

# **NIAUR's Consultation on Sustainable Development – The Regulator's Role**

NIE Energy Supply's  
Response

1 August 2008



# SUSTAINABLE DEVELOPMENT – THE REGULATOR’S ROLE

## Introduction

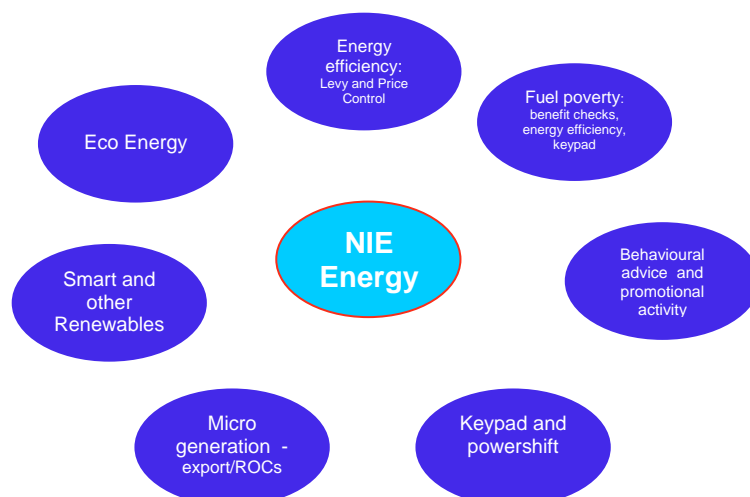
Few would disagree that the principles of sustainable development make good sense:

- Living within environmental limits.
- Achieving a strong, healthy and just society.
- Good governance.
- Achieving a sustainable economy.

The challenge for our society: business, government, regulators and customers, will be how to implement these in a way that is acceptable to society. This challenge is particularly relevant to the energy industry. Climate change is widely recognised as being one of the major issues facing society today with little argument that carbon emissions need to be radically reduced. World energy prices are also at an all time high, and whilst this may encourage a reduction in demand, it is also likely to hamper economic growth and impact significantly on the most vulnerable customers who will suffer from fuel poverty. Our society’s reliance on fossil fuels, and particularly a lack of diversity both in the generation mix and in provision of household heating fuel in Northern Ireland, is also of major concern.

## NIE Energy Supply and Sustainable Development

NIE Energy Supply (NIEES), as a responsible energy supplier, has been active, for at least fifteen years, in the delivery of a range of very practical actions in the areas of both carbon reduction and assisting vulnerable customers. These are summarised below and further details are provided in Appendix 1.



## The role of a Regulator

NIAUR has a central role in the Northern Ireland energy market. Given their key role and the fundamental importance of sustainable development, NIAUR’s primary duties should be

appropriately amended to ensure that future regulation encompasses the principles of sustainability. Furthermore, NIEES believes that there is potential for NIAUR to take on more of a role in developing energy policy in Northern Ireland. Whilst currently this responsibility lies with DETI, many of the associated functions are split across several government departments, which leads to fragmentation and loss of focus. NIEES also believes that there are additional roles for the Regulator in relation to both the oil heating market and to ensure that appropriate frameworks exist that encourage the development of energy services companies.

NIEES has outlined a number of specific areas that it believes that NIAUR should seek to ensure appropriate policies are in place to facilitate markets to deliver appropriate solutions. These may not necessarily relate to specific issues that were raised in the NIAUR consultation, however, NIEES believes that they should be considered under the sustainability theme.

**Customers:**

Billing: previous research undertaken by NIEES has indicated that customers wish to have simple bills that are easy to understand. NIEES was the first energy company in the UK to scrap standing charges and provide a flat unit rate, enabling customers to relate consumption directly to costs. Whilst NIEES recognises the need to provide environmental information to customers on the generation fuel mix, with several other 'green' mechanisms (green supply tariffs, the Renewables Obligation, Climate Change Levy etc), every effort should be made to minimise confusion that the introduction of new requirements may cause to customers.

Tariffs: the ability for suppliers to introduce new innovative tariffs which help to either facilitate lower carbon technologies (eg ground source heat pumps) or which encourage customers to reduce their consumption (eg two tier tariffs) or to reduce costs by availing of electricity at cheaper times (eg Time of Day tariffs) should not be restricted by a lack of suitable published Use of System charges or frustrated by new systems development.

