

Scottish Fuel Poverty Conference

Fuel Poverty and the Road to Recovery

Thursday 18 March 2021

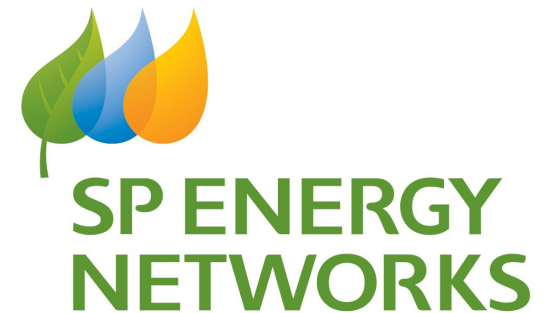
14:00 – 16:00

Session 4

NetZero: how will we deliver a fair and inclusive transition?



Supported by:





**Net Zero:
how will we deliver a fair and inclusive transition?**

Energy Action Scotland Spring Conference.
18 March 2021

Jim Skea



The Commission is to....



... provide practical, realistic, affordable recommendations that will support Scottish Ministers take action that will:

1. Maximise the economic and social opportunities that the move to a net-zero economy by 2045 offers
2. Build on Scotland's existing strengths and assets
3. Understand and mitigate risks that could arise in relation to regional cohesion, equalities, poverty (including fuel poverty), and a sustainable and inclusive labour market

Just Transition Commission - Background



Just Transition Commission - scope

- Not just about the supply side
 - People as consumers
 - Communities and the importance of “place”
- Not just about future injustices
 - Land tenure
 - Fair work
 - Energy poverty

Emerging themes

- The need for clear planning
- Engagement and society's expectations
- Building equity into all climate policies from the start



Green Recovery report - Context

NEWS

Scottish GDP slumped by a fifth after lockdown



Climate change action plan delayed until end of 2020

The document had been due to be published by the Scottish Government this week.



Green Recovery report – Hot spots

- **Hot Spot 1:** Young people are especially at risk
- **Hot Spot 2:** We have seen changing patterns in transport use, but there is huge uncertainty over whether this behaviour change will continue, post-lockdown
- **Hot spot 3:** Rapid, unplanned transition unfolding in the Oil and Gas sector
- **Hot spot 4:** The rural economy has been especially hard hit by the pandemic

Green Recovery – Criteria

1. Will it help set Scotland on a pathway to net-zero?
2. Will it help ensure the benefits of climate change action are shared widely, while the costs do not unfairly burden those least able to pay, or whose livelihoods are directly or indirectly at risk?
3. Will it contribute to a just and fair economic recovery for Scotland, once the immediate emergency, created by COVID-19, has subsided?

Green Recovery report - Recommendations

- **Example 1:** Boost Investment in Warmer Homes (energy efficiency and low-carbon heat programmes)
- **Example 2:** Back buses and support the supply chain (investing in bus infrastructure and supporting our domestic manufacturing base)
- **Example 3:** Maintain and create new jobs for oil and gas workers (support for decommissioning and investment in energy transition projects)

Warmer homes – a triple-win

- Reduce greenhouse gas emission on a path to net zero
- Address fuel poverty and related health issues
- Employment
 - High quality jobs for deep retrofits
 - Manufacture of zero-emission heat solutions
 - Apprenticeships for young people

Warmer homes - Recommendations

- Double budgets for the Warmer Homes Scotland and Energy Efficient Scotland local authority area-based schemes.
- Launching a non-domestic boiler scrappage scheme to help drive removal of higher emitting oil and gas boilers and support manufacturing opportunities for zero-emission heat solutions.
- Incentivise those households that are able to contribute something now to installing energy-saving measures to do so, by expanding loan funding, 'cash back', equity release or similar schemes.

Warmer homes – other issues

- Loading of charges for renewable energy and efficiency on to electricity prices only
- Tracking the distribution of transition costs (electricity, heat, transport) to identify inequities
- Align housing regulations, building standards, and broadband provision so that the benefits of “smart” energy are spread more widely.

Final thoughts

“The imperative of a just transition is that Governments design policies in a way that ensures the benefits of climate change action are shared widely, while the costs do not unfairly burden those least able to pay, or whose livelihoods are directly or indirectly at risk as the economy shifts and changes.”

