



ENERGY STRATEGY FOR NORTHERN IRELAND

THE CONSUMER COUNCIL RESPONSE TO THE
CONSULTATION ON POLICY OPTIONS

1. THE CONSUMER COUNCIL

The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order (The Order) 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland.

We are an insight-led evidence based organisation:

- Providing consumers with expert advice and confidential guidance.
- Engaging with government, regulators and consumer bodies to influence public policy.
- Empowering consumers with the information and tools to build confidence and knowledge.
- Investigating and resolving consumer complaints under statutory and non-statutory functions.
- Undertaking best practice research to identify and quantify emerging risks to consumers.
- Campaigning for market reform as an advocate for consumer choice and protection.

We have specific statutory duties in relation to energy, postal services, transport, water and sewerage, and food affordability and accessibility. These include considering consumer complaints and enquiries, carrying out research, and educating and informing consumers.

Our non-statutory functions educate and empower consumers against unfair or discriminatory practices in any market from financial services to private parking charge notices.

Alongside The Order giving us powers to undertake enquiries, complaints, promote information and undertake research, the Energy (Northern Ireland) Order 2003 legislates for the Consumer Council to carry out the following:

- Investigate consumer complaints.
- Represent the views of consumers.
- Make proposals and provide advice and information on consumer matters.
- Obtain and keep under review information about consumer issues and the views of consumers on these issues, including research into gas and electricity consumer issues.
- Publish information in the consumer interest.

This work is further supported by the following legislation:

- The Electricity (Northern Ireland) Order 1992 covering the quality of service, complaint handling and billing disputes of electricity suppliers.
- The Gas (Northern Ireland) Order 1996 covering billing disputes of gas suppliers.
- Energy Act (Northern Ireland) 2011 covering complaints about gas suppliers and their performance.
- The Rural Needs Act 2016.
- Section 75 of the Northern Ireland Act 1998.

Across all our areas of work, we pay particular regard to consumers:

- who are disabled or chronically sick;
- who are of pensionable age;
- who are on low incomes; and
- who live in rural areas.

We use a set of eight guiding principles (Figure 1) developed by the United Nations to:

- assess where the consumer interest lies; and
- develop and communicate our policies, interventions and support.

These provide an agreed framework through which we approach regulatory and policy work.

Figure 1: Consumer Principles



The principles ensure we apply a consistent approach across our statutory and non-statutory functions, and in all our engagement with consumers and stakeholders.

They serve and protect consumers and set out the minimum standards expected from markets when delivering products or services, including in digital markets, in Northern Ireland. They also frame our policy position and approach to resolving consumer disputes with industry, offering a straightforward checklist to analyse and validate outcomes, in particular amongst vulnerable groups.

The Consumer Council is committed to supporting the Department for the Economy (DfE) in the development of the Energy Strategy for Northern Ireland (Energy Strategy), recognising the importance this has in encouraging Northern Ireland consumers' active involvement in the energy transition and climate action.

As such, the Consumer Council has participated in the five Strategy Working Groups covering energy efficiency, heat, power, transport and consumers to aid the development of the Energy Strategy Consultation on Policy Options (the Consultation).

The Consumer Council looks forward to ongoing partnership with DfE and other stakeholders from Government, industry, academia and the third sector to embed consumer insights and safeguard consumer protections in policy planning, and to ensure a just and affordable energy transition where security of supply is guaranteed.

The Council of European Energy Regulators (CEER) has outlined a 2030 Vision for Energy Consumers that is discussed in more detail in this document under the CEER Consumer Protection Model section. The Consumer Council encourages DfE to use this to inform their analysis and decision making throughout the development, implementation, evaluation, and monitoring of the Energy Strategy.

At the start of each section of this response document is a table that sets out the Consumer Council's view of the key consumer protection issues related to the topic under discussion. The focus areas deemed most important are highlighted dark green, those that have relevance are coded light green and those with no direct relevance are coded grey. This is outlined in Figure 2 below.

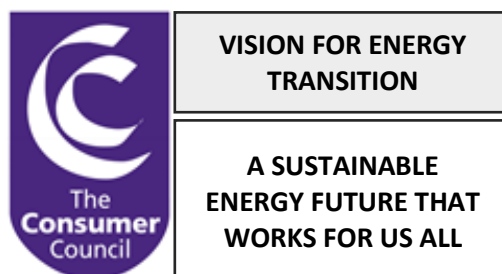
Figure 2: Consumer Protection Key

Consumer Protection Focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment

2. EXECUTIVE SUMMARY

The Consumer Council's vision and desired outcomes for the energy transition is as follows:

Figure 3: Vision and Desired Outcomes



Desired Energy Strategy Outcomes	
A Just and Fair Transition	Ensure affordability, security of supply and consumer protection .
Behavioural Change	Empower all consumers to engage in decisions affecting them, manage their energy demand, and to avail of opportunities .
Consumer Protection	Combine consumer engagement and the participation of all consumers with effective modern regulation .
Prioritisation, Planning and Delivery	Deliver an energy transition based on trust, fairness , and a collective openness to innovation. Reduce fuel poverty while balancing societal and economic prosperity .

The Consumer Council welcomes the intent to place consumers' needs at the centre of the Energy Strategy, as illustrated by the first strategic principle **Placing you at the heart of our energy future**.

Affordability, security of supply and consumer protection must be the non-negotiable starting point for the Energy Strategy. A much-needed transition programme on this scale brings with it uncertainty for consumers. It risks consumers being financially disadvantaged as a result of being exploited or taking poor decisions through a lack of knowledge.

Given the real risk that energy will become more unaffordable as we move through the energy transition, we must empower consumers via information, and technical and financial support. We must ensure our consumer protection regime is resourced for the challenges ahead and that the

work of the different regulatory authorities in different jurisdictions is coordinated effectively to protect consumers and energy security during the transition.

This empowerment will give consumers the opportunity to actively participate in, and benefit from, the transition rather than having change and cost imposed upon them.

The high uptake levels of home recycling, which provides little direct benefit to consumers, demonstrates the success that can be achieved through active engagement, simple messaging and support structures.

By facilitating kerbside recycling and enabling consumers to easily make the sustainable choice, both individuals and communities engaged in environmental protection activities en masse. Recycling and composting rates increased 10-fold in Northern Ireland from 5% in 1999 to 51% in 2020¹.

This response articulates four key themes the Consumer Council deems integral to empowering and protecting consumers for the energy transition.

1. **A Just and Fair Transition:** The Consumer Council welcomes that affordability and fairness will be key considerations in the Energy Strategy policy decision-making.

This section emphasises the importance of affordable energy for Northern Ireland consumers and businesses as we move toward decarbonisation. It outlines the specific consumer groups whose needs must be considered during the energy transition and the need to avoid an unfair or disproportionate financial burden, particularly consumers in vulnerable circumstances.

The Energy Strategy presents opportunities including wealth creation, green jobs growth and improved health outcomes, but it is important to tackle existing inequalities first that have been magnified by COVID-19 pandemic.

2. **Consumer Behaviour:** The energy transition will place significant responsibility on consumers and will necessitate behavioural change.

This section highlights the importance of having robust consumer protections in place before asking consumers to alter their lifestyles. It emphasises the importance of having a strong understanding of consumer attitudes and of undertaking continuous and extensive consumer engagement.

It also underscores the Consumer Council's commitment to work with DfE and other stakeholders across energy ecosystem to drive behavioural change that benefits consumers.

3. **Consumer Protection:** Ensuring robust governance, delivery and enforcement structures are in place is essential for consumer protection.

Without adequate information, advice and protections consumers will not engage with the energy transition and we will fail to achieve our net zero goal.

This section outlines the Consumer Council's views on the consumer protections and rights that are likely to be required in legislation and regulation as we make the energy transition.

¹ ARC21: <https://www.arc21.org.uk/>

4. **Prioritisation, Planning and Delivery:** This section outlines that in development and implementation of the Energy Strategy it is essential policies, projects and infrastructure developments benefit consumers, and those that can be undertaken at low or no cost are prioritised.

It is also essential that the needs of consumers in vulnerable circumstances are prioritised, including those on low incomes, of pensionable age, consumers who are disabled or living with long-term health conditions, and those living in rural areas.

To achieve this a strategic approach is required. When planning policies, projects and infrastructure developments, the following must be assessed:

- requirement for public sector support;
- market demand;
- need for subsidy control;
- rural proofing;
- environmental impact;
- impact on consumer vulnerability; and
- employment impact.

3. KEY CONSUMER INSIGHTS

Highlighted at the beginning of each section of this response document are the key consumer insights relevant to each topic. Collated below, they provide a clear indication of the positive aspects of the current iteration of the Energy Strategy, the improvements that could be made to the Energy Strategy, and the support consumers will require throughout their energy transition journey.

Key Consumer Insights – Just and Fair Transition	
JFT1	Consumer engagement should be a specific objective of the strategic principle Placing you at the heart of our energy future and the principle should articulate how it will be implemented.
JFT2	The availability of information, wrap-around proactive support, financial support, and statutory protections are non-negotiable to ensure a just and fair transition.
JFT3	To ensure fairness, punitive behavioural change measures that introduce minimum standards or implement mandatory phase-out of existing heating solutions should only be implemented once appropriate consumer support is introduced.
JFT4	Tailored approaches are essential for a range of population groups including those on low incomes, of pensionable age, consumers who are disabled or living with long-term health conditions, and those living in rural areas.
JFT5	Special consideration must be given to the needs of vulnerable households, particularly given their increased risk of fuel poverty. The One Stop Shop, financial support and wrap-around service provision will be crucial in this regard.
JFT6	All consumers will require information, education and technical advice.
JFT7	All consumers required to upgrade their homes should be offered financial assistance in the form of access to low or no interest Government loans and grants for consumers in vulnerable circumstances.
JFT8	There is a requirement for simple, accessible, and consistent information and attitudinal change campaigns to encourage behavioural shifts and create a grassroots movement.
JFT9	If we are to achieve a just and fair transition, we cannot expect or demand consumers change behaviours without first providing them with the appropriate support and incentive.
JFT10	The services of the One Stop Shop are essential if we are to ensure a just and fair transition for all consumers.
JFT11	Governance and oversight of installers, suppliers and services is an essential component of the structure of any One Stop Shop model.
JFT12	Provision must be made for impartial handling of consumer complaints, including complaints about the One Stop Shop, and redress relating to the adoption of new technologies, financial support, and provision of new services.
JFT13	A coordinated and joined-up approach across all levels of central and local Government. A failure to coordinate and drive delivery could lead to consumer detriment.
JFT14	Consumer trust and confidence in the Energy Strategy and the energy market is essential. Without consumer support and engagement, the transition will not happen.
JFT15	Consumers must be represented on the proposed Energy Strategy Government Stakeholders Group.
JFT16	Clear, specific and measurable metrics are required to monitor progress against the Energy Strategy objectives.
JFT17	Cost transparency will necessitate strong governance, robust cost controls for Government spending, and stringent cost assessment of industry spending by the Utility Regulator (UR).
JFT18	High-level indicators of the total cost to Government of the energy transition and the overall spend on energy imports to Northern Ireland should be published annually.

Key Consumer Insights – Consumer Behaviour	
CB1	Every scenario envisaged by the Energy Strategy will necessitate significant behavioural change in consumers.
CB2	Consumer awareness of the levels of behavioural change required is low, as is their eagerness for such change.
CB3	The key delivery priorities outlined in the Energy Strategy do not adequately account for the level of behavioural change that will be required to deliver and implement it.
CB4	The Consumer Council recommends the inclusion of a seventh key priority, focused on developing a comprehensive and rolling annual programme of consumer engagement to facilitate the development of legislation, regulation and policy decisions that best serve consumer needs.
CB5	Consumer attitudes to the energy transition and the impact of new technologies must be routinely tracked to aid policy development, technology rollout and information provision.
CB6	Putting consumers at the centre of decision making, design and implementation is vital to ensure that we are delivering what really matters and we achieve the behavioural change needed to meet our net zero vision.
CB7	The Consumer Council encourages companies to adopt executive level responsibility for implementing and reporting on vulnerability measures, and to embed consumer engagement as part of business as usual activity.
CB8	The Consumer Council will work with any Energy Strategy stakeholder on the development and delivery of consumer engagement and behavioural change programmes to assist consumers in achieving net zero targets.
CB9	Public information and attitudinal change campaigns will be essential to encourage behavioural shifts.
CB10	Campaign messaging and collateral should be simple, from a trustworthy source and easy to access.
CB11	Northern Ireland consumers want and need more information regarding Electric Vehicles (EVs). A communications campaign is essential to bust myths, raise awareness of EV benefits and to empower consumers when making a choice to change their car.
Key Consumer Insights – Consumer Protection	
CP1	Robust governance, delivery and enforcement structures are essential for consumer protection and the achievement of our net zero goal.
CP2	It is critically important that as we decarbonise our energy systems, energy remains affordable for Northern Ireland consumers.
CP3	New policies and technologies must not result in an unfair or disproportionate financial burden, or a two-tier system impacting on consumers as a whole, or specific groups, such as consumers in vulnerable circumstances.
CP4	Government controlled green finance mechanisms should be established to ensure consumers have access to affordable and inclusive financing options to support their energy transition.
CP5	The CEER Consumer Protection Model should be used in the development of future policy and in the consideration and selection of the appropriate means to address consumer protection requirements during the energy transition.
CP6	If the outworkings of the Energy Strategy prove unaffordable for consumers, our net zero goal will not be achieved. Consideration must be given to the proportion of consumers required to change behaviours to achieve this goal.
CP7	Consumers will require direct financial support in the form of grants and loans.
CP8	Consumers expect the energy transition will lead to lower energy costs but recognise the transition to new technologies will have capital costs.