Smart meters: NIEES is aware that NIAUR is leading work on smart metering and would encourage those involved to maintain a customer focus. NIEES is recognised throughout the UK for its keypad meter programme. These meters provide customers with real time and historical information on their consumption as well as enabling 'pay as you go' at a discount. They can also facilitate both micro generation export and time of use tariffs. Research undertaken by NIEES suggests that access to information on consumption can lead to a modest reduction in electricity use.

Fuel poverty: it is broadly recognised that fuel poverty is a major issue in Northern Ireland and that there is a need to protect the most vulnerable customers. On the one hand, there is a

drive to ensure that energy costs for these customers are as low as possible so that they can heat and power their homes affordably. On the other, there is an understanding that environmental improvements will undoubtedly introduce additional costs. The Sustainable Development Commission captures this dilemma very well - 'A low cost system as sustainable as possible or a sustainable energy system at the lowest possible cost?' Government and others need to ensure that the most vulnerable customers are protected through social policies to enable the necessary environmental improvements to be made. For example:

- Direction on which customers should be eligible for special assistance.
- Adequate winter fuel allowances for all vulnerable customers (not just older people).
- Ensuring that low income customers aren't disadvantaged through more costly pay as you go options, ie for oil heating.
- The provision of appropriate social tariffs with information sharing between government and utilities to ensure that the customers in most need receive assistance.
- Directing energy efficiency and other low carbon technologies to help low income customers to minimise their energy costs, whilst also reducing carbon.

Energy efficiency: there is little doubt that energy efficiency remains one of the most cost effective means to reduce carbon and has wider societal benefits (fuel poverty, economic competitiveness etc). The Energy Efficiency Levy established by NIAUR continues to be a very successful framework that delivers very real customer and carbon savings, cost effectively. It has also made a major contribution to transforming the markets for a range of energy efficiency products in Northern Ireland such as energy saving lighting, 'A' rated appliances etc. As new generation technologies come through, it is important that these are pump primed to ensure energy saving gains continue to be made.

Oil heating: over 70% of homes in Northern Ireland currently heat their homes using oil. Whilst the electricity and gas sectors are regulated and deliver a wide range of energy efficiency and social action policies, the oil distribution network is unregulated and fragmented and does little to encourage carbon reduction or provide services for vulnerable customers. NIEES suggest that NIAUR be given the necessary powers to regulate certain social aspects of the heating oil industry.

### **Network issues**

Small generator connection: there has undoubtedly been good progress in facilitating generator connection and appropriate export metering. Anecdotal feedback from customers however seems to indicate that barriers remain in the process of connecting larger generators, typically less than 500kW eg on-farm wind turbines, community hydro etc. These

have potential to further contribute to the growth of renewables and barriers should be removed where possible.

### **Energy market issues**

Renewables and SEM: it is important that market structures provide appropriate support for wind generation. However, there are indications that wind generators are content to receive SMP and the ROC value. As the penetration of wind on the island increases, this will impact adversely on suppliers' ability to hedge energy price risk. As market structures evolve, this issue should be given further consideration.

Price controls: NIEES currently has a price control which does not incentivise unit sales. Other frameworks, such as the Energy Efficiency Levy and the SMART programme, in fact, enable energy companies to be more profitable through stimulating installation of energy efficiency and other low carbon technologies. This type of regulation is clearly beneficial and NIAUR should seek to build on these proven frameworks.

ESCos: the development of ESCos, particularly in the domestic sector, has been slow. Experience in the fully liberalised markets in GB show that price is one of the main motivators for switching, rather than added value offerings. However, the Code for Sustainable Homes is promoting new developments to seek non-standard solutions for the provision of heat and power. Typically, this may lead to an on-site ESCo, based around CHP or district heating, potentially with a private wires network. NIEES would encourage NIAUR to ensure that regulations and energy market structures facilitate this new type of utility model that has potential to offer sustainability benefits.

## CHAPTER 1

**1.1 Respondents to the consultation are asked to comment on whether or not they think any of the proposals in this paper would impact on equality of opportunity or good relations for any of the Section 75 Groups.**

Increasing environmental costs that are included in energy bills may disproportionately impact on low-income customers. This will obviously have a detrimental impact on a range of customer groups and there will be a need to ensure, through adequate social provision, that these customers are protected.

