



**Friends of  
the Earth**  
Northern Ireland

# Briefing

## Northern Ireland Strategic Energy Framework 2009

### Response to the Pre - Consultation Scoping Paper

Friends of the Earth welcomes this opportunity to respond to the Department of Enterprise, Trade and Investment's pre-consultation on the Strategic Energy framework. Our response sets out our views on several key aspects of the pre-consultation, however, we have not attempted to answer every question. The Department's questions and comments are in italics.

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### Key Policy Questions:

*The Department is acutely aware that national and international developments are increasingly moving the primary focus of energy policy world-wide towards tackling the threat of climate change as well as addressing concerns around security of supply and economic development. These concerns are set to be key strategic priorities for Northern Ireland for the foreseeable future. The goal is a sustainable, secure and affordable energy infrastructure, so:*

- *How can we protect the Northern Ireland economy and consumers from being held hostage in the future to external energy forces?*
1. Any energy policy relying significantly on importing fuels from unstable regions of the world is inherently problematic. In addition, climate change adds an extra layer of difficulty to a policy based on fossil fuels. Fluctuating demand is likely to lead to unstable and unpredictable prices making budgeting difficult for business and home-owners alike.
  2. The most cost effective way to attain a sustainable and secure energy infrastructure is through energy efficiency. There is great potential to bring Northern Ireland's housing stock up to very high standards of energy efficiency through insulation, use of efficient appliances and simple lifestyle changes. The average SAP rating in Northern Ireland's housing stock is 50 points out of a possible 100. The technology and techniques already exist which would enable significant efficiency gains to be made. The Carbon Trust Northern Ireland Vision Study (2005) concluded it is possible to achieve 60 per cent reduction in emissions from households by 2050 with energy efficiency being key component. A Government funded programme of improving energy efficiency introduced. Such a programme would save people money, create good quality skilled and semi-skilled jobs and help to stimulate the market in energy efficiency measures.
  3. The Northern Visions: Footpaths to Sustainability report estimates it is possible to achieve a 15 per cent cut in emissions through behaviour changes.
  4. Making homes more energy efficient would also help to alleviate fuel poverty. According to the Housing Executive's Home Energy Conservation Report 2007, a disproportionate number of Northern Ireland households suffer from fuel poverty – around 34 per cent.
  5. Greater levels of energy efficiency can also be achieved by generators. The current electricity generation system wastes about  $\frac{2}{3}$  of the energy produced, either as waste heat or through transmission losses. A decentralised grid using small-scale generators close to the end user minimises transmission losses and also enables the waste heat to be utilised. Such a decentralised grid should be based around small-scale Combined Heat and Power, initially fuelled by natural gas but a phased transition to biogas from anaerobic digestion of biodegradable waste would increase energy security and reduce emissions of greenhouse gases.
  6. Micro-renewables, such as solar thermal, heat pumps and biomass burners, should constitute a significant element of a decentralised network. The high upfront costs of installing micro-renewables mean uptake is likely to be small. To facilitate the adoption of micro-renewables the Reconnect grants should be re-instated.
  7. Northern Ireland has some of the best renewable energy resources in Europe and they are currently under-utilised. On-shore wind is well developed, though there is room for further development, but off-shore wind remains undeveloped and marine technologies are still in the test stage. A sustainable energy infrastructure should include a range of renewable technologies sited to maximise exploitation of the resource. By using a range of renewables, intermittency problems can be eliminated.

