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To: NIRO REFORM 2008
Subject: NIRO consultation response from the National Trust
Attachments: Reform of NI Renewables Obligation Jul 08.doc

Dear colleague

Please find attached a response from the National Trust to your paper on the proposed reform of the NI Renewables Obligation.

Regards,
Diane Ruddock

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THE NATIONAL TRUST

Consultation on the Proposed Reform of the Northern Ireland Renewables Obligation

A response from the National Trust – July 2008

Introduction and background

The National Trust welcomes the opportunity to comment at this early stage on the proposed reform of the Northern Ireland Renewables Obligation.

The National Trust, as a conservation charity, fully supports the policy drive to increase the proportion of electricity generated in Northern Ireland. A significant increase in activity in the renewables sector will be required to enable Northern Ireland to meet its Programme for Government target of generating 12% of its electricity from indigenous renewable sources by 2012.

The reform of the Renewables Obligation should be focussed on supporting and encouraging generators to more pro-actively embrace existing technologies and to explore and develop emerging technologies, and the Trust agrees that the proposed banding is an appropriate mechanism to support this goal. However, the Renewables Obligation on its own will not be sufficient to enable renewable technologies to penetrate the energy market and additional input will be required from Government, to support appropriate large scale projects and to encourage individual or local community based microgeneration projects.

The Trust's response is informed by our Energy Policy, a summary of which is set out below:

Rapid climate change, and associated sea level rise, will have a huge impact on the UK's natural and historic environment, economy and society; as will changes in energy generation and use. The National Trust believes that there is an urgent imperative to reduce greenhouse gas emissions and to meet, if not exceed, the UK government's target of cutting carbon dioxide emissions by 60% by 2050. We advocate a planned approach, guided by the following principles, which we will promote to government, civil society and business:

- *much greater emphasis on reducing overall energy demand, through minimising energy use, greater energy efficiency and the development and use of low embodied energy materials;*
- *decentralisation and localisation of energy supply – to minimise wastage and environmental degradation from energy generation and transmission, and to reduce the need for intrusive large-scale, centralised infrastructure;*
- *a major increase in renewable energy generation for heat and power [solar, hydro, wind, tidal, wave, ground heat recovery, bio-energy] appropriate to the site, and a significant expansion in microgeneration;*
- *develop and use sustainable alternative fuels for transport and power; and*

- *requiring that the location and design of all energy generation and distribution schemes takes account of the full range of environmental considerations, including the protection of valued landscapes, biodiversity, the historic environment, and peoples' well-being.*

As a conservation charity, we are seeking to apply these principles to our own activities, and we are working to reduce our environmental footprint and reduce our dependency on fossil fuels over time.

Response to consultation questions

Banding

The National Trust supports in principle the proposals for banding of the Renewables Obligation.

We note the inclusion of Landfill Gas as the only technology in the lowest band (0.25ROC/MWh). Given that this technology is available but not presently used in Northern Ireland, we would question whether the level in this band is sufficient to encourage generators to explore this technology further. Inclusion in a higher band for a time-limited period may provide a greater incentive.

We have some concerns about the inclusion of co-firing of non-energy crop biomass in the 'Established 2' band. If it is to be included, we would stress the importance of maintaining the cap at 10% of the supplier's total number of ROCs fulfilled in this way. We also believe that this cap should reduce over time. ROCs from co-firing should only be given for the renewable fraction of the overall fuel mix.

The National Trust strongly supports the development of microgeneration. The development of renewable energy at a more local and small scale, in households, businesses and communities could make a significant contribution to reducing Northern Ireland's dependency on fossil fuels, and minimise the impact of large scale generation on our coast and countryside. Microgeneration also presents a unique opportunity to transform people's attitudes to energy and climate change; helping everyone feel part of the solution and providing an incentive for energy saving behaviour. This progressive cultural shift is as important to tackling climate change as are technological, financial and policy instruments. We therefore welcome the inclusion of microgeneration in the highest 'Emerging' band.

We agree with the broad list of technologies included in the 'Emerging' band. It will be important to keep this list under review as additional information becomes available and as technologies move on. Reflecting this, it will be important that biomass projects using energy crops must be able to demonstrate that the crops were produced in a sustainable way, taking a whole life-cycle approach including an assessment of use of fertilisers, pesticides and effluent treatment.

Grandfathering

We are in broad agreement with the 'grandfathering' proposals and accept the principle that current entitlements should be retained to meet the expectations

of generators who had already begun the process of developing certain types of renewables. We welcome the fact that co-firing will not be included in the 'grandfathering' provisions. We accept that further consideration may need to be given to the small number of projects currently in development which may be adversely affected by the opportunity for new technologies to enter the market at a higher band.

Headroom

We agree with the proposal to set the 'headroom' figure on a UK-wide basis at 8% above actual renewables generation. This figure should be kept under review in future.

While we accept the rationale for Northern Ireland having had a lower Renewables Obligation than GB generally in the past, we believe it is now important to move towards the higher figure. A more stretching RO target would be an important stimulus to increase the amount of renewable energy generated in NI, and would also demonstrate the broader employment and economic benefits of embracing new technologies to replace the traditional industries which are undergoing long-term decline.

Associated issues

We support the proposal to require biomass users to report on the sustainability of the biomass they use for generation. However, we are not convinced that it is appropriate to exclude generators under 50Kw from the requirement. Even small-scale generators should be required to provide basic information about their fuel source to assess whether or not it is satisfactory.

Conclusion

We hope these comments are helpful, and we look forward to contributing to the more detailed consultation later this year. For further information, in the first instance, please contact:

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