

### Sustainable Development: The Regulator's Role

**Consultation by the Utility Regulator** 

#### 1 August 2008

#### Comments by

#### Northern Ireland Environment Link

Northern Ireland Environment Link is the networking and forum body for non-statutory organisations concerned with the environment of Northern Ireland. Its 52 Full Members represent over 85,000 individuals, 262 subsidiary groups, have an annual turnover of £100 million and manage over 314,000 acres of land. Members are involved in environmental issues of all types and at all levels from the local community to the global environment.

These comments are agreed by Members, but some members may be providing independent comments as well. If you would like to discuss these comments we would be delighted to do so.

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Northern Ireland Environment Link (NIEL) welcomes the consultation on the *Utility Regulator's Role in Sustainable Development*. We would also commend the Regulator's efforts to engage with stakeholders in their early deliberations (pre-drafting of proposals) on sustainable development. The consultation exercise will help refine the proposals and should ensure that stakeholders have an opportunity to share their concerns, expertise and experience.

All sections of society have a duty and a role to play in delivering a more sustainable Northern Ireland. The duty on Government to contribute towards sustainable development (section 25 of the Northern Ireland Act 2006) should be extended to all public bodies. Furthermore, we support the Sustainable Development Commission's proposal that Ofgem's primary duty "be changed to reflect the compelling need to move to a decarbonised energy system" and propose that this should be extended to the NIAUR. We believe that given the low percentage of renewable energy currently within Northern Ireland's energy mix and the urgency of the need to develop a decarbonised energy system (scientists have stated that to avoid the worst impacts of climate change global carbon emissions should be stabilised by 2015 and then reduced) this duty should be paramount and have precedence over the other duties and priorities of the regulator because of its over-riding importance.

Northern Ireland currently generates only 6% of its electricity from renewable sources. Of Northern Ireland's energy usage (for electricity, heat and transport), indigenous renewables account for less than 1% of the total. The rest of our energy comes from fossil fuels, highlighting the massive challenges we face in achieving the targets noted above. The extent of Northern Ireland's high emissions lifestyle was highlighted by an Energy Savings Trust report issued on 26 November 2007. The report found that household (including transport) emissions in Northern Ireland are 39% above the UK average and that the 12 worst performing authority areas were in Northern Ireland and all of the Northern Ireland councils were near the bottom of their table (Green Barometer III). It is estimated that 81% of the energy consumed in Northern Ireland, excluding transport, is used for space heating and hot water in buildings and in commercial and industrial uses. Oil is by far the most utilised fuel for heat generation in Northern Ireland, with CHP and small scale renewable heat technologies providing a tiny contribution to the total fuel mix. In addition, CHP in a mixed development can also use exhaust gasses to heat crops in glass houses. Therefore, the ability to encourage renewable heat sources, such as geothermal or biomass, and development of CHP as a significant source of energy for both business and domestic use, should be an important element of the Regulator's role.

Our demand for electricity is growing: DETI estimates that, on average over the last 15 years, electricity consumption has increased by 1.8% per annum. The Northern Ireland Sustainable Development Strategy (NISDS) includes a target to (from 2007) "reduce consumption of electricity by 1% annually until 2012." By reducing demand for energy we also make achieving the renewable energy target easier as developers faced with the 'Merton Rule' will testify: developers having to embed a percentage of on-site generation as a condition of planning permission found that it was in their interests to reduce the overall energy demand of the project as they did not have to install as much capacity. There is still a great deal to do in Northern Ireland with regard to energy efficiency and the Regulator should be sending the right price signals to energy users to complement the climate change and conservation messages.

It should be noted, however, that pursing a low carbon energy system will also help secure a secure and affordable supply: it is noted within the consultation that fossil fuel supplies are increasingly coming from volatile areas of the world. Oil prices have also increased markedly recently: while prices may fluctuate up and down, the long term trend is likely to



be upwards as oil producing countries seek to extract the highest value for what is a diminishing resource. The recent Grid Study suggested that 42% of our energy could come from renewable sources without a substantial increase (7%) in cost compared to continuing with our current energy mix (and oil prices have gone up significantly since the calculations were made!). The Stern Review states the economic imperative for urgent action to mitigate climate change: Stern states that strong early action to mitigate climate change from climate change could reach 20% of global consumption.

NIEL believes that it is important that energy generators in Northern Ireland are required and facilitated to increase the amount of renewable energy they generate. Renewables could and should provide a significant proportion of Northern Ireland's energy needs with the added benefits of reducing the release of greenhouse gases and increasing the security of electricity supply by diversifying the numbers and types of sources.