8. It is likely that a greater proportion of our energy needs will be met by electricity as fossil fuel use for space and water heating decreases. It is important, therefore, that the inefficiency inherent in a large-scale centralised system are minimised and greater use is made of decentralised grids. There is also potential for using off-peak renewables for generating electric heat for storage, or for recharging electric vehicles. The use of off-peak electricity should therefore be encouraged and the Department's target of reducing electricity use by 1 per cent annually until 2012 could be problematic unless it is targeted at fossil fuel derived electricity.
9. A sustainable energy infrastructure will require significant new development in decentralised grid and renewable technologies and effective use of the planning system will be required to facilitate the necessary level of development. A Planning Policy Statement on climate change would create the necessary policy context and place action on climate change at the heart of planning policy.
  - *How do we deliver a reliable and secure energy supply at the minimum cost to consumers?*
10. When considering the costs involved in developing a sustainable and secure energy infrastructure that is compatible with a low-carbon future, the costs inflicted by a changing climate must be taken into account. The Stern Review estimated this could be as much as 20 per cent of GDP. Much of the cost can be offset by the job creation opportunities afforded by a move to a low-carbon economy, and the savings made by business and home-owners in energy expenses. The price of fossil fuels, particularly oil and gas, is likely to become increasingly unstable, but with a general upward trend. Policy should therefore be based on a range of possible scenarios that include a range of oil prices from \$100 a barrel to perhaps as high as \$400 a barrel. Carbon trading will also add significantly to the price of fossil fuels.
11. Low cost energy options are likely to be low-carbon options, which mean energy efficiency and renewables. The grid should be expanded into areas with the best renewable resource, and it should be strengthened to facilitate greater use of these technologies. A decentralised, distributed generation network based around Combined Heat and Power should be developed to increase the efficiency of the grid and reduce costs. There should be massive investment in a wide range of renewables, not just on-shore wind.
12. A programme of energy efficiency would result in consumers using less, and therefore paying less for energy.
13. Mutualising the energy infrastructure has the potential to reduce costs to consumers while providing funds for infrastructure improvements. The Northern Ireland Energy Holdings is a good example of this in practice, as is Welsh Water.
  - *What more can we do to facilitate renewable energy development and deployment?*
14. The planning system is seen by some in the renewable energy industry as an impediment to the effective exploitation of Northern Ireland's renewable resources. Planning Policy Statement 18 is unlikely to facilitate the deployment of significant levels of new renewables.
15. A supplement to Planning Policy Statement 1 for England and Wales was published in 2007 which sets out the principles that the Government should observe in formulating planning policies, making development plans and exercising its development powers in order to tackle climate change. A Northern Ireland planning Policy Statement on climate change would put tackling climate change at the heart of Assembly policy and provide a clear steer to both planners

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and energy companies.

16. It is regrettable that the proposal to amend Building Regulations to include mandatory renewables for new build developments was dropped. Such amendments would provide clear guidance to the building sector and facilitate the development of renewable energy technologies.
17. The Energy Act, which became law in November 2008, includes a provision to introduce a feed-in tariff (FIT) for renewable electricity and renewable heat incentives. These, if implemented correctly, will give a long-term guaranteed payment to homes, businesses and communities for installing renewable electricity and heat technologies. Such a provision should be extended to Northern Ireland. A similar system operates in parts of Europe and, more importantly, in the Republic of Ireland. If the Single Electricity Market is to function there must be compatible incentive systems north and south of the border.
18. As mentioned in previous sections, grants to home-owners to reduce the upfront costs of installing renewables and/or a Government funded programme of retro-fitting homes would help to stimulate the market and encourage take-up.
  - *How can Northern Ireland best contribute to the carbon reduction targets set for Europe and the UK?*
19. The Northern Ireland Assembly has agreed to opt into the UK Climate Change Bill, which attained Royal Assent in November 2008. The Act, however does not place any legal obligations on the Executive to cut greenhouse gas emissions.
20. An Assembly Climate Change Bill with legally binding targets and carbon budgets would ensure Northern Ireland contributes fairly to the UK action on climate change. It would also drive innovation in energy supply and stimulate the market in energy efficiency measures.
  - *How can we maximise the opportunities presented by regional cooperation on energy matters?*
21. In the report, 'Northern Ireland electricity consumers – orphans in the energy storm', Douglas McIlDoon suggests:
  - (a) SEM's role should be limited to managing efficient dispatch – a task for which it is particularly well equipped – and there should be other policy instruments explicitly designed and put in place by the governments of Northern Ireland and the Irish Republic to secure timely investment in new generation; or
  - (b) SEM needs to be given those additional features which will enable it to not only secure generation over the long term but also ensure that such generation reduces emissions, costs and fuel insecurity; and

Friends of the Earth agrees with this position and the suggested policy changes laid out in paragraph 137 of the report.

