



**Response by the**

**Northern Ireland Energy Agency**

**A Member of the Bryson Charitable Group**

**To the Consultation on**

***Consultation on the Options for coordinating the  
relinquishing of firmus energy's supply  
exclusivity in the ten towns area.***

**21 September 2010**

## **Northern Ireland Energy Agency Background**

Northern Ireland Energy Agency was formed in 2007 and is a member of the Bryson Charitable Group. The aim is “to secure the support and active engagement of Northern Ireland’s energy users, particularly households, in implementing strategies, programmes and measures to combat climate change.”

The Agency plays a central role in changing attitudes and behaviors and promotes action by householders and not-for-profit organisations in the areas of

- Energy efficiency
- Renewable energy
- Low carbon transport, Water & Waste

The Agency on behalf of Bryson Charitable Group manages the Warm Homes Scheme on behalf of NIHE and DSD in the 13 local council areas known as Area B (southern councils from Omagh across to the Ards peninsula).

In addition the Agency manages several grant initiatives on behalf of a wide range of organisations.

The Agency employs almost 70 staff across its three offices in Belfast, L’Derry and Enniskillen and has a turnover of some £10m.

The single Agency was formed in 2007 and replaced the three original local energy agencies (Belfast Energy Agency, Foyle Regional Energy Agency & Western Regional Energy Agency & Network) which were set up in the 1990s in partnership with DETI’s predecessor DED with the financial support of the European Commission under its PERU, SAVE and SAVE II programmes.

## Introduction

The Northern Ireland Energy Agency welcomes the opportunity to contribute to the following:

*Consultation on the options for coordinating the relinquishing of firmus energy's supply exclusivity in the ten towns area.*

As an organisation which actively promotes gas alongside energy advice for a range of customers we are very supportive of the Regulator's review and work in this area.

We hope you will take these comments into consideration and should you require any additional information or wish to discuss our comments please contact:

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## **General Remarks**

In the current economic climate there is a clear need to ensure that prices for gas customers are kept as low as possible. Any opportunity to ensure that the price commitment against oil is maintained at this present time is particularly attractive to households, particularly those on reduced income. With Northern Ireland's high dependency on oil of some 69% it is imperative for both economic and environment reasons that households are encouraged to move to gas.

The market in which firmus energy operates has fundamentally changed since the licensing conditions were put in place with the potential new build installations severely reduced.

The original licensing conditions are both expensive and confusing for the customer and the Agency welcomes this opportunity for these to be reviewed.

## **Recommendation**

The Northern Ireland Energy Agency support NIAUR's recommendation that the market opening be changed to two dates, one for large ICs and one for small ICs and domestic customers with the date of 2015 for all towns.

This is based on the following:

- Market opening was originally planned to be staged in each of the 10 areas dependent on the date of connection in each town. This would mean that there is customer confusion as one area is open for competition when another area is not.
- Current licence conditions mean that staggered opening would leave Ballymena opening in April 2015 while the last to open in Armagh would

not happen until 2019 resulting in different tariffs across the same sectors in different towns.

- The Agency believes that cost savings could be made if there were one single date for ICs and one date for domestic customers rather than 10 separate dates.
- As marketing costs are recovered from the customer more efficient marketing could clearly be achieved through two rather than a series of dates.
- Customer connections to gas would be adversely affected if the supply exclusivity ended in Ballymena in 2014
- System use charges will be reduced with increased connections benefiting customers in the longer term

**ENDS**