

Assisting with Affordability Concerns for Vulnerable Energy Consumers

Comments by

Northern Ireland Environment Link

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Northern Ireland Environment Link (NIEL) is the networking and forum body for non-statutory organisations concerned with the environment of Northern Ireland. Its 58 Full Members represent over 90,000 individuals, 262 subsidiary groups, have an annual turnover of £70 million and manage over 314,000 acres of land. Members are involved in environmental issues of all types and at all levels from the local community to the global environment. NIEL brings together a wide range of knowledge, experience and expertise which can be used to help develop policy, practice and implementation across a wide range of environmental fields.

These comments are agreed by Members, but some members may be providing independent comments as well. If you would like to discuss these comments further we would be delighted to do so.

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Northern Ireland Environment Link (NIEL) welcomes the opportunity to respond to this consultation. At this point in time we do not have access to the detailed information required to answer many of the questions asked in this consultation paper and have therefore limited our comments to the following at this stage.

Section 83c of the consultation contains the phrase, 'we see dangers of confusion in designing a social scheme around environmental criteria, and so are minded to see environmental issues as of secondary importance.' NIEL disagree with this statement as we believe that through sustainable development social, environmental and economic issues must be treated equally and simultaneously for the best results in all areas. By tackling multiple issues in a co-ordinated manner we can reap multiple benefits while making significant financial savings.

If we are to reduce Northern Ireland's carbon footprint, we must reduce our reliance on fossil fuels. It is estimated that 81% of the energy consumed in Northern Ireland, excluding transport, is used for space heating and hot water in buildings and in commercial and industrial uses. It is imperative that this area of energy use is targeted for appropriate action on a country-wide basis by increasing local renewable energy procurement, increasing household energy efficiency through, for example, implementation of proper levels of insulation and modern boiler systems, and changing consumer behaviour regarding energy usage. This may be more expensive in the short-term, but will ultimately be much more effective in the long-term as financial assistance to meet energy bills will have to continue indefinitely if the necessary efficiency improvements are not delivered.

Funds spent on energy efficiency improvements in the home reduce the amount of energy required to raise household temperatures to the minimum comfort level required and hence reduce energy usage in the longer term. Money provided to a household to meet energy bills does not tackle the issue, whereas improving the energy rating of households and improving understanding of where and when energy is used through smart metering will increase the chances of households emerging from fuel poverty.

NIEL has recommended that government should look at ways to encourage community heating and local electricity generation, in both new developments and existing communities, through fiscal incentives. Small renewable energy generators have an important role to play in providing a significant proportion of Northern Ireland's energy needs and their role should be recognised with appropriate support. These schemes would help reduce heating bills and decrease the number of households requiring financial help.

If the Utility Regulator is to assist in tackling affordability issues for vulnerable energy consumers their statutory remit needs to be amended to include oil (56.2% of households in Northern Ireland rely on oil as the main fuel for heating). The Utility Regulator also needs to ensure any tariff or fund does not act to encourage irresponsible energy use. Funds need to be targeted more accurately at the fuel poor as financial aid targeted across groups (including the elderly and benefit recipients) means much of the money goes to non-vulnerable households. For example, in England roughly 50% of the fuel impoverished are the elderly so it may have seemed a reasonable assumption to target the elderly to solve half of the problem. However, only 25% of the elderly are fuel impoverished, meaning three quarters of the money is going to a vulnerable group rather than a fuel impoverished group. Income and house efficiency both need to be considered. A better set of criteria that identifies all households truly in need of assistance should be created, implemented and monitored.

We thank you for the opportunity to make these comments. We hope you find them helpful and that they will be taken into consideration during Stage 2. If you would like to discuss them further, please contact us.