



# SUPPORTER GUIDE FOR RESPONDING TO THE HEAT IN BUILDINGS BILL CONSULTATION

WWF Scotland's response to the questions in the consultation – and a guide to help you with your own response.

### INTRODUCTION

Scotland cannot tackle climate change without moving away from fossil fuel heating, which accounts for 20% of our annual climate emissions. The good news is that we can use electric heat pumps and heat networks, powered by Scotland's abundant renewables, to cut carbon and lower household energy bills, helping us to tackle the climate and cost of living crises together.

The Scottish Government is currently consulting on proposals that would require households to improve insulation and switch to cleaner heating. WWF Scotland has long campaigned to secure better Government funding and policies to help make our homes greener and we think that these proposals are a step in the right direction, with some room for improvement.

There are 17 questions relevant to you as a homeowner, prospective homeowner, landlord or tenant. Read on to see how we as WWF are answering them. It's important that the Government hears from as any people as possible, and if you decide to respond, we hope that the information below is helpful to you.

### HOW TO FILL IN THE CONSULTATION

- 1. Visit this website: <u>https://consult.gov.scot/energy-and-climate-change-</u> <u>directorate/proposals-for-a-heat-in-buildings-bill/</u>
- 2. Scroll down and click 'Begin Consultation'.
- 3. On the following page, click on **'Chapter 2'** to start answering the consultation questions.
- You will be asked to indicate your support for each proposal and have the option to add comments. You can read more about each proposal by clicking the 'More Information' link under each question. <u>Please note, you do not have to respond to each question</u>.
- 5. Read on to see a summary based on WWF Scotland's response to the questions, and explanations. Feel free to use this text if you agree!





### **CHAPTER 2 – THE HEAT IN BUILDINGS STANDARD**

## <u>Question 1:</u> To what extent do you support our proposal to prohibit the use of polluting heating systems in all buildings after 2045?

### ✓ SOMEWHAT SUPPORT

This is an important proposal to help Scotland reach its climate targets. Setting an end date for the use of all remaining fuel boilers is an important signal to send to industry and households. But we believe the deadline should be brought forward to 2040 to encourage faster action given the climate emergency. The switch to clean heat is vital to meet Scotland's 2030 climate target, which matches efforts to limit global warming to the crucial 1.5C threshold.

# <u>Question 2:</u> To what extent do you agree that we should introduce a minimum energy efficiency standard to be met by private sector landlords by the end of 2028?

#### ✓ STRONGLY SUPPORT

Private landlords have little incentive to make their homes energy efficient, and this is reflected by the fact that many of the least energy efficient homes are rented privately. An earlier deadline to meet the standards is important and will mean that tenants receive the benefit from warmer homes and lower energy bills sooner.

# <u>Question 3:</u> To what extent do you agree that we should introduce a minimum energy efficiency standard to be met in owner occupied homes (which still have a polluting heating system) by the end of 2033?

#### ✓ STRONGLY SUPPORT

Improving energy efficiency in homes reduces energy use and carbon emissions, but also provides other benefits like better health, reduced risks of fuel poverty and reduced demand on energy networks. Regulation is needed to accelerate the rate at which homes are improved, and it is important to apply standards across all types of home (e.g. alongside privately and socially rented homes). The Government should continue to provide advice and financial support to help households meet the costs of these upgrades.





<u>Question 4:</u> Do you agree with our proposal to set a minimum energy efficiency standard that can be met by either installing a straightforward list of measures, or showing a good level of energy efficiency based on a reformed EPC fabric efficiency metric?

### ✓ STRONGLY SUPPORT

Providing two ways to comply with the energy efficiency standard will give households more flexibility and draws on the strengths of each approach. However, it is a concern that the space heating demand target proposed is much weaker than the list of measures ambition, which is neither fair nor useful. A stronger space heating demand target should bet set that matches the list of measures with a lower level for traditional homes that are harder to upgrade.

## <u>Question 5:</u> What is your view on the initial proposed list of measures to meet the minimum energy efficiency standard?

### ✓ STRONGLY SUPPORT

The proposed energy efficiency measures are sensible and similar to previous Scottish Government proposals of bringing homes to an Energy Performance Certificate 'C' rating. The exclusion of solid wall insulation will make it difficult for solid wall homes (which account for about a quarter of the housing stock) to reach the aim of 'a good level of energy efficiency' but it is sensible to give households a choice regarding the installation of this higher cost and potentially disruptive measure. Grants and advice should continue to be available to encourage its use, given the large reductions in energy use (and bills) that can be achieved.

