better reflect the need to empower people and communities to access emergency support to navigate immediate crises, as well as long-term solutions.

Question 2: Do you agree with the timeframe and review period? If not, why not?

Yes. We agree with the proposed 10-year strategy period (2025 – 2035), as this establishes long-term direction for stakeholders. A mid-term review in 2030, alongside annual indicators, annual reporting, and an annual Ministerial Statement, is a welcome approach for accountability and adaptability. These mechanisms will be critical for assessing progress and making timely adjustments in response to emerging challenges and opportunities, such as shifts in energy markets, evolving decarbonisation policies, and advancements in technology.



Make Homes More Energy Efficient

Question 3. What would a readily understandable and measurable definition of "thermal comfort" look like?

NEA NI agrees that NI's current Housing Fitness Standard falls behind other jurisdictions and is particularly deficient in defining "thermal comfort", with no minimum standard specified. We support the commitment to update Fitness Standards by 2030, although believe this is long overdue and should be delivered sooner.

Defining thermal comfort is complex, as it depends on multiple factors – some measurable and others more subjective. It is commonly described as the condition of mind that expresses satisfaction with the thermal environment. "Achieving thermal comfort entails providing indoor conditions that minimize the need for the body to regulate its temperature actively, thereby ensuring occupants feel neither too hot nor too cold."³

The Building Services Research and Information Association (BSRIA), in its topic guide *Thermal Comfort* (*TG* 22/2023)⁴, categorises influencing factors into personal and environmental:

- Personal factors: These are factors over which those designing, constructing, or managing buildings have little to no control. However, they should still be considered as they affect comfort. They include metabolic rate, activity levels, clothing, age, health, and personal preference.
- Environmental factors: These are factors which those designing, constructing and managing buildings have control over. Comfort is maintained when people are able to maintain a stable temperature as heat loss to surroundings and metabolic rate are balanced. Environmental factors include air temperature, air speed, surface temperature, and humidity.

³ Croke, T. 'Understanding Thermal Comfort in Home Environments'. Wavin.

⁴ Bleicher, D. and Maclean, C. (2023). <u>'Thermal Comfort (TG 22/2023)'.</u> BSRIA.



BSRIA outlines **specific measures of thermal comfort**, such as dry bulb temperature, mean radiant temperature, operative temperature, relative humidity, air speed, air turbulence, draught risk, and barometric pressure.

We urge the Department to incorporate this and other guidance, including research by other jurisdictions⁵ and the World Health Organization (WHO) guidelines, which recommend that occupied rooms be maintained at 18–21°C. NEA NI believes homes should meet a standard that they can be **kept warm at a reasonable cost**. It is crucial that the updated Housing Fitness Standard sets a clear minimum requirement for thermal comfort.

Question 4. For MEES in PRS to effectively alleviate fuel poverty, what information or data do you think would be useful and what barriers would we need to overcome?

We strongly endorse introducing MEES for the Private Rented Sector (PRS) by 2027, given the urgent need to improve housing quality in this sector, which has the highest levels of fuel poverty. To drive action and accountability, the finalised Fuel Poverty Strategy should include specific, measurable targets for MEES implementation.

In our 2023 joint report, FPC NI recommended the new strategy adopts targets to reduce fuel poverty, including both an **affordability measure** and an **energy efficiency measure**:

- By 2027: No more than 20% of NI households living in fuel poverty, no households in extreme fuel poverty, and no low-income or vulnerable households living in a home with EPC rating below Band E.
- By 2030: No more than 10% of households in fuel poverty, no households in severe fuel poverty, and no low-income or vulnerable households living in a home below Band D.
- By 2035: Eradication of fuel poverty in Northern Ireland, with no low-income or vulnerable households living in homes below Band C.

⁵ For example: Scottish Government, (2017). <u>'A new definition of fuel poverty in Scotland: review of recent evidence'.</u> Chapter 5.4.



Useful Data and Information

To implement and monitor MEES effectively, the following data and information will be useful:

- **Up-to-Date EPC Certificates (or similar):** To assess property energy efficiency and measure improvements.
- Records of energy efficiency upgrades: Including dates and details of improvements made.
- **Records of complaints:** Information from tenants about issues like damp, mould and cold recorded by councils and the Northern Ireland Housing Executive (NIHE).
- **Property age and type:** To understand the potential for energy efficient upgrades and low-carbon heating systems.
- **Heating systems:** Information on current systems and their efficiency.
- **Heating costs:** Information on current energy expenditure to evaluate the impact of MEES.
- **Boiler servicing records:** Evidence of annual servicing, with clear dates and manufacturer details.
- Insights from Scotland's Private Rented Sector Landlord Loan scheme: Lessons learned regarding uptake and outcomes to inform a similar scheme in NI.
- **Insights from Rent Smart Wales:** Example of aiding and managing enforcement.

Barriers to Overcome

Several challenges need to be addressed to ensure the success of MEES in alleviating fuel poverty:



Landlord resistance:

- Cost concerns: Landlords may resist or be unable to afford adhering to these new standards without adequate support or incentives – as seen by the minimal landlord uptake of the current Affordable Warmth Scheme. A low interest loan scheme, similar to Scotland's PRS Landlord Loan scheme, could support compliance.
- ➤ **Enforcement gaps:** Integrating MEES into the Landlord Registration Scheme and strengthening enforcement mechanisms. Rent Smart Wales⁶ is a good example of how government can aid and manage enforcement.
- **Damp and mould issues:** Addressing both tenant behaviour and property infrastructure is critical. Education for landlords and tenants on managing ventilation and moisture is needed.
- Rental price increases: Landlords may seek to pass on the costs of improvements to tenants, exacerbating affordability issues. A grace period – such as in the case in NISEP, but longer (minimum 1 year) could mitigate this risk.
- **Tenant displacement:** Energy efficiency upgrades must not lead to tenant displacement. Options like phased upgrades, temporary accommodation, or allowing tenants to remain in situ during improvements should be considered.

Question 5. Should MEES also be applied to other tenures? Please give reasons for your answer.

Yes. MEES should be applied to other tenures, as all housing sectors require minimum standards to improve energy efficiency and reduce fuel poverty.

⁶ "Rent Smart Wales assists those who let or manage rental properties in Wales to comply with their Housing (Wales) Act 2014 obligations and provides advice on renting out safe and healthy homes. We also process landlord registrations, grant licences and deliver informative and relevant training for those involved in the rental market both online and in classroom venues across Wales." For more information see: https://rentsmart.gov.wales/en/home/



NEA NI supports efforts to enhance housing quality across all tenures. While fuel poverty is most prevalent in the PRS, it is not confined to it. Many low-income and vulnerable households in other tenures also face challenges due to poor domestic energy efficiency, making it essential to extend MEES beyond the PRS.

We note that the Housing Supply Strategy (2024-2039) already outlines that it is Executive policy to apply MEES across all domestic tenure types. Objective 5, 'A Fair Path to Low Carbon Housing', states: "We will... Put in place minimum standards for the PRS, as part of a wider Executive policy to set MEES for all domestic tenure types (this also links to Objective 3 in relation to actions to improve quality and address affordability challenges in this sector)." It is therefore unclear why this question is being asked.