## CHAPTER 3

### **3.1 Respondents are asked to comment on the balance between present and future climate change costs.**

Stern is clear: 'the benefits of strong and early action far outweigh the economic costs of not acting'. Utilities in Northern Ireland have been active in leading the way in many areas of climate change abatement: smart meters, low carbon technologies (PV, d-CHP etc), micro generation export and ROC payments, green energy tariffs etc. These have led to real savings and benefits for customers both today, and into the future. Other costs however: cleaning up polluting power stations, facilitating wind farm connections etc, are more penal with customers bearing the costs but not reaping any immediate or direct benefits. NIAUR should seek to ensure that the environmentally responsible actions are taken and the costs are appropriately balanced to ensure that customers do not pick up a disproportionate share. As mentioned above, it is vital that action be taken to protect low income customers from high energy costs through social policy interventions. Whilst previous activity, particularly in the area of energy efficiency, has been beneficial, the scale of global energy price rises has resulted in an increase in numbers of households in fuel poverty.

### **3.2 Respondents are asked to give their views on the relationship between sustainability and security and diversity of supply.**

Security of supply has to be a primary goal for Northern Ireland's energy policy. This is essential for economic competitiveness, which in turn creates employment opportunities and so helps to reduce the impact of fuel poverty. Opportunities should be sought to maximise the contribution that large-scale renewables can make to fuel diversity – better management of connections, interconnection with Great Britain, storage opportunities etc.

Reducing reliance on imported fossil fuels through both energy efficiency and micro or other embedded generation should not be overlooked. UK government policy has tended towards capital grants as the main support structure for small renewables. Acknowledging the significant role that micro-generation has to play, NIEES welcomes the decision to amend the Northern Ireland Renewables Obligation to award micro-generation a support level of two ROCs/ MWh.

It is accepted that the Renewables Obligation was introduced as a support mechanism for large-scale renewables and whilst the support for micro generation through this framework is welcomed, NIEES would also welcome a broader discussion on feed-in tariffs as a more appropriate support structure for micro generation. This type of support programme has been

particularly successful in some parts of Europe, particularly Germany, at encouraging large-scale deployment of micro generation. It removes the 'stop-start' funding rationing which is evident in the UK's capital grant support programmes that can inhibit the development of a sustainable market.

### **3.3 – 3.7**

No comment.



## CHAPTER 4

4.1 Respondents are asked to rate the following existing instruments from 1-10 (1 being poor 10 being excellent) for the following characteristics:

- A Profile (do enough people know about the work)
- B Ability to protect customers
- C Ability to influence consumers to be more energy / water efficient or change to a lower carbon fuel

Measure	Profile	Ability to protect customers	Ability to influence
<b>The NIE SMART Programme</b>	7	5	9
<b>Gas Industry Promotion</b>	3	8	5
<b>The Energy Efficiency Levy</b>	6	8	8
<b>Price Controls</b>	3	9	9
<b>Key Pad Metering</b>	10	10	10
<b>Energy Efficiency Advice Provision</b>	8	8	8
<b>NIW Sustainability Report</b>	-	-	-
<b>NIW Environment Management System</b>	-	-	-
<b>NIW promotion of water efficiency</b>	-	-	-

### The NIE SMART Programme

The NIE SMART programme has successfully stimulated activity in the Northern Ireland renewable energy market throughout the last 5 years. Activity has been encouraged throughout the supply chain – from supporting local manufacturers, to facilitating the training of local installers and to supporting a range of installations through funding support. Making renewable energy more accessible for sectors in the community has been a key achievement of the NIE SMART Programme and each year there continues to be pressures on the resources allocated. Over 1MW of PV has been supported in Northern Ireland and the SMART programme has also supported a wide range of near market technologies such as

on-farm anaerobic digestion, domestic Combined Heat and Power and innovative PV products.

Pump-priming the market for low carbon and renewable technologies is a key objective for the SMART programme as well as helping to remove barriers which exist eg, grid connection, planning permission, building control and rewards for export. NIAUR should seek to continue to support this type of activity to help secure a sustainable micro generation and renewable energy industry in Northern Ireland.

### **Gas Industry Promotion**

Whilst acknowledging that gas is a finite, carbon emitting fossil fuel, there is considerable merit, particularly in the short to medium term, to encouraging uptake of natural gas. It provides a lower carbon option than the other current mainstream heating fuels, and as it is regulated, there is protection for customers. It is also important to also encourage other heating alternatives, such as wood pellet or district heating.