Just Transition Commission

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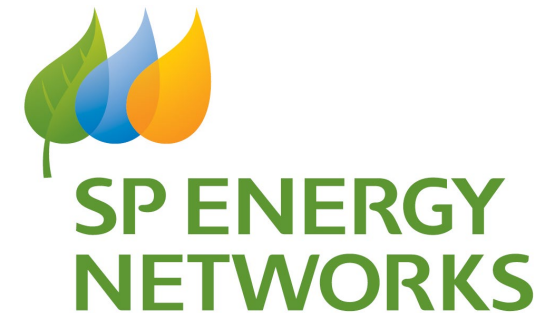
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smart and fair?

Exploring social justice in the future energy system

Energy Action Scotland seminar, 18 March 2021

A research programme led by:



With funding from:



Background

- We need the energy system to become much smarter and more flexible so that it can cut its carbon emissions to virtually zero.
- We also need the transition to a smarter system to be ‘fair and inclusive’ if it is to retain public support (and therefore political backing).
- ‘Smart’ without ‘fair’ is not socially acceptable or politically sustainable.
- The changes towards a smarter, zero carbon system bring with them completely new ways to generate unfairness (in terms of the distribution of system costs and benefits) and to leave people behind (in terms of the complexity and costs of participating).

How can we understand what's changing?

- Explore what new smart energy offers and services require of participating consumers – what's involved in 'keeping up'?
- Detail all the capabilities, characteristics and attributes of consumers which are being required across the smarter system.
- Analyse how these capabilities and attributes distribute across the population – to reveal who's likely to 'keep up' and who's likely to be 'left behind'. How do these relate to existing vulnerabilities?
- Think about interventions that could help more people 'keep up' and reduce the likelihood and impact of being left behind.