Although the 2016 House Condition Survey (HCS) reported low levels of unfitness and a reduction in disrepair, owner-occupied homes had the highest levels of disrepair (39%). Owner occupation is the largest tenure and provision of home improvement grants has been subject to constraints in funding. Many owner occupiers at risk of fuel poverty are likely to be on low incomes with only the home as an asset.

Affordability remains a key barrier to necessary improvements. The most recent data from the Financial Conduct Authority Financial Lives survey found 9% of people in the NI sample had no savings at all and 33% had between zero to $\pounds4,999$ in savings⁸. Without adequate financial assistance, many households will struggle to meet MEES requirements. To prevent additional strain on fuel-poor households, robust protections and sufficient funding must be provided to enable them to afford essential upgrades.

Question 6. Do you agree that introducing updated fitness standards will contribute to making homes more energy efficient? Please provide reasons for your answer.

Yes.

⁷ Department for Communities, (2024). 'Housing Supply Strategy 2024 – 2039'.

⁸ Financial Conduct Authority, (2022). <u>'Financial Lives 2022 survey'</u>.



Updating fitness standards, particularly around heating provisions, will enhance domestic energy efficiency – **provided they are properly enforced**.

NI's current Housing Fitness Standards lag behind those of other jurisdictions, as acknowledged in the Housing Supply Strategy. A significant example of inadequacy is the stipulation for 'adequate provision for heating', which can, in practice, be satisfied by the presence of an electrical socket into which the tenant can plug an electric heater.

This is deeply inadequate. Electric heaters can be highly inefficient and costly to run, placing a significant financial burden on households and increasing the risk of fuel poverty. NEA NI has seen firsthand the impact of these inadequacies when supporting fuel poor households within the PRS. Tenants relying on electric heaters face higher energy costs, difficulties in maintaining thermal comfort, and a greater risk of fuel poverty.

This can in no way be considered 'adequate' and must be urgently revised. In a recent survey by Renters' Voice, 68% of respondents said the efficiency of their heating system made it more difficult to afford to heat their privately rented homes.⁹

We strongly advocate for updated and enforceable heating standards that ensure all homes have affordable, efficient heating systems.

Question 7. Do you agree that all government domestic energy schemes should take account of the Fuel Poverty Strategy principles?

Yes, we support aligning all government domestic energy schemes with the Fuel Poverty Strategy principles.

Several new schemes are currently being developed across government, including DfC's new 'Warm Healthy Homes' scheme, as well new energy efficiency and low carbon heat schemes within DfE. We want to know how

⁹ Renters' Voice, (2023). Cost of living crisis report.



these schemes will work together and what steps both departments are taking to ensure coordination. A coordinated approach, prioritising those most in need, is essential to maximise impact and prevent gaps in support.

Question 8. Do you agree that DfC should take a more flexible approach that considers current data when setting and reviewing income thresholds and eligibility criteria? Please give reasons for your answer.

Yes, we fully agree.

Fuel poverty is influenced by multiple factors beyond just gross annual income. A rigid approach that relies solely on income thresholds fails to capture the complex realities of households facing fuel poverty. Many factors - including household composition, health conditions, and housing conditions - affect energy consumption and affordability. For example, a person with a specific health condition may spend more on heating bills and a larger family will naturally have higher energy demands than a single-person household.

A key issue with the Affordable Warmth Scheme is its reliance on outdated data and its use of a £23,000 gross income threshold, which does not reflect rising living costs or disposable income. The volatility of energy prices since 2021 has meant that even households with moderate incomes, who previously coped with nominal price increases, are now struggling financially. Additionally, many fuel-poor households are not receiving means-tested benefits, either because they exceed the eligibility threshold or because they have not applied. These households must also be considered in any revised eligibility criteria.

To ensure support reaches those in need, DfC should adopt a more flexible, data-driven approach, prioritising disposable income over gross income to better assess financial capacity. A vulnerability matrix should also be introduced, similar to that used by the Northern Ireland Sustainable Energy Programme (NISEP), to assess priority need.



Furthermore, primary bidders for the scheme should receive fuel poverty training (e.g. training delivered by NEA NI) to better understand the complexities of fuel poverty and assess household needs. Additionally, resolving data-sharing, data matching, and data protection issues between departments will be crucial in identifying and supporting vulnerable households more effectively.

Question 9. Do you agree that an income threshold should increase in line with minimum wage levels/inflation or another index such as RPI to mitigate increases in the cost of living? Please give reasons for your answer.

Yes, we fully agree.

The income threshold should be adjusted regularly to reflect inflation, minimum wage levels, or the Retail Price Index (RPI), so that the eligibility criteria keeps pace with the cost of living. A static threshold risks excluding financially struggling households that narrowly exceed outdated limits. Assessing income after housing costs is also essential, as high rents, mortgages, and other expenses significantly reduce disposable income, making energy costs harder to manage.

Overall, we recommend targeting the worst first which is likely to be a combination of the lowest income households alongside those with the worst energy performance.

Question 10. Should the Energy Performance Certificate (EPC) rating of a house be considered as part of eligibility criteria (i.e. the least energy efficient homes are considered first)? Please give reasons for your answer.

Yes. EPC ratings should be considered as part of eligibility criteria, **but not as the sole factor.** A holistic approach is needed, incorporating EPC ratings alongside a vulnerability matrix and other measures so that support reaches those most in need.



While the EPC metric is the primary measurement of domestic energy efficiency in NI and could be a useful tool for targeting or triaging schemes, it has some limitations. Firstly, EPC ratings must be up to date to ensure accuracy. Secondly, the current EPC metric is based on assumptions about fuel costs, which can quickly become outdated due to energy price fluctuations. This could lead to unintended consequences, such as a heat pump installation lowering the EPC rating despite being an efficient, low-carbon heating solution. Since electricity costs are often higher than gas, this can distort the overall rating and misrepresent a home's true efficiency.

Additionally, there are some examples from Great Britain that highlight potential pitfalls in relying solely on EPC criteria. The ECO scheme showed examples of fuel poor homes unable to get necessary measures as their EPC was already up to D or that it would be economically unviable to move the dwelling up to Band D.¹⁰

Given current EPC reform reviews in England and Wales, including a consultation on 'Reforms to the Energy Performance of Buildings Regime'¹¹, we encourage cross-nation collaboration on this issue. DfC should actively engage with the Department for Energy Security and Net Zero and the Ministry of Housing, Communities and Local Government on these reforms.

Question 11. Do you agree that the new scheme should continue with the Whole House retrofit approach? Please give reasons for your answer.

Yes.

The Whole House retrofit approach should continue, to provide a comprehensive solution to improving energy efficiency. Upgrading individual elements, such as installing a more efficient boiler, will not be as effective if insultation, glazing, and draughtproofing are not also

¹⁰ Energy Efficiency Infrastructure Group, (2023). <u>'ECO Briefing – Autumn 2023'</u>.

¹¹ For further information see: https://www.gov.uk/government/consultations/reforms-to-the-energy-performance-of-buildings-regime/reforms-to-the-energy-performance-of-buildings-regime



addressed. Without these measures, homes will continue to lose heat, leading to higher energy consumption and energy costs.