### **The Energy Efficiency Levy**

The Energy Efficiency Levy aims to help alleviate fuel poverty in Northern Ireland by providing 'whole house' energy efficiency solutions, to reduce energy use and to reduce carbon emissions. Since it commenced in 1997 the Levy has delivered over £200 million of customer benefits as well as an estimated 790,000 tonnes of carbon savings.

### **Price Controls**

During the last 10 years, the NIEES Price Controls have helped to stimulate significant activity in both energy efficiency and renewable energy. Over £22 million lifetime customer savings have been delivered through a range of energy efficiency schemes as well as over 1,000 micro-renewable installations. Furthermore, there is no incentive to increase unit sales. Future Price Controls need to set the framework for sustainable development while protecting vulnerable customers and encouraging innovation (such as the development of ESCOs).

### **Keypad Metering**

NIEES is leading the way in the UK with pay as you go metering - there are now over 208,000 households in Northern Ireland with a keypad meter installed. Unlike other parts of the UK, customers in Northern Ireland who have a keypad meter installed benefit from 2.5% discount off the standard unit rate and can purchase electricity 24/7 over the phone or on-line. Having a keypad meter installed helps customers to stay in control of their energy use and budget appropriately. There are no quarterly bills, the meter installation is free and there is a customer friendly display which gives useful information to the customer about current as well as historic electricity consumption. Keypad can also facilitate micro generation export and time of use tariffs.

### **Energy Efficiency Advice Provision**

NIEES is particularly keen to encourage customers to be more energy efficient and an added value approach is taken with various levels of customer communication. Energy efficiency information is included with electricity bills, on the NIE Your Energy website ([www.nie-yourenergy.co.uk](http://www.nie-yourenergy.co.uk)) as well as through the NIEES call centres. A close working relationship exists with the Energy Saving Trust Advice Centre which provides a range of energy efficiency advice services on behalf of NIEES.

## CHAPTER 5

### **5.1 Respondents are asked to comment on the balance of the Utility Regulator's duty to protect present and future customers.**

Given the importance of utilities, NIAUR clearly has a significant role to ensure that they develop sustainably. Balancing duties between present and future generations will always present a challenge. However, appropriate steps need to be taken to reduce Northern Ireland's carbon footprint and, given the climate change issues, action is needed sooner rather than later. Social policies are required to ensure that low income and other vulnerable customers are not adversely impacted by the costs of those improvements.

### **5.2 Respondents are asked to comment on the appropriate role of and nature of statutory guidance from Ministers to the Utility Regulator.**

To date, NIAUR's primary duty has focused on the promotion of competition as a means of protecting consumers through lower prices. NIEES agrees that whilst competition can help to reduce energy prices, NIAUR should also be given primary duties to ensure security of supply and in regard to ensuring that utility industries develop sustainability. Combined, these issues provide the corner stones of an energy policy. NIAUR should seek also to reflect these areas of expertise within their Board.

NIAUR should also be mindful of broader policy issues in energy, sustainability and regulation in all-island, GB and European contexts.

### **5.3 Respondents are asked to highlight actions that they consider might be appropriate or necessary, but that could not be taken under the Utility Regulator's existing powers.**

Currently, the main focus of regulation for NIAUR is the networked utilities. Amending the Authority's current duties as described in 5.2 above would enable both security of supply and sustainability to feature more strongly in future regulation and price controls of the networked companies.

NIEES would suggest that NIAUR also be given roles in the following areas:

- Oil heating, particularly in the domestic sector.
- ESCOs and heat networks.

**5.4 Respondents are asked to comment on whether the Utility Regulator should seek to be designated under section 25 (1) of the Northern Ireland (Miscellaneous Provisions) Act 2006.**

For consistency, it would be appropriate for NIAUR to be included under the provisions of section 25 (1) of the Northern Ireland (Miscellaneous Provisions) Act 2006 and so have equal status with other government departments in this regard.

## CHAPTER 6

**6.1 Respondents are asked to comment on the three main roles for the Utility Regulator identified in chapter 6 of this paper as:**

- **gathering and publishing evidence,**
- **contributing to wider energy policy,**
- **regulating differently.**

NIEES is broadly in agreement with the proposals outlined in chapter 6.