The Capability Lens

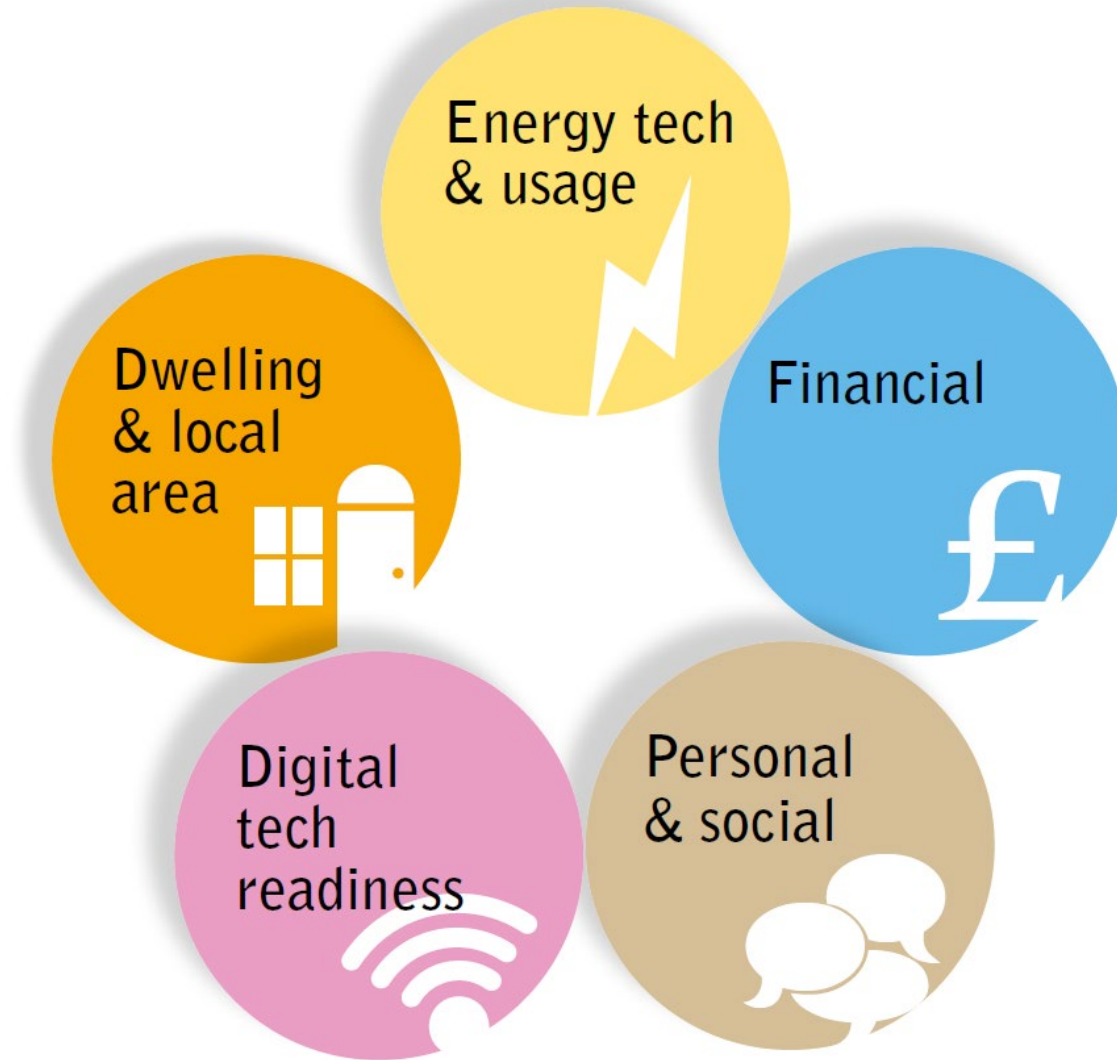
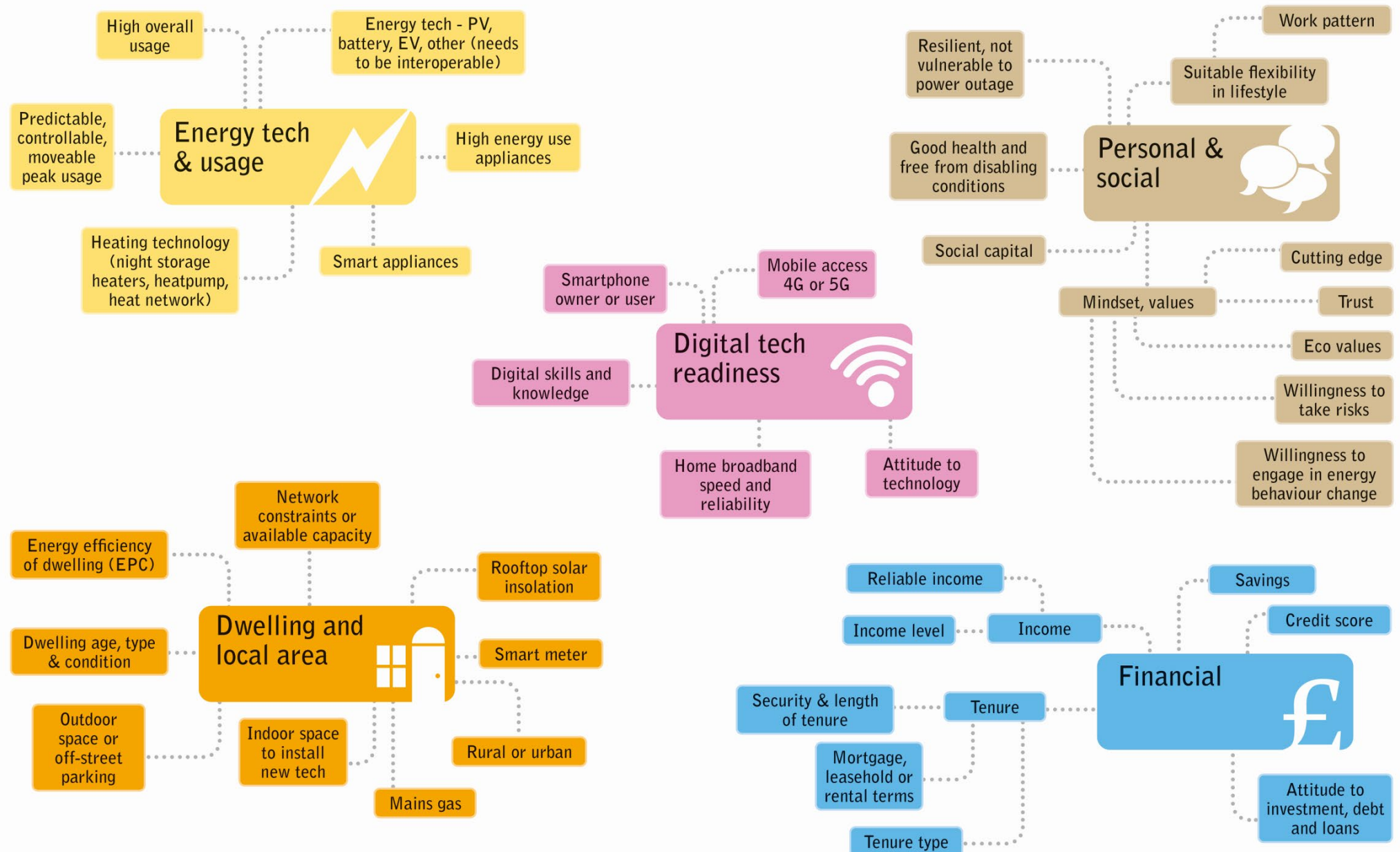


