

11 May 2015

Alison Farr
The Utility Regulator
Queen's House
14 Queen Street
Belfast
BT1 6ED

Dear Alison,

Northern Ireland Sustainable Energy Programme (NISEP) Consultation on extension to programme and reallocation of costs between customer groups

Thank you for the opportunity to respond to this consultation. Since the Energy Efficiency Levy (EEL) Programme was re-branded in 2010/11 as the Northern Ireland Sustainable Energy Programme (NISEP), FE has distributed grants from this fund totalling approximately £5million and aiding approximately 2,000 vulnerable domestic consumer households.

In addition to this, through NISEP funds, FE has facilitated approximately 75 businesses in becoming more energy efficient by helping finance the installation of more effective and economical boiler systems and storage facilities.

Q2. Respondents are asked to provide any further comments on the impact that the proposals in this paper are likely to have in relation to the promotion of equality of opportunity and the promotion of good relations.

The elimination of the NISEP, without implementation of a suitable alternative funding programme would be detrimental to the promotion of equality of opportunity. NISEP funding currently provides the opportunity for persons to afford the basic entitlement of warmth in their home. The removal of this funding from vulnerable consumers would therefore be detrimental in ensuring that all persons throughout Northern Ireland are given the opportunity and wherewithal to acquire affordable heating.

As part of a post project evaluation, a questionnaire is given to all vulnerable customers that have been allocated NISEP funding from FE. The most recent data collected from these surveys has shown that **93%** (of those vulnerable persons who responded), could not have afforded the energy efficiency and heating improvements made to their home unless grants had been available. This statistic underlines the need for continuation of the NISEP fund or an equivalent.

Q3. Respondents are asked to comment on the proposal to extend NISEP on the basis that costs associated with the scheme will be allocated on the basis of 80% to domestic customers and 20% to non-domestic customers. Respondents are asked where possible to include any evidence that they might have to support their responses.

For the UR to decide how best to allocate the costs of NISEP, an economic analysis should be undertaken investigating how varying increases and decreases in contributions would affect (in real terms) commercial and domestic consumers. By implementing this, DETI/UR

would have a better understanding of how best to allocate costs while ensuring that all consumers (domestic and commercial) contribute to NISEP in a manner within their individual means.

Future of the NISEP

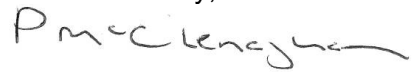
FE therefore strongly agrees with the proposal to extend the NISEP, and continue to run the programme until such time as an equivalent scheme is introduced and FE would welcome the extension of the scheme to aid more fuel poor households. Given that there are approximately 700,000 households in NI and 42% are in fuel poverty, this means that in 2013/14 approximately only 6,095 households from approximately 294,000 fuel poor households benefitted from NISEP.

FE is not aware of any other current alternative grant programmes that could influence the lessening of NI's Carbon Footprint as efficiently as NISEP. The programme currently supports projects that support a complete household approach relating to loft and wall insulation, radiator conversions, and replacement heating systems.

FE therefore supports the extension of NISEP or its replacement with an alternative programme that continues the progress made in reducing carbon emissions and fuel poverty. FE also supports future NISEP funding being distributed in such a way to ensure more of Northern Ireland's vulnerable households affected by fuel poverty can avail of grants.

FE looks forward to its continued involvement in this process.

Yours sincerely,



Peter McClenaghan
Regulatory Affairs Manager