1. Do you agree with the Scottish Government’s proposals to provide for a statutory target to reduce fuel poverty to no more than 5 per cent of the Scottish Households by 2040?

Whilst we recognise the many difficulties associated with setting a target for the eradication of fuel poverty we still believe that it should not be acceptable in mid-twenty-first century Scotland to accept that any level of fuel poverty is acceptable. Therefore, we believe that the target should be for the eradication of fuel poverty.

2. Do you agree with the Scottish Government’s proposals for a revised definition of fuel poverty?

We believe that the revised definition is a start and believe that the scrutiny of the bill will help develop a consensus around whether the definition is robust enough. One area which we do think needs to be addressed are some of the issues facing people living in rural communities. We would question whether the definition sufficiently accounts for all of the additional costs associated with living in a rural community, especially in a remote area where transport and food costs may be particularly high.

3. Do you agree with provisions in the Bill requiring the Scottish Government to publish a fuel poverty strategy? Do you also agree with the consultation requirements set out in the strategy?

Any Fuel Poverty Strategy must be consulted on widely and must listen to the voices of people with lived experience of fuel poverty. The Scottish Government and the Scottish Parliament must listen to people who have to deal with the consequences of fuel poverty on a daily basis.

Such a consultation needs to include ways to facilitate those people who have lived in fuel poverty to make their voices heard. Such facilitation may require funding from but must be clearly independent of the Scottish Government.
4. A draft Fuel Poverty Strategy was published alongside the Bill on 27 June. Do you have any views on the extent to which the measures set out in the draft Fuel Poverty Strategy for Scotland 2018 will contribute to meeting the Government’s new target? Have lessons been learned from previous initiatives?

We think that the draft strategy is good as far as it goes. We recognise the belief that in the past targets have been too optimistic, however, we believe that targets must be challenging. We believe that the strategy should include targets for the next few years, for example around energy efficiency in the private rented sector.

5. Do you have any views on the Scottish Government’s Reporting requirements to the Scottish Parliament, as set out in the Bill?

As we have stated previously, we believe that the 2040 target should be the eradication of fuel poverty. We have some concerns that five yearly reporting is too long a period. We acknowledge that yearly reporting can occasionally be reporting for the sake of reporting but we believe that more frequent reporting would give a focus to the work on reducing, or as we would hope eradicating fuel poverty.

Other comments

We believe that co-operative and mutual models of energy production, distribution and sale have a role to play in tackling fuel poverty. Likewise, we believe that encouraging people to get together in a co-operative or mutual way to deliver energy efficiency measures has a lot to offer in this debate. We also believe that co-operative and mutual models can be a means to empower fuel poor, disadvantaged and excluded communities.

Britain’s energy system is not working for consumers. When wholesale prices rise the Big Six energy companies are quick to increase consumer bills, but when prices drop consumer bills remain high. Over 4 million UK households live in fuel poverty and the UK ranks above European averages for electricity prices.

The market is broken, thanks to a combination of a lack of competition resulting in market dominance by a small number of large vertically integrated companies; unsustainable and short-term decision-making by big business; and a housing stock that ranks among the least energy efficient in Europe.

Community energy

The growth of community energy schemes has ably demonstrated communities’ eagerness to be part of an energy transformation in the UK. The investment in
infrastructure comes from a community share offer, meaning local residents are investing in, and benefiting from the success of, the technology.

Consumer, local government, community and employee ownership models have been shown to offer behavioural benefits, as people who are more involved think about their energy use. They also offer economic benefits, with returns remaining in the locality to be reinvested in energy efficiency or for other social impact. Ensuring that the benefits of local energy generation remain in the locality is fundamentally important to many local economies.

The government should recognise the benefits of local, community or employee ownership models in the energy sector and support their growth and development. Direct supply of community owned renewable energy to local consumers – currently hugely challenging for small-scale and community-owned schemes – should be piloted, with a view to make this mainstream by the 2020s. Other interventions to support this sector could include the development of rules surrounding grid access and recognition of community ownership within planning guidelines.

**Energy efficiency**

The best route to limiting, or managing, energy costs in the long term is to reduce the need for energy in the first instance. The cheapest unit of energy is the one not used. The Co-operative Party sees energy efficiency as a top national infrastructure priority, which deserves a long-term revenue stream and appropriate incentives for homes and businesses to retrofit their buildings.

We want to see individuals, communities and the co-operative sector able to have tangible impact on improving energy efficiency and reducing bills. Similar to the incentives that the renewable energy Feed-in Tariff and Renewable Heat Incentive created for the installation of low carbon generation, we suggest a Feed-in Tariff for energy efficiency could be developed to incentivise domestic and business consumers to retrofit homes and businesses and replace inefficient appliances. We also believe that the Energy Company Obligation should be reformed to put a community based approach at the heart of the drive to tackle energy efficiency.

It is not enough to simply increase the number of players in the market when the market continues to be skewed in favour of a small number of large, dominant businesses.

Tougher regulation is needed for the large vertically integrated energy companies. Supply and generation in these companies need to be ringfenced to ensure that the right incentives are in place for suppliers to seek the best prices for their customers.
A lack of transparency and liquidity in the wholesale market makes it impossible to see if the price rises passed onto consumers are fair.

In order for the new entrants, in particular the community and co-operative energy sector, to be able to succeed in democratising the energy market and providing genuine value for customers, the Co-operative Party stresses the need for greater transparency at every level of operation. Transparent wholesale markets and an open exchange similar to the Nord Pool would improve liquidity, ensure transparent prices and create a level playing field for new market entrants.