

8th January 2007

Miss Elaine Flannagan  
All-Island Energy Market  
Department of Enterprise, Trade & Investment  
Netherleigh HQ  
Massey Avenue  
BELFAST  
BT4 2JP

Dear Elaine,

**RE: CONSULTATION ON SINGLE ELECTRICITY MARKET LEGISLATION**

The SDLP welcomes this opportunity to respond to the consultation on the Single Electricity Market consultation. For many years the SDLP have advocated for a strong, robust all-Ireland market, which would increase competition and reduce energy prices.

The party would like to highlight the following areas in our response to the consultation:

- carbon emissions;
- competition in the energy market; and
- regulation.

**Carbon Emissions**

The development of an all-Ireland market comes at a time of challenge for the energy industry globally. With energy production a major source of greenhouse gas emissions there is immense pressure to find cleaner more

sustainable energy sources. The SDLP note the progress made in promoting renewables in the North through the Environment and Renewable Energy Fund and would welcome this approach on an island wide basis, affording the island as a whole to develop as a model of best practice in renewables. However there are renewable issues that still need to be addressed particularly with regard to issuing Renewable Obligation Certificates and encouraging micro-generation from renewable sources. The SDLP believe that targets must be set to achieve year-on-year decreases in carbon emissions.

## **Competition**

Competition in energy generation and supply is essential for the development of a sustainable energy market. The SDLP consider that much more work needs to be done to promote real competition in the South, thereby encouraging new competitors into the market. At this stage certainty as to the future development of the energy industry must be clarified as a matter of urgency. The consultation paper itself recognises that the introduction of the Single Electricity Market will not solely address the issue of dominance of any one or more market participants. We are anxious to ensure a fully competitive market and to that end urge that monopoly situations should not be allowed. Care should be taken to ensure that supply and distribution networks are separated to guarantee the greatest possible degree of competition at the supply end. The SDLP urge both governments to address this issue as a matter of urgency.

## **Regulation**

The SDLP would encourage the Northern Ireland Authority for Energy Regulation and the Commission for Energy Regulation to work together to develop a new all-Ireland energy planning network to anticipate future demand and sources of supply.

## **Contracts**

Careful consideration should also be given to whether any savings from the benefits achieved from the cancellation/extension of contracts to be ring-fenced for Northern Ireland customers as they have paid the burden of long-term contracts since privatisation.

The SDLP would welcome the opportunity to discuss these issues in greater detail should you consider it necessary.

Yours sincerely,

**Sean Farren MLA**

**SDLP Spokesperson for Enterprise, Trade & Investment**