Local renewable generation also helps to decrease the amount of energy lost during transmission, thus further reducing the total energy requirement. Encouragement of 'microgeneration' – from single house to farm or business to cluster of dwellings to small communities – could have a significant role in addressing energy needs highly efficiently. A recent study stated that widespread adoption of microgeneration could obviate the need for several new powerstations in the UK. Adoption of microgeneration is largely a matter of price and payback times: as the cost of fossil fuels increase the payback will decrease and the costs of technologies are decreasing, as their efficiencies improve. The Regulator has a major role in facilitating this through ensuring that the cost differential for energy supplied to the grid from microgeneration is sufficiently above the cost of buying electricity from the grid to provide a significant incentive for renewable installation.

The interconnection of the sustainability of our water and energy supplies is noted within the consultation document: approximately 8% of the UK's carbon dioxide emissions are associated with the water industry (purification, sewage treatment and pumping) and the heating of domestic water for washing and cooking (i.e. not including business usage and central heating systems). There is a public and political perception that there is no shortage of water in Northern Ireland and, therefore, there is no necessity to reduce demand. However, this view ignores not only the carbon cost of water services (NI Water is the largest single user of electricity in Northern Ireland) but also the potential for future water shortages. Thus we would urge the Regulator to use its over-arching role in both areas to encourage water conservation as a significant contributor to reducing our energy demand and encourage the use of renewable energy by the water industry.

There are significant gains to be made in addressing Northern Ireland's fuel poverty problem in conjunction with addressing carbon emissions; improving the efficiency of energy used by householders will address both simultaneously. Innovative programmes to encourage energy conservation and efficiency are thus provide double benefits to the people while meeting government targets. In addition, the Regulator should use his influence to ensure that planning control and building regulations put achieving a low carbon built environment, minimizing water usage and control of waste water (sewage and rainwater) within their criteria for all new developments and significant renovations.



#### 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.

Northern Ireland Environment Link does not believe that the proposals in this paper will have an adverse impact on Section 75 Groups. Where such impacts are possible (e.g. on those most vulnerable) it is important to ensure that adequate provisions are made to decrease any negative impacts.

#### Chapter 3

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

The Stern Review states the economic imperative for urgent action to mitigate climate change: Stern states that strong early action to mitigate climate change would cost 1% of global GDP by 2050, but if no action is taken, damages from climate change could reach up to 20% of global consumption. We believe that investment in mitigation and adaptation now will save money in the longer term.

Many renewable and sustainable products are already competitive in the 'open' market (especially when traditional environmental externalities are included in calculations) but there are also emerging technologies that will benefit from support in the short to medium tem in order to secure longer term benefits.

Cost Benefit Analysis offers one mechanism to analyse the likely outcomes of policy interventions. However, the outcome of CBA is dependent on the methodology used and the extent to which traditional 'externalities' are included in the calculations. It is vital that lifetime carbon as well as materials costings be included within the CBA; traditional reliance on actual/traditional monetary costs alone are no longer appropriate. The chosen discounting rate (over time) will have a major impact on the outcomes of a CBA and considering only a limited range of impacts (for example, excluding the public awareness benefits accrued by the installation of locally visible microgeneration) will also alter the CBA outcome. It should be noted that the rapid rise in oil prices of the past few months have significant impacts on the outcome of CBAs – a small change in oil price can significantly alter the outcome of the CBA. The Regulator should ensure that the most robust CBA methodology is adopted and there must be a clear focus on the necessity for action and the consequences of inaction as outlined by, for example, the IPCC and the Stern Review. The CBA should incorporate the net carbon expended over the life-time of the policy, programme, service or product.

The importance of early action cannot be underestimated. The cost of oil is very likely to increase significantly in the short term and it certainly will in the medium term. Decreasing our energy use and carbon emissions now (through efficiency, conservation, fuel shifts, renewables, carbon costing and carbon trading schemes etc.) will pay ample dividends in the longer term and help in NI's development as a low carbon economy. Early action is required; delay will cost more and is likely to lead to short term disadvantages for the economy and residents, particularly the disadvantaged.

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



Northern Ireland Environment Link believes that in order to secure a sustainable supply that the security and diversity of supply must be considered. However, an energy mix may seem relatively secure and diverse but still not be sustainable if carbon cost is not considered in the calculations - for example, our current energy mix. Therefore, it is very important that providing a decarbonised energy supply should be a primary concern for government, regulator and suppliers.

It is essential that a wide range of renewable energy technologies are developed and deployed; we should not make the mistake of concentrating on any one technological solution as a panacea. On the contrary, a wide range of solutions need to be explored and deployed to determine those which are best and to maintain a broad base of different sources; no one source is appropriate for all applications.