Figure 2: Capability Lens as a mind map

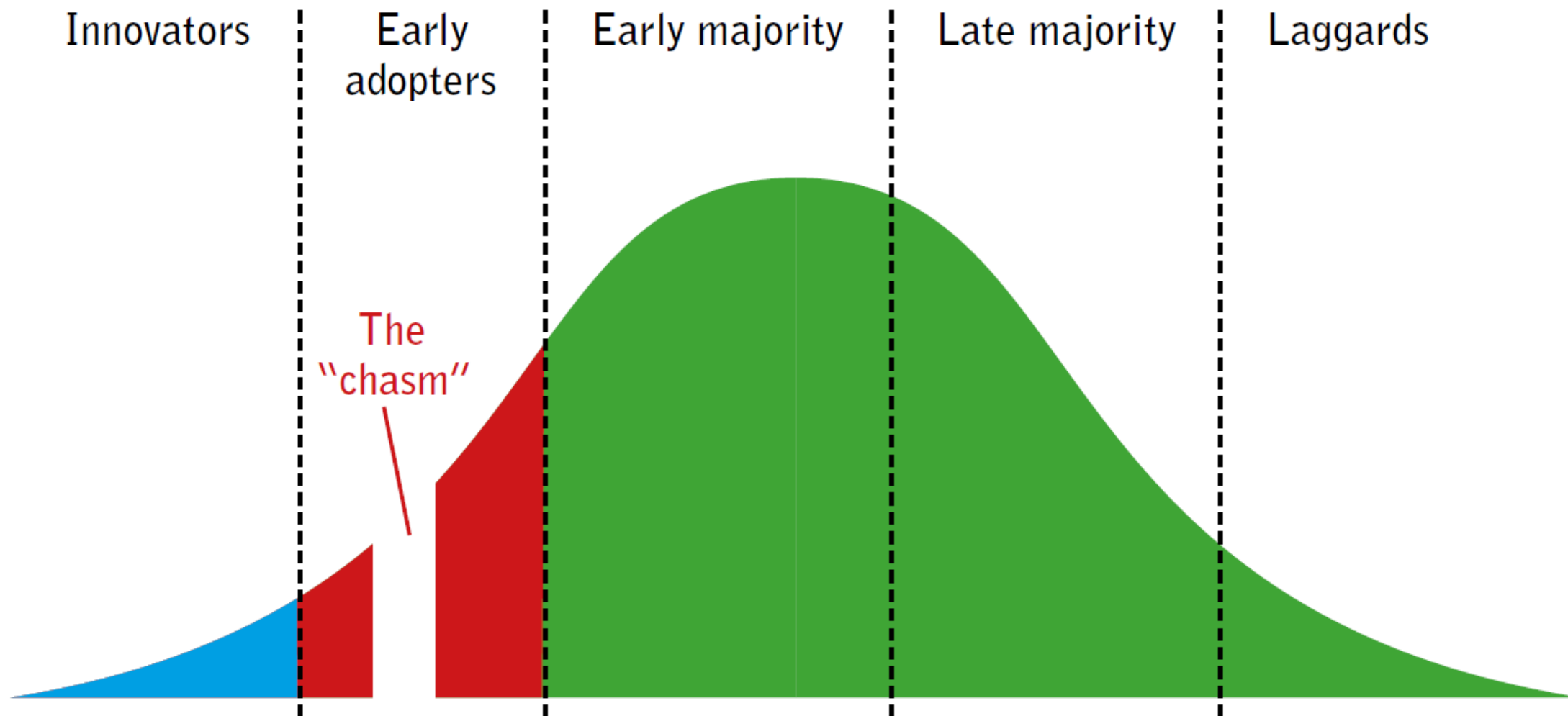


Key ‘capabilities’ (for many smart offers)

- Attitude to technology / innovation / change
- Tenure type and term (*ability to install kit at property*)
- Access to capital (*to purchase kit*)
- Income (*to pay for service*)
- Flexibility of peak use (*flexibility services / Time of Use tariffs*)
- Decent broadband
- Off street parking / outdoor space (*EV charging / heat pumps*)
- Attitude to finances (*leasing, investments, debt, risk*)
- Network constraints (*increased need/value of flexibility*)

Consumer Classification Model (CCM)

- Identify and map the households who are most likely to take up an individual offer.
- Reveal which types of **households are most likely to be able to participate in a smart energy system** in the future based on their abilities to routinely engage with or access multiple offers.
- Identify households unable to access individual or multiple offers and **reveal the group of households who are most likely to be excluded** by the smart energy system transition.
- Understand the impact of **mitigation options** in terms of enabling additional households/consumers to participate.