Additional support may be needed for households that may face relocation during renovations or are unable to clear spaces like lofts for insulation improvements. It is important to identify and reduce barriers that prevent access to these schemes.

For the PRS, engaging landlords and protecting tenants from potential rent increases post-upgrades are key considerations. Furthermore, the Whole House approach may be more complex in properties with multiple landlords. DfC should plan to address these challenges in the new scheme.

Question 12. If the Whole House approach is used, do you agree that all recommended measures must be installed unless there are exceptional reasons not to? Please give reasons for your answer.

The Whole House approach should be the ultimate end state for achieving maximum energy efficiency. However, in practice, it is likely this will need to be delivered in phased steps due to funding constraints. A structured, step change approach is necessary, prioritising measures that address the fabric of the home first - following the **'Fabric First'** principle. This means prioritising reducing energy demand first, particularly through insulation. Lowering energy demand helps to reduce energy bills, contributing to the reduction of fuel poverty.

For example, the Northern Ireland Housing Executive's 'Low Carbon Retrofit Programme'¹², which will see 300 homes upgraded by spring 2025, adopts the following principles to deliver a 'whole house' solution:

- a. Whole House Approach
- b. Fabric First Optimal level of Energy Efficiency
- c. Low Carbon Heating Principally Heat Pumps
- d. Renewable Generation and Storage
- e. Improved education and energy advice to householders
- f. Detailed data monitoring to optimise efficiency

¹² Northern Ireland Housing Executive, (2024). <u>'Housing Executive progress 300 Low Carbon Programme toward Net Zero'</u>.



To effectively target the new scheme, DfC must not only measure fuel poverty levels but also identify where fuel-poor households are located – the idea of 'finding and fixing' fuel poverty. Up-to-date data is needed on how many fuel-poor households live in the least energy-efficient homes, as these properties require the most investment. Following the 'Help the Worst First' principle, improved data matching – linking EPC ratings with household income - would allow for better resource allocation, so that those most in need receive support first.

Additionally, a balance must also be struck between the maximising heat loss savings and the additional cost and disruption of a full retrofit. If costs and disruption outweigh the benefits, it may not be practical to insist on installing every recommended measure. Research from the likes of Salford Energy House¹³, which tests retrofit products in controlled environments, should be considered to help inform which measures would be most effective for different house types.

Finally, a thorough assessment is needed to ensure measures are suitable for both the property and its residents, taking into account factors such as disruption, health considerations, and the potential need for temporary accommodation in some cases.

Question 13. Do you agree that the new scheme should prioritise low carbon heating solutions where possible?

Yes.

NEA NI agrees that DfC's new scheme should prioritise low carbon heating solutions where possible, as these are important for reducing carbon emissions and decreasing reliance on fossil fuels and associated global energy price fluctuations. However, we acknowledge there are challenges. Many homes are not currently fit for heat pumps and green gas is still at consultation stage.

¹³ For further information see: <u>Energy House 1 | Energy House Labs | University of Salford</u>



Proper **insultation** is key to making low carbon heating effective. Without it, the benefits of these systems are compromised. Therefore, the new scheme should include provisions to ensure properties are well insulated and ventilated, as highlighted in the draft strategy.

In addition, **hybrid heat pumps** should be considered as a transitional solution, especially for homes that are too difficult or costly to retrofit for air and ground source heat pumps (ASHPs/GSHPs).

In our consultation response to the DfE on 'Support for Low Carbon Heating in the Residential Sector', we outlined why hybrid heat pumps should not be excluded from DfE's new scheme. Hybrid systems, which combine a low carbon heat pump with a top-up from natural gas, biogas, or another fuel, offer a more flexible and affordable option for certain properties. These systems can meet up to 85% of a home's heat demand with low carbon sources. Recent hybrid heating trials, including Phoenix Energy's work with private landlords and housing associations Alpha and Radius, have demonstrated that hybrids can achieve significant emissions reductions at a lower cost than full heat pump systems.

Affordability remains a key issue, as low carbon technologies are more expensive than traditional heating systems. While a small cohort of NI residents have adopted low carbon technologies for heating, evidence shows that to do this at scale requires an increase in the skilled workforce and consumer protections to be in place. Research from the Consumer Council for Northern Ireland (CCNI) on energy transition and consumer protection shows that while there is widespread support for renewable energy technologies, consumers remain cautious about adopting these¹⁴. There is also a need for skills development and economies of scale to make these technologies more accessible.

Finally, consideration should be given to solid fuel usage in NI. There is still a relatively high amount of coal importation¹⁵ and while many domestic consumers do not use coal for their primary heating, there are still high levels using solid fuel for secondary heating. With approximately 50% of the population unable to connect to gas there is less choice for rural consumers in particular.

¹⁴ Consumer Council for Northern Ireland, (2024). 'Attitudes to the Energy Transition'.

¹⁵ Northern Ireland Statistics and Research Agency, (2023). 'Coal Imports'.



Question 14. Do you agree that the new scheme should offer renewable technologies such as solar panels and battery storage to offset the running costs of low carbon heating solutions in low-income households? Please provide reasons for your answer.

Yes.

Financial support is essential for low-income households to access renewable technologies, as many cannot afford the upfront costs. Ongoing affordability also needs to be considered, as even where these technologies are installed at no cost to the householder, expenses related to ongoing maintenance, energy storage, and other operational costs could still pose a barrier for some low-income households. Addressing this through subsidies or further financial assistance would help ensure that these solutions remain financially viable for low-income households in the long-term. This is particularly important for rural or 'hard-to-treat' properties which might require additional upgrades or insulation to maximise efficiency.

Passive solar, where suitable, is increasing in popularity. An evaluation of a Northern Ireland Housing Executive (NIHE) Solar Photovoltaic (PV) Scheme showed consumers changing their behaviour to reap the benefits of the solar electricity, leading to lower energy bills¹⁶. Supporting additional renewable energy generation that helps with energy bills is crucial, particularly as we transition away from fossil fuels. These technologies should be included in the grant scheme. There are various examples of community energy schemes across Great Britain and Ireland that have adopted solar and battery storage.

Education is also key to encouraging uptake and supporting households to understand the long-term benefits of renewable technologies and low carbon heating solutions. Providing clear, accessible information is important to empower households to make informed decisions and maximise energy savings.

¹⁶ Perceptive Insight, (2021). <u>'Evaluation of a Solar PV Scheme: Final report prepared for the Northern Ireland Housing Executive'.</u>



Question 15. Do you agree that rural properties should be prioritised for energy efficiency support? Please give reasons for your answer.

NEA NI recommends prioritising the 'Worst First', which will include many rural properties.

Data from the House Conditions Survey indicates that older homes are predominant in rural areas, requiring greater investment in energy efficiency upgrades. We agree with the draft strategy's recognition that the current Affordable Warmth Scheme has not effectively addressed 'hard-to-treat' homes, which are often located in rural areas, as grants have been insufficient to meet the needs of these properties.

