

DRAFT RESPONSE SERVICE

When appropriate, RSN will provide concise potential responses to key current consultations. These are not intended to be definitive or to reflect the views of RSN and may include potentially opposing responses to reflect different views designed to assist individual organisations in compiling their own response. We do however recognise the pressure members are under and we hope this service will assist.

Phasing out the installation of fossil fuel heating in homes off the gas grid – Department for Business, Energy & Industrial Strategy consultation

This consultation sets out proposals to phase out the installation of high carbon fossil fuel heating systems in homes off the gas grid, as committed to in the [2017 Clean Growth Strategy](#). Government are seeking views on their proposals to introduce targeted regulations that will drive decarbonisation of heat in off gas grid homes, including:

- an end to new fossil fuel heating installations in homes off the gas grid from 2026
- a 'heat pump first' approach to replacement heating systems in homes off the gas grid from 2026
- requiring high performing replacement heating systems where heat pumps cannot reasonably practicably be installed

They would like views from the heating industry, consumers, and those with a wider interest in the UK's net zero ambition.

This consultation closes on 12 January 2022 and full details are available at:

[Phasing out the installation of fossil fuel heating in homes off the gas grid - GOV.UK \(www.gov.uk\)](#)

There is a parallel consultation relating to businesses and public buildings off the gas grid.

This also closes on 12 January 2022 with full details available at:

[Phasing out the installation of fossil fuel heating systems in businesses and public buildings off the gas grid - GOV.UK \(www.gov.uk\)](#)

Suggested potential responses

Possible responses to a selection of the questions raised within the consultation are set out below.

Question 1: *Do you agree with the principle of working with the natural boiler replacement cycle as the key trigger to deploy low carbon heat?*

This makes sense. However, the impact of future deadlines on individual household decisions should be carefully considered. Those households whose boilers will require replacement prior to 2026 will need to decide whether to replace like for like prior to 2026 or replace now with a lower carbon alternative. Given the time lag in enabling the market to bring prices down, it will be necessary to provide larger financial incentives to households during these early years to support early transition to low carbon alternatives.

Question 2: *Would a 2026 end date for the installation of fossil fuel heating in homes off the gas grid give industry and consumers sufficient time to prepare for the regulations?*

As stated in the consultation document, a consistent, long term policy framework will be essential to underpin the transformation of heating the country's housing stock. The need to begin the transition to low carbon alternatives is very clear and a policy which aims to achieve this quickly is supported – as long as it is fair and equitable across different communities.

Rural areas should not be treated as a test bed to trial systems for the rest of the UK. 2 million diverse homes are not “low or no regret” or “low hanging fruit” – the proposals must work for everyone.

It is critical that off-gas areas are not disadvantaged in terms of the costs associated with this transition simply because regulations begin earlier with these households compared to those currently supplied by gas.

The consultation document's stated aim is to achieve cost parity between heat pumps and gas boilers by 2030. Those off-gas households forced to install a heat pump prior to this date, therefore, will be penalised unless the proposed grant regime recognises this and offers additional support during the period prior to cost parity.

The majority of off-gas households are located in rural areas, often very remote. The availability of skilled tradesmen willing to travel has often been a cause for concern in such areas. It is essential that government supports the training and development of more people to be able to provide appropriate installation and maintenance services in all areas.

Such rural areas also often lie at the extreme reaches of the National Electricity Grid. Government needs to ensure that utility companies provide sufficient investment into upgrading the grid in such locations to ensure sufficient capacity exists for the increased demand for electricity which will flow from the move towards heat pumps (and electric vehicles).

Indeed, around 1000 properties in England remain off the electricity grid altogether. Such properties face particular issues when attempting to move away from fossil-fuel heating systems as they either require expensive connection to the grid or local electricity generation. There is a strong case to seek connection of such properties to the national grid. If this is not possible, consideration should be given to a longer time frame for such properties to move away from fossil fuels or an enhanced grant rate to allow renewable generation installations.

