



Action for Warm Homes

Northern Ireland

**Response by National Energy Action Northern
Ireland to the Utility Regulators Draft Forward
Work Programme 2018/2019**

February 2018

About NEA

NEA is the national charity working to secure affordable warmth for disadvantaged energy consumers. NEA's strategic aims include influencing and increasing strategic action against fuel poverty; developing and progressing solutions to improve access to energy efficiency products, advice and fuel poverty related services in UK households and enhancing knowledge and understanding of energy efficiency and fuel poverty.

NEA seeks to meet these aims through a wide range of activities including policy analysis and development to inform our campaigning work, rational and constructive dialogue with decision-makers including regulatory and consumer protection bodies, relevant Government Departments, the energy industry, local and national government and develops practical initiatives to test and demonstrate the type of energy efficiency programmes required to deliver affordable warmth. Our educational and training initiatives have recently won the National Ashden Award which recognised the importance of improved knowledge and understanding of domestic energy efficiency among consumers and communities and their work to 'up skill' the workforce across the energy industry.

Based on the most recent House Condition Survey findings in 2011, Northern Ireland currently has the highest rate of fuel poverty in UK at 42%. It is estimated that there are approximately 33,000 households in extreme fuel poverty spending over 25% of their total income to heat their homes. One in five households are living in relative poverty and 19% of working age adults in the private rented sector spend more than a third of their income on housing¹.

The cold kills, and between August 2015 – July 2016 there were 640 excess winter deaths in Northern Ireland.

Additionally, and unique to Northern Ireland, 68% of all households are reliant on home heating oil, a non regulated fuel which leaves us vulnerable to the vagaries of all this economic. Specifically, in relation to Brexit, the falling pound and the recent increase in wholesale costs will all ultimately impact on all fuels but the almost immediate impact on oil prices can be catastrophic. Recent increases have demonstrated that already, prices are rising steadily.

¹ Joseph Rowntree Foundation, Poverty in Northern Ireland, 2018

NEA believe that the improved insulation and heating standards which are provided by schemes and programmes such as the Affordable Warmth Scheme and the Northern Ireland Sustainable Energy Programme (NISEP) are the most rational and sustainable means of ensuring affordable warmth. Any opportunity to promote, improve and enhance these schemes will be one the best ways to support households in fuel poverty.

Our Response

We welcome the opportunity to influence or shape social policy and energy frameworks and we therefore are pleased to respond to the Utility Regulator's Draft Forward Work Programme (FWP) 2018/2019.

The past year has seen a significant amount of consultation processes which will have positive impacts on consumers and there has been a great deal of achievements. We would like to commend the Utility Regulator for its work in relation to consumer protection, which indeed has been consolidated and strengthened through a range of new codes of practice introduced by the Utility Regulator.

At the time of writing, the re-establishment of the Northern Ireland Assembly is dependent on the current political talks at Stormont. Should the talks progress successfully, new emerging ministers will provide much needed steer and policy direction for the forthcoming year.

The FWP document outlines, a range of developments including the decision by the UK Government to trigger Article 50 leaving the UK and particularly Northern Ireland in a position of uncertainty. The subsequent impact on energy markets is cited as one of the most important aspects for the Utility Regulator going forward and we agree that this is critically important. We also note the fact that Brexit is placing upward pressure on domestic home heating oil which is used by 68% of households in Northern Ireland. We therefore recommend that the Utility Regulator use their expertise to help us understand how Brexit may impact on oil and highlight the protections that we could implement to mitigate this impact.

We look forward to the findings from the consumer research baseline project (Objective 3:4) this data will provide a valuable insight into consumer needs and helps organisations like NEA to campaign and project plan accordingly. It will also assist policymakers in prioritising resources.

Northern Ireland Sustainable Energy Programme (NISEP)

NEA continues to campaign for everyone in Northern Ireland to be able to meet their energy needs at home. We are therefore pleased with the third extension to the NISEP. The FWP document states a planned review of the NISEP under Objective 2 KPI 1 and we are keen to work with the Utility Regulator to shape and improve the programme. We believe that this should be a key project for the Utility Regulator, and should be upfront and central in the Draft Forward Work Programme for 2018/2019 and beyond. We also reiterate our belief that the NISEP should remain as part of the Utility Regulator's Business as Usual as it contributes to the achievement of the Utility Regulator's corporate strategy.

Since its inception, the NISEP has continued to bring about significant benefits to Northern Ireland. It promotes efficiency in the use of energy, socially and environmentally sustainable long-term supplies and it does so at best value to customers, whilst having due regard to vulnerable customers. It has played a major role in tackling fuel poverty through energy improvements and has been administered efficiently by the Utility Regulator with Energy Savings Trust (EST) as Project Administrator.

It has dovetailed with the Department for Communities (DfC) statutory fuel poverty scheme acting as a safety net for other low income families.

In conclusion, the ending of the NISEP with no alternative programme will have a serious negative impact on low income households. Now is the time to increase revenue to tackle the problem, not end this socially progressive income stream or divert resources elsewhere. The retention of the NISEP will play into a longer term solution to tackle fuel poverty. No doubt, changes could be made to improve the programme but we believe that the Utility Regulator and other key stakeholders can influence and shape a new Northern Ireland Sustainable Energy Programme which can be more efficient, effective and targeted. In a precarious climate and with no existing fuel poverty strategy

We call on the Utility Regulator to reflect the above project in the Draft Forward Work Programme for 2018/2019.

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