In our response to DfE's consultation on 'Support for Low Carbon Heating in Residential Buildings', we detailed that rural areas face unique challenges, including reliance on oil for heating (82% of homes in rural areas in NI) and limited access to the natural gas network, limiting low carbon heating options. Additionally, rural properties often incur higher retrofit and installation costs due to factors such as longer travel distances for installers and reduced market competition. Providing additional financial support is crucial to overcoming these barriers.

In England, the Home Upgrade Grant is designed specifically for low-income households that are off the gas grid and have poor energy performance (rated EPC D-G). It funds improvements such as insulation, ASHPs and solar panels. In Scotland the Scottish Government introduced an extra £1,500 for both heat pump and energy efficiency grants to support rural and island homes with potentially higher improvement costs In this increases the heat pump grant flat rate and the maximum limit of the energy efficiency grant from £7,500 to £9,000.

We stress the importance of 'border-proofing' and 'rural-proofing' the new scheme to support a fair and just energy transition for all, regardless of location.

¹⁷ For more information see: Home Upgrade Grant - Energy Advice Helpline

¹⁸ For more information see: <u>Home Energy Scotland Grant and Loan</u>



Question 16. Do you agree with a sliding scale approach to funding for home energy schemes? Please provide reasons for your answer.

Yes.

We support a sliding scale approach to funding for home energy schemes to distribute resource based on need, prioritising low-income and vulnerable households in line with the 'Needs-Based' principle. However, while we agree with this approach, we want to see further detail from DfC on the eligibility criteria for the new scheme in the upcoming consultation.

As noted above in Question 5, the Financial Conduct Authority's Financial Lives survey highlighted low levels of savings in NI¹⁹. While some households can afford to pay for energy efficiency improvements, many consumers will require financial support to upgrade their homes and adopt low-carbon technologies.

NEA consistently advocates for grants over loans (even where these are interest free) for low-income households, as many of our clients are financially vulnerable and unable to afford repayments. For those who can afford to contribute, the Department could consider low-cost financing options to complement grant schemes.

Question 17. Do you agree that loans are the fairest financing option for landlords who are required to improve their assets? If not, what would you suggest as alternative funding options?

The suitability of loans as a financing option for landlords depends on their ability to repay them. NEA NI supports a sliding scale approach, where those with the greatest need receive the most support, while those with greater financial capacity contribute in line with their circumstances. Financially strained landlords may struggle to invest in energy efficiency upgrades, so grants or part-grants could be considered, particularly for landlords with older properties or low incomes, to help remove financial barriers.

¹⁹ Financial Conduct Authority, (2022). <u>'Financial Lives 2022 survey'</u>.



Presently, private landlords can receive 50% of grant-aid through the Affordable Warmth Scheme and some grants within NISEP, but the uptake has been low. To increase participation, landlords must be adequately incentivised and supported in any insulation or low-carbon technology scheme. In Scotland, there is a dedicated fund for private landlords to help improve the energy efficiency of their properties or install renewable technologies²⁰, which could serve as a useful model to adapt for NI.

Question 18. Do you agree that we should consider increasing levies from electricity bills to fund energy efficiency schemes for low-income households? Please give reasons for your answer.

No.

NEA NI prefers that levies from electricity bills are not increased. All electricity consumers already contribute to the Northern Ireland Sustainable Energy Programme (NISEP) through a levy on bills. Given the current cost of living and fuel poverty crisis, increasing levies risks adding further financial strain on households already impacted by recent rises in the wholesale cost of electricity due to commodity prices globally. Instead, funding for these energy efficiency schemes should come from the NI Assembly Budget.

That being said, if increasing levies on electricity bills was deemed absolutely necessary and other funding options were exhausted, we would accept it under certain conditions. Specifically, funds from any levy increase must be ring-fenced and used exclusively for supporting low-income and vulnerable households, and levies must be proportional. We can look to the positive impact of levies in GB as examples. The Warm Homes Discount and the Energy Company Obligation have proven effective in alleviating fuel poverty by providing energy bill support and funding domestic energy efficiency grants.

Ultimately, any proposal to increase levies must be carefully scrutinised to assess its impact across different consumer groups. A detailed assessment should evaluate the potential burden on households, the differing needs of

²⁰ For more information see: Home Energy Scotland: Support for Private Sector Landlords



various consumers, and the overall effectiveness of the scheme in reducing fuel poverty.

Question 19. Should we explore introducing levies on gas to increase funding for such energy efficiency measures? Please provide reasons for your answer.

No.

We do not support introducing levies on gas in NI, as this would effectively act as a tax on heating and place additional financial pressure on households. Where levies are absolutely necessary to fund energy efficiency schemes for low-income households, we prefer levies on electricity rather than gas, as this spreads the cost more fairly across a larger consumer base. Most households in NI use electricity, while only 33% have mains gas heating²¹.

Question 20. What are your thoughts on exploring any revenueraising opportunities for energy efficiency schemes from unregulated heating sources such as home heating oil?

No.

We do not support introducing levies on unregulated heating sources such as home heating oil, as this would effectively act as a tax on heating and place additional financial pressure on households. Where levies are absolutely necessary to fund energy efficiency schemes for low-income households, we prefer levies on electricity rather than gas or oil, as this spreads the cost more fairly across a larger consumer base. In NI, 62% of households rely on home heating oil²² and already contend with challenges due to its unregulated nature.

²¹ Northern Ireland Statistics and Research Agency, (2022). <u>'Census 2021 – Main statistics for Northern Ireland. Statistical bulletin: Household spaces and accommodation'</u>.

²² Northern Ireland Statistics and Research Agency, (2022). <u>'Census 2021 – Main statistics for Northern Ireland. Statistical bulletin: Household spaces and accommodation'</u>.



Collaborate and Build Capacity

Question 21. Do you agree that we should utilise and build referral pathways between Government, local Government, health professionals and the Voluntary and Community Sector? If yes, how can we best achieve this?

Yes, we strongly agree.

DfC should build on and utilise existing partnerships and referral pathways between Government, local Government, health professionals and the Voluntary and Community Sector, to support a more coordinated and holistic support system for people struggling with fuel poverty. This should include DfC strengthening its own partnerships with statutory bodies, including the Utility Regulator, NIHE, and CCNI.

This approach would be similar to how the Affordable Warmth Scheme used to operate. Developing and utilising existing referral partnerships would enable those facing fuel poverty to receive more timely and appropriate assistance without duplication of services. Simplifying referral systems and streamlining access to support is urgently needed, as overly complex and bureaucratic processes can present a barrier to those seeking support. Blending different areas of support, such as energy advice, energy efficiency measures, and practical assistance, is beneficial, as all of these are essential in tackling fuel poverty.

The <u>Belfast Warm and Well Project</u> (WAWP), coordinated and delivered by NEA NI and supported by the Public Health Agency and the Belfast City Council Community Planning Partnership, is an example of the effective impact of collaboration and referral pathways. The project offers advice, practical support and where appropriate, financial assistance to stay warm and well. Its success lies in the development a trusted network of partners who deliver targeted support to those most at risk, such as low-income households, older adults, and people with long-term health conditions. In 2024 alone, WAWP supported over 1,000 households in Belfast, demonstrating the positive impact of building and utilising referral pathways and partnership working.