### Electricity:

*Flowing from the establishment of the competitive wholesale Single Electricity Market and the growing emphasis on electricity generated from renewable sources, there is a need to future proof the electricity infrastructure. There is a growing realisation that increasing the proportion of power*

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*generation from renewable sources has the greatest potential to enhance security of supply, reduce our dependence on imported fossil fuels (and their associated price volatility), and reduce carbon emissions.*

- a) *How can the electricity grid infrastructure be improved to enhance security of supply at least cost to consumers, e.g. to provide a flexible and robust transmission and distribution network with stronger interconnection that can absorb significant amounts of renewable generation?*
22. The all-island grid study jointly commissioned by the Northern Ireland Assembly and the Government of the Republic of Ireland revealed that the grid is currently able to facilitate a significant increase in renewables, up to 16 per cent, and technically able to facilitate an increase of 42 per cent with a little development.
23. The grid is underdeveloped in areas with the best renewable resource, such as upland, coastal and rural areas. The grid should be extended into those areas to maximise the exploitation of valuable renewable resources. The grid also needs to be strengthened to facilitate an increase in intermittent sources of energy.
  - b) *Should consideration be given to zoning areas where the wind resource (and therefore wind farm development) is greatest, in order to minimise the impact of additional electricity grid lines on the landscape? This could apply to both land based and off shore development.*
24. The planning system should facilitate the development of renewable energy, including wind farms. Planning Policy Statement 18 is overly restrictive and is unlikely to encourage the use of wind. Planning policy should have a presumption in favour of renewables development, with appropriate exemptions to protect vulnerable landscapes and habitats. Such exemptions should be very focused and limited to prevent vexatious objections stalling or prevent the development of renewables. A Planning policy Statement on climate change would provide a strong steer to planners and developers.
  - c) *Should new grid development be constructed within infrastructure corridors encompassing other utility services and key transport links e.g. alongside new arterial roads?*
25. No, the grid should be extended into those areas with the best renewables resources such as uplands, coastal, and remote rural areas. Such areas are generally undeveloped and lack utilities and roads.
  - d) *In the light of question a): Is our current power generation mix fit for purpose in order to meet long term security of supply and emissions targets?*
26. The current power generation mix is very fossil fuel heavy and is based almost exclusively on large-scale centralised power-stations. Such a mix is incompatible with a low-carbon future. Power generation needs to be decarbonised which efficient generation and renewables constituting a large and increasing proportion of the mix.
  - e) *For gas and electricity customers, how can greater levels of retail competition be introduced in NI?*
27. It is important to remember that the aim should not be to greater levels of retail competition *per se* but only if such competition can contribute to the overall goals of reducing costs, emissions and improving energy security.

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- f) *In looking to 2020 and beyond to 2050, will the current energy mix (gas, oil, coal, renewables) continue to meet Northern Ireland's economic needs e.g. facilitating industrial growth and rural development, with particular reference to the development of new energy technologies?*
28. Rapid decarbonisation of the energy supply will be essential from 2020-2050 to meet climate change targets. This is likely to coincide with highly volatile and inexorably rising oil and gas prices together with declining security of supply. Gas, oil and coal will have to be a rapidly decreasing proportion of the mix. Meanwhile the conventional economic growth model is likely to be permanently altered. In what way is obviously uncertain but one likely change is towards more local and regional production and consumption. Electricity, and possibly hydrogen, from renewable sources will become increasingly important energy vectors as they can both harness off-peak renewable energy. If an energy source isn't both low-carbon and indigenous (with possible exceptions of North African and southern European concentrated solar and Icelandic geothermal via a supergrid), it is unlikely to serve Northern Ireland's future economic needs, whatever they prove to be.
- g) *Should there be enhanced electricity interconnection to provide further security of supply and import/ export of generated electricity. Is it accepted that in terms of cost and security of supply, the most effective means for interconnection is via overhead power lines?*
29. It is likely that a European supergrid will be developed to facilitate greater use of renewables and to enable sharing of renewable energy resources. For example, a supergrid could include German photovoltaics, Icelandic geothermal and Spanish concentrated solar. Enhanced electricity interconnection would enable Northern Ireland to tap into, and contribute to, a European supergrid.

