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475 Antrim Road T: 028 9037 0222
 Belfast F: 028 9037 1231
 BT15 3DA E: info@ufuhq.com
 W: www.ufuni.org

By Christopher Osborne, Senior Policy Officer

UFU response to DECC Call for Evidence on the Balance of Competence between the UK and EU

Background

The Ulster Farmers' Union (UFU) is the largest farmer/land-owner representative organisation in Northern Ireland and we welcome the opportunity to respond to this call for evidence.

UFU has 12,500 members covering every aspect of NI agriculture and horticulture, including many farm enterprises which are intensive use of energy and heat, namely dairy, pig, poultry and mushroom sectors. In addition to traditional farm production, the UFU are the largest single representative of small-scale renewable energy/heat generators (<250kW) in NI, covering a wide range of other renewable projects including Wind, Anaerobic Digestion, Solar Thermal/PV and biomass (both feedstock production and generation).

Overall View

In July 2013, the European Renewable Energy Council ranked the UK 25th out of 27 EU Member States, in terms of meeting 2020 targets in their renewable contributions. As it currently stands, the likelihood of meeting 2020 targets is unlikely. What this illustrates is the two-speed progress in meeting these targets and this can be attributed to many factors. In Northern Ireland (and GB) we are facing significant structural barriers to the uptake of renewables, namely Grid (lack of development and integration) and Planning Policy.

These barriers are not unique to Northern Ireland but not directly relevant to the subject of the consultation, but the UFU believe they are symptomatic to a selections of failings of the Balance of Competence in the EU when it comes to Renewable (and wider) Energy Policy.

GENERAL

- 1. To what extent does EU action in the energy field benefit and / or disadvantage the UK / your sector/stakeholders? Is there a sector where this is most marked?**

From an agricultural angle, EU action in the energy field can be viewed in two ways; farmers in their roles as energy users and as energy providers through Renewable Generation.

Legislation which enforced the 20-20-20 renewable targets have changed the way many farmers view their industry with a dash to build renewable projects (wind turbines, AD units etc) not for environmental reasons, but rather to snap up generous financial subsidies in the form of NIROCs. In fact several dissenters have said that some farmers now view themselves as producers of energy as opposed to food producers.

The UFU policy since the start has been that renewables should be viewed as a diversified element to a farm business which should be integrated into the more traditional farming activities.

2. Do you think that the EU has introduced legislation that is proportionate / disproportionate to the issue it aims to address?

The UFU believes that the EU has introduced adequate legislation from a EU-wide level, unfortunately it has been disproportionately applied between individual Member States, with a gap between implementation and effectiveness in the various regions.

3. In what areas might the UK's interests be served better if action were to be taken at:

a. EU level instead of national, regional or international level?

- Integrated and uniform electricity grid development – currently this a patchwork of differing grid infrastructures, with differing priorities and efficiencies.
- Research and development, in particular how this is rolled out to each Member State

b. National, regional or international level instead of EU level?

- Integrated and uniform electricity grid development – see above. From a local point of view, the reality is that the local grid is unable to cope with embedded generation. Added to this, we are now facing situations throughout Northern Ireland where parts of the grid are full to capacity meaning less are finding it possible to connect small scale renewables.

4. How could the EU's current competence for energy be used more effectively? For example, could more be done during the development stage of proposals and the preparation of impact assessments? Are there alternatives to legislation and how feasible / practical is it to have continuous review mechanisms to ensure existing legislation remains fit for purpose in the light of changing circumstances?

Development stage for proposals (along with the preparation of impact assessments) could be used more effectively by improving Member State input and involvement. This extends to how the Member State involve the devolved regions within the UK. At Government level in Northern Ireland, our sector seems to have little or no input at the development stage.

THEMATIC AREAS

5. What have been the benefits or disadvantages for the UK / your sector of the development of the internal energy market? Is further or deeper integration of EU energy markets desirable?

From a Northern Ireland point of view, further integration would only be desirable should we make progress in integrating with energy markets in GB, which to date has been negligible. Especially when you consider that the Moyle Interconnector is currently running at 30% capacity.

The lack of market integration in the UK is seen by the UFU as opportunity missed. The UFU have been supportive of a demand response to market signal, namely smart grids and

smart meters. Demand aggregation might be considered, however, this would be considered in conjunction with the incorporation of small scale renewables on to the grid and the longer term grid development.

The UFU believe that the lack of concentration on storage is another wasted opportunity as this could allow a solution to those who are unable to connect to the Grid.

6. To what extent do you think the UK has benefited or been disadvantaged by EU measures to increase security of supply and facilitate infrastructure development?

The UFU is of the opinion that this question should be reworded with “disadvantaged” with “advantaged”. In Northern Ireland, farmers are reliant upon a 11kV electricity lines which are in need of upgrade. NIE proposed their upgrade in their original RP5 submission but this was subsequently turned down by the Utility Regulator.

7. What effect have EU measures had on the development and exploitation of the UK’s indigenous energy sources? Are further measures needed in regard to exploitation of unconventional sources, for example shale gas?

The UFU would be best qualified to comment on the use of indigenous biomass in Northern Ireland. There is a shortage of indigenous woodchip in Northern Ireland meaning that local users need to import this to fuel their generating units. We would prefer to make no comment on shale gas.

8. How have measures and policies at an EU level helped or hindered the development and deployment of sustainability measures - energy efficiency, renewable and low carbon energy? What have been the impacts of these measures on other forms of energy generation and the internal market? Should the EU be doing more or less?

Energy efficiency is being driven in Northern Ireland by the need to reduce input costs rather than any legislative reason. Further the Greenhouse Gas Implementation Group has identified on-farm energy efficiency as the best means of tackling GHG emissions rather than any form of formal legislation. This voluntary approach is back by the UFU.

Attention should be paid to how sustainability and scalability policies are applied throughout the EU and the need for avoidance of any blanket application policy. There is a need to take into consideration widely varying geographic and economic conditions in Member States.

Scalability is a problem we are witnessing in terms of AD development in Northern Ireland. Here the industry focus seems to be upon mainland Europe-sized solutions, where for the majority of members, smaller scale on-farm AD solutions would make more financial and practical sense.

9. To what extent might it be beneficial or disadvantageous for the EU to take on more initiatives and to exercise greater external competence in the field of energy, for example in negotiating international agreements and representing an EU view (speaking with one voice) in international meetings rather than Member States representing themselves?

It is crucial that Member States continue to represent themselves, any dilution of this would never be acceptable. Since the UK has four devolved regions, by the UK speaking as a Member State, this is the best way to ensure that the Northern Ireland voice is heard.

10. To what extent does EU action under the Euratom Treaty (for example, in relation to nuclear safety) contribute to / disadvantage the development of nuclear power in the UK and EU? To what extent do Euratom measures in respect of non-nuclear activities help or hinder occupational protection, protection of the general public, or the use of medical exposures and procedures?

The UFU has no view on this question.

FUTURE CHALLENGES AND OPPORTUNITIES

11. What implications will future challenges in the energy field have for the UK and EU, for example the effects of increasing global demand for energy, potentially rising global market prices and the transition to a low carbon economy to meet climate change objectives?

The UFU has no view on this question.

12. What would be the costs and benefits of facing these at an international, EU, or national level?

The UFU has no view on this question.