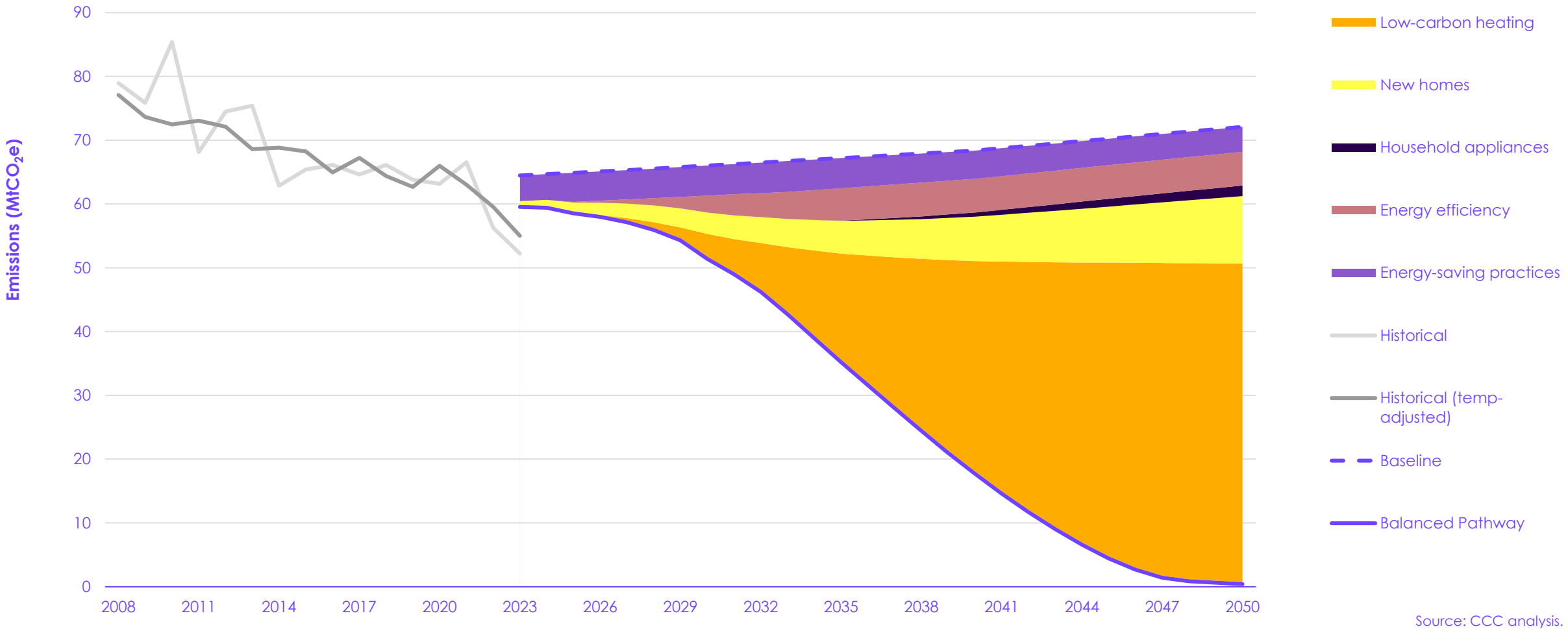
Climate Change Committee – how do homes need to change to reach Net Zero?

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Sources of abatement in the Balanced Pathway for residential buildings

