

# Energy efficiency funding support for EESH

**23<sup>rd</sup> May 2019**

# Energy Efficiency Standard for Social Housing (EESH)

EESH 2 proposal for social housing:

- Maximise the number of homes in the social rented sector attaining EPC B rating by 2032 (D rated by 2025)

Also energy targets in private sector housing:

- Owner occupiers EPC C by 2040 proposed
- Private rented EPC D by 2025, EPC C proposed by 2030 (where feasible).

## EESSH2 costs

- Projected £3.4-3.7 billion cost to meet 50-60% of EESSH2 target
- Funding support schemes will be useful in meeting milestones, including where supporting mixed tenure programmes
- Funding for private sector properties also relevant to EESSH
  - Mixed tenure blocks
  - Estate improvements
  - Economies of scale in mixed tenure projects.

# Previous Scottish Government support for SHPs

Two SG schemes for social housing providers last financial year

- RSL loan scheme
  - Loans of between £30 K and £1 M to install energy saving measures with the aim of progressing towards EESSH targets
- Decarbonisation Fund
  - Supporting energy efficiency measures within projects that include decarbonisation activity, such as renewables.

Announcement on any future funding support likely after Scottish Government reporting on EESSH2 consultation process in 2019.

# Energy Company Obligation (ECO3)

- Targeting heating and insulation measures to fuel poor households
- Private sector households qualify for through being:
  - In an affordable warmth group (benefit and tax credit recipients)
  - Declared as meeting fuel poverty criteria set by their LA (ECO Flex or flexible eligibility)
- Social housing eligibility covers EPC E, F and G rated properties:
  - Insulation
  - first time central heating measures
  - Replacement of storage heating that is broken or has a responsiveness rating of less than 0.2.

# Energy Company Obligation (ECO3)

- Innovation and measured savings routes each form up to 10% of the obligation and available in social housing with EPC D,E,F or G
- Infill mechanisms for solid wall and district heating in private sector housing covering neighbouring non-fuel poor PS households.

# Funding support available in all tenures

- SGN's Help to Heat gas infill scheme- assisted connections for benefit recipients and all tenures meeting ECO Flex criteria
- Renewable Heat Incentive- income for heat producing renewables open to new applications until March 2021
  - Administered by Ofgem
  - Domestic stream covering single domestic properties
  - Non-domestic can support multiple domestic properties fed from a single source.

Feed in tariffs (FITs) closed to new applications in March 2019.

# Funding support available in all tenures

- Warm Homes Fund- off-gas heating measures including renewables in areas remote from gas network
- Community and Renewables Energy Scheme (CARES)
- Scottish Government district heating loan scheme
  - Available to LAs, RSLs, SMEs community groups and ESCOs
  - Loans of up to £1M + are available as low interest unsecured loans with repayment terms of either 10 or 15 years.



# Funding support available in all tenures

- Scottish Government Energy Efficient Scotland schemes, supporting some measures in mixed tenure and domestic/non-domestic schemes.

# Funding support for private sector housing

- Warmer Homes Scotland- heating and energy efficiency measures for vulnerable households that meet low income eligibility criteria
- HEEPS: area based scheme- wall and roof insulation measures in low income areas
- HES loan scheme: Loans for energy efficiency, related heating measures and gas connection, sometimes with cashback
- HEEPS: equity loan pilot for CT band A-C private sector properties in selected areas
- RES SME loan- loan funding for energy efficiency and renewable measures covers private sector landlords (cashback sometimes).

# EST/Home Energy Scotland support

# Home Analytics and PEAT

## EST Home Analytics

A Scottish Government funded housing stock model

- Provides users (at address level or higher) with actual or modelled EPC data for every domestic property in Scotland.
- High accuracy and coverage with energy consumption, fuel costs, CO<sub>2</sub> emission and fuel poverty indicator outputs.

## Portfolio Energy Analysis Tool (PEAT)

A property modelling and SAP calculation engine

- Uses Home Analytics data as an input. Is fully customizable with the ability to set a target SAP.
- Allows scenario modelling of the costs and benefits of various retrofit options for the building stock - to understand the impact that investment would have on fuel bills, fuel poverty and CO<sub>2</sub> emissions.

Both tools are free to access for Local Authorities and RSLs. Please contact [localhomesportla@est.org.uk](mailto:localhomesportla@est.org.uk) for further information.

## Home Energy Scotland (advice)

- HES and EST able to advise and support LAs and RSLs on funding schemes and generally on energy efficiency, district heating and renewables measures
- HES Home advice visits available to owner occupiers and PSLs on renewables and to vulnerable households
- Behavioural and consumption advice to social tenants
- HES Tel: 0808 808 2282
- Mark McArthur, ECO Support Manager, Tel 0131 555 7913