# <u>Question 6:</u> Do you think that properties for which most or all of the measures on the initial proposed list are not relevant should be required to meet an equivalent minimum energy efficiency standard?

C. YES - They should be required to meet the standard and additional measures should be included on the list (such as solid wall insulation, solid floor insulation and flat roof insulation), but they should only be required to install some of these where feasible and cost effective.

Older homes with solid walls won't be required to fit as many energy efficiency measures as newer homes and therefore this will make the standard fairer.



# <u>Question 7:</u> Do you think that an alternative approach to setting the minimum energy efficiency standard is required?

✓ YES

Yes, and it should be the proposed fabric efficiency metric for reformed Energy Performance Certificates. This is widely regarded as the most appropriate way to measure the energy efficiency of a home and will give households more accurate information, as it takes into account the age, shape and existing energy efficiency measures. This will also help where homes have unusual construction or efficiency features that would not appear on the list of measures.

# <u>Question 8:</u> Do you agree that the use of bioenergy should continue to be permitted in certain circumstances?

 D. YES - It should be permitted for those buildings already using it and for those buildings who have no other clean heating system available.

Sustainable bioenergy and the materials used to produce it will be in high demand as we decarbonise Scotland's economy and should be prioritised for use in sectors with fewer low carbon alternatives. Its use for heating should therefore be restricted to those homes that already have a system or for whom there are genuinely no alternatives. Sustainability criteria must be in place and improved to ensure that any permitted bioenergy heating provides genuine carbon reductions and does not have negative impacts on the wider environment.

### CHAPTER 3 – PROPERTY PURCHASES

# <u>Question 9:</u> To what extent do you support the requirement to end the use of polluting heating following a property purchase?

### ✓ SOMEWHAT SUPPORT

Scotland cannot tackle climate change without ending the use of fossil fuel boilers and this proposal is an important step to achieve this. Scotland is following the lead of other European countries that are using regulation to phase out polluting heating, to give industry clarity about future demand and encourage investment in new skills and training.

Requiring changes after a property has changed hands can ensure that the work takes place alongside other renovations that are often made at this point. It will also make it easier for households to arrange finance, as funds can be borrowed as part of a mortgage.





The consultation does not mention when this requirement would begin, but from the perspective of climate action this should be as early as possible – for example in 2028, as proposed by Ministers. Research has shown that there is much scope for the cost of clean heating systems like electric heat pumps to fall over time [1] which will make the switch easier and more attractive to households. The Scottish Government should continue to provide grant funding and advice to help households make the switch.

[1] See: <u>https://media.nesta.org.uk/documents/How\_to\_reduce\_the\_cost\_of\_heat\_pumps\_v4\_1.pdf</u>

### <u>Question 10:</u> We are proposing to give those purchasing a property a 'grace period' to end their use of polluting heating. Do you agree with this proposal?

#### ✓ YES- the grace period should be two years.

It is right to give households time to replace their fossil fuel boiler after purchasing a property, but this should be limited to two years. This will encourage households to undertake the work as part of other renovations - changing heating system might require changes to radiators or hot water tanks, and it is best that any redecoration is done after these works.

# <u>Question 11:</u> To what extent do you support our proposal to apply a cost-cap where people are required to end their use of polluting heating following a property purchase?

#### ✓ SOMEWHAT

It is important to make the standard fair and to reflect households' ability to meet it, but setting a cap on maximum costs is not the best way to do this.

A cost cap for energy efficiency should not be required if technical modifications or exemptions are available for homes with unusual characteristics that prevent or increase the cost of some measures (e.g. where there is a room in the roof, and it is not possible to insulate to 270mm).

The proposals already provide flexibility and scope for delay for homes that might face higher than average costs to fit clean heating. Research for WWF [2] found that it is typically smaller homes that may face higher costs. The requirement to link deadlines for homes in heat network zones (likely to be flats and smaller houses) will give these homes more time and flexibility to comply. Similarly, the flexibility to choose between different clean heating technologies (e.g. heat pumps, storage radiators, some bioenergy) will ensure that more homes can find an affordable solution. A cost-cap for heating system upgrades should only be used as a last resort if this is genuinely required by the finance industry when providing mortgage or other lending.

Where homes still face higher costs, this should trigger additional financial support from the Government. Existing grant schemes should continue to be available, with additional support for homes that face specific costs such as the rural uplift that is currently provided. An appeals



process would provide a more flexible and targeted way to consider people with unique and challenging circumstances and provide an exemption as a last resort.