### Gas:

*The Department has a statutory duty to promote the development and maintenance of an efficient, economic and co-ordinated gas industry in Northern Ireland. Natural gas is the cleanest burning and least polluting fossil fuel and is available in Greater Belfast and the urban areas served by the North-West and South-North gas pipelines.*

30. Limiting the Department's statutory duty to promoting gas alone is somewhat illogical. If gas is worth promoting because of the lower carbon emissions associated with it, the Department should also adopt a statutory duty to promote all sustainable, low-carbon forms of energy, including renewable electricity, renewable heat and CHP.
- a) *Should there be increased penetration of natural gas within the existing licensed areas to displace oil usage in particular, and should any gas uptake be incentivised to encourage customer switching from other fossil fuels?*
31. Extending the gas network in licensed areas, in conjunction with the development of CHP, could be a cost effective way of reducing carbon emissions in the short-term. A phased transition to biogas from the anaerobic digestion of biodegradable waste would provide long term emissions cuts, and provide a sustainable means of waste management.
- b) *Should the gas transmission network in NI be extended to provide natural gas to new areas, such as Omagh, Strabane, and Enniskillen in the west, even though the economic case for doing so may not be strong?*

32. Natural gas should not be viewed as a long-term energy option. While it does produce fewer greenhouse gas emissions than other fossil fuels it is far from emission free. It is also at risk by turned off by Russia if a diplomatic incident flares up, the price isn't right or supply is reserved for the domestic market. A decarbonised domestic space and water heating network should be based on micro-renewables such as solar water heaters, heat pumps and biomass-fired boilers operating in conjunction with community scale CHP. It's at these technologies that efforts to reduce the carbon footprint of the domestic energy sector should be targeted rather than extending the gas network.

*c) If the gas network is to be extended, should there be incentives to encourage customer switching from other fossil fuels? And how should the cost be met?*

33. While there are benefits to switching to natural gas, financial incentives should be limited to people wishing to install renewables and energy efficiency measures.

*d) What benefits would be provided for Northern Ireland energy consumers if a natural gas storage was available in Northern Ireland, and/or a liquefied natural gas facility was available in the Republic of Ireland.*

34. Natural gas is preferable to other fossil fuels because of its lower carbon emissions. Liquefied natural gas, however, presents some problems. Liquefying, transport, storing, chilling and regasifying are all energy intensive and add 20 to 40 percent more carbon dioxide than burning natural gas alone. LNG is therefore a major source of greenhouse gases.

*e) In light of declining UK gas reserves and increasing dependency on imports, should natural gas still be considered as the principal long term fuel source for power generation, and commercial and domestic energy requirements in NI?*

35. There are obvious risks in investing in new infrastructure for supply of gas that is subject to either Russian whim or the environmental downside of liquefied natural gas. Before the gas network is expanded and greater emphasis put on natural gas a full sustainability appraisal should be carried out. A clear appraisal is needed of the capacity of sustainable alternatives to meet Northern Ireland's energy needs, which would include energy efficiency, demand management and behaviour changes.

