



Fixing Fuel Poverty

Challenges and Solutions



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History

- 1973-4 oil crisis
- not a distinct problem
- MPs in direct contact
- 1997 Labour Government accepted
- Warm Homes and Energy Conservation Act 2000: eradicate by 2016
- Inhibiting other energy policies

Symptoms/indicators

- Rising debt with energy companies
- Disconnections from energy supply
- Excess winter deaths



UK definition

- A household is in fuel poverty if it needs to spend more than 10% of its income on fuel to maintain adequate energy services
- Absolute not relative: 10% does not change



Affordable warmth

10% of
income
for all
energy
services

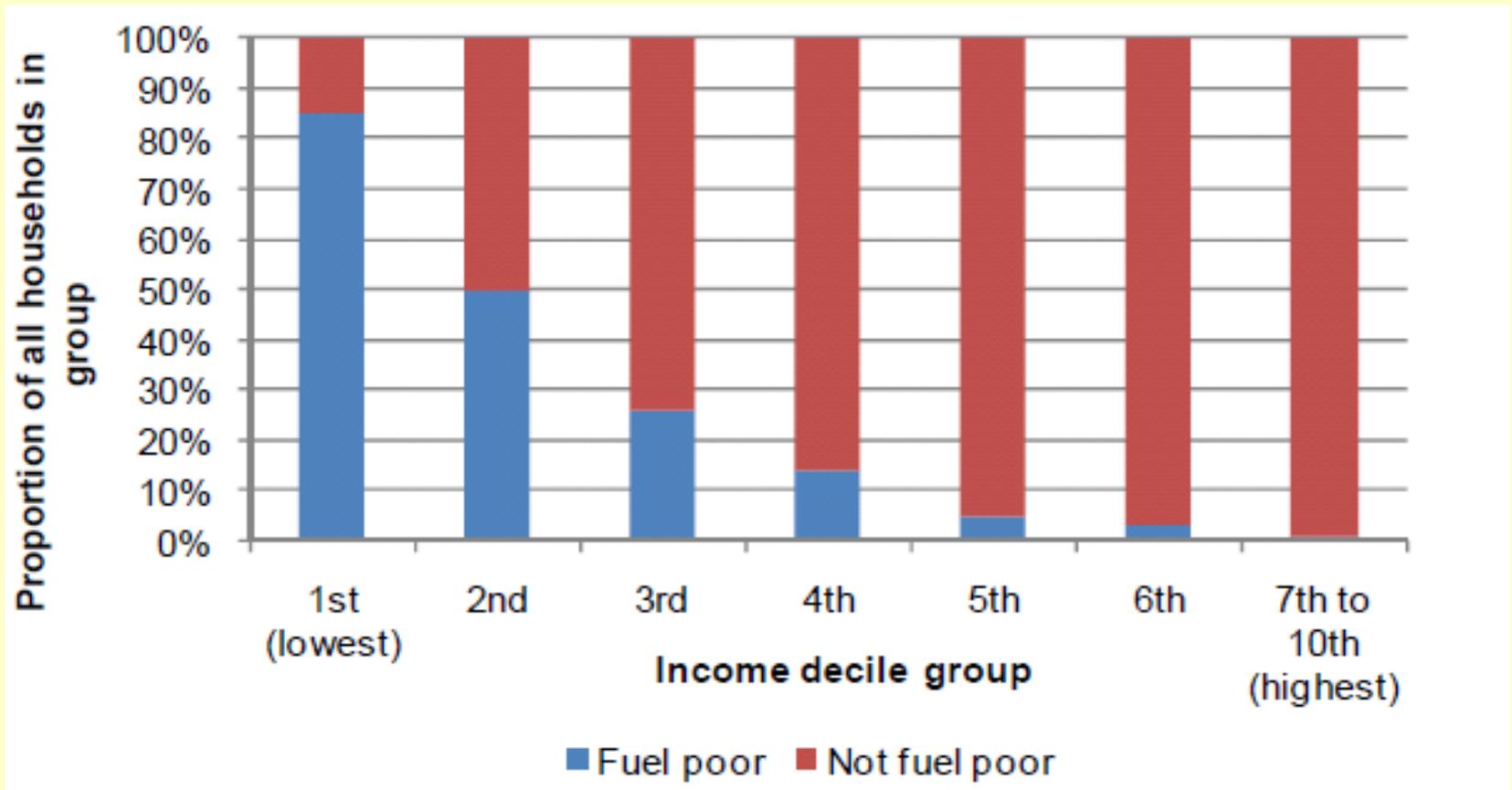


Energy
efficiency
of the
dwelling



24 hour
mean
internal
temperature
of 18 C
(+ other
energy
services)

