



The Scottish Parliament
Pàrlamaid na h-Alba

Rhoda Grant
Member of the Scottish Parliament for the Highlands and Islands

Fuel Poor Network Extension Scheme
Review Consultation
c/o Rupika Madhura
OfGem

28 October 2014

Fuel Poor Network Extension Scheme
Rhoda Grant MSP (Highlands and Islands) - Consultation Submission

I welcome any scheme that will help reduce the level of fuel poverty in Scotland. However, this scheme is another example of a simple 'one size fits all' approach to a complex problem.

The Fuel Poor Network Extension Scheme must not be viewed in isolation from other initiatives, nor should one sector of the energy industry be asked to take on a responsibility whilst another sector is allowed to escape its obligations. I ask you to view my submission within the broader context of working together to tackle fuel poverty.

There are many households in rural and remote Scotland who live with fuel poverty but will be totally untouched by the good intentions of this scheme. As a Member of the Scottish Parliament for the Highlands and Islands it is the situation facing these households that I wish to highlight.

The Scottish Parliament Holyrood Edinburgh EH1 1SP T: 0131 348 5766
PO Box 5717 Inverness IV1 1YT T: 01463 716299
38 Church Street Stornoway HS1 2JE T: 01851 709822



www.himsp.org.uk

Rhoda.Grant.msp@scottish.parliament.uk



RhodaGrant



MSPRhodaGrant

Whilst the median fuel poverty figure in Scotland in 2012 is recorded in *Scottish House Conditions Survey 2012* at 27%, and represents a welcome low from a peak of 34% in 2009, the Scottish Government have some way to go to reach the 16% level of recorded in 2003/4.

The 27% figure is also misleading as it does not reflect the disturbing variation of fuel poverty figures across Scotland. In 2011, the Scottish Government estimated that in Eilean Siar and the Orkney Islands the level of fuel poverty was over 50%, and perhaps as high as 70% in some areas, with the remainder of the Highlands and Islands being over 40%.

Such a variation is due, in part, to the lack of mains gas availability. Clearly, then any Fuel Poor Network Extension scheme will not have any effect on fuel poverty levels in these areas.

For many parts of rural and remote Scotland, LPG and/or oil are the only acceptable alternatives. This brings with it a raft of associated problems. They are both more expensive forms of domestic fuel and such households have been shown to have lower levels of insulation and heat efficiency, as well as higher levels of fuel poverty.

One of the major problems, however, is that use of these fuels excludes households from schemes that are funded through the Energy Company Obligation (ECO).

This ECO is the largest, non-governmental, contributor to energy efficiency programmes. Consequently, without access to the funds available through the ECO, off mains and rural households find it considerable more difficult to escape fuel poverty.



The Scottish Parliament Holyrood Edinburgh EH1 1SP T: 0131 348 5766
PO Box 5717 Inverness IV1 1YT T: 01463 716299
38 Church Street Stornoway HS1 2JE T: 01851 709822

www.himsps.org.uk

Rhoda.Grant.msp@scottish.parliament.uk



RhodaGrant



MSPRhodaGrant

I propose that the suppliers of LPG and domestic fuel oil are required to sign up to an ECO, designed to assist their customers in a similar way to the existing programme.

The current ECO programme applies only to the largest nine electricity and gas companies. The method of delivery of oil and LPG is, obviously, different from the on grid sources, with a plethora of small to medium sized companies physically delivering the LPG or oil to the households.

In effect, these companies are the supply grid rather than the energy supplying company.

Currently, it is the energy providing companies that are signatories to the ECO. Therefore, I propose that, like the current ECO, the large companies, e.g. SHV Energy, BP, are the signatories to the new ECO and not the delivery companies.

This enhanced ECO will place on the LPG and Oil companies the same obligation to assist fuel poor households with energy costs and energy efficiency. This should include assistance towards the cost of oil or LPG central heating systems which is not available under the current programmes.

The current ECO scheme is due to run till March 2017. This may, depending on the result of the 2015 General Election, coincide with the setting up of a new OfGem. Either way, the oversight of this enhanced ECO, or its successor, should become part of the remit of OfGem.



The Scottish Parliament Holyrood Edinburgh EH1 1SP T: 0131 348 5766
PO Box 5717 Inverness IV1 1YT T: 01463 716299
38 Church Street Stornoway HS1 2JE T: 01851 709822

www.himsp.org.uk

Rhoda.Grant.msp@scottish.parliament.uk



RhodaGrant



MSPRhodaGrant

Steps should be taken to include oil and gas producers as soon as possible but, certainly; an undertaking to include them in any successor scheme from March 2017 should be given.

Whilst this would not eradicate fuel poverty it would go some way to extending the number of households receiving assistance and would assist the government in reaching its declared emission targets.

Best wishes

Yours sincerely



Rhoda Grant MSP



The Scottish Parliament Holyrood Edinburgh EH1 1SP T: 0131 348 5766
PO Box 5717 Inverness IV1 1YT T: 01463 716299
38 Church Street Stornoway HS1 2JE T: 01851 709822

www.himsps.org.uk

Rhoda.Grant.msp@scottish.parliament.uk

 RhodaGrant

 MSPRhodaGrant