Consultation Response Pro Forma

Chapter 1
1.1 Respondents to the consultation are asked to comment on whether or not they think any of the proposals in this paper would impact on equality of opportunity or good relations for any of the Section 75 Groups.
No impact
Chapter 3
3.1 Respondents are asked to comment on the balance between present and future climate change costs.
Action Renewables agrees with the assessment of Sir Nicolas Stern in his report that the longer we delay, the more abatement measures we will have to take in the future if stabilisation levels of CO2 are not to be exceeded. **It is also the case that continuing inaction will lead to unavoidable climate change which could become so extreme, depending on the level of inaction, as to threaten our entire way of life.**
3.2 Respondents are asked to give their views on the relationship between sustainability and security and diversity of supply.
Fossil fuel is finite. It cannot, therefore be described as sustainable. **Nuclear energy relies on supplies of uranium which is finite and found in unstable parts of the world, and produces large amounts of radioactive waste which will be the responsibility of generations to come. Nuclear energy is therefore not sustainable.** **The only sustainable form of energy is renewable energy because it does not deplete with use, does not negatively impact on the environment or populations and can be sourced locally.** **Therefore the relationship between sustainability and security and diversity of supply is quite simple: sustainability demands a complete transition from fossil and nuclear fuels to indigenous renewable energy generation.**

3.3 Respondents are asked to give their views on the degree to which sustainability issues should drive the Utility Regulator's first NI water price review.
"Sustainability issues" cannot be separated from the first NI water price review because every strategic decision must be subject to a sustainability analysis. The Regulator's role in sustainability is to use the tools of sustainability analysis to guide development in the utility sectors. Therefore, the review of water price must take into consideration the development of the water infrastructure required to make it more sustainable, eg fixing leaks, reducing consumption and using renewable energy to power pumps and treatment works. **Water meters are required to reduce consumption and are socially necessary to avoid waste and provide equality of billing.**
3.5 Respondents are asked to consider whether a monetary value of CO_2 equivalent or shadow price of carbon ought to be included within guidance on use of business cases.
Yes, as a tool to highlight costs associated with such business cases.
3.6 Respondents are asked to indicate their preference for inclusion of "carbon footprint" monitoring and target setting within the new regulatory contract at the first NIW price review.
Climate change is the greatest threat to continued global development, however there are many other aspects of sustainable development which do not necessarily affect carbon emissions. It would be preferable to include at least ecological footprinting and/or some other measure(s) of sustainability rather than just carbon footprint.

3.7 Respondents are asked to consider the benefits of going beyond the "Economic Level of Leakage", possibly by the inclusion of the carbon shadow price in calculations.

Leakage is not sustainable. However the law of diminishing returns will mean that it will not be possible to stop every leak. However, the true cost of leaks (which includes externalities such as carbon and pressure on water resources) should be included in the calculations.

3.8 Respondents are asked to consider the degree to which NIW should be incentivised to increase its uptake of renewable energy and reduce its non-CO_2 gas emissions and mechanisms by which this might be achieved.

This should of course happen if the Regulator's role is to include sustainability. Sustainable infrastructure is a prerequisite for sustainable supply of water and it should be within the Regulator's power to insist upon a water sustainability levy similar to EE Levy, which is diverted to renewable energy and non-CO_2 gas emissions projects within the NIW infrastructure. Action Renewables is happy to engage with the Regulator on this topic and to be of service as an advisory body.

There are a range of renewable energy technologies of relevance to NIW. The choice of technology will be site specific and requires detailed knowledge of energy resources and consumption patterns. Action Renewables can provide this expertise.

Chapter 4

4.1 Respondents are asked to rate the following existing instruments from 1-10 (1 being poor 10 being excellent) for the following characteristics:

A Profile (do enough people know about the work)

B Ability to protect customers

C Ability to influence consumers to be more energy / water efficient or change to a lower carbon fuel

Measure	Profile	Ability to protect customers	Ability to influence
The NIE SMART Programme	7	1	1
Gas Industry Promotion	3	3	3
The Energy Efficiency Levy	8	1	1
Price Controls	7	5	8
Key Pad Metering	7	3	7
Energy Efficiency Advice Provision	8	3	2
NIW Sustainability Report	4	1	1
NIW Environment Management System	2	5	3
NIW promotion of water efficiency	4	1	3

Chapter 5

5.1 Respondents are asked to comment on the balance of the Utility Regulator's duty to protect present and future customers.