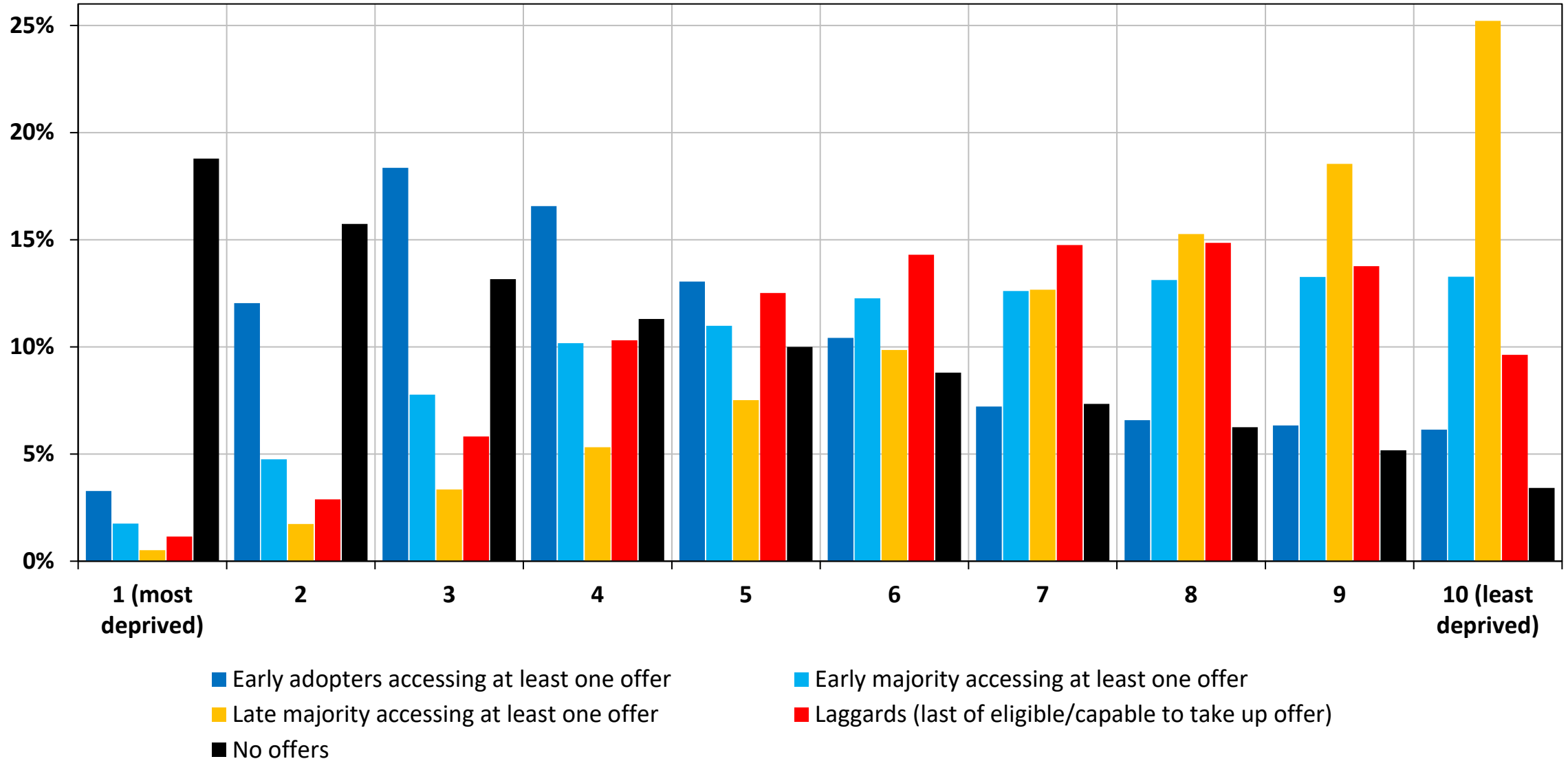


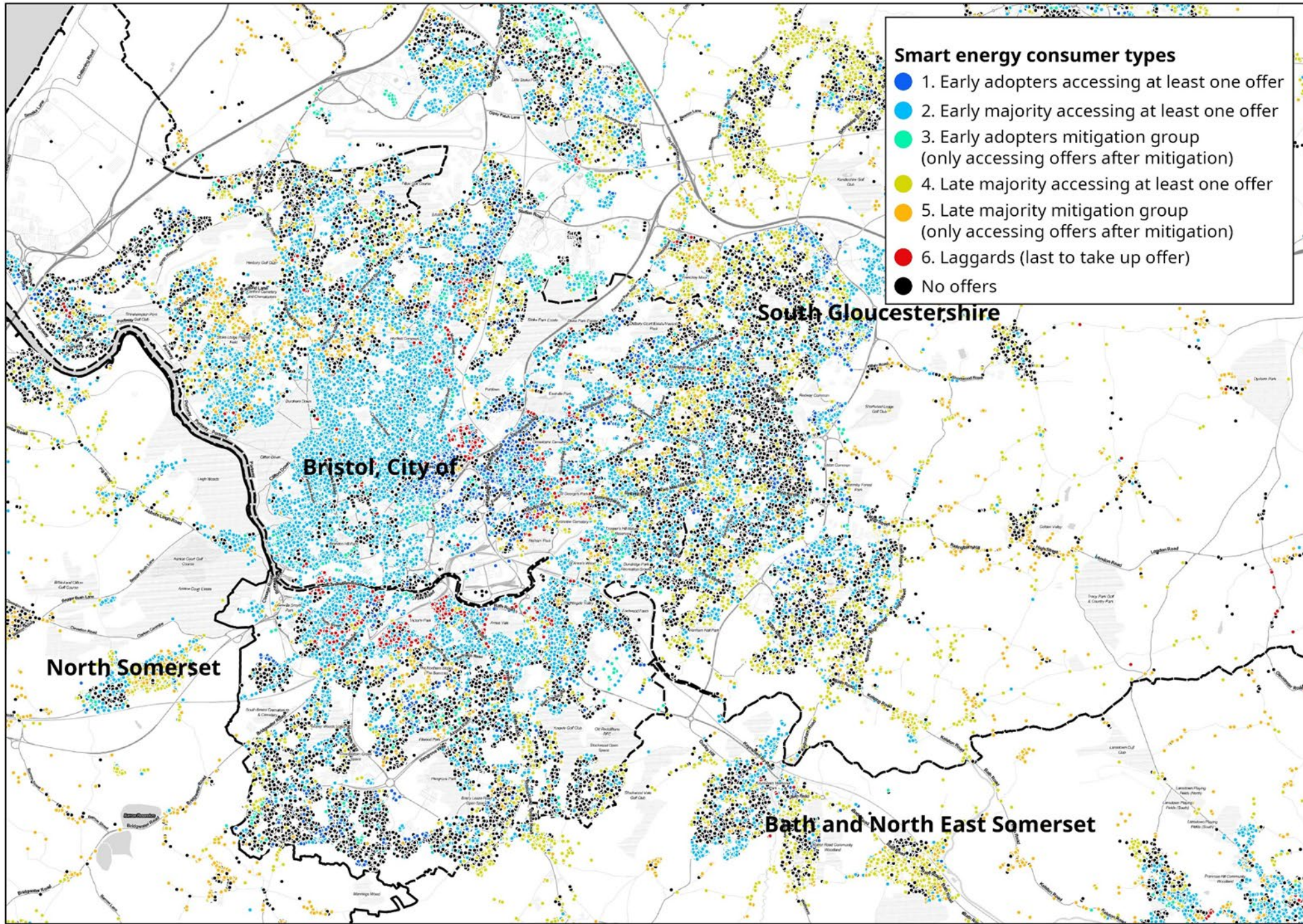
Technology Adoption Lifecycle

(Area under the curve represents number of customers)

IMD deciles

HEALTH WARNING: Please note these results are experimental, designed to illustrate what the modelling techniques can do. They should not be used as evidence of how the smart energy market has or will impact different groups.