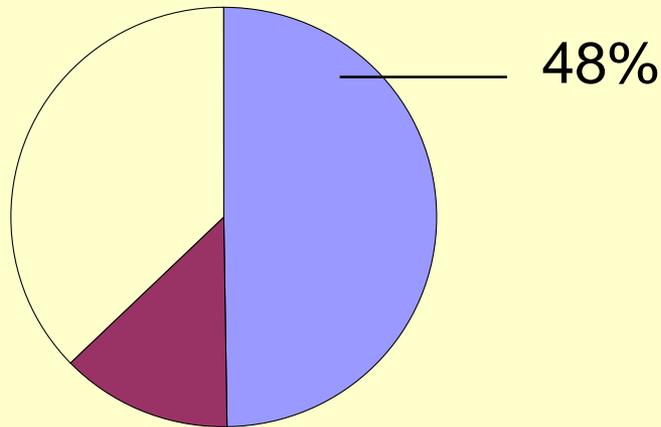
Fuel poverty by income, UK 2009



Fuel poor pensioners

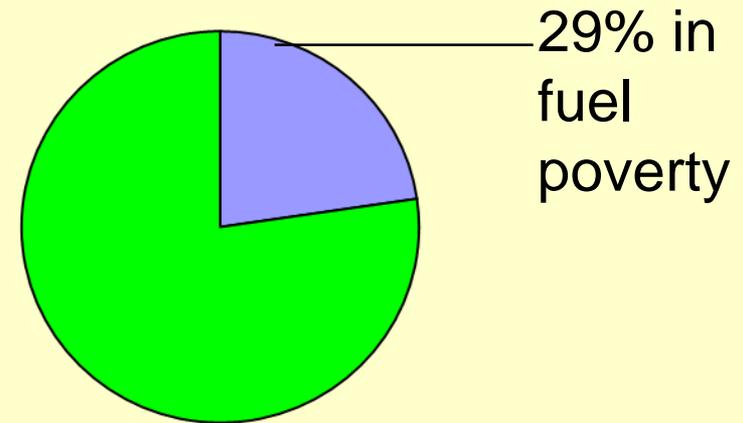
England 2009

Fuel poor households



Over 60 with children others

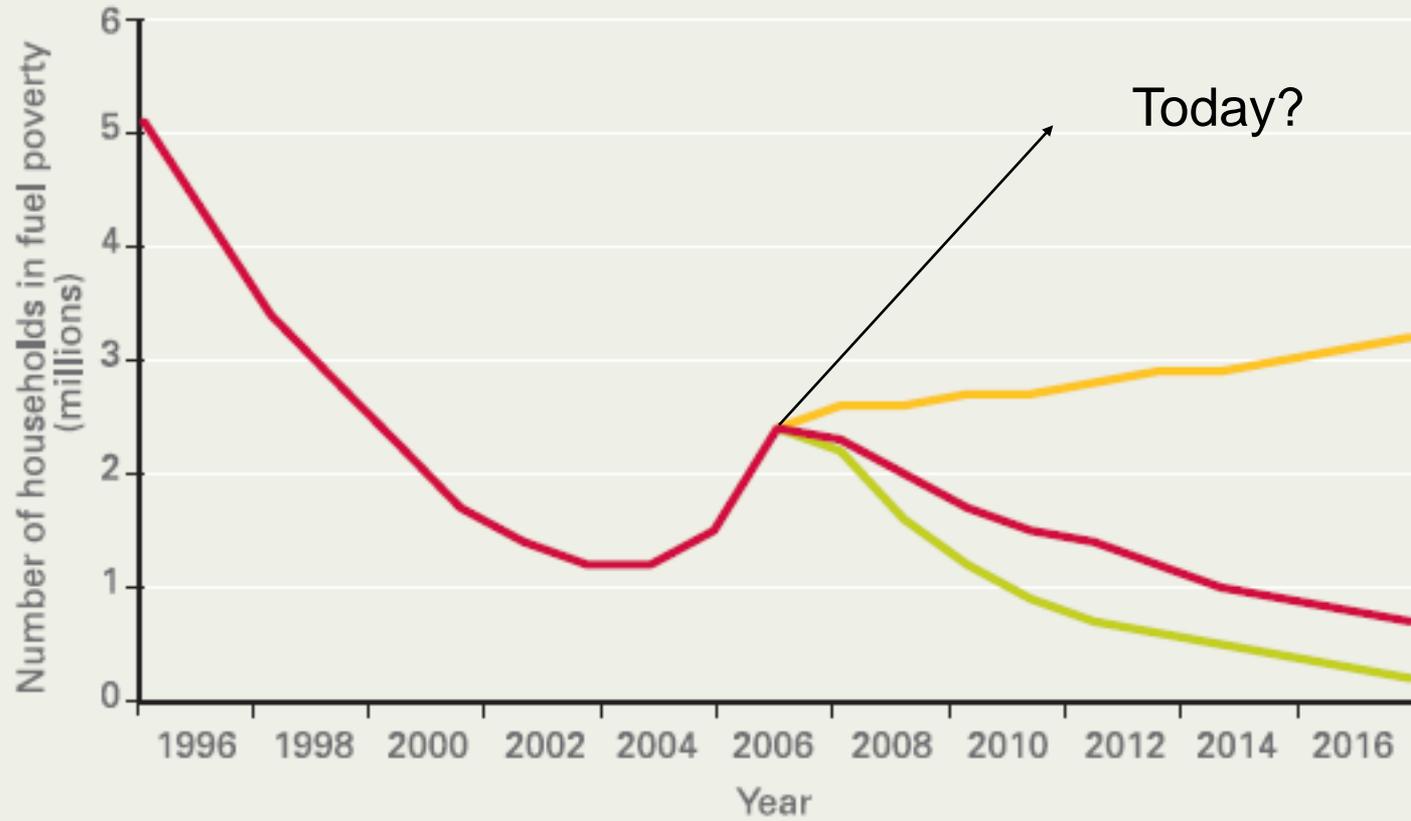
Pensioner households



Targetting

- Can focus on pensioners or families, probably not both
- Depends on how definition deals with
 - Rent
 - Equivalisation

Fuel poverty, England



\$80/b
\$50/b
\$20/b

Central High Low



Fuel prices

- Rising long-term
- Should the poorest people pay the lowest price?
- Avoid taxation (eg carbon taxes)
- Avoid subsidies – no exit strategy
- Reverse tariffs – cost goes up with level of consumption
- Market cannot deliver – regulation might



Identifying the fuel poor

- Social characteristics (eg age) don't work
- Income level (benefit passbook) insufficient on its own
- Energy efficiency of the home (audit) essential

