

**Francey, David**

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**From:** Scott Gwyneth [Gwyneth.Scott@nieenergy.co.uk]  
**Sent:** 10 July 2008 16:31  
**To:** NIRO REFORM 2008  
**Subject:** NIE Energy response to the Preliminary Consultation on the Proposed Reform of the NIRO

**Attachments:** NIE Energy Consultation Response - NIRO 2008.pdf



NIE Energy  
onsultation Respon.

Dear Sir/Madam

Please find attached a response from NIE Energy to the Preliminary Consultation on the Proposed Reform of the Northern Ireland Renewables Obligation.

Regards

Gwyneth

<<NIE Energy Consultation Response - NIRO 2008.pdf>>

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# NIE ENERGY (SUPPLY)

## Proposed Reform of the Northern Ireland Renewables Obligation

NIE ENERGY (SUPPLY) CONSULTATION RESPONSE

10 July 2008



## **NIE Energy Limited Supply Business**

NIE Energy Supply (NIEES) is a regulated electricity retail business within the Virdian Group. It supplies electricity to around 780,000 homes and businesses in Northern Ireland.

### **Introduction**

NIEES supports the aim of the Renewables Obligation as part of the UK's strategy to reduce carbon emissions. NIEES has no direct large-scale renewable generation interests. However, it is particularly supportive of the development of a market for micro generation both as a means of reducing carbon emissions and, at a householder level, of reducing exposure to global energy costs.

### **Banding**

**Are there any specific Northern Ireland aspects that need to be considered in the application of these proposed bandings (Annex A) – and especially the lower bandings – to the NIRO?**

Acknowledging the significant role that micro-generation has to play, NIEES welcomes the decision to award micro-generation a support level of 2 ROCs/MWh. This will apply to both existing and new micro generators of 50kW or less.

It is accepted that the Renewables Obligation was introduced as a support mechanism for large-scale renewables and whilst the support for micro generation through this framework is welcomed, NIEES would also welcome a broader discussion on feed-in tariffs as a more appropriate support structure for micro generation. This type of framework has been particularly successful in some parts of Europe, particularly Germany, at encouraging large-scale deployment of micro generation. It removes the 'stop-start' funding rationing which is evident in the UK's capital grant support programmes that can inhibit the development of a sustainable market.

### **Grandfathering**

**Are there any specific Northern Ireland aspects that need to be considered in the application of these Grandfathering proposals to the NIRO?**

NIEES acts as an 'Agent' to administer ROCs on behalf of a significant number of small generators, very often householders, schools and farmers. NIEES therefore welcomes the proposed equal treatment of all generators of 50kW or less, both as a means of rewarding significant investment in these fledgling technologies and to avoid introducing further administrative requirements.

## **Headroom**

**Are there any specific Northern Ireland issues that should be taken into account in relation to the Headroom calculations for the NIRO?**

NIEES welcomes DETI's view that NI should continue with a lower level of Obligation, particularly as recent fuel poverty research carried out by the Housing Executive highlighted a significantly higher level of fuel poverty than in any other UK region.

## **Other associated issues**

**Are there any specific Northern Ireland aspects that need to be considered in relation to the above proposals?**

Funding of the administration of the Renewables Obligation: NIEES would encourage NIAUR to ensure that administration costs are minimised, and publish an annual account for transparency purposes.

## **Contact details for respondent:**

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