CP9	For the energy transition and decarbonisation to be successful we need to engage, empower, and mobilise communities and consumers to create a grassroots movement that can deliver net zero targets.
CP10	There is a need for schemes that underwrite maintenance and breakdown costs of new, and potentially very expensive and unproven, technologies.
CP11	Once the overall envelope for funding has been agreed, policy makers must ensure this is fairly attributed to different consumer groups. This should include consideration of intergenerational fairness.
CP12	Where private finance solutions are used to facilitate the energy transition, appropriate consumer protections must be in place.
CP13	Changes to the regulatory framework should prioritise education, empowerment and accountability, alongside standards for protection, compliance and enforcement.
CP14	Work undertaken by energy services for the retrofit sector should be subject to robust accreditation and strong guarantees.
CP15	As consumer data become more integral to energy systems planning, increased data protection measures will be essential.
CP16	Regulation of the home heating oil industry is required and should include price controls, supplier standards of conduct, boiler installation standards, and contributions from the oil industry to tackling fuel poverty.
CP17	Consideration must be given as to how to enable and incentivise rural consumers to purchase and use EVs.
CP18	Dynamic tariffs will have an important role in electricity demand management but will necessitate new regulatory protections.
CP19	The current Northern Ireland connection charging regime can prove unfair for early adopters of new technology and could act as a deterrent to the adoption of low carbon technologies.
CP20	It is essential that changes are made to tariffing arrangements to ensure future network costs are charged in a manner that is fair to all customers.
CP21	Where regulatory change is required to encourage innovation, no and low-cost options should be prioritised for approval.
CP22	To reduce the risk to consumers from large Government funded innovation, it should be undertaken in close collaboration with public innovation bodies, social enterprises or the third sector.
CP23	Government and the UR should work with regulated industries to introduce mechanisms that reduce risk to companies and consumers from innovation and infrastructural investment uncertainty.
Key Consumer Insights – Prioritisation, Planning and Delivery	
PP1	It is essential that policies, projects and infrastructure developments that benefit consumers and those that can be undertaken at low or no cost should be prioritised.
PP2	Security of supply is non-negotiable.
PP3	It important that the objectives and indicators of the Energy Strategy and the Department for Infrastructure (DfI) regional and subregional transportation plans align.
PP4	The delivery of the Energy Strategy and the related transport strategies must be coherent, and coordinated and resourced adequately.
PP5	Subsidies toward the price of an EV are an effective way of encouraging EV uptake for consumers. The provision of interest-free loans for new and used EVs, already available to consumers in Scotland, should be considered.
PP6	Trade-in or scrappage schemes should be considered for internal combustion engine (ICE) cars and costly household appliances that have poor energy efficiency ratings.

PP7	An EV charging infrastructure development plan is essential and requires the collaboration of central and local government. It should address development challenges including planning, grid reinforcement and options for consumers with no off-street parking.
PP9	The DfI travel hierarchy of trip substitution, modal shift, and fuel switching must be supported by remote working policies and innovative planning policy from all local councils.
PP10	Lower fares can make public transport more attractive and cost competitive but unless it is also convenient consumers will continue to favour private vehicles.
PP11	The integration of various transport models into a single service could be liberating for many consumers but timetable information and booking tickets must be accessible and easy to use.
PP12	Better facilities for walking and cycling will encourage people to undertake active travel, traffic free walking and cycling routes, while enhanced safety measures at road junctions will be essential for safety and comfort.
PP13	Frequency and reliability must be tackled if rural consumers are to be encouraged to increase their public transport usage.
PP14	Updates may be required to planning policies to facilitate green energy schemes that range from major infrastructure projects to domestic home improvements. Government and local councils should take a collaborative approach to planning and make certain the needs of local communities are prioritised.
PP15	The energy transition provides opportunities for job creation, skills development and indigenous businesses to flourish. With careful planning, economic growth can be designed and aligned around consumer needs.
PP16	Building regulations will provide a vehicle to enforce energy efficiency measures but should only be used in this manner once the support is in place to enable consumers to undertake the updates required.
PP17	There should be a requirement for renewable developers to share some of the financial benefits with local communities.
PP18	Empowering and enabling local communities will help to ensure buy-in, which is essential for further development of renewable energy generation.
PP19	It is imperative that the strategic principle to Create a flexible and integrated energy system maintains security of supply at the least cost to consumers.
PP20	There is a need for greater co-ordination of where power generation and high-demand users are located.
PP21	It is essential that consumers are given clarity regarding the future of the gas grid to enable them to make appropriate choices when investing in home heating solutions.
PP22	Retaining natural gas as part of our energy mix may be required for security of supply and to avoid the need for excessively costly upgrades to electricity distribution networks.
PP23	Consumers should not be asked to subsidise biomethane unless this review demonstrates its introduction is equitable and proportionate for bill payers.
PP24	If hydrogen and/or biogas grid injection comes to fruition, the development of a billing methodology that accounts for variations in energy content of biogas and hydrogen will be necessary to protect consumers.
PP25	While natural gas has a role as a transition fuel, there is a danger of lock-in that would result from a failure to develop alternative heating technology. It is important that gas network operators develop a plan to decarbonise gas by 2050.
PP26	It is essential that consumers who use oil as a heating source have access to clear, impartial, comprehensive, and free advice regarding alternative home heating options.
PP27	It would be unfair to expect consumers to pay to transition from oil to natural gas if natural gas was also to be phased out in the short to medium term.
PP28	It is important that a public information and awareness campaign is launched so consumers are aware of oil boiler phase out.

PP29	The home heating oil industry in Northern Ireland must be regulated before it can play any part in decarbonising heat. Once that happens the oil industry should also be asked to provide insight as to how bio fuels could help meet our net zero target by 2050.
PP30	Specific support and incentives should be provided to assist the 3% of consumers that continue to use solid fuels as a primary fuel source to transition to alternatives.
PP31	If biomass is phased out in the future, consumers using it as a primary source of heating must be adequately supported in transitioning to new fuel types.
PP32	The Consumer Council would welcome the introduction of trials of local heat networks during which affordability should be a key consideration.
PP33	It is essential that consumers are provided with the correct information, advice and support when adopting heat pumps. This is particularly important given that heat pumps require consumer behavioural change.
PP34	The high installation costs of heat pumps means grants and incentives will be important to enable people to overcome the initial upfront cost barrier.
PP35	The Consumer Council welcomes DfE's intention to bring forward a Circular Economy Strategic Framework and is keen to collaborate in its development.
PP36	While the use of hydrogen in the gas grid would significantly reduce the disruption to consumers required by mass transition to new heat sources, the development of hydrogen technologies must not create undue costs for consumers.
PP37	Engagement with local communities close to offshore wind farms or sites where electricity is brought ashore is essential to ensure community concerns are heard and resolved.
PP38	DfE, DfI and the Department of Agriculture, Environment and Rural Affairs (DAERA) should collaborate to ascertain opportunities for NI Water and other large energy users, to reduce energy demand and to use land for renewable energy generation.

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4. INTRODUCTION

The goal of achieving net zero by 2050 is consistent with UK legislation and the Consumer Council is unambiguous in its view that achieving this target is essential for long-term consumer protection. Decarbonisation is one of four consumer priorities we have identified in our Corporate Plan 2021-2024, which we will address through annual forward work programmes.

We recognise the substantial economic recovery opportunity in decarbonising energy and transport supply and use and we are committed to working with DfE to balance investment and job creation with consumer access, affordability, availability and choice, with the necessary protections and measures to support consumers in vulnerable circumstances.

We will also contribute where appropriate to the integrated NI COVID Recovery Plan, led by the Northern Ireland Executive aimed at accelerating recovery in four areas: economic growth; tackling inequalities; health of the population; and green growth and sustainability. Our work will support the transition to a low carbon future in addition to net zero efforts.

The Consumer Council welcomes the proposed vision of **net zero carbon and affordable energy** for the Energy Strategy. However, we recognise this will not be easy. The Climate Change Committee (CCC) has stated that while there is no purely technical reason why Northern Ireland cannot reach net zero by 2050, to do so will be significantly challenging.

While achieving net zero is essential for long-term consumer protection, reaching the target must not create undue consumer detriment and, if the outworkings of the Energy Strategy prove unaffordable it is unlikely the goal will be achieved.

The Consumer Council is committed to supporting DfE in the development and implementation of the Energy Strategy, and to work with Government, regulators and industry to deliver the necessary consumer protections. Over the last year, our policy specialists have worked closely with their DfE counterparts on the five Energy Strategy Working Groups covering consumer engagement, transport, power, heat, and energy efficiency, providing input and feedback toward the briefings, research papers, and options consultation.

It is commendable that despite the backdrop of the COVID-19 pandemic, DfE has produced this consultation on schedule and has demonstrated intent to weave consumer needs and representation throughout the Energy Strategy.

A Just and Fair Transition

The Consumer Council welcomes that affordability, fairness and sustainability will be key considerations in the Energy Strategy policy decision-making. It is critically important that as we decarbonise our energy systems, energy remains affordable for Northern Ireland consumers and businesses.

This will necessitate in-depth consideration of the cost impact when introducing new policies, financial support interventions and technologies, to ensure they do not result in an unfair or disproportionate financial burden on consumers as a whole, specific groups, or consumers in vulnerable circumstances.

Northern Ireland will fail to reach net zero if the investment decisions that result from the Energy Strategy are unaffordable for consumers. It is consumers who will ultimately pay for the energy transition through utility bills, taxes or upfront investments.

It is also imperative that the implications of the Energy Strategy are fair for all consumers. It must not be the case that those who have the capacity to adapt to and adopt new technology reap the cost and lifestyle benefits, while others, such as consumers in vulnerable circumstances, are left to languish on inefficient outdated technology, struggle to adapt to new technologies, or are left to pick up infrastructural costs.

If a two-tier system emerges we risk a group of consumers being left behind or penalised by emerging policies or regulation.

Consumer Behaviour

Mass adoption of low carbon technologies is essential to reduce carbon emissions but will not be straightforward for the consumer. For example, the installation of new heating technologies will necessitate disruption to some, if not all, consumers in their homes.

Similarly, smart meter rollout is essential to facilitate demand management and the use of low carbon technologies. This requires Northern Ireland policy makers and industry taking lessons from the rollout in Great Britain and the Republic of Ireland, and consumers learning to use new technology.

It is important to acknowledge the high level of behavioural change that will be required, and the low levels of consumer awareness and understanding that currently exist regarding the impact the energy transition will have on their lifestyles.

It is essential that comprehensive information provision and training, as well as technical, cost and financial advice, is provided by an independent and trusted source to consumers so they are enabled and empowered to learn, adapt, and make the best use of the new technologies. Vulnerable households will need to be proactively identified as they will require additional support.

The Consumer Council welcomes DfE's proposal for the establishment of a One Stop Shop to undertake these activities. The One Stop Shop section outlines suggestions for the structure of this organisation that will need to be resourced adequately.

While driving behavioural change must begin immediately, it is important that measures like introducing minimum standards or deadlines to phase out fossil fuels are not adopted until measures to enable and protect consumers are in place.

Consumer Protection

The energy transition will create many new challenges for consumers. These will include the adoption of new technologies, the reduction of energy use, and navigating interactions with installers, technology providers and energy companies.

For some consumers this will be an exciting new world of opportunity but for many it could be confusing, disruptive and costly. Therefore, it is essential that the Energy Strategy is supported with plans to develop consumer protection frameworks fit for our new energy future.