Question 22. Do you agree with a taskforce/working group to develop enabling frameworks for Energy Communities?

Yes.

We strongly support the proposal to establish a taskforce to develop frameworks for Energy Communities. This should consider ways to empower individuals and communities to engage in energy projects and address barriers to participation. Building community resilience is essential in the transition to sustainable energy. To be effective, resource needs to be attached to the development of energy communities.

The new taskforce should engage with existing expertise and community energy projects, such as the Sustainable Energy Authority of Ireland²³ and the Sustainable Energy Communities NI project²⁴, to learn from their experiences and insights.

NEA NI is proud to be one of the delivery partners of the SEC NI project. The project aims to empower local communities across NI to take control of their energy futures, promoting sustainable and low-carbon energy solutions. It was brought about through collaboration among like-minded organisations seeking sustainable solutions in response to rising energy costs and the urgent need for climate action. The initiative currently works across four pilot communities: Mount Vernon Community Development Forum, Ballymacash Sports Academy, Dolmens Climate Action Network and Lisnaskea Community Enterprises. The project will be independently evaluated, and we encourage DfC to engage with the SEC NI Steering Group on the lessons and insights gathered.

Question 23. Do you agree that government should assess the most relevant recommendations of the NICE6 guidelines and consider their implementation? Please provide reasons for your answer.

Yes, we fully agree.

²³ For more information see: Sustainable Energy Communities | SEAI

²⁴ For more information see: <u>Sustainable Energy Communities NI (SEC NI)</u>



It's been nearly 10 years since NG6 was endorsed in NI²⁵. We strongly recommend a review to assess the effectiveness of current implementation and identify areas for improvement, to prevent excess winter deaths and illness associated with cold homes.

The links between cold homes, poor health, and health inequalities are well-documented. With NI's Health and Social Care System already facing significant challenges - including the longest hospital waiting times in the UK²⁶ - implementing NICE NG6 guidelines is an urgent and necessary step towards improving public health and wellbeing.

The seasonal increase in mortality in NI in winter 2022/23 was an estimated 940 deaths, a sharp rise from 200 the previous year²⁷. Cold, damp homes can cause and worsen cardiovascular diseases, respiratory conditions, poor metal health, dementia, and hypothermia, while also exacerbating existing health conditions.²⁸

Additionally, cold homes are more prone to damp and mould, which can lead to serious respiratory illnesses and, in severe cases, death – illustrated by the tragic case of two-year-old Awaab Ishak in 2020.²⁹ Further, an NHS-funded National Child Mortality Database report, published in January 2025, found that temporary accommodation contributed to the deaths of at least 74 children in England over the past five years. Mould was considered one of the contributing factors.³⁰

<u>Polling for NEA NI</u>, conducted by LucidTalk in September 2024, further underscores the impact of energy hardship on health, with 31% of respondents reporting that rising energy costs had negatively affected their or their household's health and wellbeing. Impacts included deteriorating mental health (21%), worsening physical health (13%), and

²⁵ Department of Health, (2024). <u>'Endorsed NICE Public Health Guidelines'</u>.

²⁶ Northern Ireland Executive, (2024). <u>'Our Plan: Doing What Matters Most. Draft Programme for Government 2024 – 2027'</u>, pp. 26.

²⁷ Northern Ireland Statistics and Research Agency, (2023). <u>'Winter Mortality, 2022-2023'</u>.

²⁸ Alice Lee, Ian Sinha, Tammy Boyce, Jessica Allen, Peter Goldblatt (2022). <u>'Fuel poverty, cold homes and health inequalities'</u>. London: Institute of Health Equity.
²⁹ GOV.UK, (2024). <u>'Understanding and addressing the health risks of damp and mould in the home'</u>.

³⁰ BBC News, (2025). 'Temporary housing linked to deaths of at least 74 children'.



increased strain on healthcare services, with 5% requiring more GP or hospital visits.³¹

Improved domestic energy efficiency, practitioner training on the links between fuel poverty and health, and safe discharge from hospital to warm homes is essential.

Question 24. Do you agree that we should work with organisations that provide emergency support, to seek a consistent approach across Northern Ireland and the inclusion of a referral to a long-term solution? If so, what would be the best way to achieve this?

Yes.

We fully support the objective that DfC will work with organisations that provide emergency support, to seek a consistent approach across NI and the inclusion of a referral to a long-term solution. However, the draft strategy lacks detailed policy proposals on *how* this will be achieved.

It is crucial that people facing financial crises can access emergency assistance when needed, while also being guided toward long-term solutions that promote energy wellbeing. We welcome the recognition that crisis support must be more accessible and geographically consistent, particularly in rural areas where services are often harder to access.

However, the draft strategy does not outline how this will be achieved. Given the extensive stakeholder engagement, it is disappointing that there is little detail on how to ensure consistent emergency support and effective referrals to energy efficiency measures and advice. We would like clarity on how the Department plans to deliver this approach in practice.

We strongly support the inclusion of referrals to long-term solutions, such as energy efficiency awareness and support. For effective delivery, we recommend the following:

³¹ LucidTalk, (2024). 'NI Attitudinal Poll - NEA NI'.



- Clear, accessible, and widely available information Including guidance on energy use, how to read an energy meter, understanding energy bills, and accessing support from suppliers.
- **Greater collaboration and knowledge-sharing** Local government should work together to maintain up-to-date information on available support, with councils regularly updating resources such as online information.
- Leveraging existing expertise NEA NI has extensive experience delivering energy efficiency awareness courses and community information sessions. Practical advice on managing energy use is highly beneficial, and the Department should work with experienced organisations to improve outreach and accessibility.

Question 25. Do you agree with the proposal to prioritise Discretionary Support to provide emergency financial support if there is a future energy or cost of living crisis, until we have better data to target large scale payments? If not, can you provide a reason?

Yes.

The Discretionary Support (DS) scheme is a reasonable approach to providing emergency financial support until better data is acquired to target large scale payments. DS offers support based on need, which is a more efficient use of finite resources.

While DS targets those on the lowest incomes, such as Universal Credit recipients, some vulnerable individuals who are not claiming benefits are equally in need. As noted in the draft strategy, optimising referral pathways is needed to support those who may find the application process a barrier. Furthermore, we know from our experience providing advice and practical support to vulnerable individuals, that a person-centred approach is essential, and DS must be delivered on this basis.



Additionally, the scheme must be adequately funded and resourced to manage claims effectively during periods of crisis. To support long-term planning, the next Executive budget must be a multi-year budget.

Question 26. Do you agree with the proposal to gain a better understanding of the impact of changes to Winter Fuel Payments and introduce additional support where appropriate? If not, why and do you have alternative suggestions?

Yes, understanding the impact of the changes to Winter Fuel Payments is essential.

NEA NI remains deeply concerned about these recent policy changes, as the revised eligibility criteria is too restrictive. Our concern is not the principle of targeting support but with the failure to target it effectively. The changes mean many low-income, vulnerable pensioners - particularly those just above the threshold - will be left without assistance, increasing their risk of living in cold, damp homes.