## 3.3 Respondents are asked to give their views on the degree to which sustainability issues should drive the Utility Regulator's first NI water price review.

Measures must be put in place, including pricing, which lead to a reduction in the demand for water and encourage water conservation methods. This is required under EU legislation (Water Framework Directive) as well as being a requirement for efficient and sustainable management of a limited resource and reduction targets for energy usage. Current pricing systems do not accomplish this as they are based on capital value of housing rather than consumption (although these factors are likely to be related, this mechanism does not encourage conservation and has been much criticised for unfairness). Metering is essential if we are to encourage water conservation and have people accept that they are 'getting what they pay for'.

There is a public and political perception that there is no shortage of water in Northern Ireland and, therefore, there is no necessity to reduce demand. However, this view appears to ignore not only the carbon cost of water services (NI Water is the largest single user of electricity in Northern Ireland) but also the potential for future water shortages. In 2004 the Minister of State, John Spellar MP, said: "Demand for water is expected to increase by more than 20% by 2030. Long-term planning is essential if we are to be in a position to meet the needs for this and future generations." The increasing demand could well coincide with decreasing supply according to climate change expert Dr John Sweeney, who has said, "Water Service should act now to prepare for drier summers and lower predictability of supply."

The Regulator should ensure that the amount consumers pay is directly related to the amount they consume, with conservation measures by all consumers (domestic, business, farm, developer, etc.) encouraged through both information provision and price incentives. The perception that 'water is abundant and free' must be overcome so that it is viewed as the valuable resource it is.

## 3.4 Respondents are asked to consider whether a monetary value of $CO_2$ equivalent or shadow price of carbon ought to be included within guidance on use of business cases.

NIEL believes that the shadow carbon price of carbon should be included. It is important that Northern Ireland's high emission economy is reduced. Global, European and national legislation is and will increasingly 'constrain' the carbon intensity of economies. By adapting to this new reality early there is the greatest opportunity for innovation and, according to Stern, avoidance of costs.

The continued desire to achieve GDP growth is likely to have a significant impact on



energy use in the UK unless there is a paradigm shift in how we generate and use energy. Energy security issues will also become more important and it is vital that the Government project and place a high value on carbon to ensure the right energy mix is developed. Growth in GDP needs to be decoupled from energy use; this is not impossible but does require considerable effort in terms of research and policy development as well as a shift in individual and corporate behaviour and attitudes.

#### 3.5 Respondents are asked to indicate their preference for inclusion of "carbon footprint" monitoring and target setting within the new regulatory contract at the first NIW price review.

We feel that as the largest electricity user in Northern Ireland (the 1999/2000 electricity bill was £10.7 million) and a significant user of building materials and other resources, Northern Ireland Water should set and achieve extremely high standards of sustainable procurement and management of resources. It should set an example and demonstrate sustainability in all areas of its activities, including producing a substantial proportion of its electrical needs from its own resources (for example, by anaerobic digestion of sewage) and other renewable technology on its sites. Northern Ireland Water should also significantly reduce its carbon footprint. Procurement decisions should be based on long term environmental and carbon costings, so that technologies that are more expensive in the short term but more sustainable in the long term should be encouraged by the environmental and economic regulators. Decisions on the disposal solution for hard wastes should not be based on landfill costs alone, rather the distance to facilities, the energy and nutrient value and the carbon footprint of options should also be factored into decisions.

At present, NI Water produces 5.6 GWh (3% of its total electricity demand) of 'green electricity' per annum using a variety of generation processes. Two Combined Heat and Power (CHP) plants and the Sewage Sludge Incinerator produce a total of 3.75 GWh, with the remainder being produced by water turbines. By way of comparison, Thames Water generates approximately 13% of its electricity requirement. Much of this is generated from biogas, a by-product of the treatment of sewage sludge. Thames Water continues to explore new opportunities to maximise its generation capacity such as improving digester and heating system insulation to improve the production of sewage gas and reduce thermal losses and installation of new generation technology. NI Water must actively pursue opportunities for increasing the amount of energy it produces from its resources. Furthermore both the wet and dried effluent produced by NIW can be used to fertilise biomass and these options should be pursued with a view to decreasing the amount of nutrients wasted and requiring ultimate disposal to landfill or burning. All disposal methods should ensure that there is no pollution and that any energy or nutrients that are capable of harvesting are utilised.

Energy efficiency must also be addressed. NI Water should continue to work with UK Water to develop engineering standards which will reduce energy demand in all of its activities, from water pumping to heating of its premises.