Question 3: *Do you agree with a heat pump first approach to replacement heating systems in fossil fuel heated homes off the gas grid that can reasonably practicably accommodate a heat pump?*

Heat pumps may provide opportunities **for around 50% of rural households**. The Government believes that 80% of off-grid homes are suitable for a heat pump, but analysis suggests that it is likely to be around 56%. Therefore, the hard to decarbonise, older housing stock with limited opportunity for further insulation will need other options, including switching to bio-fuels such as bioLPG.

The proposed heat pump ready first approach is reliant on the government's very optimistic aspiration for heat pump costs falling dramatically, from an average of £12K per rural home,

to parity with gas boilers by the end of this decade. By going first rural areas will not enjoy full benefit from any cost reductions in heat pumps.

Where homes are suitable for heat pumps, it is logical to adopt a heat pump first approach. However, homes which are difficult to insulate can be very expensive to heat using heat pumps due to the electricity demands required. Off-gas areas, in predominantly rural locations, are dominated by older, often stone built properties with no cavity walls and which are difficult to maintain at a reasonable temperature. There is a real danger that existing households living in fuel poverty in such locations will be forced to move due to the increased energy bills associated with heat pumps in older properties. Indeed, many more people may be pushed into fuel poverty due to these costs. Either support must be provided to such households (and/or their landlords) in order to help meet these increased costs, or alternative low carbon technologies must be considered which generate lower running costs.

Question 4: *Do you have any views on the design or content of guidance that will help households and installers determine whether it is reasonably practicable to install a heat pump?*

The likely running costs of installed heat pumps must be a key consideration together with the practicality of installing sufficient insulation to individual properties.

In addition, planning legislation can make it difficult in some locations to upgrade the insulation of properties to make them more suitable for heat pump technology. This is particularly the case in National Parks, AONBs and Conservation Areas and for listed buildings more generally. Consideration must be given to adapt policies to enable improved insulation to buildings to take place more readily in order to make the running costs of heat pump installations practicable.

Question 6: *Do you agree that the performance of replacement heating systems in homes off the gas grid that cannot reasonably practicably accommodate a heat pump should reflect the current high standards of performance that can be delivered through high temperature heat pumps and solid biomass systems?*

The statement that “the government is considering how to support households making major upgrades to their energy efficiency” is generally welcomed, recognising the often significant costs involved in enabling some properties to become efficient enough to accommodate a heat pump system.

Electrification is not the single answer, the government should follow a mixed technology approach including biofuels such as BioLPG and bioliquids. **Choice not mandate** - options are needed that are suitable for all homeowners, dependent on their situation (financial, physical and property). To achieve conversion for all homes in 30 years needs financial support, available equipment and a workforce to deliver – which needs a range of solutions.

In keeping with the overall thrust of the consultation document to provide a ‘consistent, long-term policy framework,’ it is imperative that some certainty is given to such households as soon as possible in order for them to plan their system upgrades. If the government is to be clear that no more fossil-fuelled boilers can be installed post 2026 in off-gas areas, then it must also be clear as to what alternatives are acceptable in properties where heat pump

technology is not practicable. It should be acknowledged that for such households there may need to be additional flexibility in terms of required implementation dates.

Question 9: *Do you agree with an end date for the use of remaining fossil fuel heating in homes off the gas grid by the late-2030s?*

It is appropriate to consider an end date for the use of remaining fossil fuel heating in off-gas areas if the following criteria have been achieved:

- the electricity grid has been strengthened sufficiently to cater for increased demand in off-gas areas due to the switch to heat pumps and electric vehicles.
- appropriate financial support has been made available over a sufficient period to meet the additional costs associated with converting to low carbon technologies, particularly recognising the fact that prices will not have been driven down to the same extent as they will when properties in gas served areas also begin to switch to heat pumps.
- fuel poverty has been reduced in off-gas areas rather than increased.
- clear, affordable alternative solutions have been developed for properties where heat pumps are impracticable
- properties currently off the national electricity grid have been supported to become connected or install alternative power generation and storage.