

L43.11.08

Alison Farr  
Social and Environmental Branch  
Northern Ireland Authority for Utility Regulation  
Queens House  
14 Queens Street  
BELFAST  
BT1 6ER



13 November 2008

*Dear Alison*

### Re NI Energy Efficiency Levy Programme

Thank you for providing CBI with an opportunity of commenting on the consultation.

The Skyplex report notes in the Executive Summary that the current levy adds 'to more than £7 per year per customer' and 'this adds approximately £2.70 to the average annual domestic electricity bill'. What the report fails to allude to is the fact that companies, competing in international markets are contributing significantly more than this and in some cases the equivalent of thousands of pounds.

CBI Northern Ireland members have considered this and while fully supportive of improving energy efficiency in homes, and particularly those measures focused at addressing fuel poverty, they do not believe the business sector should be cross-subsidising the domestic sector. The non-domestic sector contributes around £3.8m to the levy collected through the PSO, of which only £0.6m is returned to the sector in the form of support. The Regulator must be doing more to alleviate the high cost of electricity to businesses. Any shortfall in funding that this decision may create should be made up from government funds.

The report also seeks views on whether support should be extended to support the purchase of heating oil – we would be opposed to this approach. Government has a key responsibility for addressing fuel poverty and this should remain a decision of the Executive. It would be inappropriate to use customers funds collected as an energy efficiency levy to be used for purposes other than those which could be described as energy efficient measures, improved heating schemes and to a lesser degree cost effective renewable energy.

We support measures targeted at those most at risk from fuel poverty and an approach which delivers maximum energy efficiency gains.

Regards,

  
Nigel PE Smyth  
Director, CBI Northern Ireland



INVESTOR IN PEOPLE

Nigel Smyth – Director  
DL: 028 9010 1100 E: nigel.smyth@cbi.org.uk

CBI Scottish Amicable Building 11 Donegall Square South Belfast BT1 5JE  
T: +02890 101100 F: +02890 101119 E: ni.mail@cbi.org.uk W: www.cbi.org.uk/ni  
Director-General: Richard Lambert President: Martin Broughton