



Response by the

Northern Ireland Energy Agency

To the Consultation on

The Utility Regulator's Social Action Plan

2009 - 2014

Northern Ireland Energy Agency

Background

In April 2007 the Northern Ireland Energy Agency replaced the three previous local energy agencies and it was officially launched on Monday 22 October 2007. The Agency is a member of the Bryson Charitable Group and is operated in partnership with Fermanagh District Council & Derry City Council. Our objective is 'to secure the support and active engagement of Northern Ireland's energy users and in particular households, in implementing measures programmes and strategies to combat climate change. Northern Ireland Energy Agency employs 36 staff across its three offices in Belfast, L'Derry and Enniskillen.

The Agency plays a central role in changing attitudes and behaviours and promotes action by householders and not-for-profit organisations on

- Energy efficiency
- Renewable energy
- Fuel Payment Methods
- Low carbon transport
- Water
- Waste

The Agency manages the Energy Saving Trust advice centre which provides free and impartial advice to householders across Northern Ireland via outreach and our freephone service. During 2007/2008 the centre dealt with almost 30,000 calls to the freephone. In addition through Heatsmart, a home visiting advice service managed on behalf of the Northern Ireland Housing Executive, we carried out 14,000 home visits to tenants.

Independent research indicates that action was taken by 44% of householders advised by the advice centre and the average householder will save 1.7 tonnes of carbon.

Introduction

The Northern Ireland Energy Agency welcomes the opportunity to contribute to the Regulator's Consultation on its Social Action Plan. As an organisation which actively develops and promotes services and advice for a range of vulnerable customers we are very supportive of the Regulator's role and work in this area. Our response to the Consultation includes answers to the most of the formal questions posed in the paper in addition we have included some other general comments and remarks.

We hope you will take these comments into consideration when you are developing the final version of the Social Action Plan and should you require any additional information or wish to discuss our comments please contact one of the following:

Nigel Brady
Director
Northern Ireland Energy Agency
Tel: 028 90265999
Email: nbrady@nienergyagency.org

Orla Ward,
Senior Manager
Northern Ireland Energy Agency
Tel: 028 66328269
Email: oward@nienergyagency.org

General Remarks

In the last year dramatically rising energy prices have brought significant increases to the numbers in fuel poverty in Northern Ireland. Down the line this trend may resolve itself temporarily but other factors such as the need to increase renewable generation and the major investment required to upgrade the Northern Ireland electricity grid will have a negative impact on electricity prices. In addition the introduction of water charging, at any scale, will undoubtedly have an impact on already hard-pressed householders.

The increase in energy prices is clearly a huge concern, while the Strategy acknowledges the impact of price increases we would also like to see a commitment to exploring all possible options in order to keep prices as low as possible, especially for vulnerable customers.

Providing Special Services

The Northern Ireland Energy Agency is supported by NIE Energy, NI Housing Executive, Phoenix Natural Gas and firmus energy to offer free and impartial energy advice to householders. Services include the provision of a freephone telephone advice service, home energy checks and reports, grants and cashback information, outreach and home visits (primarily Housing Executive and housing association tenants), talks and presentations to groups and grant referrals. In addition the Agency has been active in the development and management of schemes for example Energy Efficiency Levy schemes for vulnerable householders.

In the case of NIE Energy we actively promote a range of their special provisions including the Critical Care Register and we provide their customers with independent energy efficiency advice through our advice centre service.

The Agency has recently undertaken a number of household Water Audits across Northern Ireland on behalf of NI Water as part of their commitment to water conservation and providing water efficiently.

The Agency also provides an Education Programme to local Primary schools on energy efficiency and waste. Some 604 school visits take place each year involving 36,962 pupils.

Social Tariffs

The Northern Ireland Energy Agency looks forward to the consultation by the Regulator on Social Tariffs as we believe these tariffs will be a key method to help address fuel poverty in Northern Ireland.

Question 3

We would recommend the Regulator considers encouraging the utilities to identify vulnerable customers who are using above average levels of energy and target them with specific advice through a home visit or other contact. The Agency has in the past worked with NIE Energy to provide this service to Critical Care customers.

Question 4

Our experience of visiting NIHE (Heatsmart) and housing association (Brighter Homes) tenants suggests that many elderly customers are using pre payment methods and enjoy the form of budgeting on offer i.e. being able to top up at short regular intervals. However many do not utilise the facilities available to them that the prepayment meters offer and our experience shows a number of customers are not aware of how much energy they are using and just continue to top-up by the same amount of money at set intervals, this means they are accruing considerable credit on the meter. By reducing the amount they top up by, through better understanding their consumption and making regular checks on the meter information available, they could be freeing up some of their income

for other essential items. In addition they are subject to a significant disadvantage when prices increase and a substantial amount of credit exists on the meter. This “pot” of money is recalibrated at the new rate when additional monies are added and all money in the meter becomes subject to the higher price. We would recommend further education for customers on this or a change to the meter system. Basically the customer has bought the electricity at the cheaper price and but has it credited at the new increased rate when prices rise.

Question 6

Trying to engage customers with fuel debt in energy efficiency advice has in our experience been very difficult; however any offers of help in the form of direct cash payments should be dependant on the household undergoing energy advice. Overall social tariffs would be a better way of helping these customers.

The DSD Payment Awareness Campaign run through a TV campaign in Autumn/Winter 08/09 was supported by the Agency through its freephone. Viewers worried about their fuel bills were encouraged to contact the freephone for information and advice on payment methods. Independent evaluation of the benefits of this approach is currently being carried out by Prof. Christine Liddell at the University of Ulster with initial findings very encouraging as a way to highlight budgeting methods.

Through our work with NIE Energy we have found that householders on the Fuel Direct tariff (arrears being paid automatically from benefits) tend to increase their energy consumption as they have no direct connection between paying their bill and usage. Consideration should be given to how this could be addressed.

Chapter 7, 7.12

The Energy Agency has significant knowledge and expertise in the area of advice provision and working with vulnerable customers and we would welcome

the opportunity to contribute and share this by being involved in the panel of experts proposed to provide advice on fuel and water poverty issues.

Question 8

The Agency is already active in promoting the special services offered by the utility companies in addition to offering advice specifically on energy efficiency and fuel payment methods. Given the cross-cutting nature of our work we are in a position to be able to give more advice and reach larger numbers of households, we are only limited by the resources available to us.

Question 9

The Agency currently provides Benefit Entitlement Checks with funding from NIE Energy. From our work in this area we have seen numerous examples of householders who have been able to significantly increase their income as a result of the process. The benefits of doing a Benefit Entitlement Check for a householder include increasing their annual income, giving them access to grant schemes etc. In the current economic climate the spin offs for the Northern Ireland economy are also very important bringing in much needed additional money. As an example of the difference made by this service in one instance an additional £6,000 in yearly income was identified by a benefit check carried out by the Agency.

We believe that more could be done to improve information provided on energy bills, this should be recognised within the Social Action Plan. Currently it is difficult to compare and understand consumption patterns, which makes it difficult for consumers to link the impact of their behaviour to energy usage and to understand how energy efficiency measures might benefit them. Introducing a billing code of practice would be helpful in this respect and need not constrain suppliers from offering innovative products for example annual servicing on gas bills.