We would encourage the Regulator to set targets for NI Water in terms of reducing its energy consumption, percentages of its energy to be generated by its own resources, by renewables at it sites and for various other aspects of its operations (e.g. reusing materials and on-site waste management).

The carbon footprint is a useful tool to bring about necessary changes and its use should be promoted throughout all operations. NIW should also introduce targets for the reduction of its  $CO_2$  emissions.



#### 3.6 Respondents are asked to consider the benefits of going beyond the "Economic Level of Leakage", possibly by the inclusion of the carbon shadow price in calculations.

If customers are to accept water and sewerage charges and embrace a culture of water efficiency they must be confident that the service provider is as cost effective and resource efficient as possible.

NI Water has set a target of a reduction in leakage of 50% by 2010 compared with 2001. This sounds impressive but it still means that the company will be losing 21% of the water it has treated. This has obvious negative environmental and economic impacts given the cost - in pounds and in carbon - of treating and distributing water, but probably the largest negative aspect is the public relations impact. While there is obviously a leakage level which must be tolerated given our aging pipes, efforts should be made to tackle this to demonstrate the fundamental principle that 'water is precious and valuable'. Other European countries regularly achieve leakage rates of 10-15% and we should aspire to a similar level. Current 'economic levels of leakage' may become outmoded as the cost of electricity, and hence the cost of both treatment and transport of water, increase.

3.7 Respondents are asked to consider the degree to which NIW should be incentivised to increase its uptake of renewable energy and reduce its non- $CO_2$  gas emissions and mechanisms by which this might be achieved.

Northern Ireland must better use the <u>resources</u> it has available to it much more wisely. Anaerobic digestion is used widely in Britain and Europe as a means to reduce the volume of waste, produce a useful byproduct and produce useful energy as heat and/or electricity. The technologies are proven and are constantly improving and NI Water (and Northern Ireland's agriculture industry) should be encouraged/ required to develop these technologies to utilise the resources it has available to it.

Targets should be set by the regulator, increasing over time, for the amount of NI Water's waste to be treated, electricity/energy to be generated and percentage of operations to be 'carbon neutral'. Price incentives can be tied to these targets and/or disincentives applied for non-compliance.

#### 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	
The NIE SMART Programme	5	5	7	
Gas Industry Promotion	7	5	5	
The Energy Efficiency Levy	6	5	6	
Price Controls	8	8	8	
Key Pad Metering	7	6	6	
Energy Efficiency Advice Provision	7	8	7	
NIW Sustainability Report	5	5	7	
NIW Environment Management System	5	6	6	
NIW promotion of water efficiency	5	8	7	

#### Chapter 5

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

Due consideration should be given to both present and future customers. Sustainable development principles should be adhered to. The severity of the impacts on future customers must be considered and balanced against the relatively more minor impacts of increased prices on today's customer, while ensuring that those least able to pay are protected. The use of price as a driver for behavioural change must also be recognised and used.

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

It is appropriate that the role and remit of the Regulator is approved by the Executive. However, Ministers should not be involved in the day-to-day activities of the Regulator. Proper lines of accountability should be ensured but the Regulator should be strategic and long-term in thought, rather than directed by political priorities or short term or highly local considerations.

#### 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.

Encouragement of 'microgeneration' – from single house to farm or business to cluster of dwellings to small communities – could have a significant role in addressing energy needs highly efficiently. A recent study stated that widespread adoption of microgeneration could obviate the need for several new powerstations in the UK. Adoption of microgeneration is largely a matter of price and payback times: as the cost of fossil fuels increase the payback will decrease and the costs of technologies are decreasing, as their efficiencies improve. The Regulator has a major role in facilitating



this through ensuring that the cost differential for energy supplied to the grid from microgeneration is sufficiently above the cost of buying electricity from the grid to provide a significant incentive for renewable installation.

NIEL feels that the most significant positive step that could be taken to encourage greater adoption of renewable technologies at the 'micro' scale is development of a system of 'feed in tariffs' which change the balance of costs/benefits for generation from the current situation where microgenerators receive a lower price for the electricity they generate and feed into the grid than they pay for the units they use to 'top up' their generation. This situation should be reversed, as is the case in other countries (e.g. Germany) where it has been shown to be the single most effective incentive for greater adoption of renewables on a small scale. If potential renewable generators are guaranteed a differential for any excess energy they generate this provides a more powerful, long term incentive for installation and shifts the cost-benefit analysis equations and the pay back periods to encourage much greater installed capacity. As oil prices continue to rise this additional incentive could be of great use in changing public attitudes to renewables and their economic viability.