The Regulator's duty is to bring about sustainable utility provision while protecting customers from unaffordable price increases. The balance between present and future generations will be measured by a graph plotting utility price against sustainability over time.

5.2 Respondents are asked to comment on the appropriate role of and nature of statutory guidance from Ministers to the Utility Regulator.

5.3 Respondents are asked to highlight actions that they consider might be appropriate or necessary, but that could not be taken under the Utility Regulator's existing powers.
There is no regulation of heat provision from fuels other than gas or electricity. While the majority of heat consumers in NI obtain heat from oil, there is no incentive for increased efficiencies provided through district heating systems. Action Renewables believes it would be a welcome development to have the Regulator encouraging greater sustainability through district heating schemes powered by renewable sources. "Heat" could then be made accountable to the Utility Regulator. After all, heat is as much a form of energy as electricity and it is appropriate that heat, no matter the fuel source or whether through district heating or independent systems, is regulated
5.4 Respondents are asked to comment on whether the Utility Regulator should seek to be designated under section 25 (1) of the Northern Ireland (Miscellaneous Provisions) Act 2006.
Chapter 6
6.1 Respondents are asked to comment on the three main roles for the Utility Regulator identified in chapter 6 of this paper as: • **gathering and publishing evidence,** • **contributing to wider energy policy,** • **regulating differently.**

6.2 Respondents are asked to comment on data, which would be useful but, which is currently unavailable on a regular basis in Northern Ireland.
6.3 Respondents are asked to suggest innovative methods of developing and promoting the gas industry as a means of reducing Northern Ireland's carbon foot print.
6.4 Respondents are asked how the solid fuel and oil industries could contribute to social and environmental sustainability? In addition what approach will best achieve this aim?
They should be regulated and be able to offer rewards for energy efficiency.
6.5 Respondents are asked if the regulatory model used to develop the natural gas network could provide lessons for the promotion of efficient and coordinated heat networks? Do respondents believe that better regulation could aid the development of the community heat industry?
Action Renewables believes this to be absolutely true and necessary and should not be limited to heat networks but broadened to include all heat provision.

Chapter 7

7.1 The Utility Regulator considers that the following are important when assessing policy proposals. Respondents are asked to score each of the proposals in chapter 7 of this document from 1-10 on the basis of their potential in relation to the following measures:

1 Potential Certainty of Outcome

2 Potential Cost effectiveness

3 Certainty for investors

4 Potential to provide equity for consumers

5 Potential to encourage innovation

6 Good fit with other NI government departments

7 Good fit with competitive energy markets

The proposals are summarised as follows:

	1	2	3	4	5	6	7
a. Cross utility licence condition requiring licensees to have in place environmental policies.							
b. Cross utility requirement to report annually of sustainability activities and initiatives.							
c. Requirements on licence holders to provide customers with environmental information in relation to fuel mix in a uniform and easy to understand format, on all bills and promotional literature.							
d. Strategic investigation into use of "Smart Meters" as a mechanism for delivering better quality and timely information to customers.							
e. Work with energy licence holders to assess current tariff structures.							
f. Continue to work with partners							

and stakeholders to ensure renewable generation can be equitably accommodated on the electricity network.							
	1	**2**	**3**	**4**	**5**	**6**	**7**
g. Ensure price control processes take into consideration the effect of climate change on electricity and gas networks.							
h. Carry out a full strategic review of energy efficiency delivery mechanisms							
i. Develop a strategy in relation to gas promotion, which considers the potential benefits of common arrangements for the transmission and distribution of gas on the island of Ireland.							
j. Developing sustainability within the NIW price control							
k. Improving our own practices and procedures.							
7.2 Respondents are asked to identify what they consider to be the top three priorities from the above list of proposals and rank them in order of importance.							
7.3 Respondents are asked to list any further proposals which they think should be considered.