This may need the revision of existing consumer protection structures. This is required to ensure fairness in the manner by which industry is regulated and the means by which infrastructure costs are spread fairly across all consumer groups.

It will also require us to learn from consumer protection failures and the gaps in regulatory frameworks, such as the consumer detriment that continues to result from the unregulated home heating oil industry, and to ensure consumers are adequately protected when interacting with installers, technology manufacturers and energy suppliers.

It is equally essential that consumers are protected by being provided with high quality information, advice, wrap-around support, and policy certainty. For example, consumers will require certainty regarding the effectiveness of a heat pump or regarding the future of the gas network, prior to investing in a new heating system.

Prioritisation, Planning, and Delivery

To safeguard consumers throughout the energy transition our primary focus must be on security of supply. Assurance of security of supply at fair and affordable cost will permit behavioural change, innovation, and transition to new technologies.

Ideally addressing security of supply will be undertaken via a growth in indigenous energy production, energy storage, and demand reduction. These measures have the potential to reduce emissions, create jobs, and reduce Northern Ireland's dependence on fuel imports that are subject to global price fluctuations.

To encourage behavioural change, protect consumers and achieve our net zero targets in an affordable manner will require well-choreographed planning. It will also require pragmatism as, while the prioritisation of low cost and no cost projects is essential, that does not mean they must be undertaken first.

For example, domestic energy efficiency improvements will prove a relatively low cost solution to energy demand reduction but would be best introduced in a manner that enables consumers to make such improvements at a time that suits them, such as when they purchase a new home or their existing heating system fails.

Prioritisation should also mean a focus on prioritising certain groups in society, such as those in fuel poverty, rural off-gas consumers or older people who may be less able to adapt to the use of new technologies.

Prioritisation is also important when it comes to infrastructural investment. For example, forward planning may avoid electricity network costs by facilitating hydrogen innovation, or through more simple measures such as encouraging the development of power generation closer to population centres.

5. A JUST AND FAIR TRANSITION

Achieving the net zero ambition set out in the Energy Strategy will require new policy, technological change and industrial momentum but we will not hit our targets through these factors alone. It is essential that consumers lead the way.

The energy transition will require consumers to make lifestyle changes, adapt to new technologies, and accept the disruption of installing new heating and energy efficiency measures in their homes. These are big requirements being placed on consumers and requirements that consumers themselves do not yet fully understand or accept.

Here in Northern Ireland, there are existing structural problems to contend with including a small population to share costs, a relatively rural population, and a higher dependence on fossil fuel imports than other parts of the United Kingdom.

We are beginning to emerge from a global pandemic that has resulted in tragedy for some and has placed restrictions on us all. However, COVID-19 has not impacted all consumers equally. While some consumers have benefited from increased home working opportunities and have found themselves able to save money, the cessation of the furlough scheme could lead to job losses for some, and stagnant wages for others, at a time when benefits are set to be reduced and prices, including energy costs, are rising.

The Energy Strategy provides a vehicle to tackle fuel affordability. This will require short term measures to support consumers in fuel poverty such as the creation of fuel banks that provide consumers short term assistance to cover fuel costs. It will also necessitate medium term measures such as an intensive programme of domestic energy efficiency improvement and statutory change to enable fuel pricing based on ability to pay. In the medium to long term the focus should be on increasing security of supply via a significant increase in indigenous energy production.

Qualitative research commissioned by the Consumer Council in March 2021 on **Consumer Attitudes on Energy Transition Issues** (see Annex 1 submitted as part of our response) highlights awareness of energy transition is low and there are numerous significant barriers to consumers switching to greener home energy solutions; notably cost, lack of awareness, and little enthusiasm for changing lifestyle.

The Consumer Council commissioned quantitative research on the **Impact of COVID-19 on Energy Consumers** (see Annex 2 submitted as part of our response) in early 2021. Findings showed that just under half of those surveyed were negatively impacted by the pandemic. Those hit hardest in particular were younger age groups and those on lower incomes. The consequences of the pandemic can provide lessons as to how we can better protect those consumers who are at risk of rising costs, health inequalities, or poor access to information and services.

These elements create the potential for an energy transition that could result in an unfair burden on consumers. The Consumer Council welcomes the commitment from DfE that affordability and fairness will be key considerations in policy decisions, future legislation, and regulatory frameworks.

It is imperative that the implications of the Energy Strategy are fair for all consumers. This will require significant investment in information and support measures to enable and protect consumers. While all consumers will require assistance to adapt their lifestyles, vulnerable consumers will require tailored and enhanced support. This help and support must be easily accessible if all consumers are to experience a just and fair transition.

Energy Strategy Principles

Key insight					
JFT1	Consumer engagement should be a specific objective of the strategic principle Placing you at the heart of our energy future and the principle should articulate how it will be implemented.				
Consumer Protection Focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 3					

The Consumer Council welcomes the intent to place consumers' needs at the centre of this Strategy, as illustrated by the first strategic principle **Placing you at the heart of our energy future**. A just and fair transition, through which consumers are enabled and protected is key to this ambition.

However, the Consumer Council would welcome development of this principle to more clearly articulate how it will be implemented. While the principle **Do more with less** clearly outlines that clear targets, standards and regulations that drive improvements in energy efficiency will be implemented, the principle **Placing you at the heart of our energy future** is less specific.

The Consumer Council suggests the principle is updated to read:

We will make energy simple for people ***by working with them to co-design policy solutions and co-produce plans*** that enable and protect consumers through the energy transition. Affordability and fairness will be key considerations in all our policy **decisions which will be based on in-depth and continuous consumer research**.

Without undertaking consumer research, co-design and co-production to address a challenge that necessitates such high levels of behavioural change, we risk failing to hit our net zero target.

Writing a commitment to those techniques into the strategic principles would serve as a statement of intent and will mitigate the risk of non-delivery.

Measures to Enable and Protect Consumers

Key insights					
JFT2	The availability of information, wrap-around proactive support, financial support, and statutory protections are non-negotiable to ensure a just and fair transition.				
JFT3	To ensure fairness, punitive behavioural change measures that introduce minimum standards or implement mandatory phase-out of existing heating solutions should only be implemented once appropriate consumer support is introduced.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 8					

The five measures proposed to enable and protect consumers are laudable.

Energy Strategy Measure	Consumer Council Comment
Making available information and advice	This is essential to enable good consumer decision making.
Offering wrap-around proactive support	These measures will be essential to enable a large cohort of consumers to adopt new technologies.
Providing financial support measures	
Reviewing statutory protections	This is non-negotiable to ensure consumers are protected in the uncertain energy future.
Driving behavioural change	This can begin immediately but it is important that measures for minimum standards or phasing out fossil fuels are not adopted until the other four enabling and protection measures are in place.

To begin to drive behavioural change without first implementing an evidence-based, honest, two-way conversation with consumers, endangers attempts to achieve a just transition.

This must include comprehensive advice, information and awareness campaigns, proactive wrap-around support, financial incentives and statutory protections.

While the Consumer Council supports the five key measures outlined we would encourage DfE to bring together Government, regulators, academia, consumer bodies and industry to begin planning now for co-designing the raft of tailored future energy policies that DfE notes will be required to enable and support each of our consumer populations.

Consumer Population Groups

Key insight					
JFT4	Tailored approaches are essential for a range of population groups including those on low incomes, of pensionable age, consumers who are disabled or living with long-term health conditions, and those living in rural areas.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 7					

The four consumer population groups identified by the Energy Strategy do not adequately represent current or future consumer populations which could, in turn, lead to a failure to recognise emerging trends and vulnerabilities, and to ensure fairness for these groups.

The Energy Strategy should, at the very least, recognise the following customer segments, detailed on the next page.

Table 1. Consumer Population Groups

Consumer Population Group	Rationale for Segmentation
Domestic consumers	All domestic consumers will require some level of information, advice and support.
Domestic consumers in vulnerable circumstances	Consideration should be given as to whether this group should be further segmented as groups with different vulnerabilities may require distinct and different support during the energy transition. These groups include rural dwellers, older people, people with long-term health conditions and people with disabilities, and groups at risk of future vulnerability.
Future domestic consumers in vulnerable circumstances	The energy transition may lead to the emergence of newly vulnerable groups due to factors such as domestic heat sources becoming obsolete, lack of information and lack of appropriate financial support. Ongoing consideration should be given to this risk as the dynamics of the transition will create groups with different vulnerabilities at different times, leading to the requirement for a broad range of consumer protection measures.
Small businesses	Small businesses, particularly micro businesses, may require greater support than larger organisations to reduce their energy consumption and emissions.
Agricultural businesses	Agricultural businesses may require bespoke energy reduction targets or specific support to reduce their energy consumption.
Public sector organisations	Public sector organisations and particularly the Northern Ireland Civil Service government estate, should demonstrate leadership in emissions reduction and best practice.
Large businesses	While requiring some information and support to reduce their emissions, large businesses should be asked to demonstrate leadership in energy efficiency.
Major energy users	Major energy users will likely require innovative bespoke solutions to address their energy consumption and emissions.

Domestic Consumers in Vulnerable Circumstances

Key insight					
JFT5	Special consideration must be given to the needs of vulnerable households, particularly given their increased risk of fuel poverty. The One Stop Shop, financial support and wrap-around service provision will be crucial in this regard.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 7 and 11					

As outlined in Table 1 above, consideration should be given to the perspective of specific vulnerable groups, with a view to developing a tailored approach for each group.

Special consideration must be given to the needs of vulnerable households, which includes those with older people, babies and young children, people with disabilities or long-term health

conditions, and individuals who are socially isolated. This is particularly important given the increased risk of fuel poverty these groups face.

Fuel poverty is a problem that has severe consequences including restricted use of heating, cold and damp homes, debts on utility bills and a reduction of household expenditure on other essential items. In addition, fuel poverty is not only associated with excess winter deaths, but with a wide range of physical and mental health illnesses, such as depression, asthma and heart disease.

Northern Ireland's high level of fuel poverty, 22% compared to 10% in England², also provides a challenge given the spending that will be required to improve the energy efficiency of homes.

As recognised in the Consultation, these vulnerable groups will also require additional support to adapt to behavioural change requirements and to adopt new technologies. The One Stop Shop and plans for wrap-around service provision will be crucial in this regard.

Northern Ireland also has a relatively rural population and according to DAERA, some 37% of the population living in rural areas. This will impact upon the decarbonisation of transport and will also restrict the viability of less carbon intensive energy supply options such as district heating³, while the electrification of heating in rural areas may necessitate investment in the electricity grid to cope with the resultant increase in demand. For these reasons the perspectives of rural dwellers require specific consideration.

The energy transition may also lead to the emergence of newly vulnerable groups. This could be as a result of a variety of reasons including rising fuel costs, more complex technology, domestic heat sources becoming obsolete, inadequate consumer information, a lack of advice, and a lack of appropriate financial support.

Work should be undertaken now, and kept under review, to identify potentially vulnerable groups under a variety of risk scenarios. This would enable early introduction of mitigating measures to prevent more people becoming vulnerable.

² Department for Business, Energy & Industrial Strategy Annual Fuel Poverty Statistics in England, 2020 (2018 data), 30 April 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/882404/annual-fuel-poverty-statistics-report-2020-2018-data.pdf

³ District heating is a system for distributing heat generated in a single location through a system of insulated pipes. It is used in many European cities.

Consumer Information and Support

Key insights					
JFT6	All consumers will require information, education and technical advice.				
JFT7	All consumers required to upgrade their homes should be offered financial assistance in the form of access to low or no interest Government loans and grants for consumers in vulnerable circumstances.				
JFT8	There is a requirement for simple, accessible, and consistent information and attitudinal change campaigns to encourage behavioural shifts and create a grassroots movement.				
JFT9	If we are to achieve a just and fair transition, we cannot expect or demand consumers change behaviours without first providing them with the appropriate support.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 11 and 33					

Tackling decarbonisation will be difficult, expensive and inconvenient. Research by the Confederation of British Industry notes “decarbonising the UK’s heating system is the greatest challenge the UK faces in meeting its net-zero 2050 target”⁴ and the Sustainable Energy Association highlights that “if the UK is to achieve net-zero by 2050, widespread deployment of energy efficiency measures and low carbon heating in the UK’s buildings is essential”.⁵

Given our continued dependence on home heating oil, the potential for consumer disruption is much higher in Northern Ireland than in other parts of the United Kingdom.

While near universal introduction of energy efficiency measures will benefit Northern Ireland consumers by improving housing quality and reducing energy costs, it is likely that all consumers will require information, education, wrap-around support, and technical and financial advice.