### **Sustainable Energy:**

*a) In the context of EU and UK targets for renewable energy, at what level should Northern Ireland set its own renewable energy generation and consumption targets – and should specific targets be set for key renewable technologies?*

36. The Minister for Enterprise, Trade and Investment has suggested a target of around 33 per cent of Northern Ireland's energy coming from renewable sources by 2020. Compared to the targets of the other devolved nations, this is unambitious. For example, the Scottish Government has set target of 50 per cent of energy coming from renewable sources by 2020 with an interim 2011 target of 31 per cent. The Welsh Assembly Government has stated it plans to be self sufficient in electricity from renewable sources within 20 years. Northern Ireland has abundant renewable resources capable of being exploited by existing technologies. Maritime technologies are currently being developed and should prove capable of making a very significant contribution to Northern Ireland's energy needs in the next few years. It seems reasonable, therefore, that a target similar to those of the Scotland or Wales should be set.

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- b) *How should the necessary costs of increased investment in renewable energy and associated infrastructure be balanced with the need to minimise the cost of energy to the consumer and how should such costs be shared between present and future consumers?*
37. The polluter pays principle should apply so that those who use more electricity, and so produce more greenhouse gases, pay at a higher rate. Such a measure would help to take some households out of fuel poverty and provide an incentive for home-owners to invest in micro-renewables. Social tariffs should be introduced which protect the vulnerable but investment in renewables should be viewed as being in the public interest. Consumers, therefore, should be prepared to pay for necessary infrastructure improvements.
38. Investment in renewable energy, including micro-renewables and energy efficiency, has the potential to create thousands of long-term skilled and semi-skilled jobs. Any costs considered in the context of wider economic benefits and job creation opportunities.
39. Renewable energy, energy efficiency, and decentralised generation are essential components of a low-carbon energy infrastructure which is compatible with the urgent need to tackle climate change. Rising fuel prices, unstable markets and carbon trading will make an energy system based on fossil fuels untenable. Inevitably in the future consumers will have to pay more for energy in a fossil fuel based system, and the network will eventually have to switch to sustainable energy sources. It is better to make a controlled switch now, rather than during a time of energy crisis and price shocks.
- c) *Should Northern Ireland include significantly increased levels of micro-generation as part of the energy mix going forward? If so, should NI concentrate on specific technologies?*
40. Micro-renewables are an essential part of a low-carbon energy mix. Appropriate technologies for the building type and location should be developed. For example, solar thermal and heat pumps are appropriate in urban areas where space is limited. Biomass fired boilers can be added to the mix in suburban and rural areas; and large premises such as business parks and schools. Wind power is appropriate for rural areas; and geothermal and hydro can be developed where the resource exists. Biogas from the anaerobic digestion for biodegradable waste can be utilised on farms and other properties that produce large quantities of biodegradable waste such as hospitals, food processors or housing estates.
- d) *Should Northern Ireland focus on certain key emerging technologies for strategic energy planning and investment; e.g. the potential for alternative fuel sources for transport? If so, which energy technologies are likely to offer the best prospects?*
41. There are several technologies vying for development funds, some more promising than others. It is imperative that Northern Ireland makes significant cuts in carbon emissions in the next 5 or 6 years if we are to do our fair share in meeting the UK targets. It makes sense, therefore, to concentrate on those technologies which can be deployed quickly. Northern Ireland has an excellent offshore wind resource and the technology is being used successfully elsewhere in the UK and Europe. There are a number of locations along the coast of Northern Ireland where offshore wind-farms could be sited. Another resource, or group of resources, which has great potential is marine. Technologies for utilising marine currents, tidal power and waves are under development and, with appropriate investment, could be deployed relatively quickly.
- e) *Should Northern Ireland continue to rely on a voluntary agreement mechanism as per the Energy Efficiency End Use and Energy Services Directive to get energy suppliers to provide energy efficiency services?*

