



DSD DRAFT INPUT TO NIAUR REVIEW OF THE ENERGY EFFICIENCY LEVY

The Department for Social Development welcomes the opportunity to comment on the review of the Energy Efficiency Levy.

The Energy Efficiency Levy has been a vital source of funds to the department for the Warm Homes Plus Scheme. The Warm Homes Plus Scheme grant maximum is £4,300, which as recognised in the consultation paper, is insufficient for some dwellings when providing a complete range of measures. These dwellings are typically large, often rural, and often referred to as Hard to Treat. The level of Levy funding used in the Warm Homes Scheme has been reducing and the department understands, will not be available in future years. This is an area of major concern for DSD. The absence of Levy funding will limit the measures available to install in Hard to Treat properties. The department would urge the Utility Regulator to reconsider removing top up funding to the Warm Homes Scheme.

The Department is currently consulting on proposed changes to the Warm Homes Scheme. One recommendation is to introduce some renewable technologies into the Scheme in Hard to Treat properties, where no gas is available and oil is the only alternative. The Department would be keen to work with the Utility Regulator to explore the possibility of utilising Levy funding in the future.

An area of major concern for DSD would be any movement away from the “whole house solution”. While the department recognises that adopting a “whole house solution approach” reduces the number of households which can be assisted, it feels that installing heating measures in poorly insulated homes, for example, would not be considered value for money. The Department would have concerns over funding some measures in a property and while recognising that additional measures, such as loft/cavity wall insulation are essential, funding would be directed at installing these insulation measures in another dwelling.

Skyplex have suggested that the 80% focus on priority customers should be reviewed in light of the 2006 House Condition Survey. The Department would not share Skyplex, or the Utility Regulator's view that the work on energy efficiency is almost complete. While the 2006 House Condition Survey states that 98% of homes in Northern Ireland have a heating system, the term "heating system" is not defined. For example, a dwelling with a coal fire and a single radiator would be included in the 98% category. The reality is that in terms of energy efficiency there is substantial volume of work to be carried out in such a property. The Department feels that Skyplex and the Utility Regulator's views are somewhat misleading and that the focus of the scheme needs to remain on priority groups.