Information and education will be essential to help consumers change how they heat their homes. However, the need for this information will extend much further to include advice regarding energy efficiency, travel and lifestyle choices.

As the energy transition progresses, if micro-generation increases and environmental spending is levied via consumer bills, it is essential that consumers can understand their bills and what they are paying for. This may necessitate requirements for simple, standardised billing approaches across sectors.

If we are to ensure a just and fair transition some vulnerable consumers will require much more support in the form of technical guidance, financial support and wrap-around assistance.

⁴ Kamara, A. 2020. Net zero: The Road to Low-Carbon Heat. Birmingham, University of Birmingham. <https://www.birmingham.ac.uk/documents/college-eps/energy/publications/20200722-heat-policy-commission-final-report.pdf>.

⁵ Sustainable Energy Association (SEA), 2019. Social Housing: Leading the Way to Net Zero. Page 45. <https://www.sustainableenergyassociation.com/wp-content/uploads/2019/09/SEA-social-housing-digital-compressed-1.pdf>.

It is also likely that all consumers will require some level of financial assistance. This should include grants for vulnerable consumers and, at a minimum, access to low or no interest Government backed loans for all consumers required to invest in energy efficiency or heat technology upgrades to their home.

Given the short term likelihood of increased energy prices and the possibility of a growth in fuel poverty as a result of the COVID-19 pandemic there is a requirement for prompt implementation of consumer support measures. Fuel banks, that provide consumers interim assistance to pay energy bills at times of crisis, could be quickly established and funded for this purpose.

There is also a requirement for extensive public information campaigns, with clear, succinct and accessible messaging to encourage behavioural change. This will require the distillation of a phenomenally complex problem into some simple and salient propositions to improve understanding, encourage adoption and win hearts and minds.

The success of the Energy Strategy depends on consumers changing their behaviour with all stakeholders, led by the Northern Ireland Executive, encouraging active and sustained participation. This must be underpinned by a sound understanding of the consumer journey, including behavioural insights.

However, if we are to achieve a just and fair transition, consumer behavioural change cannot be demanded without first providing appropriate support and incentive to consumers. The key consumer information and support requirements are outlined in Table 2.

Table 2. Consumer Support Requirements

Energy and water efficiency advice	Retrofit and heating installation	Issues with utilities and energy providers	Low income, fuel poverty and vulnerability issues	Transport issues
<p>Public information and attitudinal change campaigns to improve understanding, empower consumers to take action and raise awareness of the services and support available from the One Stop Shop. This can include:</p> <ul style="list-style-type: none"> • Low cost and no cost energy/water saving measures within the domestic or non-domestic setting. • Simple behavioural changes to save energy and water. • Advice and assistance with installation and maintenance of digital technology including smart meters and heating controls. 	<p>Consumer is referred to or engages with One Stop Shop caseworker, who will carry out an assessment of consumer needs and a detailed inventory of insulation, heating and technology required within the dwelling or building. Case file created held by the One Stop Shop. Identified vulnerable consumers must be flagged from the outset.</p>	<p>Consumer requires general energy and/or water efficiency advice, or raises a concern about a utility or energy service provider. This can include:</p> <ul style="list-style-type: none"> • Billing • Debt • Disconnection • Meters • Disputes with payments 	<ul style="list-style-type: none"> • General advice required on maximising income and saving money. • Consumer requires support dealing with installation or worried about coping with new technology. • Consumer is in financial difficulty and at risk of self-disconnection. • Consumer wants to know more about how they qualify for any financial help. • Consumer is worried about a scam. 	<p>Consumer requires general advice in relation to transport and energy transition, or raises concern about a transport provider, service or product. This can include:</p> <ul style="list-style-type: none"> • Transport options • Public transport service standards • Ticket prices • Active travel and/or sustainable travel • EV charging • Low emission vehicles
	<p>Physical inspection: building is assessed by approved qualified surveyor and/or technician who will create a schedule of works.</p>	<p>One Stop Shop provides advice and assesses whether a referral to a third party redress organisation is necessary.</p>	<p>One Stop Shop provides advice and assesses need for referral to specialist organisation(s).</p>	<p>One Stop Shop provides advice and assesses whether a referral to a third party redress or advice organisation is necessary.</p>

<ul style="list-style-type: none"> • Fabric first: information and advice on insulating. • Other energy saving advice on keeping bills low, switching and shopping around in the case of home heating oil. • Scam awareness. 	Financial assessment: Consumer assessed for any financial grants or initiatives.	If issue remains unresolved, refer to One Stop Shop for redress.	If referral is required, case reviewed for resolution status.	If issue remains unresolved, refer to One Stop Shop for redress.
	Referral to installers for the appropriate work to commence. All installers must be registered as official delivery agents in order to meet agreed standards, accreditations and/or codes of conduct.	One Stop Shop reviews issue raised by consumer.		One Stop Shop reviews issue raised by consumer.
	In the case of digital technology installations, the installer will assess the household and provide appropriate support for energy technology and appliances to enable participation and benefit.			
	Installers to liaise with One Stop Shop and submit report on completion of work, managing all stages of delivery, installation and aftercare process.	First stage complaint if issue not resolved.		First stage complaint if issue not resolved.

		Completed work is assessed and data updated.	Second stage complaint if necessary.		Second stage complaint if necessary.
		Consumer is directed back to One Stop Shop to report any issues throughout the redress process, or access additional support if needed.	Case resolved and closed.		Case resolved and closed.
Opportunities	<ul style="list-style-type: none">• Consent to data enables the One Stop Shop to oversee the consumer journey and flag areas of concern.• Consumer is empowered to return to the One Stop Shop at any stage of the transition journey.• One Stop Shop provides wrap-around support of the end-to-end consumer journey. Clearly defined ownership from the outset will make all stages of the journey transparent and accountable, while encouraging adoption and trust in energy transition.• An established One Stop Shop model providing impartial information on renewables will help consumers make an informed choice on installations including financial costings.				
Risks	<ul style="list-style-type: none">• Specific vulnerable consumer groups need enhanced wrap-around support and aftercare, including technology.• Rollout of smart technology needs robust broadband infrastructure, including assistance for low-income household connections.• Installation and grant schemes must have consumer protection measures in place that fully align with One Stop Shop standards.• Household supply chain solutions may present project planning challenge as technology increases complexity and logistical obstacles.				

One Stop Shop

Key insights					
JFT10	The services of the One Stop Shop are essential if we are to ensure a just and fair transition for all consumers.				
JFT11	Governance and oversight of installers, suppliers and services is an essential component of the structure of any One Stop Shop model.				
JFT12	Provision must be made for impartial handling of consumer complaints, including complaints about the One Stop Shop, and redress relating to the adoption of new technologies, financial support, and provision of new services.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 9 and 10					

The Consumer Council supports the proposal to establish a new One Stop Shop organisation that would be the key contact for energy consumers in the future.

Provision of the services DfE envisages for the One Stop Shop are essential if we are to ensure a just and fair transition for all consumers.

Therefore, while we agree that information and advice should be provided online, this should be supported by extensive offline engagement enabling communities and the advice sector to come together to support the needs of consumers. A virtual One Stop Shop alone would be insufficient to meet the needs of consumers and bring out the attitudinal and behavioural change required to meet the net zero targets.

The One Stop Shop must be equipped with specialist technical advisors who can assist consumers with the challenges of adopting new technologies. This service should range from wrap-around guidance on technology options through to home visits from trained specialists who can provide technical assistance, and manage implementation and aftercare of new technology adoption.

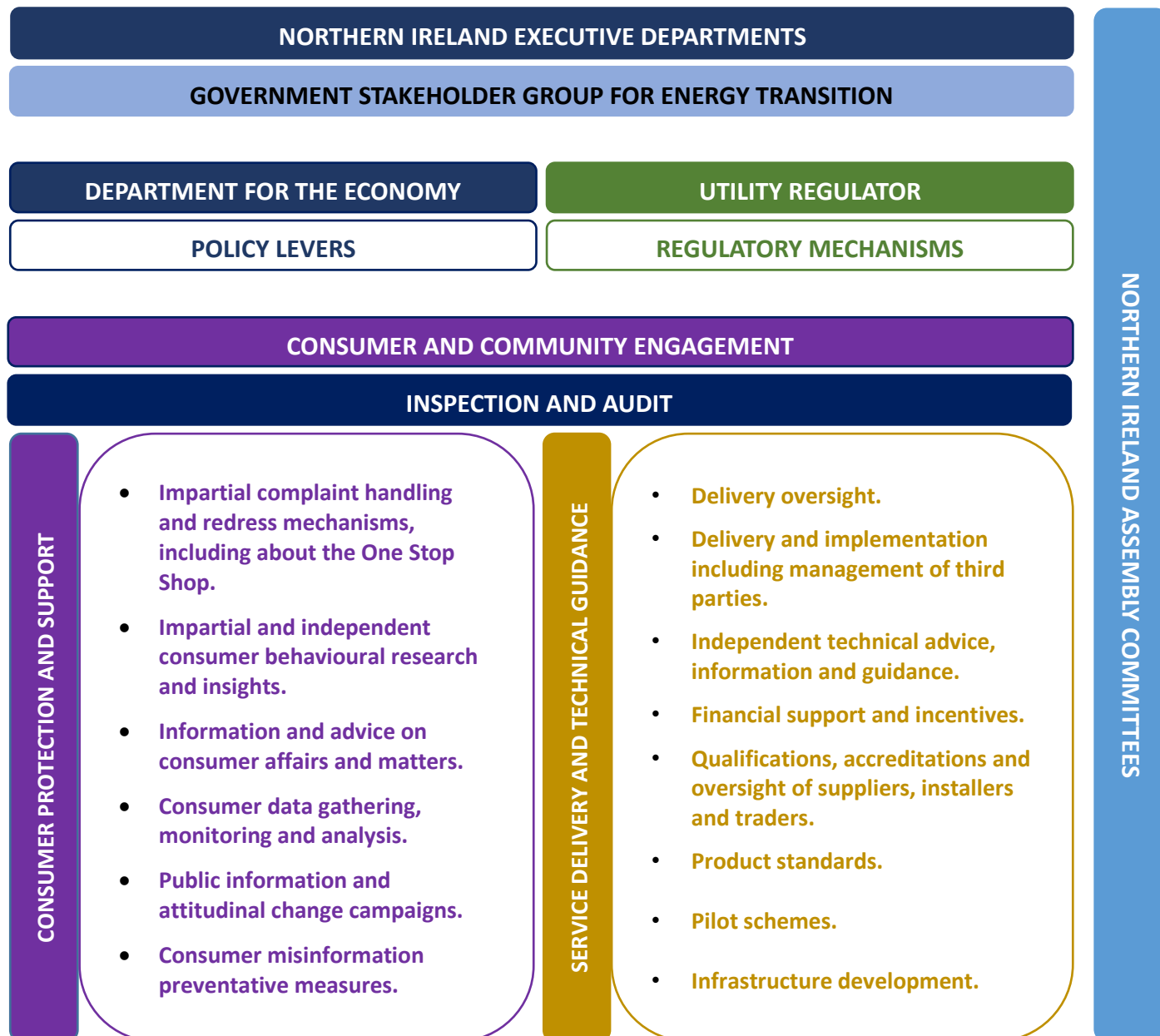
The One Stop Shop should also be responsible for verification of installers, those undertaking property retrofitting activities, and organisations offering financial instruments to consumers. It must also monitor complaints against agreed standards and codes of practice set by Government and regulators.

The Consumer Council agrees that a new organisation with a substantial remit would significantly change the energy support landscape and may require legislative change. It is important to take a phased approach to establishing and expanding the remit of such an organisation and that this will require specific consultation and consumer engagement to ensure the organisation meets consumer requirements.

The Consumer Council recognises that interim arrangements for the delivery of new programmes should be put in place. This is required to guarantee consumer protections in advance of One Stop Shop functions becoming operational.

Proposed Model for the One Stop Shop

The Consumer Council has developed a proposed model for the One Stop Shop that provides a flexible, scalable, and accountable framework under which the diverse needs of Northern Ireland's future energy eco-system can be accommodated and addressed.



Overarching Governance

Key insights					
JFT13	A coordinated and joined-up approach across all levels of central and local Government. A failure to coordinate and drive delivery could lead to consumer detriment.				
JFT14	Consumer trust and confidence in the Energy Strategy and the energy market is essential. Without consumer support and engagement, the transition will not happen.				
JFT15	Consumers must be represented on the proposed Energy Strategy Government Stakeholders Group.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 4					

If Northern Ireland is to achieve its net zero targets, we cannot simply rely on the introduction of a One Stop Shop. It is essential that there is a coordinated and joined-up approach to drive delivery across all levels of central and local government.

