



Action for Warm Homes

Northern Ireland

National Energy Action NI Response to Northern Ireland Electricity Networks:

Greater Access to the Distribution Network in Northern Ireland

Call for Evidence

September 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.

Based on the most recent House Condition Survey findings in 2016, Northern Ireland currently has a rate of fuel poverty at 22%. 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 all impacted on all fuels but the almost immediate impact on oil prices can be catastrophic and will put severe hardship on individuals and families. Recent increases have demonstrated that already, prices are rising steadily.

¹ Joseph Rowntree Foundation, Poverty in Northern Ireland, 2018

Fuel Poverty Overview

- Fuel Poverty is the nexus of 3 factors; low income, high energy price and energy inefficiency.
- Fuel Poverty has multiple consequences including mental and physical health impacts.
- 640² excess winter deaths occurred across Northern Ireland in 2015-2016 with 30% attributable to living in cold homes³.
- Improving the energy efficiency of the house is the most effective way of reducing fuel poverty, alongside maximising income and reducing the cost of energy to the householder.

The latest Northern Ireland Housing Executive House Condition Survey was released in May 2018 and provides an overview of the housing stock in Northern Ireland, as well as the latest fuel poverty statistics.

Key findings:

- There are approximately 780,000 domestic dwellings in Northern Ireland.
- Owner Occupier is the largest tenure at 63% with the Private Rented sector and Social Housing sector at 17% and 16% respectively.
- **Fuel Poverty decreased to 22%, 160,000 households.**
- **The mean SAP rating improved from 59.63 in 2011 to 64.84.**
- 99% of dwellings had central heating.
- Oil remains the largest type of heating source at 68% of households.
- More than half (52%) of households living in old properties (Pre-1919) were living in fuel poverty.
- 55% of households living in fuel poverty had an annual income of less than £10,399.

² <https://www.nisra.gov.uk/publications/excess-winter-mortality-201516>

³ http://www.euro.who.int/_data/assets/pdf_file/0003/142077/e95004.pdf



Action for Warm Homes
Northern Ireland

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Dear Carl

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Re: Northern Ireland Electricity Networks: *Greater Access to the Distribution Network in Northern Ireland - Call for Evidence.*

NEA would like to provide the following comments in relation to the call for evidence.

The electricity industry is changing in response to the clean energy package & consequential drive for decarbonisation.

We appreciate the impact that this will have on the traditional role of a Distribution Network Operator (DNO) and the need to transition to a Distribution System Operator (DSO) which will enable customers to be both producers and consumers. Our concern, as always will be the impact that this move will have on the those experiencing fuel poverty and any upward pressure or undue distribution of costs across energy bills.

This means that the design of the transition will be key, and it will be essential to identify the winners and losers and embed appropriate protections to protect those who cannot avail of the new model either due to vulnerability or low income.

We welcome the opportunity to respond to this call for evidence and offer our support in the design and protections we would like to see built into the new model. We believe that this can be done with you and indeed other key players such as the Consumer Council Northern Ireland.

We also would like to reiterate our key call in ensuring that energy efficiency and the role that it plays in reducing the energy we use is maximised both upstream and in customer homes. It is helpful when organisations such as NIE Networks reinforce this message.

In brief, our key concerns are:

- the cost of providing greater access and choice for customers who wish to participate in the developing system services market.
- what will be the distributional cost to all other customers and those who cannot due to low income not avail of a view and emerging DSO?
- the present lack of protections for vulnerable and low income.

the national energy action charity

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The following bullet points outline where we require further clarification:

- What is cost of upfront capital required to be a producer?
- How can we ensure the fuel poor or vulnerable are able to engage in smart technologies?
- Distributional fairness.
- The continued need to investing in energy efficiency.

We look forward to the next stage of this process.

Yours sincerely



Lucy Cochrane
Policy and Campaigns Officer