The Department's own Equality Impact Assessment estimates that around 14,000 single pensioners will miss out on Pension Credit by £50 or less per week, and 31,000 by £100 or less. These pensioners are now excluded from the Winter Fuel Payment despite being marginally above the threshold, which risks exacerbating the fuel poverty crisis. Recent polling by NEA NI suggests as many as 40% of households in NI are already in fuel poverty, with 49% of those aged 65 and over affected.

We request further clarity on how the Department plans to analyse these changes. The analysis must be transparent and comprehensive, capturing the full extent of the risks, especially for those now excluded.

That being said, while further analysis of the changes' impact should be conducted, it won't address the immediate issues for next winter. Urgent action is needed to plan support for affected pensioners now and in the years ahead.

NEA NI is especially critical of how the WFP policy changes were implemented:



- **Timing:** The Chancellor's announcement in July 2024, just months before winter and amid a cost-of-living crisis, left many pensioners unprepared for the reduction in support. This was exacerbated by the Executive's delayed decision to maintain parity.
- **Insufficient Transition Period:** The speed of implementation did not allow pensioners who no longer qualify adequate time to prepare their finances or explore eligibility for Pension Credit.
- Lack of Consultation: The decision was made without an Equality Impact Assessment, required by law, and failed to account for the perspectives of those directly affected.
- Cliff-Edge in Support: The policy creates a sharp divide, leaving pensioners just above the threshold without support, which does not address the realities of those still struggling with high energy costs.

To mitigate this, we recommend the following:

- Include **disability benefits** in the eligibility criteria.
- Consider introducing an income cut-off to the eligibility criteria, although this would require data matching with HMRC, which is currently unavailable.
- Explore a "near Pension Credit" criteria for pensioners just above the threshold.
- **Automatic Pension Credit Enrolment** for the 26,000 pensioners eligible for Pension Credit but have not yet claimed.
- Expand domestic energy efficiency schemes.



Protect Consumers

Question 27. Do you agree that we should improve our understanding of the impacts of energy decisions on different consumer groups? If so, what would be the best way of understanding these impacts?

Yes, DfC should improve its understanding of the impacts of energy decision on different consumer groups.

Ensuring affordability and fairness in energy policy is essential, especially for a Just Transition. **Section 75 of the Northern Ireland Act** provides a framework for assessing impacts and requires DfC to give due regard to promoting equality of opportunity in carrying out its functions.

DAERA recently consulted on its proposals on the establishment of a **Just Transition Commission.** It is proposed the Commission will undertake an advisory role for NI departments on how to ensure that proposals, policies, strategies and plans required under the Climate Change Act comply with the just transition principle. We respectfully request information on what engagement DfC has had with DAERA on this and how the Commission could support DfC in assessing the impact of energy decisions on different consumer groups.

The draft strategy references **Ofgem's distributional impact assessment tool**, which helps analyse potential impacts of changes in the energy system on different consumer groups. While it has been useful in GB, there are recognised challenges, such as its complexity and the broad range of household types it attempts to model. A similar tool in NI could be beneficial, but further engagement with DfC is needed to determine what factors should be included and how best to tailor it to the NI context.

Question 28. Do you have suggestions for how we could improve understanding and awareness of existing tools to enable consumers to manage their energy costs?



DfC should work with and support organisations that provide information, training, and tools to help consumers better understand and manage their energy usage. This includes supporting community-based workshops where consumers can ask questions and receive tailored advice on energy-saving strategies and price protection tools. These workshops are especially valuable for those who may struggle to navigate digital platforms. Training community leaders, schools, and other local organisations is also an effective way to spread awareness of energy-saving tools and practices in local communities. For example, NEA NI has successfully delivered workshops to various groups, particularly during the cost-of-living crisis, which were very positively received.

Additionally, there needs to be a greater effort to distribute clear, accessible information in multiple languages and formats. This can be done through various community touchpoints, such as GP surgeries, libraries, and community centres. To further increase reach, a public awareness campaign should be launched to promote energy-saving tools, cost-saving measures, and support schemes across social media, TV, and local radio. Expanding these efforts will help ensure that information reaches as many people as possible, particularly those who might not engage with online resources.

Question 29. How can we support vulnerable people to ensure they are on the most affordable tariff?

DfC's Climate Change Division team should increase collaboration on this issue with the DfC Benefits team, the advice sector, and frontline workers who engage directly with vulnerable individuals.

Another key initiative is to signpost people to helpful resources like CCNI's Electricity Price Comparison Tool³², which enables consumers to compare tariffs and choose the best option for them.

Additionally, DfC should share NEA NI resources to help consumers better understand and manage their energy usage.

³² For further information see: <u>Electricity Price Comparison Table | Consumer Council</u>



Question 30. Do you agree that we should explore potential affordability support for populations where energy efficiency measures may not be the right solution? If so, which population groups? Please provide reasons for your answer.

Yes.

Many households remain in crisis over energy bills. NEA NI strongly supports the introduction of an energy social tariff to support low-income and vulnerable households with unaffordable energy bills. We agree that DfC should investigate targeted affordability support further – and believe this exploration should be happening already.

We recommend that DfC collaborates with the Utility Regulator on their work to build an evidence base for a social tariff. This work is planned for Years 2 and 3 of the <u>UR's Consumer Protection Programme 2024-2029</u> (<u>CPP 24-29</u>). As noted in the UR's CPP 2024-2029 Decision Paper, the previous UK Government in 2023 made a commitment to consult on a social energy tariff to protect vulnerable consumers. The UR's paper states:

"If adopted there would be an expectation for a similar approach in Northern Ireland. In anticipation of this policy area progressing, we [UR] will seek to develop a trusted and impartial evidence base to support policy and decision makers in Northern Ireland, to evaluate the need for social tariffs and how they might operate."³³

NEA, in partnership with Fair by Design, published a <u>report</u> in 2022 outlining the case for the UK Government to introduce a new social tariff in the energy market to lower energy bills for those most in need. The report highlighted that these households faced a double burden during the energy crisis: the rising cost of energy bills and paying more for their energy due to the "poverty premium", including where low-income households often pay more for energy due to poor-quality housing, which they cannot afford to upgrade.³⁴

³³ Utility Regulator, (2024). <u>'Consumer Protection Programme 2024 – 2029 (CPP24) – Final decision paper'</u>, pp. 12-13.

³⁴ National Energy Action, 2022. <u>'Solving the cost of living crisis: the case for a new social tariff in the energy market'.</u>



The report also outlined what we mean by an energy social tariff. A social tariff is a targeted, discounted energy deal for qualifying low-income consumers. It is a safety net for eligible households who might be struggling to afford their bills. It is typically set below the price of the cheapest available energy tariff and targeted at those living in fuel poverty or on a low income. There are multiple ways to design a social tariff. Our preferred approach is a unit rate discount and where applicable a standing charge discount.³⁵

Vulnerability is fluid, and any consumer can be at risk given a particular set of circumstances. In identifying vulnerable households, DfC needs to consider households with older people, babies and young children, prepayment meter users, those with sensory, physical and learning disabilities or medical conditions, digitally excluded households, PRS tenants, rural residents, and those for whom English is not their primary language³⁶.