A failure to coordinate and drive delivery could lead to consumer detriment if, for example, heating technology change was mandated without adequate financial and wrap-around support first being in place to protect consumers.

The proposed establishment of a Government Stakeholders Group that brings together all central Government Departments, with a role in energy governance alongside local government representation, is welcome. Consumers must be represented at this Group.

It is essential that the Government Stakeholders Group has clear leadership and a mandate for delivery. For example, the Republic of Ireland's Climate Action Delivery Board is led by the Department of the Taoiseach.

To protect consumers, delivery should be subject to Northern Ireland Assembly scrutiny. For example, scrutiny in the United Kingdom includes the House of Lords' Environment and Climate Change Select Committee, while the Republic of Ireland's Dáil Éireann has a parliamentary standing Committee on Climate Action.

To support the delivery and scrutiny functions of these groups, independent advice is required. This function is carried out by the CCC, from whom national authorities may request specific advice. It is important that this independent advice is sought on a routine basis, perhaps in the form of a specific carbon budget for Northern Ireland.

Strong delivery, based on specialist independent advice and subjected to parliamentary scrutiny, is essential to garner public trust and confidence. Public trust can also be engendered via appropriate engagement. Some further commentary on the benefits of the UK Climate Assembly and the Republic of Ireland's Citizens' Assembly National Dialogue on Climate Action can be found in the Consumer Engagement section of this document.

The Consumer Council recognises decarbonisation is a global challenge which will require collaboration on governance arrangements, policy making and regulation across regional and national boundaries. This will relate to issues including infrastructure management, digitalisation, data handling, consumer privacy and protections, and financial service regulation.

Monitoring Progress

Key insights					
JFT16	Clear, specific and measurable metrics are required to monitor progress against the Energy Strategy objectives.				
JFT17	Cost transparency will necessitate strong governance, robust cost controls for Government spending, and stringent cost assessment of industry spending by the UR.				
JFT18	High-level indicators of the total cost to Government of the energy transition and the overall spend on energy imports to Northern Ireland should be published annually.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 5					

While the proposed indicators outlined in the Consultation will enable the measurement of success towards achieving the proposed Energy Strategy outcome at a high level, they may not provide the detail necessary to interrogate the process on a regional basis or across all consumer groups. This information is important to enable the type of informed decision making that will lead to a just and fair transition.

In particular, the Consumer Council is concerned that the proposed indicators of households in fuel poverty and domestic energy costs relative to household income are ill-defined and non-specific. To effectively monitor progress it is important that clear metrics are agreed and applied.

For example, there are various definitions of fuel poverty and means to measure that concept. This has led to contention and debate about the definition and consequently the true levels of fuel poverty in both Great Britain and Northern Ireland.

As a result, the Consumer Council would welcome the opportunity to apply our experience in monitoring data and consumer outcomes to assist in the development of indicators that will provide information that adequately captures the policy outcomes desired.

In this regard, a more refined indicator should be developed to enable better targeting of those in fuel poverty for assistance. Models can include region-specific heat maps, as suggested by the Ulster University in *Zero-In on NI Heat*⁶, or the composite indicator proposed for use in the Republic of Ireland by EnvEcon Decision Support and University College Dublin⁷.

⁶ Vorushylo, I., Ogunrin, S., Ghosh, R., Brandoni, C., Hewitt, N.J. (2020) Zero-In on Northern Ireland -Heat. UKERC: London.

⁷ Enabling a just transition: A composite indicator for assessing home-heating energy-poverty risk and the impact of environmental policy measures, November 2020, <https://www.sciencedirect.com/science/article/pii/S0301421520305127>

The composite indicator considers the heating requirements of the building, the building's physical characteristics and the householder's characteristics. Monitoring metrics underpinned by tools of this nature would ensure the correct technological solutions are applied.

Energy bill transparency will necessitate strong governance, robust cost controls for Government spending, and stringent cost assessment of industry spending by the UR. However, it would be in the consumer interest to ensure clarity and transparency about energy transition costs with the inclusion of a high-level indicator of the total cost to Government of the energy transition. This could perhaps be included as a specific item of expenditure in the DfE and Northern Ireland budget.

To contextualise this cost information, data could also be presented regarding the overall spend on energy imports to Northern Ireland per annum. Data of this nature would aid consumer understanding regarding the financial benefit of investment in indigenous renewable power generation.

Indicators of average energy use by consumer segment, for example domestic consumers and/or household type, agricultural consumers, small businesses and industrial users would over time, serve to indicate where progress has been achieved and the sectors that may require more intensive intervention to facilitate energy efficiency. The transport sector for instance, accounts for 23% of greenhouse gas emissions in Northern Ireland.

As transport has a different policy lead than energy, it is important that an indicator is used to monitor progress in the transport sector alone. This could, for example, be the number of public transport journeys made, the number of EVs on the road or the number of walking and cycling journeys made.

Such indicators should also be included in a specific Northern Ireland transport plan for decarbonisation along with more detailed ones such as the number of cycle lanes and EV charging points.

6. CONSUMER BEHAVIOUR

Key insights					
CB1	Every scenario envisaged by the Energy Strategy will necessitate significant behavioural change in consumers.				
CB2	Consumer awareness of the levels of behavioural change required is low, as is their eagerness for such change.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question 5					

The Consumer Council welcomes the development of the scenarios included in the Energy Strategy as they provide a helpful indicator of the scale and type of actions required to achieve our net zero goals. We note that none of the scenarios is an expected outcome of the Energy Strategy and that they are not a statement of policy intent.

It is important to note that each of the four scenarios places significant responsibility on consumers. Every scenario requires behavioural change, demands energy efficiency and will necessitate disruption to some or all consumers in their homes as a result of the requirement to update their home heating systems, be that an upgrade from oil to natural gas, or from natural gas and oil to heat pumps and biogas or hydrogen. To reduce carbon emissions in the transport sector, consumers will require assistance to change their mode, frequency, distance and destination of travel.

Therefore, the scenarios serve to illustrate just how much support consumers will require if we are to achieve the levels of behavioural change envisaged by the Energy Strategy.

The Consumer Council has a strong history of collaboration with policy makers, regulators, industry and the third sector, with significant expertise in the field of energy consumer research. This enables the Consumer Council to lead, advise on the development of, or assess the quality of, qualitative and quantitative consumer and best practice research to identify insights, trends and evidence-based value propositions that will underpin our collective attempts to achieve behavioural change.

The Consumer Council is committed to work with DfE and any other interested industry stakeholder to encourage and drive behavioural change that benefits consumers.

Delivery Priorities

Key insights					
CB3	The key delivery priorities outlined in the Energy Strategy do not adequately account for the level of behavioural change that will be required to deliver and implement it.				
CB4	The Consumer Council recommends the inclusion of a seventh key priority, focused on developing a comprehensive and rolling annual programme of consumer engagement to facilitate the development of legislation, regulation and policy decisions that best serve consumer needs.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment

Incorporates our response to:
Consultation question: 4

The key delivery priorities outlined in the Energy Strategy do not adequately account for the level of behavioural change that will be required to deliver it. For this reason, the Consumer Council recommends the inclusion of a seventh priority, **Engagement**, which should encompass comprehensive consumer research and engagement, and could be described as:

***Engagement:** Developing a comprehensive and rolling annual programme of consumer engagement to facilitate the development of legislation, regulation and policy decisions that best serve consumer needs.*

High quality consumer information and data are essential to the operational delivery of this Strategy and without specifically prioritising consumer research and engagement in this manner there is a risk that consumers' needs, habits and priorities are not adequately understood.

Understanding Consumer Attitudes

Key insights					
CB5	Consumer attitudes to the energy transition and the impact of new technologies must be routinely tracked to aid policy development, technology rollout and information provision.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 5					

Introduction of a bi-annual survey of consumer attitudes to the energy transition and the impact of new technologies would assist in policy development, technology rollout and information provision. The Consumer Council has extensive experience of developing data gathering and analysis of consumer views and impacts.

In the last 12 months alone, in addition to our annual 2021 Consumer Insight Survey for Northern Ireland, we carried out 22 discrete research projects to understand the challenges, opportunities and emerging risks faced by Northern Ireland consumers, including low-income and vulnerable consumers. This research included:

- **Energy:** covering consumer experiences in complaints handling and installing renewable technology, consumer attitudes to energy transition, the impact of COVID-19 on energy consumers, and what decarbonisation means for energy, transport and water consumers.
- **Transport:** covering the impact of COVID-19 on older persons and transport, and on the transport sector in Northern Ireland.
- **Water:** covering the regulatory approaches to consumer vulnerability.
- **Financial exclusion:** including the impact of COVID-19, and problematic debt.

Consumer Engagement

Key insights					
CB6	Putting consumers at the centre of decision making, design and implementation is vital to ensure that we are delivering what really matters and we achieve the behavioural change needed to meet our net zero vision.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 8					

The Consumer Council has long advocated that comprehensive engagement with consumers is fundamental to the design and delivery of policy and services. Putting consumers at the centre of decision making, design and implementation is vital to ensure that we are delivering what really matters and we achieve the behavioural change needed to meet our net zero vision.

To enable this, good consumer engagement practice is critical. We use consumer engagement to refer to a range of opportunities to gain insight and understanding from consumers and the communities that services are designed and provided for.

Consumer engagement has been a feature in the development of the Energy Strategy, which notes that *“consumers will also need to be part of an ongoing support and engagement programme to ensure the benefits are realised.”*⁸

The benefits collaborative engagement can deliver are well evidenced. For example, in NI Water’s latest Price Control PC21, the UR concludes the consumer engagement delivered *“has been beneficial to all parties and should enable improved delivery of service to the consumer”*.⁹ A further example of collaborative work is provided by the report **Empowering Consumers**¹⁰ which was a joint consumer engagement research project between the Consumer Council, NIE Networks, DfE and the UR.

Engagement should be ongoing and embedded in an organisation’s business as usual activity. Companies and government departments must move away from the process of gathering consumer views to inform set points of policy development or price control submission. We need to know what consumers really experience and collect information on how that experience is changing. Only by doing this can we target the work to minimise detriment and maximise consumer benefit.

DfE should consider localised and specific consumer participation in the design and delivery of schemes to support its consumer engagement. The involvement of affected communities must be built into the development of plans through early dialogue with these communities, co-design, co-production, co-delivery, and co-assessment.

These inclusive design principles begin with recognising that good decisions must start from understanding the experience and needs of the consumer. By learning about the true consumer experience we can begin to ascertain the best solutions to problems from a consumer perspective.

⁸ Energy Strategy for Northern Ireland: Consultation on Policy Options, Page 136.

⁹ [PC21 FD - Main Report 02.00.pdf \(uregni.gov.uk\)](#)

¹⁰ [empowering-consumers-ceap-report-2016 \(nienetworks.co.uk\)](#)

To achieve this, we must not only be regularly collecting information on how consumer experience is changing but must also ensure people with lived experience are at the centre of decision making.

An example of the beneficial use of this approach, how it can work in practice and deliver benefit to consumers, service designers and providers is the work of the Regional Community Resilience Group (RCRG)¹¹. As a member of RCRG, we have witnessed first-hand the benefits that can be delivered through direct community involvement and participation in water management and flood prevention schemes and infrastructure investment.

We would encourage DfE to incorporate this approach as it develops specific plans for design and delivery through the Energy Strategy.

Consumer Engagement Objective

Key insights					
JFT1	Consumer engagement should be a specific objective of the strategic principle Placing you at the heart of our energy future and the principle should articulate how it will be implemented.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 5					

The Consumer Council would welcome the inclusion of a fourth engagement objective to the strategic principle **Placing you at the heart of our energy future**. Without an initial objective to engage with, and learn from consumers, it will be difficult to achieve the existing Energy Strategy objectives.

Different methods and approaches to consumer engagement and participation exist,¹² ranging from 'big room' deliberative events sometimes termed citizens' assemblies, consumer advisory panels, and digital methods including apps to capture real-time data.

Examples of deliberative events include The UK Climate Assembly, the first UK-wide citizens' assembly on climate change. It was commissioned by six House of Commons Select Committees and published its final report in September 2020. The Republic of Ireland Citizens' Assembly also provided consumers' views on climate change and the Irish Government has now implemented a National Dialogue on Climate Action to ensure consumer participation in the achievement of its net zero target.

We would welcome the opportunity to work with DfE in the development of plans for consumer engagement and participation that will aid delivery of the Energy Strategy objectives.

