

# Energy efficiency, what next?

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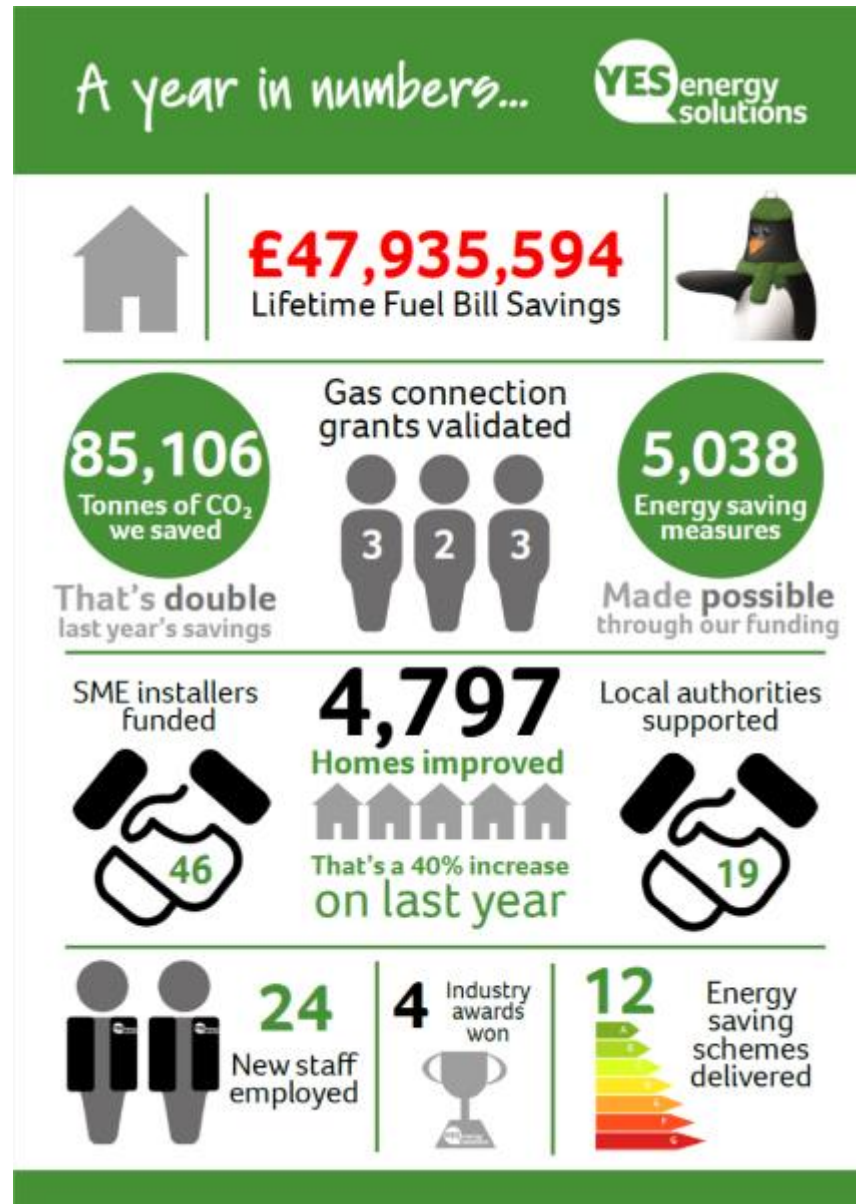




# Does it work?

Blending Council grants, loans and ECO funding, a multitude of residents have benefited from cosier homes, resulting in happy householders

Support given to 22 residents in making an energy switch



Income maximisation advice given to 20 householders

Redditch resident achieved £3,200 additional benefits

# A recap

- improvements in insulation, lighting and efficient appliances from 2004 meant energy bills in 2015 were £490 lower than they would have been
- Currently annual ECO programme is £640m
- Winter Fuel payment of £1.94bn
- UK has some of the oldest and least energy efficient housing stock in Europe
  - 19m homes in the UK have poor levels of energy efficiency < C
  - Lower level properties, as we know, can kill due to the excess cold hazard they pose
  - 4.5m say they are struggling to pay their energy bills
  - There is a steady increase in rented properties
- Around 30 per cent of the UK's electricity comes from renewable sources, up from 12 per cent only five years ago.



# Current state

- Government's Clean Growth Strategy is an important step – but we need a plan
- Driving energy efficiency improvements to: home heating, insulation, lighting and appliances could reduce the energy consumed in UK households by a quarter ...
- ... about £270 off the average household energy bill, or ...
- ... broadly equivalent to the output of six nuclear power stations the size of Hinkley Point C<sup>1</sup>
- Customers don't tend to value future savings, especially of something invisible – gas and electricity
- Smart meters don't save you money, you save money by acting

**£19.6bn to £20.3bn**



<sup>1</sup>UKERC reports 2017

# Convincing HM Treasury



- Strict HM Treasury guidelines for policy appraisal are met for investing in efficient heating, insulation, controls, lighting and appliances
- They could deliver a net benefit to the UK economy of £7.5 billion.
- The full economic benefits of reducing energy demand by a quarter could be up to £47 billion, made up of:
  - economic benefits of improved health from warmer homes,
  - stimulus to the economy of installing the energy efficiency improvements required,
  - and capacity saved in the electricity system.



# Over the horizon



- Coordination to decarbonise UK homes by 2035
- Stamp duty rebates
- Green mortgages – lower risk to lender and lower opex costs for householder
- Area based approach with local authorities working street by street to insulate homes
- Use of infrastructure funds (keeping impact on energy bills minimal)
- Access to the £120bn infrastructure capital spending budget
  
- We care about the roads and railways we travel on, but not nearly as much as the homes we live in.



## Energy efficiency is an infrastructure priority

- National Infrastructure Commission called on Government to ramp up efforts to improve the energy efficiency of Britain's buildings
- The Assessment calls for:
  - £3.8 billion to be invested between now and 2030 to make improvements to the country's social housing stock
  - trials of new approaches to drive up efficiency in owner-occupied properties
  - a clear plan for tightening regulations to improve energy efficiency in private rented homes
  - By 2020 delivering 21,000 energy efficiency improvements a week, such as loft insulation, double glazing or wall insulation



# Summary

- Highly efficient housing is a vision that everyone can unite behind
- Time to delivery that legacy for our future generations.
- It is technically possible to go further with energy efficiency in homes, delivering up to a 50% reduction, BUT ...
- ... incremental and sequential improvements add to the cost and reduce the efficacy of the measure.
  
- Householders need to create the pull
- Area based approaches, or better still community based approaches, deliver economies of scale and engagement.

# Thank You

Any questions?

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