



National Energy Action NI

**Response to the Department for the
Economy's Consultation:
Utility Regulator (Support for
Decarbonisation Preparation) Bill**

August 2024



About NEA

National Energy Action (NEA) is the national fuel poverty charity working across Northern Ireland, England, and Wales to ensure that everyone can afford to live in a warm, safe and healthy home. We aim to influence strategic policy action to protect fuel-poor households and end fuel poverty. Polling for NEA NI¹ in September 2023 found that 41% of NI households were spending at least 10% of their total household expenditure on energy costs and were therefore living in fuel poverty.

NEA works to overcome the effects and causes of fuel poverty in four ways. We provide **advice and support** to people struggling to heat their homes affordably; we **campaign and advocate** for policy and regulation to protect the most vulnerable households and end fuel poverty; we carry out **research** to raise awareness and find solutions; and we provide **accredited training** and qualifications to improve standards in energy advice.

We welcome the opportunity to respond to this consultation. Our comments are informed by our research, expertise and extensive experience supporting fuel-poor households and vulnerable energy consumers in Northern Ireland².

Response

Q1: Do you agree that legislation should be brought forward, so that the Utility Regulator may provide advice, information and assistance to support the Department in development of energy proposals, policies, strategies and plans, essential to the fulfilling obligations under Climate Change Act (NI) 2022?

Yes.

NEA NI continues to support the ambition to reduce Northern Ireland's carbon emissions and implementation of the 'The Path to Net Zero Energy' strategy. It continues to be our position that all policy decisions related to this must be driven with the needs of householders as the priority. We see implementation of the Energy Strategy as an opportunity to reduce fuel poverty in Northern Ireland. To achieve this, it is imperative that consumers are protected and supported through a Just Transition to net zero.

Ensuring low income and vulnerable households are protected and empowered to benefit from the decarbonisation journey will be an important step towards eradicating fuel poverty in Northern Ireland and fulfilling the Energy Strategy's principle of 'Placing you at the heart of our energy future':

¹ Lucid Talk, (2023). [Northern Ireland \(NI\) Attitudinal Poll – NATIONAL ENERGY ACTION NORTHERN IRELAND](#).

² For more information visit: <https://www.nea.org.uk/northern-ireland>.



“We will make energy as simple as possible for everyone in society and develop policies that enable and protect consumers through the energy transition. Affordability and fairness will be key considerations in all our policy decisions.”

The Path to Net Zero Energy³

NEA NI continues to work positively with the Utility Regulator (UR) to better protect vulnerable customers and fuel poor households which includes our membership of the UR’s Consumer Protection Advisory Group.

As the UR has responsibility for promoting the short and long-term interests of consumers, we strongly agree that the UR should support, advise, and assist the Department in fulfilling obligations under CCA (NI) 2022 and in the development of low carbon energy policy.

We recognise that the UR’s vires needs to be extended to allow this, and therefore support legislation being brought forward to this effect.

Q2: Do you agree that consideration should be given to amendments to the powers of the Utility Regulator in future legislation, that might be required by the Department, to support delivery of energy net zero policies?

Yes.

The transition to decarbonisation represents a significant change in energy policy in Northern Ireland and will require consumers to change how they heat and power their homes. For example, currently 68% of our households are reliant on domestic home heating oil — significantly more than Great Britain⁴.

This will be a challenging journey for many households as they will be required to learn new skills and adopt new behaviours to make efficient use of emerging technologies. Provisions are needed to support this change and make the transition as simple as possible for energy users. It is imperative that there is clear information, advice, and support for all and that all policy decisions are driven with the needs of householders as the priority.

As stated above, NEA recognises the role and responsibility of the Utility Regulator (UR) to promote the short and long-term interests of consumers. With this focus on consumer protection, we believe it is important that the UR supports, advises, and assists the Department in the development and delivery of energy net zero policies. Therefore, we agree consideration

³ Northern Ireland Executive. (2021). [‘The Path to Net Zero Energy’](#), pp, 8.

⁴ Approx. 4% of households in England, 5% of households in Scotland, and 10% of households in Wales are reliant on home heating oil.



should be given to amendments to the powers of the UR in future legislation, that might be required by the Department, to support delivery of energy net zero policies.

Q3: Do you have any views on the costs resulting from the Bill being funded by license fees? We are specifically interested to hear the views of electricity and gas license holders.

NEA NI recognises that the Utility Regulator (UR) requires adequate funding to effectively fulfil its responsibilities for regulating electricity, gas, water, and sewerage industries and for promoting the short and long-term interests of consumers.

However, to answer this question, we are calling on the Department to provide further information on the estimated impact on consumers' bills if the costs resulting from the Bill are funded by licence fees.

We know from experience that energy companies often pass on the costs of increased licence fees to their customers' energy bills. We know that energy bill increases disproportionately impact the most vulnerable customers, who are already struggling to afford their energy bills or to heat their homes to an adequate standard due to living in energy inefficient homes.

Polling for NEA NI⁵ in September 2023 found that at least 41% of NI households were spending 10% of their total household expenditure on energy costs and were therefore in fuel poverty.

The study also found that continued pressure on household budgets has led to a rise in detrimental 'coping' mechanisms. For example, 19% of households told us they went without heating (oil/gas) or electricity because of not being able to afford the costs of energy within the previous 24 months. 1 in 10 households admitted to skipping meals to ensure they had enough money to pay for their energy. This means choosing between heating and eating is very much a reality for around 100,000 homes in Northern Ireland.

In light of this, it is imperative that the Department considers fully how the costs associated with this Bill might translate to consumers' bills through licence fee increases. The Department should protect vulnerable consumers from any increases.

Q4: Are there any other issues you wish to raise?

We wish to note again, as we have done in other consultation responses, the evident need to expand the role of the Utility Regulator (UR) to cover regulation of domestic home heating oil.

⁵ Lucid Talk, (2023). [Northern Ireland \(NI\) Attitudinal Poll – NATIONAL ENERGY ACTION NORTHERN IRELAND.](#)



In Northern Ireland, 68% of all households are reliant on home heating oil, a non-regulated fuel. This leaves many households in a precarious position, and we believe that this industry needs some form of oversight to ensure adequate protection for vulnerable consumers. In contrast, approximately only 4% of households in England, 5% of households in Scotland, and 10% of households in Wales are reliant on home heating oil.

While there are significant supports available for those reliant on gas and electricity, these simply do not exist for the home heating oil householder. This is a gross inequality which needs to be addressed. We feel that the UR is best placed to take up this role and should be supported to do so.

We make this point again here because we recognise the role of the UR in promoting the short and long-term interests of consumers. We want to see all consumers advocated for on the decarbonisation journey in Northern Ireland, regardless of whether they heat their home by oil, gas, or electricity. Therefore, it seems only logical that the UR's role should be supported to incorporate home heating oil regulation within its role.

For further information, please contact:

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