¹¹ The Regional Community Resilience Group (RCRG) was formed in 2013 to help local communities prepare for and respond to weather related emergencies. RCRG brings together multi-agency partner organisations from government, utilities and the voluntary sector to work for and with communities at risk of severe weather, [Be ready as a community | Northern Ireland direct](#).

¹² CC Water assessed five different models on how to better engage with consumer engagement in England and Wales at in the water Price Review PR19, and how these efforts can be improved for PR24, <https://www.ccwater.org.uk/wp-content/uploads/2020/10/CCWs-View-on-Consumer-Engagement-at-PR19.pdf>

Industry and Consumer Interaction

Key insights					
CB7	The Consumer Council encourages companies to adopt executive level responsibility for implementing and reporting on vulnerability measures, and to embed consumer engagement as part of business as usual activity.				
CB8	The Consumer Council will work with any Energy Strategy stakeholder on the development and delivery of consumer engagement and behavioural change programmes to assist consumers in achieving net zero targets.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 5					

Ensuring the Energy Strategy is successfully implemented will require companies to understand the needs of the consumers who depend upon their services.

While we accept in-depth consumer interaction regarding highly technical areas often fails to provide useful information, it is important that companies understand how the decisions they take impact upon consumers' needs and vulnerabilities.

Therefore, we would encourage all companies engaged in the energy transition to routinely measure consumer satisfaction and levels of uptake with the services provided. The regulated industries in Great Britain have demonstrated that the insights gained from consumer engagement can have a significantly positive impact on business decision-making to the benefit of consumers, staff satisfaction and company reputation.

We would also encourage companies to include senior level responsibility for implementing and reporting on vulnerability measures. The promotion of a culture focused on consumer protection should go beyond government bodies, energy network companies and energy suppliers; it should also apply to installers.

Public Information Campaigns

Key insights					
CB9	Public information and attitudinal change campaigns will be essential to encourage behavioural shifts.				
CB10	Campaign messaging and collateral should be simple, from a trustworthy source and easy to access.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 8 and 33					

Consumer messaging must inspire behavioural change with consumers feeling part of the ambitions for energy transition and net zero, as if it appears this is being driven by government or industry, we

may not achieve the ambitions of net zero. Changing consumer behaviour is as important as low carbon technologies.

It is important that we distil what is a complex ask into succinct and accessible language. Repetitive and simple messaging from trustworthy sources is a key first step to consumer education and empowerment. Consumers must be armed with the necessary knowledge or information on the aspects of the energy transition relevant to them.

Targeted, through-the-line campaigns cognisant of consumer behaviours and regional considerations will necessitate multi-channel delivery, and require input from government and industry. However, it must always appear simple, trustworthy and compelling to the consumer.

The Consumer Council has provided further commentary regarding awareness campaigns for EVs below. Many of the same lessons will apply when attempting to share information and encourage uptake of other new technologies.

EV Communications Campaign

Key insights					
CB11	Northern Ireland consumers want and need more information regarding EVs. A communications campaign is essential to bust myths, raise awareness of EV benefits and to empower consumers when making a choice to change their car.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 58					

The Consumer Council agrees that an EV communications campaign should be run in Northern Ireland. We recognise active travel and public transport can help to reduce emissions, and decarbonising transport will ultimately require consumers to move away from private fossil fuel vehicles to Ultra Low Emission Vehicles (ULEVs).

As the sale of new petrol and diesel cars will be banned in the UK from 2030, a communications campaign is necessary to inform consumers and assuage their anxieties relating to the new technology.

Whilst it will be important to emphasise the benefits of EV ownership and the infrastructure and support that is available, this must be part of an honest conversation with consumers, which also highlights and advocates shared experiences. It is equally important consumers understand what is expected of them in terms of behavioural change and financial requirements, and the advantages and disadvantages regarding EVs.

Our **2021 Consumer Insight Survey** (see Annex 3 submitted as part of our response) identified the following insights on consumer attitudes to energy transition:

- There should be a programme of information and confidence building with consumers regarding EVs.
- Consumers need information so they can distinguish the benefits of full EVs from petrol, diesel, and self-charging and plug-in hybrids.

- Independent information on EVs and their mileage range in real life driving needs to become readily available from trusted consumer advice sources.
- A major consumer concern is the availability and reliability of charging points.

This campaign should also:

- Make clear to consumers that there is a hierarchy in environmental benefit for different travel options, as detailed in the DfI publication **Planning for the Future of Transport**.¹³
- Inform consumers it is cheaper to charge and run an EV than run a petrol or diesel vehicle. This would help to address issues with hyperbolic discounting where the gains in lower running costs are not offset against the higher cost of an EV.
- Raise the awareness of charging map information, such as zap map¹⁴, to alleviate concerns around charging infrastructure.

Research by the Sustainable Energy Authority of Ireland (SEAI)¹⁵ reviewed behavioural barriers and drivers to EV uptake and identified these are: hyperbolic discounting, status quo bias, social norms, choice overload, and information problems. The research also outlined an EV purchase customer journey through contemplation, investigation and decision, which should be considered when developing campaign messaging, as well as comparison tools, similar to the one available on the SEAI website.¹⁶

¹³ DfI, [Planning for the future of Transport \(infrastructure-ni.gov.uk\)](https://infrastructure-ni.gov.uk), 3 June 2021

¹⁴ [Charging points and electric vehicles UK 2021 - Zap Map \(zap-map.com\)](https://zap-map.com)

¹⁵ SEAI, [Driving-Purchases-of-Electric-Vehicles-in-Ireland.pdf \(seai.ie\)](https://seai.ie)

¹⁶ SEAI, [Compare Electric Car Running Costs | Electric Vehicles | SEAI](https://seai.ie)

7. CONSUMER PROTECTION

Key insights					
CP1	Robust governance, delivery and enforcement structures are essential for consumer protection and the achievement of our net zero goal.				
CP2	It is critically important that as we decarbonise our energy systems, energy remains affordable for Northern Ireland consumers.				
CP3	New policies and technologies must not result in an unfair or disproportionate financial burden, or a two-tier system impacting on consumers as a whole, or specific groups, such as consumers in vulnerable circumstances.				
CP4	Government controlled green finance mechanisms should be established to ensure consumers have access to affordable and inclusive financing options to support their energy transition.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 2, 29 and 76					

The Consumer Council welcomes that consumer protection is written into the first of the Energy Strategy principles. Ensuring robust governance, delivery and enforcement structures are in place is essential for consumer protection and the achievement of our net zero goal.

As we have highlighted in the Consultation response, it is critically important that as we decarbonise our energy systems, energy remains affordable for all Northern Ireland consumers and businesses.

This will necessitate in-depth consideration of the cost impact when introducing new policies, financial interventions, and technologies to ensure they do not result in an unfair or disproportionate financial burden on consumers as a whole, or specific consumer groups, such as vulnerable consumers.

Many consumers will require financial support to adopt new technologies. It is imperative that appropriate grant funding and/or low-cost financing is provided to ensure consumers can afford to install these new technologies. Government-controlled green finance mechanisms should be established for this purpose.

As there is currently no regulatory framework to protect consumers outside of the supplier-consumer relationship, it is important that if consumers are installing renewable energy technologies and participating in micro-generation they have adequate protection. It is also important to ensure consumers are supported by being provided with access to:

- appropriate information for informed decision making;
- help to identify grants or funding sources;
- assistance with financial planning;
- assistance to complete paperwork; and
- dispute resolution.

It is also essential that we prevent entry to the market by lenders seeking to profit through unfair or deceptive practices.

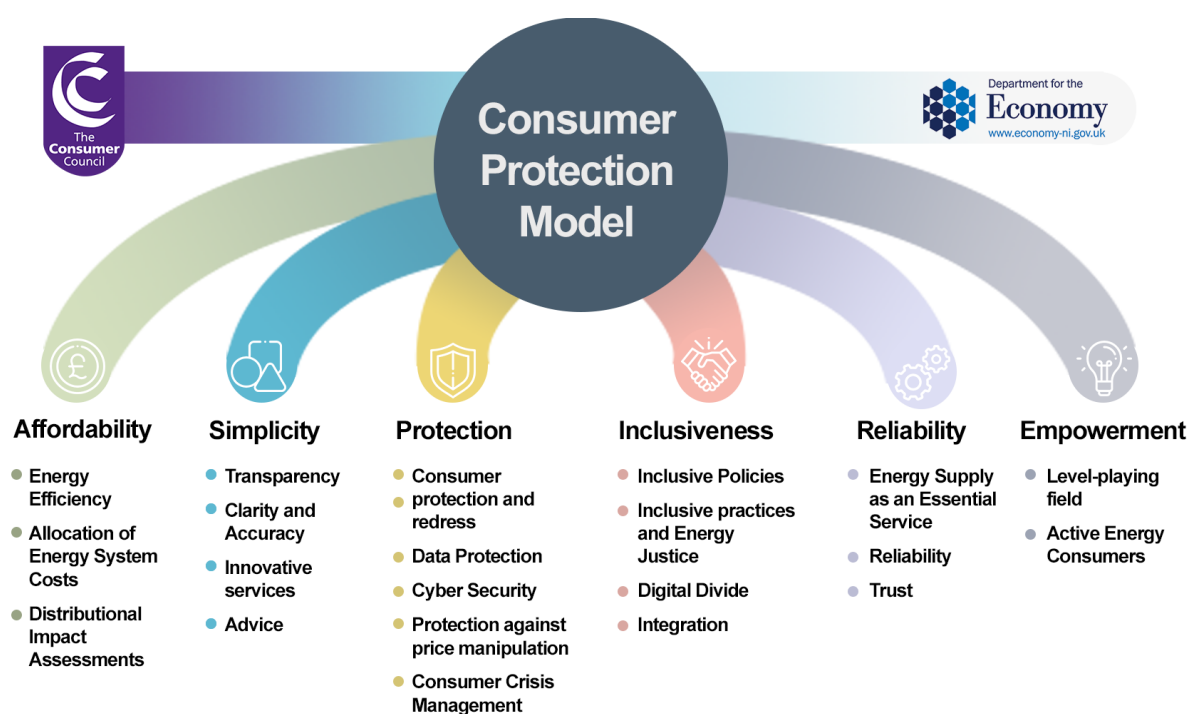
Careful consideration must be given to how EV charging and active travel infrastructure investment is to be paid for. It is important that consumers are included in this consideration as part of an honest conversation between policy makers and the public.

CEER Consumer Protection Model

Key insight	
CP5	The CEER Consumer Protection Model should be used in the development of future policy and in the consideration and selection of the appropriate means to address consumer protection requirements during the energy transition.
Consumer Protection focus	
Affordability	Simplicity
Protection	Inclusiveness
Reliability	Empowerment
Incorporates our response to:	
Consultation question: 76	

The CEER has outlined a 2030 Vision for Energy Consumers, setting out a useful Consumer Protection Model that can help to ensure no one is left behind in energy transition. We would encourage DfE and Government to adopt this tool, which can also be applied to transport, in order to deliver consumer-centric policies and resulting strategies action plans, as well as design and implementation.

Figure 4: CEER Consumer Protection Model



The CEER Consumer Protection Model should be used in the development of future policy and in the consideration and selection of the appropriate means to address consumer protection requirements during the energy transition. The Consumer Council has used this Model as a framework for assessing the policy options of the Consultation.

Affordability

Key insights	
CP6	If the outworkings of the Energy Strategy prove unaffordable for consumers, our net zero goal will not be achieved. Consideration must be given to the proportion of consumers required to change behaviours to achieve this goal.
CP7	Consumers will require direct financial support in the form of grants and loans.
CP8	Consumers expect the energy transition will lead to lower energy costs but recognise the transition to new technologies will have capital costs.
CP9	For the energy transition and decarbonisation to be successful we need to engage, empower, and mobilise communities and consumers to create a grassroots movement that can deliver net zero targets.
Consumer Protection focus	
Affordability	Simplicity
Protection	Inclusiveness
Reliability	Empowerment
Incorporates our response to:	
Consultation question: 29	

In early 2021, the Consumer Council undertook research on **Northern Ireland Consumer Attitudes on Energy Transition Issues** (see Annex 1 submitted as part of our response) into Northern Ireland consumer attitudes to the energy transition. This study found consumers believe increased use of renewables will lead to reduced costs of consuming energy.

The potential for reduced costs to the consumer was the benefit most cited by focus group participants discussing the energy transition. However, consumers distinguish between running costs, which they expect to be lower, and initial installation costs which they accept will be higher.

There is an expectation amongst consumers that they will get financial help in the form of subsidies and grants to pay for new technologies and energy efficiency. Such assistance is anticipated for the transition and any higher ongoing costs for maintenance and repair of new technologies.