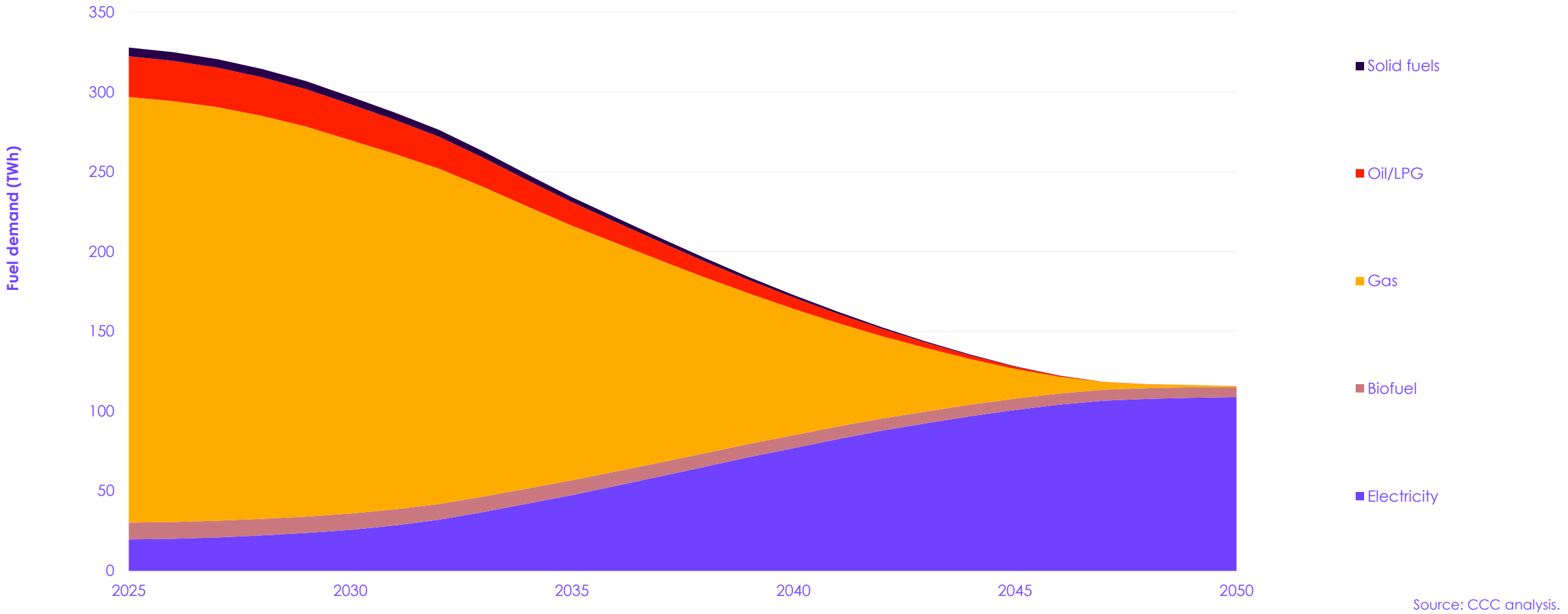
Low-carbon heating results in the greatest emissions reduction in this sector



Source: CCC analysis.