Key findings (so far) from *Smart and Fair?*

- Innovation and smartness are not natural partners of ‘fairness’ in the context of the transition to a smarter energy system.
- Danger of stifling innovation if fairness required in every offer from the start. Danger of undermining public confidence in and support for smarter energy market if fairness not an obvious outcome in time.
- Without interventions, the benefits of a smarter energy market are likely to be more accessible to better off households living in urban areas. And most of those in the ‘left behind’ group would currently be categorised as vulnerable.
- Achieving ‘smart’ and ‘fair’ outcomes will require deliberate action to:
 - Design and implement interventions to support greater and wider participation
 - Establish effective consumer protection for a smarter energy market
 - Extend definition of vulnerability to reflect new understanding of what a consumer needs to be like and have access to if they are to participate in, and benefit from, the smarter energy market.
- Draft guidelines for practitioners and 21 recommendations for action. But much work still to be done.

Recommendations

- BEIS and Ofgem (with involvement of devolved nations) to introduce and properly fund consumer protection measures and interventions to cut risk of consumer harm from smarter energy offers (with pilots to test)
- BEIS and Ofgem to commission effective marketing monitoring and distributional impact analysis to inform further activities as market emerges
- All those offering or commissioning smart energy offers for domestic consumers to follow the Guidelines, with resulting information used to inform market monitoring and support offer comparison activities
- Ofgem, networks, suppliers and consumer advocates to review definitions of vulnerability in light of new requirements created by smarter market
- Smart energy advocates uphold need for ‘fair’ as well as ‘smart’ (to sustain market confidence)
- Consumer champions uphold need for ‘smart’ as well as ‘fair’ (to deliver on societal goal of net zero)
- Join in and support Phase Two of *Smart and Fair?*

Thank you

The report from Phase One of ***Smart and Fair?*** and associated resources can be downloaded from our website at:

www.cse.org.uk/smart-and-fair

Follow us on twitter: @cse_bristol

Sign up for our e-news: www.cse.org.uk/contact/enews-sign-up

www.cse.org.uk

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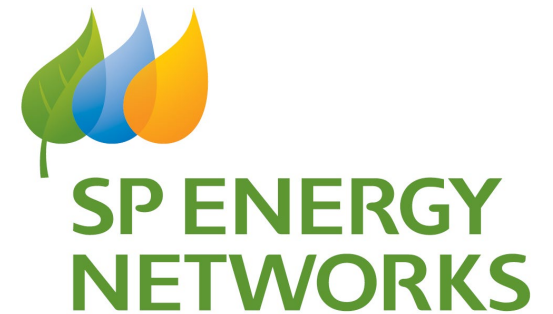
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From net-zero to fuel poverty

Lucy Gillie



A brief history

- Started in 2011
- Set up to support residents live sustainable lives
- Cover the South Central area of Glasgow
- Community-led by 8 trustees
- Work with everyone in the area (young, old, poor, rich etc.) this includes all tenures of property

South Central Glasgow



Densely populated

Mixed tenure

Growing number of private landlords

Hard to treat pre-1919 properties

Transient population

Over 50 languages spoken

Climate Challenge Fund



Six successive CCF awards

- CCF - 1326, April 2011 - March 2012
- CCF - 2297, June 2012 - June 2014
- CCF - 3554, August 2014 - March 2016
- CCF - 4474, April 2016 - March 2017
- CCF - 5252, April 2017 - March 2018
- CCF - 5699, April 2018 - March 2019



Moved to
the high
street

How did we get to the high street?

