

From: Olivia Martin
Sustainable Energy
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cc: Alison Clydesdale

Jenny Pyper

DECC'S HEAT AND ENERGY EFFICIENCY STRATEGY

1. You will recall that we consulted the Minister as to whether NI should be included in BERR's heat strategy which is due to be launched in mid-November. The Minister concurred with our recommendation that NI should not be included, which we recommended primarily because we did not have the resources to take this cross-cutting (planning, fuel poverty, building regulations etc) issue to the Executive. We stated that we would provide a positive paragraph on the position in NI on heat.
2. Since that time UK Ministers have decided to include Energy Savings (their new name for Energy Efficiency) in the consultation.
3. We had originally been asked for a paragraph on NI's position by the end of 17th October (my fault that it hasn't progressed more quickly), but I am advised that DECC special advisers want some changes to the document which may (70% likelihood) push back publication by a few weeks. DECC advise me that a new version will be available next week which they will share with us. Alison has now provided some input on energy efficiency and a combined paragraph on heat and energy efficiency is attached for your consideration.

Energy Efficiency

4. Alison has advised that the document is heavily slanted towards the household sector and in particular GB initiatives such as CERT and EEC. However the work the Energy Saving Trust and Carbon Trust are highlighted and it seems going forward these organisations will remain as the vehicle for the Governments policy drivers – this is important as both organisations have a presence in Northern Ireland, but with a very limited DETI input to their workstreams. Interestingly the document refers to delivery options of a mixed market model versus a single delivery agency – akin to our AD little report. The report also includes fuel poverty, building regulations and energy performance certificates.

Heat

5. I am finding it hard to find something positive to say on heat, so it is not mentioned specifically in what is drafted at Annex A, but states that we will build on what DECC is doing, by implication on both energy efficiency and heat.

Scotland

6. Scotland is not going to take part in the energy efficiency policies in the document, but is currently considering their position on heat. In any case DECC wants to include a similar paragraph as the one you're working up for NI.
7. I would be grateful if you would indicate if you are content with the approach (both out) and if you are content with draft paragraph attached.

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Paragraph for DECC on heat and energy efficiency

Energy is primarily a devolved matter to the Northern Ireland Assembly. Many other issues covered in this strategy are also devolved matters: climate change, fuel poverty, planning, building regulations, among others. In addition, energy regulation in Northern Ireland is not carried out by Ofgem but by the Northern Ireland Authority for Energy Regulation. Currently, statutory authority for energy efficiency in Northern Ireland is shared between DETI, DSD, DFP and Invest NI. Ministerial endorsement has been given for DETI to take the lead in coordinating a cross-cutting cohesive strategy for energy efficiency delivery in Northern Ireland.

In Northern Ireland many organisations already undertake energy efficiency activities, however both the Energy Saving Trust and the Carbon Trust provide UK wide coverage of national initiatives in Northern Ireland. In addition Northern Ireland participates at a UK level on the implementation of the Energy End Use and Energy Services Directive. CERT (which only covers GB) has no effect in Northern Ireland and Northern Ireland currently operates the Energy Efficiency Levy (EEL). While this has similarities to CERT, the EEL is not a legal obligation on suppliers in Northern Ireland and funding from the levy is available to all suppliers wishing to promote projects.

Northern Ireland notes the proposals on delivery and would highlight that a recently completed review of the delivery market here has resulted in Northern Ireland continuing with a mixed market model, inherently market-led.

Northern Ireland faces many of the same challenges outlined in this strategy and looks forward to working with DECC to understand the outcome of this important consultation. This understanding will help inform our own developing work in this area.