



National Energy Action NI

Response to the
Utility Regulator's
draft Corporate Strategy 2024-2029

January 2024



About Us

National Energy Action (NEA) is the national fuel poverty 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 we develop practical initiatives to test and demonstrate the type of energy efficiency programmes required to deliver affordable warmth.

NEA is primarily concerned with energy policy whilst maintaining a watching brief on social justice policies, including income inequalities and levels of poverty in NI.

Protecting vulnerable consumers is our key aim so we work both reactively and proactively to ensure policy makers and regulators recognise the needs of the vulnerable in its widest sense. With tighter household budgets, it is more important than ever that consumers are getting the best deal. Paying for domestic energy makes up a substantial portion of total household expenditure, so it is of specific concern to us but is often relegated in the ever-busy policy environment.

NEA's policy priorities naturally evolve in response to wider government policy and the reality of fuel poverty within households but there are four key areas in NI that NEA have long been calling for. These are as follows:

- The introduction of a statutory fuel poverty target (NI is the only region of the UK without one);
- The development and implementation of a new Fuel Poverty Strategy for NI (the last one is from 2011 and is no longer fit for purpose);
- The introduction of minimum energy efficiency standards, especially within the private rented sector;
- Ongoing financial support for low income and vulnerable households in NI. This includes both short term measures to boost incomes in response to the ongoing cost of living crisis, but also a longer-term commitment to invest in energy efficiency measures in homes in NI as part of the just transition to net zero.



To support these key ask and seeking to get a better understanding of the real impacts of rising energy prices on NI households, NEA NI undertook an [NI-wide representative survey](#) in September 2023. The findings of this study were stark, with the results showing that at least 40% of households were spending more than 10% of their total household income on their energy costs.

The study also found that soaring energy prices have led to a rise in dangerous 'coping' mechanisms, as households look to manage rising costs on ever tightening budgets. When asked about how they were changing their behaviours in response to rising energy costs, 80% of households admitted to rationing the use of their central heating in an effort to reduce costs.

More worryingly, 1 in 10 households admitted to skipping meals in order to ensure they had enough money to pay for their energy. This means that choosing between heating and eating is very much a reality for around 100,000 homes across NI.

These 'coping' behaviours can put households at an increased risk of experiencing detrimental impacts to their health and wellbeing. These impacts are already being felt by many; 29% of respondents to NEA NI's survey stated that they had experienced a direct negative impact on their health and 75% of respondents admitted to being 'stressed, anxious or worried' about how they would be able to cover the cost of their energy bills during the winter. Households across the region are worried about how they will be able to keep their homes warm and safe.

To reiterate, energy prices underwent an unprecedented rise during 2021/22, and consumer bills remain challengingly high in 2023/24. NI continues to have amongst the lowest levels of household income across the UK and the highest weekly household expenditure on energy of any UK region. Taken in conjunction with the challenging economic conditions of rising inflation rates and the high cost of essentials, including food prices, many families continue to face challenges with meeting their energy costs.



Response

We therefore call for mitigations to alleviate these issues and as such welcome the opportunity to support and respond to the Utility Regulator's (UR) draft Corporate Strategy 2024-2029. The role of the UR has never been more important for households in NI, in particular vulnerable households. We enjoy a close working relationship with the UR team, and we worked with you as a key stakeholder to help shape the new Corporate Strategy.

Below we make some comment on the key strategic issues and context of the draft strategy, and on the proposed objectives and key outcomes alongside other significant issues that we believe you should be aware of in finalising the draft Corporate Strategy.

1. Should the UR's statutory duty still be 'to promote the development and maintenance of an efficient, economic, and coordinated gas industry'? This seems to be contrary to the rest of GB policy. Other jurisdictions are moving away from gas, but NI is still building gas infrastructure. We are not sufficiently persuaded that the evidence exists to support this position. Can the UR provide evidence that this is the best trajectory for NI?
2. Role of prepayment meters. The scale and extent that they are relied upon here is worrying. Our Warm and Well Project, which is supported by the Public Health Agency (PHA) and the Belfast City Council, has found us in homes with householders sitting in both the cold and the dark due to the inability to supply money to the meters. This is very worrying and despite our repeated calls, we have yet to see an appropriate evidence-based look at the issue of self-disconnection in NI homes. While it is strategically important to keep the lights on across the country, it is also important for householders to be able to keep light and heat during periods of financial difficulty.

The functionality of gas meters also needs to be investigated, as was highlighted during the COVID Pandemic. The fact that one needs to physically go to a PayPoint to top-up the meter highlights the antiquated nature of the gas meters which are being phased out in the rest of the UK.

3. We agree with the key strategic drivers. The first three, namely delivering on decarbonisation, ensuring the just transition and addressing affordability concerns for consumers are all interconnected. The gaping hole for the overall context of NI is that the 68% of households reliant on home heating oil are essentially ignored within the context of the strategy. We believe this needs to be a key area addressed in NI, and we feel that the UR are best placed to take



up this role. There are significant supports available for those reliant on gas and electricity which simply do not exist for the home heating oil householder. This is a gross inequality which needs to be addressed.

4. The role that the UR play in relation to energy efficiency could also be enhanced. At present, the Northern Ireland Sustainable Energy Programme (NISEP) has delivered an excellent outcome for NI with energy efficiency measures of £30.4 million provided since 2019. Much of this investment has gone to much needed energy efficiency measures, such as loft and cavity wall insulation and improvements to central heating systems for many low-income households. This programme needs to be protected until such times as it can be demonstrated that another programme is at least as good and as well targeted to the homes of the fuel poor. As yet no such programme exists.
5. We are delighted to see the design and implementation of the Energy Charter for NI, and indeed believe that the development of same was instigated and influenced by our work with the energy companies back in November 2022 at the height of the energy crisis. It does, however, need to be built and improved upon. Energy suppliers need to assist all consumers and in particular vulnerable consumers in all forms, and again the UR needs to have the correct powers to be able to enforce high standards and call out poor performances in this area.
6. This also leads to the sixth strategic driver, which is to be a 'Pro-active Regulator'. We fully support this and want to see best levels of service to households whilst protecting consumers underpinned by openness, transparency and accountability. We also recognise the role played by the UR during the energy crisis. The UR was a leading light and showed leadership, while finding solutions, this at a time when other players seemed to stay in the background. We believe this role should be built upon and brought to the fore using UR's expert knowledge and influence for better outcomes for NI households.

In conclusion, we believe that the strategic objectives are sound and would strongly recommend that Affordability should be strengthened. We would like to see more focus on:

- Extension to the remit of the UR to domestic home heating oil;
- The provision of a social tariff;
- Investigation into all things relating to prepayment meters;
- Advanced notice of increase to tariffs Price Controls.



One of the most important outcomes for NI householders and consumers is the ability to live in a warm and safe home. In order to do so, householders need affordability ~and as outlined above that is becoming more and more difficult. It is therefore incumbent upon us to use every possible lever to drive down energy costs and protect the vulnerable at a time when the cost of energy has never been higher. Alone, no one organisation is responsible for this outcome, but the UR sits as one of the most important influencers of energy and is instrumental to this end. We look forward to working with you to help realise the ambition to ensure that everyone lives in a warm and safe home in NI.

Response submitted by:

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