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42. Energy supply companies should be encouraged to convert to energy services companies. Voluntary measures, however, are notoriously ineffective at changing the behaviour of business. If possible energy supply companies should be obliged to offer efficiency materials, installation, maintenance and advice. If a company's sole rationale is selling more energy there is no incentive for it to support measures to cut energy usage, and policies which aim to do so are likely to encounter significant opposition from the energy sector.
- f) Should Northern Ireland roll out smart metering?*
43. Smart metering is a tried and tested method of reducing electricity consumption. It is a simple and cost effective way of reducing carbon emissions and should be adopted.
- g) DETI believes that energy efficiency and managing demand are key contributing factors in meeting our climate change targets. How can energy efficiency activities in Northern Ireland best be co-ordinated?*
44. The Assembly should initiate a fully funded programme of fitting home insulation. The often high upfront costs of home insulation materials and installation are a barrier to their widespread take up, especially among low income households. The average SAP rating of home in Northern Ireland is 50 points out of a possible 100 so there is considerable room for improvement.
45. The Assembly should follow the example set by the UK Government in establishing the Department of Energy and Climate Change. Energy and climate change related responsibilities which currently lie with other departments should be transferred to DETI. This is particularly the case with the DOE's climate change responsibilities, but DS has significant climate change related responsibilities and the responsibilities of DFP, DRD and DARD should also be examined. There could also be an enhanced role for the Northern Ireland Energy Agency in promoting and co-ordinating action on energy efficiency.

### Security of Supply:

*Reliable and competitively priced energy supplies are the bedrock for economic growth and for society as a whole.*

- a) What are the priorities for Northern Ireland and what measures do we need to take, including working with Great Britain and the Republic of Ireland, to deliver a long term, reliable and balanced energy mix?*
46. The Department's priority should be decarbonising energy supply. The technologies and infrastructure improvements required have been mentioned in previous answers and the principles are well understood. The latest science tells us our carbon emissions must peak by 2015 and decline sharply thereafter (The Tyndall Centre for Climate Change Research). We don't have time to wait for a theoretical technical fixes such as Carbon Capture and Storage, Nuclear or hydrogen. Instead we should roll-out the technologies that already exist such as wind, solar, biomass and heat pumps. Technologies which will enable currently unexploited, or under exploited, resources to be fully utilised should be invested in: off-shore wind, various marine technologies, small-scale hydro and biogas from anaerobic digestion for example.
47. The grid should be expanded and strengthened to facilitate renewables and decentralised generation. In conjunction a network of small-scale CHP should be developed. Decentralised generation from CHP is significantly more efficient than conventional generation.
- b) To what extent should government rely on commercial forces to provide for security of supply?*

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48. The Department should not rely on commercial forces to provide for security of supply. Future fuel price instability is likely to make the market unreliable. Government should stimulate the market in renewables, efficient appliances and insulation materials through its procurement policies, and by fully funded programmes of home insulation and retrofitting renewables.
  - c) *What should the power generation mix look like in 2015, 2020, and beyond in order to provide security and diversity of supply?*
49. In the short term investment should be made in renewables, both large-scale and micro-scale, so that they provide an increasing proportion of our energy needs. The gas network should be extended in licensed areas and other fossil fuels should begin to be phased out.
50. Longer term, renewables should provide the majority of electricity. CHP for space and water heating should be well developed. There should be a phased transition of the gas network to biogas from anaerobic digestion. Coal and oil should no longer be used, or at least should play a very minor role.
51. If and when a European supergrid is established Northern Ireland should connect to it via interconnectors.
  - d) *Should the debate on nuclear power be guided by technical and economic arguments, or other factors, such as whether NI can rely on GB or international solutions on waste?*
52. The technical and economic arguments should be sufficient to ensure nuclear is not given serious consideration. Short-term, nuclear isn't a solution to climate change and won't fill any potential energy gap. It will simply take too long to develop. In contrast, energy efficiency and renewables can be stepped up immediately.
53. In the longer term nuclear will not provide a solution to climate change because it relies on a finite and dwindling resource. Fast breeder reactors or alternative fuels have not lived up to industry promises.
54. In addition, there remains no answer to the waste problem. The nuclear industry has been struggling with the problem of waste since its inception. There is no reason to assume a solution will be found in the next few years.
55. The nuclear option brings with it serious security issues. Can nuclear sites and waste dumps be secured for hundreds of thousands of years?
56. Government should be showing leadership and setting an example for the rest of the world. If we're relying on nuclear can we really tell other states they can't use it? Options such as renewables and efficiency are benign and offer no security threats or risk of diplomatic incidents.
57. In its report 'Is Nuclear the answer?' the UK Sustainable Development Commission concluded that nuclear was not needed to reduce carbon emissions and ensure energy security. Friends of the Earth endorses this conclusion.