These findings demonstrate that some consumers will require persuasion to comply if they are asked by Government to fund the energy transition through means such as increased taxes, higher transport costs or by having to pay to install new heating technology.

For the energy transition and decarbonisation to be successful we need to engage, empower, and mobilise communities and consumers to create a grassroots movement that can deliver net zero targets. It is not a given that consumers will conform with such requests. This is evidenced by the emergence of groups like the *gilets jaunes*, a grassroots citizens' protest movement that began in France in 2018 to protest against fuel taxes to aid the country's transition to green energy.

Financial Support

Key insights	
JFT7	All consumers should be offered financial assistance, such as grants for vulnerable consumers and access to low-interest Government loans for those required to upgrade their homes.
CP4	Government controlled green finance mechanisms should be established to ensure consumers have access to affordable and inclusive financing options to support their energy transition.

CP10	There is a need for schemes that underwrite maintenance and breakdown costs of new, and potentially very expensive and unproven, technologies.
CP11	Once the overall envelope for funding has been agreed, policy makers must ensure this is fairly attributed to different consumer groups. This should include consideration of intergenerational fairness.
Consumer Protection focus	
Affordability	Simplicity
Protection	Inclusiveness
Reliability	Empowerment
Incorporates our response to:	
Consultation question: 31	

Financial support schemes should be made available to consumers to help with the initial costs of installing or converting home systems to low carbon, high efficiency technologies. This is important given that our **2021 Consumer Insight Survey** (see Annex 3 submitted as part of our response):

- Over a quarter (26%) of consumers do not have money saved for a “rainy day” and 47% of Northern Ireland consumers “struggle from time to time” to pay their bills.
- The expenditure that consumers most worry about is having the finances available to pay for the replacement of a large household item such as a washing machine or a fridge. This suggests that consumers would also worry about their ability to pay for expensive new home heating technology.

The portfolio of financing mechanisms is likely to come from three categories: government (central and local) funding, institutional and retail/household. Specific measures can include:

- extra costs added to energy bills;
- incentivising investment in green transformation programmes by utilities/intensive energy users;
- dedicated government borrowing;
- current spending from taxpayer funding;
- local authority funding; and
- retail or consumer funded such as new financial products or a green levy added to rents.

It is critical to strike the right balance in determining the most efficient combination of funding mechanisms as it will have a big impact on the total cost of energy transition. It will determine how much will be passed onto current consumers, how much is expected to be borne by retail, how much borne by industry, and how much borne by future generations. Getting it wrong could deter consumer engagement and support.

Once the overall envelope for funding has been agreed, policy makers must ensure this is fairly attributed to different consumer groups, for example those on low versus high incomes, those living in urban versus rural areas, and intergenerational fairness.

In addition to capital grants and low or no interest loan schemes to spread the costs over a period of time, consideration must also be given to universal grants, accredited bodies that can give out these grants, a proportionate approach to means-testing and the supporting regulation across multiple sectors, including energy and financial services.

There will also be a requirement for schemes that can underwrite maintenance and breakdown costs of new, and potentially very expensive and unproven technologies.

Financial Inclusion and Protection

Key insight					
CP12	Where private finance solutions are used to facilitate the energy transition, appropriate consumer protections must be in place.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 29					

Working in partnership with DfE and the UR, the Consumer Council will ensure that the Energy Strategy delivers a fair and just transition that:

- creates a fair deal for consumers;
- protects the fuel poor; and
- provides opportunities for consumers to make savings on energy bills.

The main obstacles to the success of the energy transition in Northern Ireland are the potential cost to consumers and the need to change consumer behaviour. Through various research that we have conducted, the cost to consumers was by far the biggest barrier to energy transition.

Our research, **Northern Ireland Consumers Attitudes on Energy Transition Issues** (see Annex 1 submitted as part of our response), shows consumers anticipated that running costs of home heating and electricity would be lower after energy transition, but expected that start-up or installation costs would be high.

As new technologies emerge, the challenge will be trying to maximise take-up for those consumers that stand to benefit, whilst also protecting those who can't or don't want to engage, such as those in vulnerable circumstances, to make sure they aren't left behind.

Financial barriers can prevent the introduction and overall success of energy efficiency technologies. High efficiency products tend to have higher up-front costs which can increase the ratio of capital to operating expense. This hurdle is further worsened by the high risk of the advanced technology markets. Therefore, consumers and investors are looking for "more bang for their buck" on their energy efficiency investment because of the greater risk of uncertainty.

Potential financing options for consumers:

- zero interest loans from Government and industry;
- low-interest loans from Government and industry;
- pay back incentives;
- grants and subsidies;
- tax and tax breaks;
- levies on bills; and
- rates reductions or increases depending on energy performance certificate (EPC) rating.

Tenure status will be a factor influencing the ability to achieve payback. Money management skills and attitudes to finance will also affect consumer readiness to consider opportunities to net zero.

Having a high or above average income is likely to be a key factor in influencing the likelihood of a consumer being targeted for such offers and in turn their ability to afford to take up offers that may require upfront investment, ongoing fees or costs, or a degree of financial risk. Low income households are likely to struggle to afford costs, be less willing to risk taking out loans, or sign up to long-term contracts.

However, as more technologies are installed over time, prices should start to reduce and an increasing number of offers will be developed that suit a wider range of income levels and influence greater take up.

For homeowners and particularly for tenants, the willingness and ability to participate in offers is likely to be shaped by how long they will be living in a given property. Tenants on longer leases and owner occupiers who expect to stay put for some years are more likely to benefit from those offers which require significant upfront investment and yield rewards over a longer-term period.

With an overlap with attitude to risk, consumers who are more confident about taking out a loan or making an upfront investment are more likely to take up offers which involve such transactions. Government may feel that they do not want to burden householders with further debt problems and look instead to give attractive grants and subsidies to encourage take up.

According to our **Decarbonisation - Empowering and Protecting Energy, Transport and Water Consumers** (see Annex 4 submitted as part of our response) research, in Germany there are a number of consumer protection measures covering energy efficiency that we can learn from, notably **Germany Makes It Efficient**.

This is a government programme providing financial support to households looking to improve their energy efficiency. Run by the National Government and overseen by the Federal Ministry for Economic Affairs and Energy, it offers grants to improve building insulation, heating systems, and overall household increase in renewable energy. The programme started in 2000 and to date has helped over five million property owners implement energy efficiency measures.

It is imperative that the Consumer Council plays an important role to ensure that the most vulnerable households are not left behind on this path to net zero due to lack of access to information or the lack of financial support.

Regulatory Protection

Key insight					
CP13	Changes to the regulatory framework should prioritise education, empowerment and accountability, alongside standards for protection, compliance and enforcement.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 76					

The Consumer Council recognises the importance of collaboration between policy makers to ensure the development of a regulatory framework that enables the innovation and technology adoption necessary to achieve our 2050 goal.

However, regulatory framework changes must not be solely about enabling technological change. Consideration must also be given to measures that lead to market change in the interests of consumer protection. For example, consideration should be given to the implementation of statutory and regulatory change to enable fuel pricing based on consumers' ability to pay.

It is important regulators coalesce to identify gaps in the current regulatory defence system and take mitigating action so markets, products and services can work for all consumers irrespective of individual circumstance.

This will also require collaboration between a wide range of organisations, including some holding a UK-wide remit. They include the Chartered Trading Standards Institute, housing executives and those setting housing policy, planning and building control in local councils, and regulators such as the Payments Systems Regulator, Financial Conduct Authority and Office of Communications.

Any changes to regulatory frameworks must not result in the diminution of existing protections for consumers. As such, the Consumer Council will continue to actively engage with DfE and the UR on work of this nature, particularly on areas where our statutory powers intersect the existing energy regulatory framework.

Quality Assurance and Accreditation

Key insights					
CP14	Work undertaken by energy services for the retrofit sector should be subject to robust accreditation and strong guarantees.				
CP15	As consumer data become more integral to energy systems planning, increased data protection measures will be essential.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 3					

The Consumer Council agrees it is essential that we seek to develop skills and capacity, enhance quality assurance and standards, and use an accreditation body to provide guarantees on work undertaken by energy services for the retrofit sector.

Northern Ireland's unregulated heating oil sector provides ample evidence as to why regulation of these emerging industries is critical.

It is imperative that independent accreditation and certification is delivered. This necessitates higher quality standards, strong technical expertise, protocols to protect vulnerable consumers, and strong enforcement powers to oversee the safe installation of new technologies and retrofitting of properties.

Statutory powers that underpin regulatory frameworks such as codes of practice for consumers, minimum standards, Kitemark approaches, and protections for consumers in relation to data privacy and security will all need to be developed or updated. These enforcement powers are essential to enable consumers to trust the installers and technical specialists working in their properties.

To engender trust and to meet our energy transition goals, Northern Ireland must have skilled individuals trained to undertake the installation of new technologies and retrofitting that the energy transition will necessitate. These individuals and/or the organisations they work for should only be permitted to undertake such work if they are on the certification body's list of accredited operators.

It is also essential that Northern Ireland has an adequate number of trained independent advisors to help consumers understand the changes required of them, the most appropriate technologies for their circumstances, and how to operate the technologies they are asked to adopt.

Home Heating Oil Regulation

Key insight					
CP16	Regulation of the home heating oil industry is required and should include price controls, supplier standards of conduct, boiler installation standards, and contributions from the oil industry to tackle fuel poverty.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 32					

To ensure balanced consumer protections the whole energy market in Northern Ireland should be regulated. In particular, regulation should be introduced for the home heating oil industry. This would allow for further interventions, for example a standard of conduct, boiler installation standards and contributions from the oil industry to tackling fuel poverty, and could encourage fair and proportionate competition.

The main reason for fuel poverty in Northern Ireland is a combination of our climate, lower incomes, energy inefficient homes, higher fuel prices compared to Great Britain and a high dependence on oil.

Oil is the most common home heating fuel in Northern Ireland. Around 68% of households here use oil compared to around 6% in the UK, and this rises to over 80% of households in rural areas. This over-dependence on one unregulated fuel means fuel poverty initiatives in Northern Ireland need to address a unique set of challenges, which do not exist in other regions of the United Kingdom.

In 2011, The Office of Fair Trading (OFT) concluded that on the whole competition is working in the home heating oil industry in the United Kingdom. However, the study stated that *"it's an oddity of the Northern Ireland market that the most common household heating fuel, heating oil, is unregulated..."* The study recognises that natural gas, which is much less common in Northern Ireland, is regulated.

The report highlighted illegal practices by suppliers and called on the industry to do more to ensure compliance with existing legislation to help consumers get the best service possible. Illegal practices include:

- charging consumers more than they have been quoted,
- not giving a quote at all, and
- consumers not given an opportunity to cancel their order.

There are around 280 different oil suppliers in Northern Ireland and 72 of them are affiliated to the Northern Ireland Oil Federation (NIOF). In 2013 the Consumer Council worked with NIOF to introduce the domestic Customer Charter which included:

- **A code of practice** for paying for your oil.
- **Customer expectations** for making a complaint.
- **General information** for servicing your oil boiler and safety information.

With 68% of households in Northern Ireland using oil as their primary heating source, it appears counterintuitive that the natural gas industry in Northern Ireland, which is only used by around 25% of households for their heating needs, has a dedicated Departmental policy resource and is regulated by the UR, while home heating oil is not.

Regulation of the oil industry will become increasingly necessary as more and more people transition to other forms of heating because those left continuing to use home heating oil are likely to be more vulnerable consumers who cannot afford to change, or are not capable of changing fuels.

Others who could be left behind are those in the private rental market who do not own their homes, with landlords not prepared to spend the necessary capital to change the heating. All these groups face the prospect of higher prices and more unscrupulous practices from the oil industry.

Consumer Protection and Electric Vehicles

Key insight					
CP17	Consideration must be given as to how to enable and incentivise rural consumers to purchase and use EVs.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 57					

Consumers will need protection against the mis-selling of EVs and overcharging at charge points. Consideration should be given to the development of car dealership/trader Kitemark schemes which would give consumers' confidence that an EV the dealership has been certified as trustworthy. Necessary training and guidelines should also be provided for such a scheme.

The Competition and Markets Authority (CMA) is conducting a study into how competition is developing in the EV charging market¹⁷. The outcome of this research will be useful to inform the viability and consumer protection issues in Northern Ireland.

Citizen's Advice Scotland has produced a paper on creating a framework for robust consumer protection in the energy efficiency and renewable retrofit sector. The recommendations in this report include "recognition by certification schemes and trader organisations of ethical business practices of their members." Such schemes would be useful for installers of EV chargers.