[2] See: https://www.wwf.org.uk/sites/default/files/2023-02/WWF-Affordable-Warmth-Scotland.pdf

#### Question 12: Which of the following methods of applying a cost-cap do you support?

**NOT ANSWERED** - *This is a complex topic.* 

<u>Question 13:</u> To what extent do you support the proposal that the Scottish Ministers should be given powers to extend the circumstances in future (beyond a property purchase) in which people could be required to end their use of polluting heating?

#### ✓ STRONGLY SUPPORT

The proposed policies to phase out polluting boilers (2045 deadline and 'at purchase' requirement for some homes) are not likely to be enough to provide a steady number of homes switching away from fossil fuel heating between now and 2045, as some homes are bought and sold much more regularly than others. Therefore, the number of homes bought each year that require a clean heating system will reduce over time. Extra policies are likely to be needed, such as the proposal to require people to end their use of polluting heating when replacing an old boiler. This power would also mirror similar intentions that UK Government has set for England and Wales from 2035.

### **CHAPTER 4 – HEAT NETWORKS**

<u>Question 14:</u> To what extent do you support our proposal to provide local authorities (and Scottish Ministers) with powers to require buildings within a Heat Network Zone to end their use of polluting heating systems by a given date?

### ✓ STRONGLY SUPPORT

This proposal will give smaller homes and flats more flexibility to fit cleaner heating at reasonable cost and help the development of heat networks by providing more clarity about potential future customers. Low carbon heat networks are likely to be a more convenient and cost-effective solution for many flats and smaller homes (than fitting an individual heat pump) since they reduce the space required for equipment and can harness economies of scale.





<u>Questions 15, 16 and 17</u>

NOT ANSWERED - these relate to commercial buildings.

### **CHAPTER 5 – COMPLIANCE, ENFORCEMENT**

<u>Question 18:</u> We will need to have a way to monitor if people are meeting the Heat in Buildings Standard and discussed two options for this.

#### ✓ A COMBINATION OF THE TWO

It will be important to monitor if people are meeting the standard to ensure that the carbon and energy benefits of renovating homes are achieved. It is sensible to use both methods to achieve this.

<u>Question 19:</u> We will need to have a way to enforce the Heat in Buildings Standard. We discussed possible options to help achieve compliance. What are your views on these ideas?

### ✓ A MIXTURE OF THE OPTIONS

Where homes change hands, the market can play an important role in informing and incentivising action, as buyers will want to ensure that they meet any requirements or that the costs of upgrades are taken into account at the point of purchase. Legal enforcement measures and civil penalties should be in place to be used as a last resort, should they be required.

### <u>Question 20:</u> To what extent do you support our proposals to modify the Standard or exempt certain people from the need to meet the Heat in Buildings Standard?

#### ✓ SOMEWHAT SUPPORT

Some flexibility to meet the standard may be necessary in some limited circumstances, but this should be limited to avoid creating too many loopholes which reduces the amount of activity (and carbon reduction) driven by the standard. It will be useful to modify the energy efficiency part of the standard where a building's characteristics prevent installation of some required insulation measures or make this much more costly than usual.

It is important that the standard is fair, and flexibility to consider especially difficult circumstances should be provided. Where households have a limited ability to pay for upgrades, this should trigger more financial support from Government rather than an exemption, which should be a last resort. Given expectations that heat pump systems are likely to be the lowest





cost clean heating option for an increasing number of homes [3] the need for modifications/exemptions on the basis of income is likely to reduce over time. Exemptions could also be counterproductive, since they would lock lower income households into higher long-term costs (energy bills) to avoid short term costs (to fit clean heating). In this situation it would be better to provide financial support, as is the case currently, to support households to meet the standard.

An appeals process is likely to be a better way to modify/exempt some people from the standard where this is required, rather than the creation of exemption criteria.

[3] See: https://www.wwf.org.uk/sites/default/files/2023-02/WWF-Affordable-Warmth-Scotland.pdf

# <u>Question 21</u>: Which people, businesses, or types of buildings, if any, should be eligible for a modified standard or exemptions?

Homes that have characteristics that are known to make it challenging to fit some insulation measures (e.g. with attic rooms) should be offered a modification to the standard (e.g. a reduced requirement for loft insulation where there is an attic room).

### <u>Question 22:</u> To what extent do you support our proposals to give certain people extra time to meet the Heat in Buildings Standard?

#### ✓ SOMEWHAT SUPPORT

It is important to give some homes extra time to comply, but use of such measures should be limited to avoid creating too many exemptions or loopholes.

# <u>Question 23:</u> Which people, businesses or types of buildings, if any, should be eligible for extra time?

Homes in areas subject to electricity network constraints which may delay their ability to install a new electric heating system in time.

# <u>Questions 26 to 28</u> relate to commercial buildings, and we have therefore not answered them here.