



The Consumer Council

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Ref: PD20010944

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

Dear Kenny,

Re: Second Consultation 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 second consultation 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 Utility Regulator looks to minimise the impact of fuel poverty on all households. Consideration should be given to the three main causes of fuel poverty; the cost of energy, the energy efficiency of homes and household income.

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.

The consultation goes some way to identify potential economic benefits for consumers based on a number of scenarios. However, it does not clarify the opportunity cost of these benefits in relation to the cancellation of the GUAs. It would be useful for the consumer to understand how the benefits from

cancellation of GUAs compare to the economic benefits of maintaining contracts as calculated in the consultation.

Ultimately any decision taken should aim to maximise the benefits to consumers, which will be realised through lower final bills. The Consumer Council believes consideration must also be given to affordability to 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;

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