Promoting suppliers' customer care registers and NIE Networks' Medical Customer Care Register is also essential to aid in the identification of atrisk households and ensure they receive the necessary support.

Question 31. Is further research required to identify gaps in nonprice protection for different energy users in Northern Ireland? If yes, what should we focus on?

Yes. Further research is essential to **identify and address** gaps in non-price protection for different energy users in NI. Key focus areas should include:

Impact of Oil Price Fluctuations on Consumers

 The unregulated oil market in NI is subject to significant price volatility. For example, the Consumer Council's weekly Oil Price

³⁵ National Energy Action, 2022. <u>'Solving the cost of living crisis: the case for a new social tariff in the energy market'</u>.

³⁶ For further information see: Fuel Poverty Coalition Northern Ireland, (2023). <u>'A New Fuel Poverty Strategy for Northern Ireland'</u>, pp. 9 – 10.



Checker shows that the average cost of 500 litres of oil has increased by approximately 20% since January 2020.³⁷

Providing Clarity on Future Energy Sources

- With about two-thirds of NI households reliant on home heating oil, it's crucial to provide clear, impartial, and comprehensive advice on alternative heating options. This guidance should include information on the price volatility of both existing fuels and potential alternatives, such as biofuels.
- Additionally, consumers need clarity regarding the future of the gas grid. It would be unfair to expect consumers to pay to transition from oil to natural gas if natural gas was also to be phased out in the short to medium term.

Phasing out oil heating

- The oil industry in NI should also be asked to provide a credible pathway to net zero by 2050 by providing robust, evidence-based research to support any findings including future costs and supply of biofuels.
- Comprehensive impact assessments are necessary to evaluate the viability of biofuels as alternatives to home heating oil.

Enhancing Support and Engagement with Pre-Payment Meter Users

 Investigate and address access and suitability issues faced by consumers using pre-payment meters (PPMs), especially gas PPMs, including difficulties topping up, obtaining a replacement top-up card, PayPoint operational outworkings, and challenges in reading meters.

Assisting Consumers Dependent on Solid Fuels

 Approximately 3% of consumers continue to rely on solid fuels as their primary energy source. Targeted support is necessary to help these individuals transition to alternative fuels, especially considering that many are rural residents, older adults, or individuals in vulnerable circumstances.

³⁷ Consumer Council for Northern Ireland, (2025). <u>Home Energy Index: Gas electricity, and home heating oil (HHO) indices for Northern Ireland.</u>



Supporting Transition from Biomass Heating Systems

 Consumers currently using biomass as their primary heating source require adequate support to transition to new fuel types. This is particularly important for those who adopted biomass systems under a now defunct energy efficiency scheme and may believe their systems are environmentally friendly.

Exploring Heat Network Solutions

 To meet the 2050 net-zero target, it's estimated that around 18% of the UK's heat will need to be supplied by heat networks. Research should be undertaken into heat network options being employed in Great Britain and other European countries with a climate similar to Northern Ireland, and trials should be adopted where appropriate.

Question 32. What are your views on whether government should adopt a common quality assurance standard or framework across all energy efficiency and low carbon heat grant schemes?

Government should adopt a common quality assurance standard or framework across all energy efficiency and low carbon heat grant schemes, to support consistency and accountability. This standard or framework should include ensuring installer certification, adequate redress mechanisms, support workforce growth in the sector, and facilitate a coordinated approach to enhance consumer confidence and protection.

Question 33. Do you agree that government should take a common approach to consumer protection across all supported energy efficiency schemes? Please provide reasons for your answer.

Yes, we strongly agree.

Without a consistent approach, consumers could face confusion and uncertainty, undermining confidence in the schemes.

Energy efficiency schemes require householders to allow others to make significant changes to their homes. Robust consumer protection is a fundamental element of building the necessary trust and confidence. NEA



NI believes that government and the Utility Regulator have a clear responsibility to ensure robust consumer protection measures are in place, to safeguard consumers and maintain high standards in installation and post-installation support.

The 2016 Each Home Counts review³⁸ made recommendations on how families and individuals should be properly protected when they installed energy efficiency and renewable energy measures in their homes. A key part of this was the need to improve long-term consumer protection and create a simplified redress system.

In our response to DfE's consultation on Support for Low Carbon Heat in the Residential Sector, we recommended that all low carbon heat installers need to be registered to a certification scheme such as MCS. MCS certification means installers possess the necessary skills and expertise to deliver high-quality installations. Additionally, the MCS scheme provides a mechanism for resolving disputes and addressing insultation-related issues.

³⁸ Bonfield, P. (2016). <u>'Each Home Counts: An Independent Review of Consumer Advice, Protection, Standards and Enforcement for Energy Efficiency and Renewable Energy'</u>. GOV.UK.



Governance and Accountability

Question 34. Do you have suggestions about how government could change our use of language to improve buy-in and engagement on fuel poverty?

We agree that the term 'poverty' can be off-putting to some people, potentially discouraging them from seeking the support they need. Language plays a crucial role in engagement, and we support the use of person-centred, dignified and compassionate language. Government messaging around fuel poverty should avoid stigma and be framed in a way that encourages participation and support.

However, while we recognise the benefits of more positive framing – such as 'energy wellbeing' – it is important that the term 'fuel poverty' is not removed entirely from government language, particularly in policy contexts. 'Fuel poverty' is a widely recognised term with an established legal and policy framework and ensures that fuel poverty remains linked to broader discussions on poverty and inequality. We support the new strategy being called a Fuel Poverty Strategy rather than shifting solely to 'energy wellbeing', which could risk siloing fuel poverty from other types of poverty.

Clarity and transparency are also needed. The language used in schemes should clearly explain the processes and impacts of home energy upgrades, supporting consumers to make informed decisions based on their property and needs. In addition, government communications should draw on behaviour change research to remove hassle and friction in application processes, making it easier for people to access support without unnecessary barriers.

Question 35. Do you agree that government should take a basket of indicators approach to measuring and understanding fuel poverty?

Yes, provided that this approach is accompanied by a clear fuel poverty reduction target.



We are deeply concerned that the draft strategy does not propose an overarching target for reducing fuel poverty, nor does it outline plans to introduce one. This is a major shortcoming.

DfC has argued that previous fuel poverty targets were not met and has instead proposed increased accountability through additional indicators and an annual Ministerial Statement. While these measures are welcome, they are not a substitute for a clear target, which is essential for driving accountability and progress. Targets exist in England, Scotland, Wales, and the Republic of Ireland, including those related to energy efficiency.

A meaningful fuel poverty target for NI should include both:

- An affordability measure such as the 10% fuel poverty metric, which defines a household as fuel-poor if it spends more than 10% of its income on energy.
- 2. **An energy efficiency measure** such as Energy Performance Certificate (EPC) ratings.

These two indicators are particularly important as they measure what the government has direct leverage over and where it can drive meaningful change. Another benefit of a "low-income, low efficiency" measure is that it effectively captures both financial hardship and poor domestic energy efficiency.

We welcome DfC's plans to continue use of the 10% metric, as it allows for comparisons across nations and with past data. However, we acknowledge that this metric alone cannot fully capture the complexity of fuel poverty. Therefore, we support the basket of indicators approach and welcome the draft strategy's commitment to better utilising data and research from other organisations, to build a more complete picture of fuel poverty and energy wellbeing.

