

# Y Pwyllgor Amgylchedd a Chynaliadwyedd

## Environment and Sustainability Committee

Cynulliad  
Cenedlaethol  
Cymru  
National  
Assembly for  
Wales



Carl Sargeant AM  
Minister for Natural Resources  
Welsh Government

13 January 2015

Annwyl Carl

### **Inquiry into fuel poverty and energy efficiency in Wales – further information**

You may be aware that the Environment and Sustainability Committee is undertaking an inquiry into fuel poverty and energy efficiency.

Following evidence sessions with stakeholders, including major energy companies, we would be grateful if you could provide clarity on a number of issues. We may wish to subsequently discuss some of these issues with you as part of a general Ministerial scrutiny session. In the meantime, we would be grateful if you could provide further information in writing on the issues outlined below.

#### **1] Fuel Poverty Strategy**

A number of stakeholders in their written and oral evidence argued for a review of the Welsh Government's Fuel Poverty Strategy published in 2010 to reflect latest developments and changes in the economic climate.

- We would be grateful if you could set out what consideration has been given by the Welsh Government to a review of the Fuel Poverty Strategy.

#### **2] Ministerial Advisory Group**

Stakeholders also called for the re-instatement of the Ministerial Advisory Group on Fuel Poverty, arguing that the Group had offered an important opportunity for the

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voluntary sector, consumer rights bodies, advisors and energy companies to debate issues and provide robust evidence to underpin Welsh Government strategy.

We would be grateful if you could:

- Clarify why the decision was taken to disband the Ministerial Advisory Group on Fuel Poverty; and
- Set out whether in light of the evidence the Committee has received you would be willing to re-consider this decision and if so, whether the Welsh Government would consider the different models used currently across the UK and the lessons learnt from them.

### **3] Nest and Arbed**

All stakeholders commended the Welsh Government's on-going commitment to funding both these schemes but identified some ways in which the schemes could be improved in future.

The Committee would be grateful if you could:

- Clarify why Nest has reached fewer households than its predecessor scheme.
- Detail whether the development of the Welsh Government's new energy efficiency strategy will:
  - Review the monitoring arrangements for Nest and Arbed to better report on those in fuel poverty before and after measures are installed;
  - Consider more wide-spread use of 'self-reporting' by recipients; and
  - Consider the effectiveness of the current schemes in addressing fuel poverty in rural areas and how this could be improved.

### **4] Coordination between schemes and delivery bodies**

The need for better coordination between Welsh Government Schemes and UK-wide schemes such as the Energy Company Obligation (ECO) was raised by several of the energy companies, the housing associations and NEA Cymru. Housing associations welcomed the opportunities provided by Arbed ECO to blend funding between Welsh Government and UK Schemes.

We would be grateful if you could:

- Detail whether the development of the Welsh Government's new energy efficiency strategy will:
  - Review the coordination between Welsh Government and UK-wide schemes and how this could be improved;
  - Consider the capacity of local authorities to deliver these schemes and how this could be improved; and
  - The procurement processes used within the schemes.

## **5] Data**

Stakeholders raised issues about both the availability of up-to-date data on the Welsh Housing stock and the coordination of data about those in fuel poverty to allow more effective targeting of schemes.

We would be grateful if you could:

- Detail what consideration you have given to updating the data available from the Living in Wales Survey and on the Welsh housing stock to improve the delivery of energy efficiency schemes; and
- Set out what discussions you've had with the UK Government on the better coordination of data on households most in need of energy efficiency measures.

## **6] The Energy Companies Obligation (ECO)**

A number of stakeholders expressed serious concerns about the delivery of the ECO schemes in rural areas to date. Many organisations accused the energy companies of deliberately avoiding undertaking their obligations in harder-to-treat rural areas. In its evidence Ofgem outlined that as of April 2014 the energy companies had only delivered 1% of their rural sub-obligation. Ofgem stated that it was stressing the importance of improved delivery against this target. In their oral evidence the energy companies present stated that they were confident that the recent changes made to ECO by the UK Government would improve their delivery in rural areas.

The Committee would be grateful if you could:

- Detail any discussions you have had with the UK Government, Ofgem or the energy companies about the delivery of ECO in rural areas in Wales;
- Detail what representations the Welsh Government made to the UK Government about the potential impact on people in Wales of the changes to ECO;
- State whether the Welsh Government has done any work to assist housing associations in Wales affected by the changes to ECO and whether you have raised this issue with the energy companies concerned; and
- Whether the UK Government has confirmed to the Welsh Government that it will require energy companies to continue to reduce consumer bills as a result of the ECO changes.

## **7] Fuel Debt and Pre-payment meters**

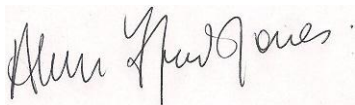
Stakeholders expressed concern about the level of fuel debt in Wales and about the energy companies' approach to dealing with those in fuel debt. In its oral evidence Citizens Advice Cymru told us that it was contacted by, on average, 2,500 people every year about fuel debt. SSE told us that it recognised that there was a greater degree of indebtedness in Wales compared to England and Scotland and that SSE has significantly more customers on pre-payment meters in Wales.

We would be grateful if you could:

- Provide the details of any discussions you've had with the energy companies about:
  - the higher levels of fuel debt and customers on pre-payment meters in Wales,
  - their policies for dealing with customers in fuel debt,
  - their policies for assessing the suitability of pre-payment meters for vulnerable customers,
  - barriers for customers on pre-payment meters wishing to switch to other payment methods, and
  - the roll-out of smart meters in Wales.

Thank you for considering these points. I would be grateful if you could consider providing a response by 18 February so that we have sufficient time to consider it ahead of future Ministerial scrutiny sessions.

Yours sincerely

A handwritten signature in black ink on a light-colored background. The signature is written in a cursive style and reads "Alun Ffred Jones".

**Alun Ffred Jones AM**  
**Chair of the Environment and Sustainability Committee**