It is also important that the system should encourage microgeneration by decoupling the present cumbersome and bureaucratic system of claiming for ROCs and spill that applies to all generators and no doubt must continue to apply to larger generators. A simple, combined payment based on generation and spill would reduce the currently discouraging number of steps that need to be taken before a householder gets payment for renewables.

NI's forestry industry is another opportunity to reduce our carbon footprint. Encouragement for householders to replace open fires with wood-burning stoves using waste timber would help. Willow and other specifically grown fuel crops are vulnerable to changes in the agricultural prices for other crops and require market stabilisation to ensure a match between supply and demand in the long term.

Use of waste timber from demolition is also an important source of energy and should not be land-filled but used as appropriate (toxins and nails mean it is seldom suitable for domestic scale use).

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.

The duty on Government to contribute towards sustainable development (section 25 of the Northern Ireland Act 2006) should be extended to all public bodies. Furthermore, we support the Sustainable Development Commission's proposal that Ofgem's primary duty "be changed to reflect the compelling need to move to a decarbonised energy system," and propose that this should be extended to the NIAUR.

#### 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.

NIEL feels that these are appropriate roles, with the Regulator given freedom to



comment upon all aspects which contribute to energy policy, including transport, building regulations, waste management, etc.

### 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.

Where data are needed to support the delivery of the sorts of innovative proposals recommended in this consultation they should be gathered, either from other parts of the world where they have been tried or from local sources. Technologies are moving very rapidly in this area and it is vital that the Regulator be kept up to date on new and evolving technologies and methodologies to support its sustainability goals.

Data on complementary technologies and equipment (e.g. domestic immersion heaters running on DC from PV panels) should also be publicly available and updated regularly in what is a rapidly changing market. Accurate assessments of the efficiencies of various technologies, in a NI context, should be compiled and kept up to date to provide non-experts with a realistic comparison. Installation of inappropriate technology is not only inefficient but counter-productive in terms of public perception.

#### 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.

While this has historically made a significant difference it should now be seen as an interim measure only. Gas, although cleaner than coal, is still a limited resource and a high carbon emitting fuel. Recent months have also seen significant gas price increases which have made renewable technologies, such as geothermal and biomass, more attractive and competitive. While conversion to gas should still be promoted at both power station and individual home levels further promotion may not be a priority, although further expansion of the gas network is likely to be useful. With regard to transport, Translink should be encouraged to use compressed natural gas and other alternatives as fuel.

## 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?

The development of CHP biomass units is an important next step. Further work on 'cofired' technologies utilising waste products may be useful. Encouraging these industries to invest in and promote renewable technologies as a basis for their future development is a priority as 'peak oil' nears/is past 'business as usual' exploiting this limited resource is not a sustainable option.

# 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?

It is estimated that 81% of energy consumed in Northern Ireland, excluding transport, is used for space heating and hot water in buildings and in commercial and industrial uses. Oil is by far the most utilised fuel for heat generation in Northern Ireland, with CHP and small scale renewable heat technologies providing a tiny contribution to the total fuel mix. Therefore, the ability to encourage renewable heat sources, such as geothermal or biomass, and development of CHP as a significant source of energy for either business or domestic use, should be an important element of the Regulator's role. NIEL would



encourage the Regulator to look at ways to encourage community heating and local electricity generation in both new developments and existing communities through price incentives.

#### 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.	6	7	7	6	6	6	6
b. Cross utility requirement to report annually of sustainability activities and initiatives.	6	7	7	7	7	7	8
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.	7	7	7	7	7	7	7
d. Strategic investigation into use of "Smart Meters" as a mechanism for delivering better quality and timely information to customers.	6	8	6	8	7	7	7
e. Work with energy licence holders to assess current tariff structures.	8	8	8	8	10	7	10
f. Continue to work with partners and stakeholders to ensure renewable generation can be equitably accommodated on the	8	8	8	8	10	7	7



electricity network.							
g. Ensure price control processes take into consideration the effect of climate change on electricity and gas networks.	7	8	8	7	9	8	7
h. Carry out a full strategic review of energy efficiency delivery mechanisms	6	7	7	7	8	8	7
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.	7	6	8	7	4	6	6
j. Developing sustainability within the NIW price control	7	7	7	7	9	4	5
k. Improving our own practices and procedures.	8	8	8	7	7	8	8

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.

1. Ensure price control processes take into consideration the effect of climate change on electricity and gas networks.

2. Continue to work with partners and stakeholders to ensure renewable generation can be equitably accommodated on the electricity network.

3. Carry out a full strategic review of energy efficiency delivery mechanisms

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

Targets should be established for large scale reductions in Climate Change gases. Failure to achieve these agreed targets should result in financial penalties.