This basket of indictors approach will provide a more holistic understanding of fuel poverty. It recognises fuel poverty as a public health issue and will help to inform the design and delivery of targeted interventions and identify gaps in existing support. However, as noted above, a clear target remains essential. **DfC and the wider Executive**



should designate one or two indicators - an affordability measure and an energy efficiency measure - as the primary benchmarks for tracking progress and shaping policy.

Question 36. Are the indicators suggested the correct ones? Please provide reasons for your answer.

The primary purpose of the indicators should be to identify those most in need and see that support reaches them. Overall, we are positive about the indicators suggested but believe there are areas where they could be strengthened.

Our main concern is the infrequency of the NI House Condition Survey (HCS), with the last survey conducted in 2016 and published in 2018, while the 2023 HCS remains unpublished. Delays in reporting reduce its effectiveness in informing policy. Additionally, as the HCS is based on a model developed for England, it may not fully capture the realities of fuel poverty in NI, where a much higher proportion of households rely on home heating oil. There are also concerns about the accuracy of self-reported data, as respondents may be uncertain about how their answers will be used.

One notable omission in the indicators is a measure of disconnection rates. Understanding how many households lose access to energy due to debt would provide critical insight into energy hardship. The draft strategy does not currently explore this in detail or consider how data from the Utility Regulator and energy suppliers could be used for this purpose. While the widespread rollout of smart meters is still a few years away, they could eventually provide valuable data on frequent disconnections.

Despite these concerns, many of the proposed indicators offer valuable insights. The decision to model extreme and severe fuel poverty annually is a welcome improvement, as it will allow for closer monitoring of the most vulnerable households. Introducing an "after housing costs" fuel poverty measure is also positive to provide a clearer picture of financial hardship, particularly among working families who may have high rent or mortgage payments. Similarly, the indicator assessing whether households are able to pay regular bills is crucial in NI where hidden



energy debt is a significant issue. Many households may not formally fall into arrears with energy companies but instead delay filling their oil tanks or topping up prepayment meters, masking the true extent of their financial difficulties.

The inclusion of indicators on home warmth and damp are also welcome. Asking households whether they can keep their homes adequately warm acknowledges that energy needs vary based on health, age, and personal circumstances. Additionally, tracking the presence of damp and mould in homes is vital given their direct link to poor health. We welcome that this question is now included in the Family Resources Survey.

Question 37. If you agree with the introduction of an indicator based on energy confidence, agency or awareness, do you have suggestions about what kind of indicator might be most valuable?

We agree with the introduction of an indictor based on energy confidence, agency or awareness, as it would be valuable to gauge people's understanding and confidence in navigating available support and implementing long-term energy solutions. Tracking this over time would help identify areas where improvements are needed.

To ensure this indicator is as effective as possible, we recommend DfC collaborates with the Consumer Council for NI – the statutory body responsible for protecting, empowering, understanding and representing consumers – to develop this indictor, utilising their expertise and extensive research on consumer attitudes and experiences.

Additionally, energy agency for tenants in the PRS deserves particular attention. PRS tenants often face unique challenges when it comes to having control over their home's energy. They may have limited influence over the type of heating system, energy meters, or overall energy efficiency of their homes, yet they bear the full cost of energy bills. Raising concerns with landlords can be difficult, which complicates their ability to make long-term improvements. This should be carefully considered when designing the indicator.



Question 38. Do you agree with our proposal that carbon emissions are not used as a fuel poverty indicator? Please provide reasons for your answer.

Yes.

Carbon emissions data should be recorded and available to see but should not be used as a fuel poverty indicator.

However, it is important to note that decarbonisation and fuel poverty goals can align. For example, improved domestic energy efficiency which reduces household energy demand has the dual benefit of reducing both a household's overall energy bills and carbon emissions.

Question 39. What is the best way to continue to engage with people experiencing fuel poverty?

We recommend a combination of large-scale media awareness campaigns and direct, in-person outreach via frontline workers, to raise awareness and encourage people to seek support. DfC should also consider establishing a Lived Experience Advisory Group, that would work alongside the proposed multi-agency Fuel Poverty Advisory Group, guiding, advising and challenging actions and progress over the lifetime of the Fuel Poverty Strategy.

For engagement to be effective, it must be both meaningful and accessible. Input from those with lived experience must have the potential to influence polices and actions, otherwise engagement risks becoming tokenistic. Accessibility is equally crucial – participation opportunities should be designed to accommodate people from diverse backgrounds and abilities, removing barriers that might prevent them from contributing.

It is also important to proactively reach out to vulnerable and hard-to-reach individuals, who may be less likely to engage independently. This could involve community-based initiatives, partnerships with trusted local organisations, and tailored approaches that consider language, digital access, and cultural differences. Again, it is important to remove barriers to participation, such as through covering transport costs.



Question 40. Do you agree with the proposal for a Fuel Poverty Advisory Group, if not, can you suggest an alternative proposal?

Yes.

We fully support this proposal and see immense value in the establishment of a multi-agency Fuel Poverty Advisory Group. It is crucial that this group is independent of government while still influential in guiding, advising and challenging actions and progress over the lifetime of the Fuel Poverty Strategy. As members of DfC's Fuel Poverty and Just Transition Reference Panel, NEA NI has experience of providing this critical friend function and we are extremely interested in membership of the Fuel Poverty Advisory Group.

To sustain progress on the strategy, the group should have a structure that allows it to continue functioning even in the event of any disturbance to the functioning of the Executive. Furthermore, we recommend the Advisory Group engages directly with those on the frontline – both individuals experiencing fuel poverty and those providing support.

We commend the DfC Climate Change Division team for their extensive stakeholder engagement throughout the development of this draft strategy. This has come across as a genuine effort to involve key voices rather than a tokenistic exercise, and we encourage this approach to continues as the strategy is implemented.

Question 41. If you have any further comments or suggestions not already captured, please provide these in the box below.

The draft strategy highlights the Department for Economy's commitment to establishing a One Stop Shop; however, key details remain unclear, including its implementation timeline, responsible delivery body/bodies, operational framework, rural proofing measures to ensure equitable access, and allocated budget. A successful One Stop Shop will need to simplify referral processes, make access to services less bureaucratic, and work with trusted organisations and networks to ensure timely and appropriate assistance reaches those most in need.



We want to note strong support for a proposed Annual Ministerial Statement on fuel poverty. This would support keeping fuel poverty proactively on the Assembly's agenda, beyond just response to crisis points, such as the changes to the Winter Fuel Payment announcement. The statement should provide a clear assessment of progress against the strategy and include updates on the budget allocated for its delivery.

Finally, we note again our overall support for the draft strategy's key objectives and proposed outcomes, but emphasise the necessity of specific, measurable targets – particularly a clear target for reducing fuel poverty – and a dedicated, comprehensive budget for the strategy's delivery. We look forward to continued work with DfC and the wider Executive to deliver a new Fuel Poverty Strategy for NI and realise the vision of 'A warm, healthy home for everyone'.