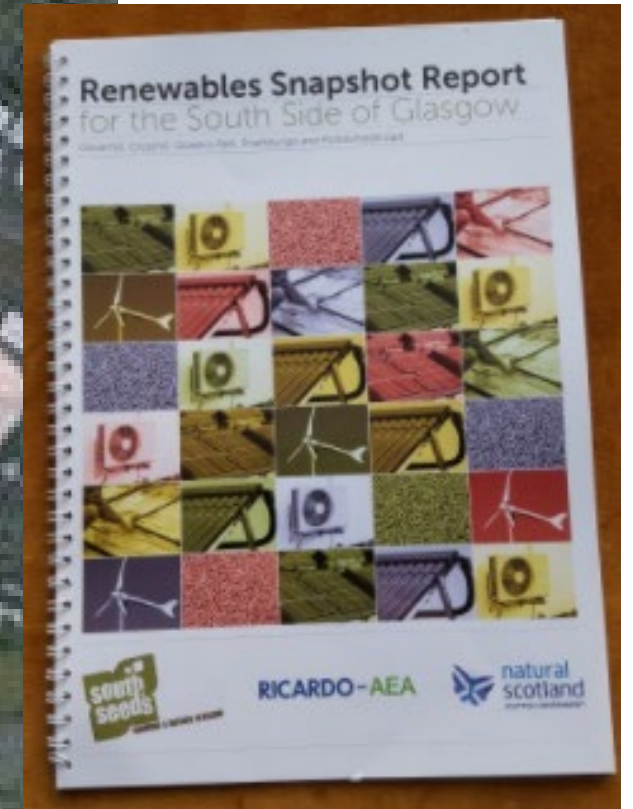
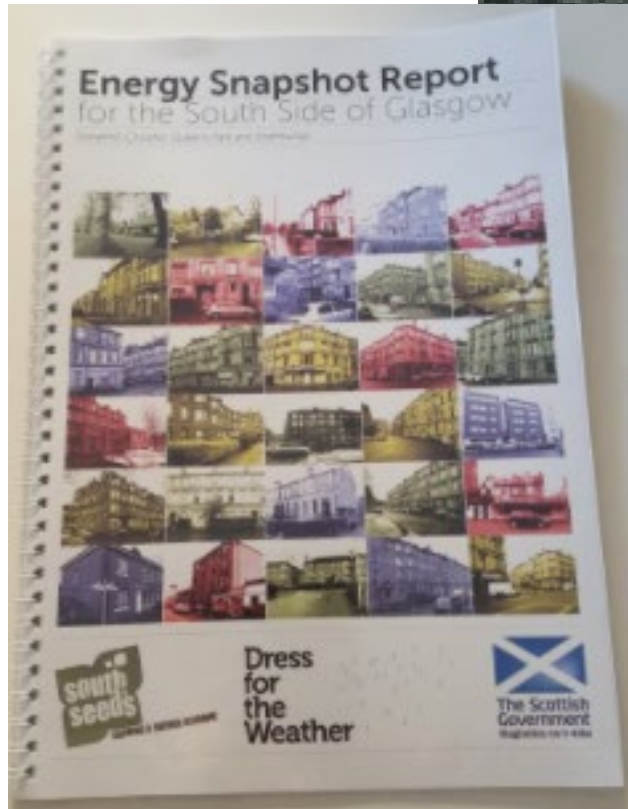




Our journey to save carbon....

- We started off my knocking doors
- We teamed up with Government schemes for free loft insulation
- We figured out where carbon could be saved in the local housing stock: chimney balloons, secondary glazing, draughtproofing
- We developed a home energy audit and report
- We started making a difference for people
- We stopped talking about carbon to residents but continued to measure carbon for the funder

Strategic approach



Hands-on approach



Dry washing like your granny used to!



Don't hang around,
book a **South Seeds** handyman
to install your pulley for only
£45.00



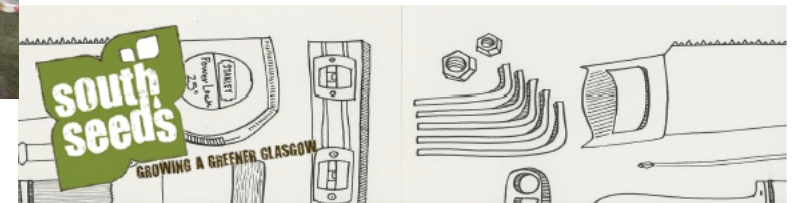
Energy saving handyman prices

Draughtproof front door (supply and fit)	£35.00
Draughtproof window (supply and fit)	£30.00
	Each additional window £15.00
Chimney balloon (supply and fit)	£45.00
Bike pulley (fitting only)	£50.00
Clothes pulley (fitting only)	£45.00
Curtain rail to hang thermal curtains (fitting only)	£30.00
Radiator panels for 1 radiator (supply and fit)	£30.00
	Each additional radiator £10.00
Glazing film (supply and fit)	£30.00
	Each additional window £20.00

Prices can vary depending on access and other factors

For more information or a quote

email info@southseeds.org or call **0141 636 3959**.



Why are we working on fuel poverty?



Blocks to net-zero



- Customers don't understand their bills & decision-makers don't understand prepayment meters.
- Erroneous billing is more common than you might think (we get between £3000 and £8000 back in to the community per quarter).
- There is very little residents can do to decarbonise their own homes especially if they are renting privately.
- In pre-1919 homes, windows upgrades are very unlikely but would have the most impact.
- The city council has not published a plan for decarbonising the housing stock.
- Difficult to plan, if we don't know how we will heat homes in the future.
be.....hydrogen, district heating system, heat pumps or passive house.

Will it

More information



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www.southseeds.org

[@SouthSeeds](https://www.instagram.com/SouthSeeds)

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