



**National Energy Action NI**  
**Response to the**  
**Northern Ireland Electricity**  
**Networks Ltd Transmission and**  
**Distribution 7th Price Control**  
**(RP7)**

**March 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 (currently underway);
- 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.

Energy prices underwent an unprecedented rise during 2021/22 and consumer bills remain challengingly high in 2023/24. We continue 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 despite the welcoming fall in the cost of electricity and gas. Our Warm and Well project demonstrates this reality day and daily.

## **Response**

Back in November 2022 we responded to an earlier development of this price control. Key areas we highlighted were the importance of NIE Networks working closely with the Utility Regulator's (UR) Consumer Protection Programme and Best



Practice Framework to support vulnerable consumers and indeed prevent vulnerabilities that energy markets can cause. We also highlighted the role of NIE Networks in the roll out of SMART metering which we felt should be a priority.

We would also like to see the development of social tariffs for low income and fuel poor households to help make energy more affordable for a discrete and well-defined set of energy customers, and indeed we would reiterate that call. In the 2000s, the UK Government and Ofgem introduced voluntary social tariffs in the energy sector as a form of 'social price support' for vulnerable consumers. This represented an attempt by Government to protect the poorest consumers from fuel price rises without the need to interfere in the market or invest excessive amounts of public money. Whilst we recognise this is an area of work to be led by the Department for Economy (DfE) and the UR, we believe NIE Networks have an important role to play in this area in terms of informing policy development and in the identification of eligible households.

We also called on the UR and NIE Networks to obtain more detailed information and data around vulnerable consumers use of pre-payment meters (PPM) and the levels of self-disconnection in NI. With currently 45% PPM customers in the electricity market, we believe there is a need for further exploration into the range of aspects of coping with a PPM. We still don't have enough information to adequately assess the degree of self-disconnection, rationing, consumer behaviour, accessibility, ease of use, PayPoint issues and many other aspects. NIE Networks is uniquely placed to support the development of work in this area. From our experience, it is clear that a significant number of PPM customers don't have a direct relationship with their energy supplier but rather their meter device. This means that NIE Networks could be best placed to lead on identification and engagement when it comes to supporting these consumers.

Other key issues for us are arounds the costings. We welcome the reduction on the asked for cost increase, but this remains a huge increase for RP7. The UR needs to ensure that this is wholly necessary to enable us to transition to net zero, therefore we need to be confident that there has been the necessary scrutiny required. We will also need to protect low income households as the costs for households continue to increase. Additionally we wish to ensure that these costs are not covering any unnecessary reinforced networks for the benefit of the company. This will also need to ensure that grid flexibility planning is consolidated in this price control period, so as to ensure that when RP8 comes round the same investment will not be required.



The UR should be pushing NIE Networks for realistic but stretching targets and ensuring that there are no rewards for Business as Usual activities. As outlined above, customers should be protected, and best practice upheld at all times.

Customer satisfaction levels, customer service registers, guaranteed level of service, and improvement in worst served customers should all have stretching targets to ensure a quality and best in class service for customers.