### Gathering and publishing evidence:

NIEES recognises that there is a major gap in accurate and timely energy information in Northern Ireland. The previous useful information was published by the Carbon Trust based on 2002 information. NIEES welcomes the proposal that NIAUR gather and publish timely information that would be invaluable for government, regulators and other stakeholders to help develop appropriate strategies and to measure progress towards targets.

### Contributing to wider energy policy:

NIEES recommends that NIAUR would be well positioned to take a lead role in developing NI's energy policy. Whilst currently this responsibility lies with DETI, many of the associated functions are split across several government departments, which can result in fragmentation and loss of focus. The evidence gathering function would compliment this role. NIEES also believes that there are additional roles for the Regulator in relation to both the oil heating market and to ensure that appropriate frameworks exist that encourage the development of energy services companies.

**6.2 Respondents are asked to comment on data, which would be useful but, which is currently unavailable on a regular basis in Northern Ireland.**

There is currently an information vacuum in relation to data on energy in Northern Ireland (apart from the information collected by NIHE through the House Condition Survey). NIEES would suggest the following:

- Energy use by sector.
- Energy use by fuel type.
- Price comparisons with EU, GB and Rol.
- Generation by fuel type.
- Carbon emissions by sector and fuel type.

### **6.3 Respondents are asked to suggest innovative methods of developing and promoting the gas industry as a means of reducing Northern Ireland's carbon foot print.**

Whilst acknowledging that natural gas is a carbon emitting fossil fuel, NIEES agrees with the concept of promoting a Northern Ireland gas industry, particularly in the short to medium term. NIEES suggests the following to encourage new gas connections:

- Adequately resourcing and focusing the social housing heating replacement programme in the natural gas area.
- Allowing greater access to the gas network companies' allowances which are available to encourage new connections.
- Continue to enable the Energy Efficiency Levy to support new gas connections without sharing the energy savings with the gas companies.
- Support for dual fuel offerings.

### **6.4 Respondents are asked how the solid fuel and oil industries could contribute to social and environmental sustainability? In addition what approach will best achieve this aim?**

Currently, there is little evidence that the solid fuel and oil companies make any contribution to social and environmental sustainability. This is clearly unacceptable and whilst the End Use Efficiency and Energy Services Directive may compel some limited action, the industries are so fragmented in Northern Ireland that it is difficult to envisage how this may be enforced.

As a minimum, the oil industry (at whatever is the most appropriate level) should put in place arrangements to protect vulnerable customers. In particular, suitable payment methods should be established and promoted to enable customers to budget for fuel on a weekly basis without incurring a financial penalty.

CERT in Great Britain costs approximately £40 per dual fuel (gas and electricity) customer. As most customers in GB do use gas for heating, it may be appropriate to extend to the Energy Efficiency Levy to both oil and gas in NI to increase the fund available for energy efficiency and other low carbon technologies in Northern Ireland.

### **6.5 Respondents are asked if the regulatory model used to develop the natural gas network could provide lessons for the promotion of efficient and coordinated heat networks? Do respondents believe that better regulation could aid the development of the community heat industry?**

NIEES agrees with the need to encourage heat networks and other community ESCo models. The Carvill Group is developing the Sirocco Quays site in Belfast city centre and NIEES is keen to explore options for an ESCo development at the site in partnership with the Carvill

Group. Having a suitable regulation framework, which actively encourages these initiatives that require major investment, would be very helpful.



## CHAPTER 7

7.1 The Utility Regulator considers that the following are important when assessing policy proposals. Respondents are asked to score each of the proposals in chapter 7 of this document from 1-10 on the basis of their potential in relation to the following measures:

- 1 Potential Certainty of Outcome
- 2 Potential Cost effectiveness
- 3 Certainty for investors
- 4 Potential to provide equity for consumers
- 5 Potential to encourage innovation
- 6 Good fit with other NI government departments
- 7 Good fit with competitive energy markets

The proposals are summarised as follows:

	1	2	3	4	5	6	7
a. Cross utility licence condition requiring licensees to have in place environmental policies.	8	5	5	5	6	5	6
b. Cross utility requirement to report annually of sustainability activities and initiatives.	8	5	5	7	7	6	6
c. Requirements on licence holders to provide customers with environmental information in relation to fuel mix in a uniform and easy to understand format, on all bills and promotional literature.	8	4	3	5	6	2	5
d. Strategic investigation into use of “Smart Meters” as a mechanism for delivering better quality and timely information to customers.	7	6	6	8	9	5	8
e. Work with energy licence holders to assess current tariff structures.	7	8	7	8	9	6	8
f. Continue to work with partners and stakeholders to ensure renewable generation	8	7	5	5	7	7	4

can be equitably accommodated on the electricity network.							
g. Ensure price control processes take into consideration the effect of climate change on electricity and gas networks.	8	8	8	8	8	8	8
h. Carry out a full strategic review of energy efficiency delivery mechanisms	6	5	5	6	7	7	6
i. Develop a strategy in relation to gas promotion, which considers the potential benefits of common arrangements for the transmission and distribution of gas on the island of Ireland.	5	7	7	8	7	6	8
j. Developing sustainability within the NIW price control	-	-	-	-	-	-	-
k. Improving our own practices and procedures.	8	8	3	3	8	8	3

NIEES did not find this process for assessing policy proposals to be clear. We have therefore added further notes below:

- a) Cross utility licence condition requiring licensees to have in place environmental policies.
  - Generators currently do have environmental policies in place which are driven by statutory requirements but NIEES does believe that it would be beneficial for licensees to have specific policies in place to manage environmental issues.
- b) Cross utility requirement to report annually of sustainability activities and initiatives.
  - NIEES suggests that utilities should be required to report annually on their various sustainability activities so that performance can be continually improved.
- c) Requirements on licence holders to provide customers with environmental information in relation to fuel mix in a uniform and easy to understand format, on all bills and promotional literature.
  - NIEES agrees that customer information has a role to play in raising awareness of certain issues (particularly on bills) but overly onerous reporting is not productive and can lead to customer confusion. Information on fuel mix needs to be easy to understand and explained in a straightforward manner so that it is useful for customers.

- d) Strategic investigation into use of 'Smart Meters' as a mechanism for delivering better quality and timely information to customers.
- NIEES is aware that NIAUR is leading work on smart metering and would encourage those involved to maintain a customer focus. NIEES is recognised throughout the UK for its keypad meter programme. These meters provide customers with real time and historical information on their consumption. They can also facilitate both micro generation export and time of use tariffs.
- e) Work with energy licence holders to assess current tariff structures.
- NIEES suggests that more work needs to be done to ensure that tariff structures are appropriate for customer and market demands. Greater tariff innovation would enable more choice for customers.
- f) Continue to work with partners and stakeholders to ensure renewable generation can be equitably accommodated on the electricity network.
- NIEES is fully supportive of a joined up approach to facilitating both large and small scale renewable generation on the Northern Ireland electricity network.
- g) Ensure price control processes take into consideration the effect of climate change on electricity and gas networks.
- Price controls are an important mechanism to provide a framework for activity and with the well-documented issues surrounding climate change it is becoming increasingly more important to focus on practical measures which can be implemented now to protect customers in the future.
- h) Carry out a full strategic review of energy efficiency delivery mechanisms.
- NIEES welcomes a review of the Energy Efficiency Levy which has delivered cost effective energy efficiency savings since 1997.
- i) Develop a strategy in relation to gas promotion, which considers the potential benefits of common arrangements for the transmission and distribution of gas on the island of Ireland.
- NIEES welcomes a strategy to promote natural gas which could lead to greater competition and benefits for customers. NIEES also urges NIAUR to consider the promotion of alternative forms of heating eg community heating networks, biomass etc.
- j) Developing sustainability within the NIW price control.
- NIEES believes that sustainable development should be at the centre of all utility price controls.
- k) Improving our own practices and procedures.
- It is extremely important that NIAUR demonstrates its own commitment to sustainable development and sets a good example to the rest of the industry about the importance of taking practical steps now to protect the interests of others in the future. A sustainable development action plan would be a good first step.

**7.2 Respondents are asked to identify what they consider to be the top three priorities from the above list of proposals and rank them in order of importance.**

NIEES believes that the top areas of priority should be:

- a) The development of an energy policy for Northern Ireland which has sustainable development as one of the primary objectives with an accompanying action plan which identifies clear responsibilities for delivering the various elements of the strategy.
- b) Information provision for both customers and utilities – clear, concise, timely and accurate information should be available to inform decision-making.
- c) Price Controls which set the correct framework for future activity, facilitate competition and encourage low carbon solutions as well as protecting the most vulnerable customers would have a significant impact on the development of sustainable and competitive energy markets.
- d) For NIAUR to have a statutory duty to promote and follow the principles of sustainable development, and report on these annually.