### **Role of the Department:**

*The principal objective of the Department and the Regulatory Authority in carrying out their respective electricity functions is to protect the interests of consumers of electricity supplied by authorised suppliers, wherever appropriate by promoting effective competition in the generation,*

*transmission or supply of electricity. The Department and the Regulatory Authority also have a statutory duty to promote the development and maintenance of an efficient, economic and co-ordinated gas industry in Northern Ireland.*

*Amongst other measures, they seek to meet their responsibilities by securing a diverse and viable and environmentally sustainable long-term energy supply. The Department's statutory responsibilities are given in Annex B.*

- a) *How can the Department improve on how it currently supports the Northern Ireland energy sector in the future?*
  - b) *Does the Department need to review its statutory duties and principal objectives for electricity and gas? If so, how? This is asked in light of the growing emphasis on developing a competitive energy market based on sustainable energy sources that deliver security of supply and which help to deliver EU and UK long term climate change targets – for example, should the department refocus its statutory duties away from electricity and gas to electricity and heat?*
58. The Northern Ireland (Miscellaneous Provisions) Act, 2006 places on all departments a duty to “contribute to the achievement of sustainable development”. This is an important omission from this document.
59. The ‘mission statement’ quoted for DETI at annex A which could be appropriately revised to read “to ensure the provision of a sustainable energy system for Northern Ireland through strategic development and regulation of energy supply and use.” This would lead to more creative strategies and policies than acting “in the balanced interests of consumers, the economy and the environment.”
60. For both electricity and gas, and to allow emphasis on heat, there is therefore a need to revise the principle objectives set out in legislation which are too narrowly prescriptive. Section 11(1) and 14 (1) of the Energy Order should be replaced to read, for example:
- The Principle Objective of the Department and the Authority in carrying out their respective functions with regard to the sustainable supply and use of energy is to ensure the provision and maintenance of a system that optimises the reduction of costs to consumers; the reduction of greenhouse gas emissions; and the achievement of energy security.
61. Despite the duty to contribute to sustainable development, action to date has been limited and unguided. In particular, it appears that guidance from DETI to NIAUR on what is required of it has been weak. The Department’s responsibilities for tackling climate change are implicit but the explicit duty to promote economic development trumps this. Therefore, the Department should adopt a statutory duty to tackle climate change. Such a duty would be more effective if the climate change related responsibilities of departments, particularly the DOE, were transferred to DETI. In any case, there is a need for more effective cross-departmental co-operation on planning, energy policy, economic policy, Building Regulations, agriculture, and transport.
- c) *Energy policy is primarily an economic development responsibility (with a clear statutory role for DETI working alongside the NIAUR), but clearly has wider environmental and social impacts. How can these best be represented and balanced?*

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62. While economic development is clearly the focus of the Department's work, energy is an issue that cuts across the responsibilities of other departments, particularly in relation to its social and environmental impacts. Thus the Department should see itself as leading on this issue but working closely with DSD and DOE in particular. A sub-group of the Executive at Ministerial level would set the tone for cooperation in the development of policy and legislation to address the economic, social and environmental impacts of energy policy in a coordinated and creative manner.
63. Further, the incorporation of climate change policy into DETI in the context of a Northern Ireland Climate Change Act setting mandatory emissions targets, would help ensure that energy policy is pursued within environmental limits.