Have to combine last two

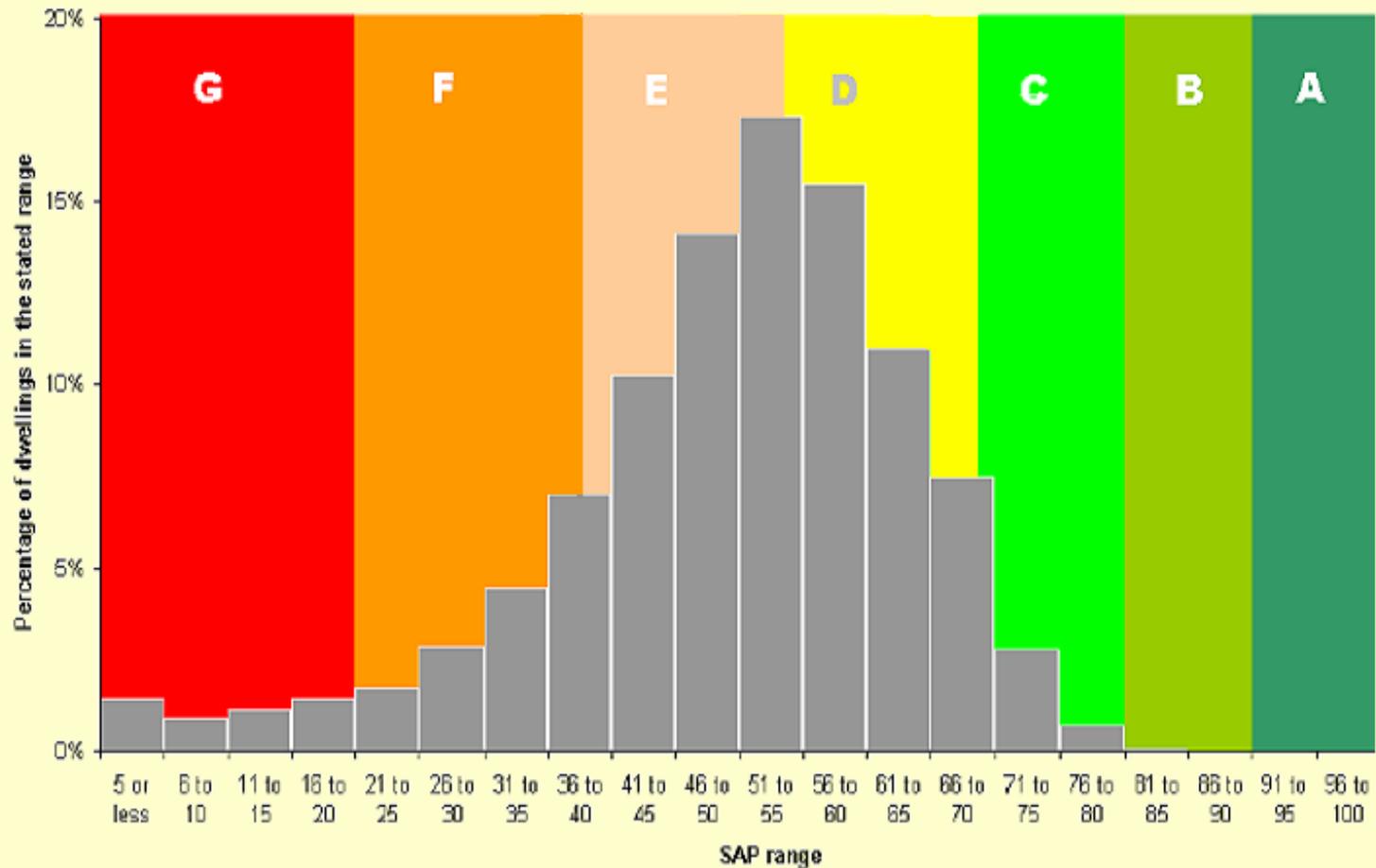
Monitoring and doorstep = different



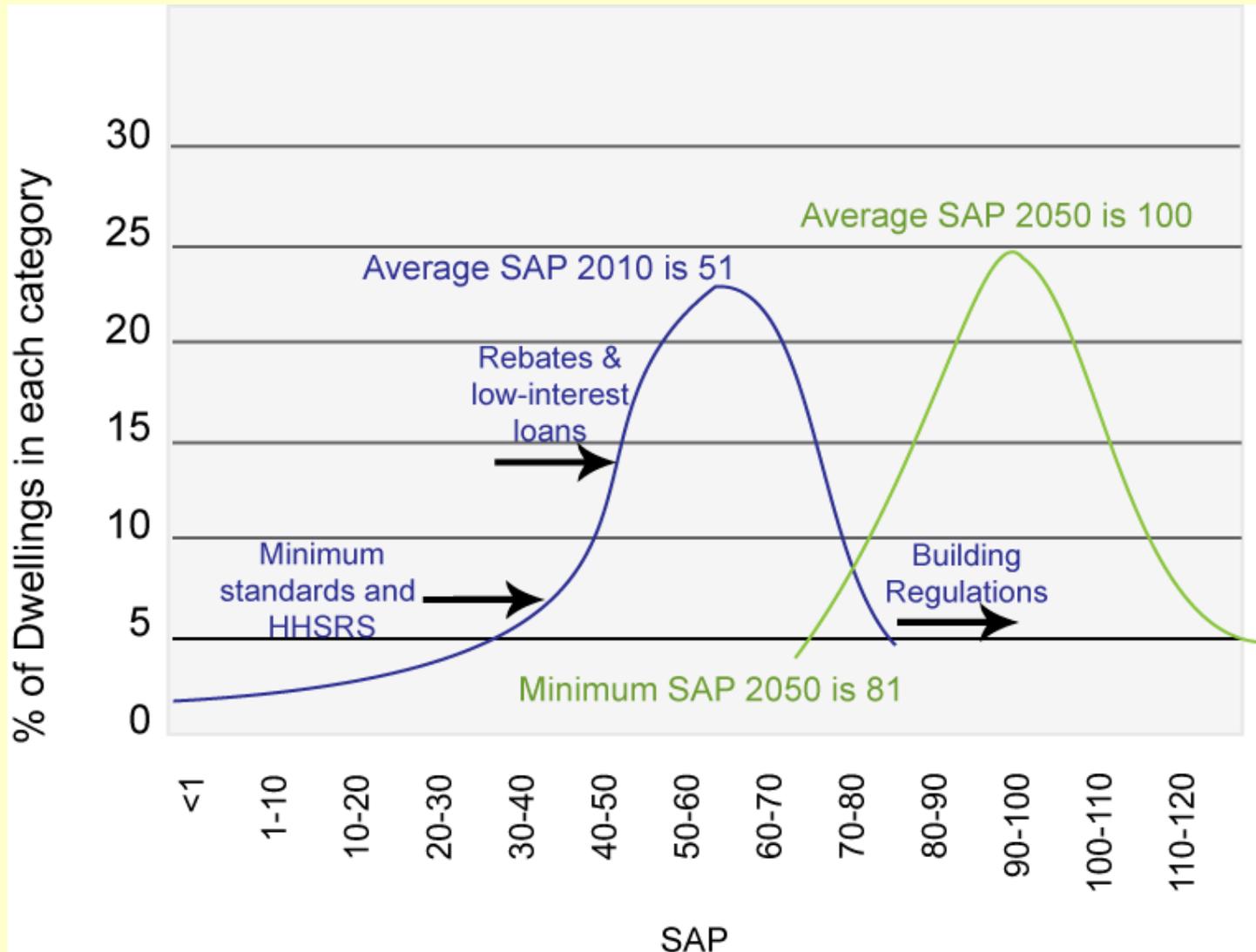
Income + housing

	Low income		High income		
Energy inefficient housing	Red	Red	Orange	Yellow	White
	Red	Orange	Yellow	White	White
	Orange	Yellow	White	White	White
Energy efficient housing	Yellow	White	White	White	White

Minimum housing standards



Transforming housing





Policy choices, fuel poverty and climate change

	COLD HOMES	WARM PLANET
Additional income	✓	x
Fuel price rise	x	✓
Direct capital investment in energy efficiency	✓	✓



Who pays?

- Substantial costs
- At no capital cost to the poor
- Cannot identify the fuel poor
- No need to subsidise the rich
- Through fuel prices?
- Through income tax?
- Property-owner's responsibility?

Résumé

- Fuel poor are difficult to find
- Need comprehensive policies on incomes and housing
- Area-based approach, all homes
- Address-specific datasets
- Low carbon = super efficient + micro-generation
- Clear strategy with targets and timescales

Special edition of Energy
Policy on fuel poverty
imminent

Thank you

www.eci.ox.ac.uk