

Alison,

I refer to the consultation on the extension to the NISEP programme and reallocation of costs between customer groups issued in April 2015.

The paper states that “DETI has asked the Regulator to consider the further extension of NISEP to March 2017. However, this would be on the basis that NISEP costs are reallocated so that 80% of the costs are recovered from domestic customers and the remaining 20% is recovered from non-domestic customers (industrial and business sectors would in effect pay less). This is to allow time for further consideration of alternative schemes such as HEaT and to consider the fact that 80% of NISEP funding is ring-fenced for energy efficiency measures which target vulnerable domestic customers.”

The effect of this change would be that the average domestic contribution per annum would increase from £3.40 pa in 2015/16 to £9.21 in 2016/17. As this is an average figure, larger electricity users in the domestic sector would of course pay more than £9.21, particularly those using electric heating, many of whom are NIHE tenants.

NIHE would take the view that if NISEP is only going to be extended for one more year, the Regulator should not re-allocate costs between the domestic and non-domestic users. It has been running in its current format since 1997. Shifting the burden of costs to the domestic sector may impact most upon low income households reliant on electricity for heating whilst not significantly benefitting local industry.

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