**7.3 Respondents are asked to list any further proposals which they think should be considered.**

All-island dimension: as the all-island energy market continues to develop, NIAUR should be mindful of sustainability policies across Ireland and their impact on competition and market development. For example, we already have two very different support structures for renewables on the island (the NI Renewables Obligation and REFIT in RoI) which impact significantly on the economics of renewables development and how these generators operate in the SEM.

## Appendix 1

NIE Energy Supply (NIEES) sells electricity to around 780,000 homes and businesses throughout Northern Ireland and aims to provide customers with great value for money and the highest standards of customer service. NIEES is taking the lead in setting the standard for best practice in a number of key areas to help drive change while delivering excellent customer service, protecting vulnerable customers and contributing to the local community.

Making renewable energy a reality in Northern Ireland:

- ❑ Committed to helping the environment, NIEES supplies more than 20,000 households with Eco Energy from renewable energy sources.
- ❑ The NIE Smart programme (Sustainable Management of Assets and Renewable Technologies) provides the ideal framework to give communities, businesses and housing providers, householders and a range of other organisations the chance to make a significant contribution to renewable energy development in Northern Ireland. A range of programmes are actively helping to make renewable energy more accessible for customers across Northern Ireland while also making a considerable reduction to carbon emissions. NIEES manages the Smart programme on behalf of NIE.



- ❑ Moving from a position where there was little or no activity in the small renewables market, NIEES has contributed significantly to stimulating the market through a concerted marketing effort that addresses all elements of the supply chain. NIEES has also provided the necessary pump-priming support to encourage interest to be translated into action.
- ❑ NIEES is keen to encourage the installation of renewables and CHP in Northern Ireland. To help customers to realise the value of the electricity generated by

these sources, we offer customer rewards for both NI Renewable Obligation Certificates (NIROCs) and for electricity that is generated but isn't used on the premises (export). There are over 400 customers registered equating to over 4MW of installed capacity across the range of renewable energy technologies.

#### Raising Awareness:

- ❑ The NIE Your Energy website ([www.nie-yourenergy.co.uk](http://www.nie-yourenergy.co.uk)) is a popular portal for customers to find out more about NIE Energy's sustainable energy activities with advice on saving energy, up-to-date information about the latest grants and offers as well as links to other useful websites and a mechanism for making enquiries.
- ❑ Since 2005 over 500 positive media hits have related to NIE Energy's sustainable energy activities with over 250 of these in 2007-08.
- ❑ NIE Energy communicates well with all of its key stakeholders and keeps them well informed of various issues and new projects through regular briefings and a quarterly Enews update.

#### Energy Efficiency:

- ❑ NIEES has managed a range of Energy Efficiency Levy programmes since 1997, resulting in customer benefits in excess of £200 million and carbon savings estimated at 790,000 tonnes.
- ❑ These programmes have successfully stimulated markets for a range of energy efficiency technologies in both the domestic and commercial sectors.

#### Protecting vulnerable customers:

- ❑ The For Your Benefit programme focuses on income maximisation activity for vulnerable customers and involves the completion of a Benefit Entitlement Check by one of a number of partners as well as energy saving advice. NIEES manages the For Your Benefit programme on behalf of NIE.



- The Energy Efficiency Programme is an annual fund which aims to help alleviate fuel poverty. A range of schemes have been developed this year to assist priority vulnerable households either through a 'whole house' approach (heating, insulation and lighting) or through a package of insulation measures. The funding is allocated on an 80:20 ratio with 80% of the funding each year allocated to fuel poverty schemes.

Discounted electricity:

- NIE Energy is recognised as the UK leader in 'pay-as-you-go' Keypad metering and around one in four households (approximately 208,000) in Northern Ireland now pays by this method, enjoying discounted electricity as a result. This type of smart meter provides a perfect channel for offering our customers a sustainable social tariff.
- The Keypad Powershift tariff encourages customers to make energy savings by sending clear price messages at different times of the day. Powershift offers low cost electricity every evening, all weekend and during the daytime Monday to Friday - over 1,200 customers are registered for the tariff.
- Monthly and quarterly direct debit customers also can avail of different discounts and over 220,000 customers are enjoying the benefits of the discounts each year.