Fuel consumption (space heating and hot water) in existing homes

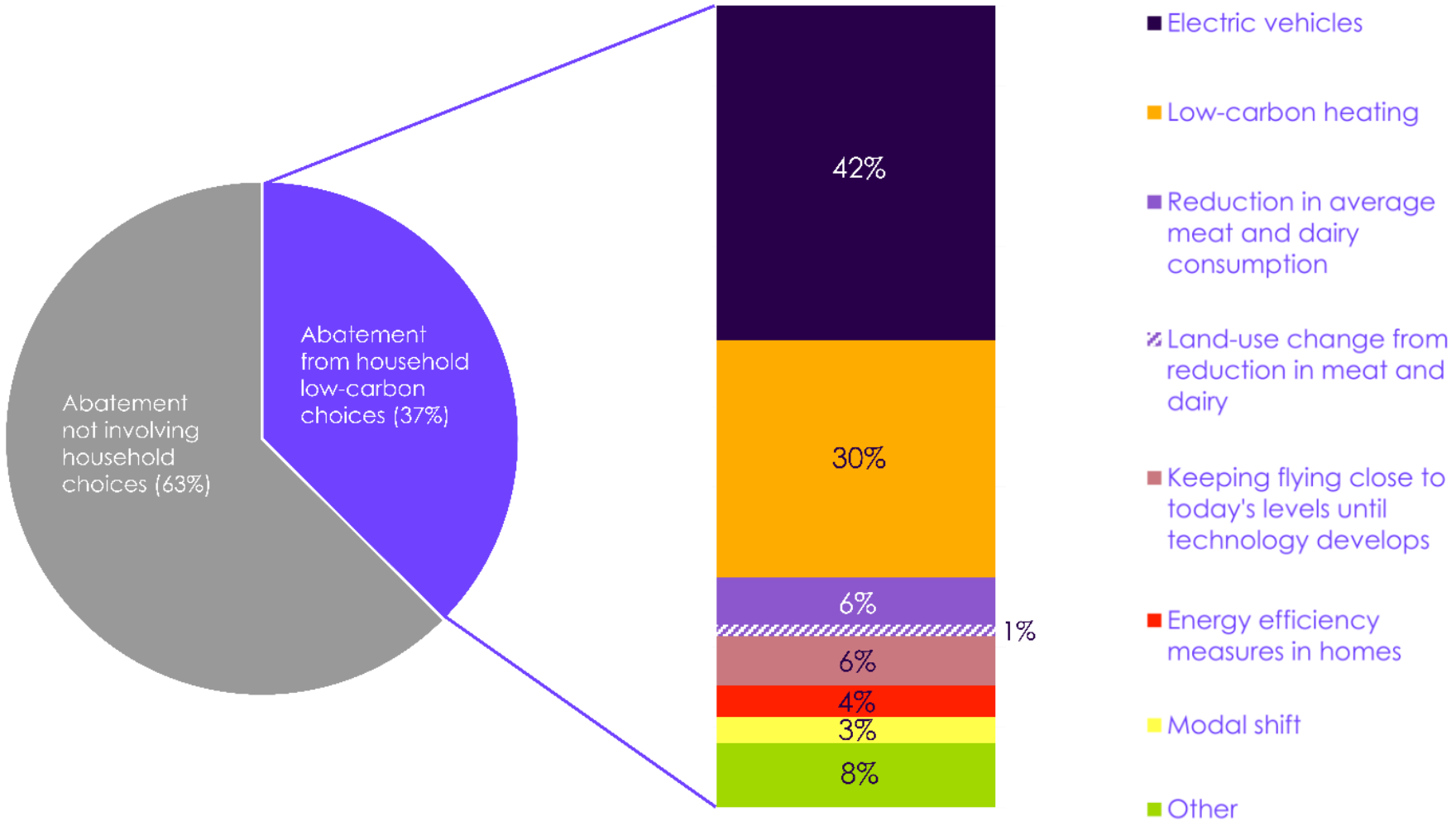
There is a shift from gas to electricity, and overall demand decreases due to the efficiency of electric heat pumps and insulation measures



Source: CCC analysis.

Households contribute to around a third of emissions reduction in 2040

72% of that is from just two actions: switching to an EV and a heat pump



Source: CCC analysis.

Key actions for government in residential buildings

- **Make electricity cheaper** by removing levies and other policy costs from domestic electricity bills, to help incentivise consumers to switch to lower-carbon electric options. This can be achieved by removing policy costs from electricity prices and decarbonising the electricity system.

- **Confirm that there will be no role for hydrogen in home heating.**

- **Reinstate regulations so that beyond 2035 all heating systems installed are low carbon.**

- **Provide long-term certainty that upfront costs will not present a barrier** to the ramp-up in rollout of heat pumps, ensuring that the transition is affordable and accessible to households.

- **Provide long-term funding for energy efficiency improvements to social housing** and targeted support to ensure that poorly insulated homes are not a barrier to uptake of low-carbon heating systems for low-income households.

- **Put in place requirements on housing developers ensuring no new properties completed from 2026 are connected to the gas grid.** Deliver changes to Building Regulations with stringent transition arrangements which ensure that, from 2026 at the latest, all new homes are built with low-carbon heating systems.

- **Provide policy certainty** to support development of supply chains for electrified heating and support installers to invest in skills and innovation. The Government needs to provide a long-term policy framework to support growth in the market for electrified heating. This will give installers the confidence to invest in increasing capacity, developing skills, and delivering innovations in technology and business models.