

The EnergyWise Scheme – Public Consultation

[Department for the Economy]

Consultation Response from Fermanagh and Omagh District Council.

Fermanagh and Omagh District Council (Council) welcomes the opportunity to respond to the public consultation on the EnergyWise Scheme.

Brief Background for Fermanagh and Omagh District Council

The District Council area is home to 114,992 people (as of 30 June 2014). The District Council area is Northern Ireland's largest region in terms of land mass - approximately 3,000km², or 20% of NI - and the smallest in terms of population. As a result, the population density of approximately 41 people per km² is the sparsest in NI. This is a feature of the region which also provides challenges to service delivery.

Consultation Feedback

Fermanagh and Omagh District Council broadly welcomes the new proposals which are contained within the EnergyWise Scheme Public Consultation, which will act as a successor to the arrangements that are currently in use under the Northern Ireland Sustainable Energy Programme (NISEP).

The Council has some concerns particularly in relation to the sustainable funding of the Scheme and the details around the subsequent operation.

The Council welcomes the possibility of joint working between the Department for the Economy and the Utility Regulator for Northern Ireland, particularly with the delivery of a funding scheme for the grant element of the EnergyWise Scheme.

As is currently understood, 2050 is the year that the UK's legislative instruments on climate change have to achieve set targets. The overall UK target is a commitment to deliver a 60% cut in carbon emissions by 2050, and although there is no separate target for Northern Ireland, the Council understands that we are expected to make an appropriate contribution to the UK's legal obligations and targets.

Question 1: Do respondents agree that the issues/questions set out in Chapter 6 should be addressed in the design of the EnergyWise scheme?

The Council believes that the issues within Chapter 6 should be addressed in the design of the EnergyWise Scheme. Some of the issues raised are fundamental to the success of the Scheme, such as:

- Ensuring there is no gap in energy efficiency provision (between the current NISEP and the new EnergyWise Scheme).
- Meeting the costs of the new EnergyWise Scheme.
- Collection of funding to subsidise the new EnergyWise Scheme.
- Differences between the new EnergyWise Scheme and the pre-existing NISEP, including the fact that assistance (for the new Scheme) is only available to assist with Domestic Energy Efficiency Measures. Assistance is also available for those on 'Residential/Business' tariffs, however, Energy Efficiency Measures must be for domestic purposes.

Question 2: Given the requirement in the EU Energy Efficiency Directive 2012 for an energy efficiency obligation or alternative; do respondents agree that a centralised co-ordinated approach is more appropriate than a number of different initiatives offered by a wide range of energy suppliers and/or distributors?

The Council believes that a centralised and more co-ordinated approach would allow for greater efficiencies for consumers. This would not only make the new Scheme easier to administer, but it should also reduce consumer confusion.

Question 3: Do respondents agree that the grant element of EnergyWise should be recovered only from electricity customers? Do respondents agree that it is appropriate not to collect funding from gas or other fuel types at this time?

The Council broadly agrees with the wording in the Consultation which suggests that cost recovery would be from 'all energy consumers who use electricity' - this will enable costs to be recovered from all users. Seeking to recover funding from other users of other fuel types will result in the Scheme being more complicated to administer, and it may also cause some resistance.

Question 4: Respondents are asked to comment on whether they feel Option 1, 2 or 3 is the more appropriate split between customer groups given that proposals do not include provision of grant for the non-domestic sector.

The Council wishes to raise a number of concerns about the options.

Firstly, EnergyWise grants or funding is only to be available to domestic customers. Other schemes are available to commercial organisations (i.e. schemes operated by Invest NI and the Carbon Trust), but there needs to be more partnership working with these agencies/organisations to ensure that such schemes continue. Under the previous NISEP scheme, 80% of the grant funding available was ring-fenced for

'Vulnerable Domestic Consumers', with the other 20% being available to both 'domestic and commercial consumers' and Council is concerned that there is no similar provision in the new scheme.

Although the document indicates the increase in costs for the various electricity users, it is unclear in relation to the existing costs experienced under the NISEP scheme. Without this information it is very difficult to fully assess the situation within Northern Ireland and establish a robust comparison against the GB average cost for users.

From the information provided, Option 3 appears to place a disproportionate burden on the larger energy users. While the average potential impact across this group is approximately £8k, the very large energy users may experience a much greater increase, in the region of £31k. There has already been some frequently voiced disquiet regarding the scale of energy costs in Northern Ireland from the business community and this could add to those concerns.

The Council believes, at present, that Option 1 –“the cost of EnergyWise is recovered from domestic electricity customers only” would be the fairest option, due to the fact that business consumers will be unable to benefit from the grant/funding of the scheme as the grant/funding is only available from domestic consumers only. If this is extended to domestic users, then it would be the fairest option to broaden out the costs of the new EnergyWise Scheme accordingly.

Conclusion

To conclude, Fermanagh and Omagh District Council welcomes the opportunity to respond to the public consultation on the new EnergyWise Scheme.

In principle, the Council accepts and supports the principles and recommendations contained within the Consultation documents, subject to the issues raised above.