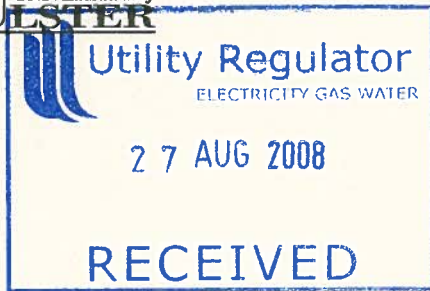




UNIVERSITY of
ULSTER



Faculty of Social Sciences

School of Economics and Politics
Head of School: Carmel Roulston BA MA

Dr Mark Bailey
School of Economics
University of Ulster
Shore Road
NEWTOWNABBEY
BT37 0QB.
✉ mf.bailey@ulster.ac.uk

26th August 2008

Alison Farr
Social and Environmental Branch
Utility Regulator
Queens House
Queen Street
BELFAST
BT1 6ER

These are the comments of Dr Mark Bailey in a personal capacity and will briefly comment on some of the specific proposals made in the report on Northern Ireland Energy Efficiency Levy Programme (EELP).

Regarding

“organisations other than licensed electricity suppliers should be permitted to compete for Levy funding, albeit certain restrictions as to who should be eligible to apply for Levy funding should be considered”

Given the shift in social housing expenditure away from the Housing Executive detailed in the Programme for Government, it is almost certainly of benefit to the social housing sector that not for profit non-Housing Executive providers of social housing be allowed to bid for levy funding to update the existing social housing stock to a satisfactory level of energy efficiency.

www.ulster.ac.uk

University of Ulster, Shore Road, Newtownabbey, BT37 0QB1
T: +44 (0) 28 9036 6339 F: +44 (0) 28 9036 6847
mcm.roulston@ulster.ac.uk



BELFAST COLERAINE JORDANSTOWN MAGEE
08 700 400 700

Regarding

“the emphasis on whole house solutions should be lessened with a view to enabling measures to be spread over a larger number of homes within the priority group, thereby levelling up the worst cases of fuel poverty or maximising energy efficiency gains alleviating fuel poverty. Whole house solutions should be selected on the grounds of their cost-effectiveness”

It is likely that a greater benefit for society as a whole will result from a larger number of marginal improvements in energy efficiency for houses than from a small number of substantial improvements.

Regarding

“the raising of Levy funds should not be extended to gas unless it is also extended to oil;”

The issue here is whether partially correcting the market distortion caused by the energy efficiency levy only applying to electricity is valid. My personal stance is that such a partial correction is not valid – the relevant government departments need to consider the purpose of the levy and make a decision on whether to direct NIAUR to extend the scheme to Gas, Oil and Coal.

Related to this is the discussion in section 5.9 of the report on changing the way in which the Levy is charged from simple kWh to some other charging base that is more reflective of carbon use. Here I do agree with the conclusion that whilst this might be desirable from a CO₂ emissions reduction perspective (and would benefit the developing renewable energy sector), it is unrealistic to base the EELP on the carbon contribution on the means by which the electricity has been generated, given the existence of the Single Electricity Market, unless an all island EELP is adopted. Additionally there needs to be some serious consideration given to the issue of how electricity received from Great Britain via the Moyle interconnector (and, for the future, the proposed East-West Interconnector in the Republic) is handled in this framework.

Yours Sincerely

Mark Bailey

Dr Mark Bailey