



The Consumer Council

Elizabeth House,
116 Hollywood Road,
Belfast BT4 1NY
Tel 028 9067 2488
Fax 028 9065 7701
e mail info@consumercouncil.org.uk

8 April 2011

Ref: PD20010799

Kenny Dane
Utility Regulator
Queens House
14 Queen Street
BELFAST
BT1 6ER

Dear Kenny,

Re: Consultation on Relevant Considerations in Relation to the possible Cancellation of Generating Unit Agreements in Northern Ireland

The Consumer Council is a Non-Departmental Public Body set up in legislation to safeguard the interests of all consumers, and particularly the vulnerable and disadvantaged. The Consumer Council is an independent organisation which operates to promote and protect the consumer interest.

We welcome the opportunity to respond to this consultation on relevant consideration in relation to the possible cancellation of generating unit agreements in Northern Ireland.

With fuel poverty levels in Northern Ireland at 44 per cent, many households are struggling to adequately heat their home, it is important that the regulatory structures look to minimise the cost of energy to consumers.

The Consumer Council believe that the process should follow that of previous consultations on the cancellation of Generating Unit Agreements in Northern Ireland, ensuring that the benefits for consumers are at the forefront of the process. Benefits for consumers will ultimately be in the form of lower prices.

Previously the factors taken into account included security of supply, diversity of supply, competition and liquidity and environmental sustainability. The Consumer Council believes consideration should also be given to affordability. Consideration for affordability will ensure the interests of consumers are taken into account when the decisions are made.

The Consumer Council would like to raise the following points for the Utility Regulator to consider when coming to its decision:

- To keep in mind that its primary objective of any change is to protect the Northern Ireland consumer;
- To consider how the targets for renewable energy within DETI's Strategic Energy Framework are likely to impact on the long term future of fossil fuel generating plants in Northern Ireland;
- To consider how emission limitations within the Large Combustion Plant Directive will affect the contracts;
- To consider each contract individually;
- To consider how the planned north/south and east/west interconnectors, and any plans for further interconnection may impact on the economic analysis;
- To consider how the potential sale of power plants in Northern Ireland could impact on the future electricity market.

I hope that these comments are helpful and are given due consideration. Please contact me if you require any clarification.

Yours Sincerely,

Andrew Murray
Senior Consumer Affairs Officer