¹⁷ CMA, Electric Vehicle charging market study, progress update, [Electric vehicle charging market study \(publishing.service.gov.uk\)](https://publishing.service.gov.uk), 1 March 2021

The Department for Transport (DfT) notes that rural populations depend more on private cars and travel further than their urban counterparts. Northern Ireland is a largely rural region and consideration must be given as to how to enable and protect rural consumers to use EVs.

Any plans for the public charging infrastructure should include, as set out in **The Road to Zero, 2018**¹⁸ the “*monitoring of market developments to determine whether any significant gaps in charging infrastructure provision appear over the medium term, and consider whether there may be a case for direct central government support in areas of market failure, which may include rural areas.*”

Dynamic Tariffs

Key insight					
CP18	Dynamic tariffs will have an important role in electricity demand management but will necessitate new regulatory protections.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 72					

The Consumer Council recognises that dynamic tariffs will have an important role in electricity demand management and could provide opportunities for consumers.

For example, Time-of-Use (TOU) electricity tariffs that provide different rates for each hour/half-hour of consumption could enable consumers to pay less when using electricity intensive appliances or for EV charging at off-peak times.

Dynamic or TOU tariffs will require smart metering technology and more accurate energy systems data. They will also necessitate a strong consumer protection focus.

A wider proliferation of tariff options creates the risk that consumers, particularly vulnerable consumers, pay more for their electricity due to issues including a lack of information regarding their tariff options, insufficient guidance or disclosures as to the nature of the specific tariff product they are contracted to, and/or the inability to use their smart metering technology correctly.

The Consumer Council would encourage adequate scrutiny in order to mitigate concerns around consumer data being harvested by industry players to manipulate and influence consumer behaviours. Government intervention is pushing for data-driven technologies and services to offer better solutions to improve consumer outcomes.

This and data portability give more flexibility, control and personalisation to consumers, with initiatives such as open banking most likely to be replicated in energy, offering a single view of finances and making it easier to shop around. Regulation and independent scrutiny must match the sheer pace of innovation in digital markets with public policy ensuring all citizens are included and protected.

¹⁸ [Government launches Road to Zero Strategy to lead the world in zero emission vehicle technology - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/road-to-zero-strategy)

Therefore, alongside information provision and advice consumers will also require regulatory protection. In this regard, the Consumer Council will seek to work with DfE, the UR and energy suppliers to ascertain the most appropriate consumer protections.

This should include considering whether the Default Tariff Cap, a cap on standard variable tariffs and fixed term default tariffs, introduced in Great Britain in 2019, could be applicable for introduction in Northern Ireland.

Connection Charging Regime

Key insight					
CP19	The current Northern Ireland regime can prove unfair for early adopters of new technology and could act as a deterrent to the adoption of low carbon technologies.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 37					

The Consumer Council notes that in its paper **Networks for Net Zero**, NIE Networks advocates for a review of Northern Ireland's connection charging policies and regulations.

The Consumer Council recognises the difficulties in the Northern Ireland connection charging regime requiring the connecting consumer to pay the full cost of connection up to and including the next voltage level. This is different from the practice in the Republic of Ireland and Great Britain where a portion of the total cost is socialised.

The current Northern Ireland regime can prove unfair for early adopters of new technology and could act as a deterrent to the adoption of low carbon technologies.

The Consumer Council will seek to work with DfE, the UR and NIE Networks regarding the implementation of a connection charging regime that appropriately apportions and/or socialises costs.

Use of System Costs

Key insight					
CP20	It is essential that changes are made to tariffing arrangements to ensure future network costs are charged in a manner that is fair to all customers.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 72					

To avoid detriment to consumers, particularly vulnerable consumers, consideration must be given to the impact of the energy transition on how costs, including transmission, network, environmental and innovation costs, are recovered.

For example, distribution use of system (DUoS) tariffs are designed to recover the distribution network costs from consumers based on how they contribute to network costs and are primarily volume-based. If decentralisation results in some consumers utilising the electricity grid for micro power generation only, rather than consumption, apportionment of costs in this manner will cease to be universal.

As a result, those continuing to consume energy using traditional means could be burdened with an unfair proportion of the costs. This is of significant importance as those continuing to consume energy via traditional means are more likely to be vulnerable consumers.

Therefore, it is essential that changes are made to tariff arrangements to ensure network costs are charged in a manner that is fair to all customers. This could involve a capacity charging approach and/or recovery via standing charges. The Consumer Council will engage with DfE and the UR on any future review of system charging.

Innovation

Key insights					
CP21	Where regulatory change is required to encourage innovation, no and low cost options should be prioritised for approval.				
CP22	To reduce the risk to consumers from large Government funded innovation, it should be undertaken in close collaboration with public innovation bodies, social enterprises or the third sector.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 17 and 1					

Where regulatory change is required to encourage innovation, no and low cost options should be prioritised for approval.

There must be fairness and equity in encouraging innovation and determining the balance of funding, and how these costs are distributed between and within generations and different consumer groups, while protecting and prioritising the most vulnerable.

Consideration could be given to the introduction of a fund for network licensees to encourage small technical, commercial, or operational projects that have the potential to deliver financial benefits to consumers. We note the Ofgem Network Innovation Allowance has been refocused to prioritise the energy system transition and vulnerable consumers.

To reduce the risk to consumers from larger Government or tariff funded innovation projects that aim to tackle strategic energy system challenges, such projects should be undertaken in close coordination with public innovation bodies.

It is important that in making regulatory changes to promote green innovation no detriment is caused to consumers, particularly vulnerable consumers, if innovation projects are to be funded via consumer energy bills.

Investment Uncertainty

Key insight					
CP23	Government and the Utility Regulator should work with regulated industries to introduce mechanisms that reduce risk to companies and consumers from innovation and infrastructural investment uncertainty.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 17 and 18					

The energy transition has created, and will continue to create, significant uncertainty regarding infrastructural investment. For example, it is currently difficult for SONI and NIE Networks to determine the appropriate level of network reinforcement that will be required.

While the Energy Strategy will begin to reduce some of this uncertainty, much of the responsibility for making appropriate investments will fall to industry, overseen by the UR.

As the energy transition will make forecasting of long-term costs challenging, the Consumer Council encourages DfE, the UR and the network and transmission companies to consider whether the inclusion of new price control uncertainty mechanisms may be required to facilitate infrastructural investment while protecting consumers' interests.

8. PRIORITISATION, PLANNING, AND DELIVERY

Key insights					
PP1	It is essential that policies, projects and infrastructure developments that benefit consumers and those that can be undertaken at low or no cost should be prioritised.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 42					

Northern Ireland has made great advances in the development of our renewable wind assets and we have a modern gas network that could have a role to play in achieving net zero, both in the short term by transitioning consumers off home heating oil, and in the longer-term via the transportation of biomethane and/or hydrogen.

These advantages are weighed against difficulties such as the rural dwelling nature of Northern Ireland's population. This will impact upon the decarbonisation of transport and will also restrict the viability of less carbon intensive energy supply options such as district heating (CCC, 2019), while the electrification of heating in rural areas may necessitate investment in the electricity grid to cope with the resultant increase in demand.

As we are not technical specialists, the Consumer Council will not take a policy position on the specific technology and infrastructure adopted. Instead our focus is on the impact that the journey to achieve net zero will have upon end users including in relation to the up-front costs, socialised costs, and effect on fuel affordability.

In development and implementation of the Energy Strategy it is essential that policies, projects and infrastructure developments will benefit consumers and those that can be undertaken at low or no cost should be prioritised.

A strategic approach is required to ensure cost effective rollout of infrastructure projects on the scale required to meet Northern Ireland's net zero target. When planning renewables projects the requirement for public sector support, market demand, need for subsidy control, rural proofing, the environmental impact, the impact on vulnerable consumers and the employment impact must all be assessed.

Security of Supply

Key insight					
PP2	Security of supply is non-negotiable.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 3, 35, 67 and 68					

Even though meeting the net zero 2050 target will greatly reduce the need for fossil fuel power generators over the next 30 years, conventional power generators will continue to play an important role in our energy system, operating alongside variable renewable generation to meet our electricity demands and ensure security of supply.

Our three power stations in Ballylumford, Coolkeeragh and Kilroot can still have an important role to play to support the renewable electricity target of at least 70% by 2030. Whilst the role of these power stations will become increasingly smaller, they are still required to maintain cost and system stability, and to maintain our energy security.

Interconnection is also required for security of supply and due to its potential to reduce energy costs via improved access to larger markets. Therefore, the Consumer Council will support interconnection where the cost benefit to consumers is apparent.

It is also of note, given the inter-related energy systems across the island that all-Island energy demand is increasing. EirGrid forecasts it will increase significantly due to the expected expansion of large energy users such as data centres in the Republic of Ireland. It is important that this growth in demand is accurately forecast and adequately prepared for to ensure security of supply for Northern Ireland consumers.

To safeguard consumers throughout the energy transition our primary focus must be on security of supply. Assurance of short to medium term security of supply will permit behavioural change, innovation and transition to new technologies. Improved security of supply via a significant increase in indigenous energy production should serve to reduce consumers' exposure to the vagaries of the global fossil fuel market, thereby enhancing consumer protection and energy affordability.

Prioritising Green Transport

Key insights					
PP3	It important that the objectives and indicators of the Energy Strategy and the Department for Infrastructure (DfI) regional and subregional transportation plans align.				
PP4	The delivery of the Energy Strategy and the related transport strategies must be coherent, and coordinated and resourced adequately.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 35 and 57					

We recognise that the transport sector is a key consumer of energy and has become the largest contributor to UK domestic greenhouse gas (GHG) emissions. In Northern Ireland, it accounts for 33% of energy consumed and 23% of GHG emissions.

The UK Government is developing a transport decarbonisation plan that will seek to deliver net zero emissions across all transport modes by 2050 and has published **Road to Zero**¹⁹, a strategy aimed at “zero emissions from road transport by 2040”. Northern Ireland must contribute to UK commitments to decarbonise the road transport sector.

¹⁹ [The Road to Zero \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Northern Ireland is highly car dependent, with over 70% of all journeys made by car, and 82% of the total distance travelled per person is by car. Furthermore, Northern Ireland is lagging behind the rest of the UK in the adoption of EVs. In 2018 just over 3,600 (0.3%) of vehicles in Northern Ireland were ULEVs, compared to 0.5% in the United Kingdom.

The CCC has identified key policy issues for transport as:

- Encouraging a modal shift to active travel, (walking and cycling) and public transport.
- Addressing the financial and non-financial barriers to electric car uptake.
- Ensuring the electric charging infrastructure reliability.

In parallel, Translink has developed a strategy that aims to deliver a zero emission bus and rail fleet by 2040.

The Consumer Council agrees that a Northern Ireland specific strategy that sets an overarching, long-term plan for cleaner, greener transport is required. This will be necessary to plan how we meet net zero emissions within the transport sector and to provide clarity for all parties including consumers. Currently Northern Ireland transport policy and strategy is the responsibility of DfI. It is important that the objectives and indicators of the Energy Strategy and the related transport strategies align.

Electric Vehicles

Key insights					
PP5	Subsidies toward the price of an EV are an effective way of encouraging EV uptake for consumers. The provision of interest-free loans for new and used EVs, already available to consumers in Scotland, should be considered.				
PP6	Trade-in or scrappage schemes should be considered for ICE cars and costly household appliances that have poor energy efficiency ratings.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 57 and 61					

Many consumers in Northern Ireland are dependent on a car with 80% saying they have access to one car or van in 2019/20.²⁰ Car dependency is particularly high in rural areas which make up 36% of the population.²¹ Therefore many Northern Ireland consumers will be unable to avail of public transport and active travel modes. As a result, facilitating Northern Ireland consumers to transition from ICE vehicles to EVs should be a priority if we are to achieve net zero.

Ofgem research found that of the 38% of households who reported being unlikely to buy an EV within the next five years, 59% said the price is too high, 38% were concerned with a short battery life and range issues, and 36% cited concerns about finding somewhere to charge close to home²².

²⁰ [Attitudes to Electric Vehicles in Northern Ireland 2019/20 has been published today | Department for Infrastructure \(infrastructure-ni.gov.uk\)](https://www.infrastructure-ni.gov.uk/attitudes-to-electric-vehicles-in-northern-ireland-2019-20)

²¹ [Key Rural Issues 2020 - Final.pdf \(daera-ni.gov.uk\)](https://www.daera-ni.gov.uk/key-rural-issues-2020-final.pdf)

²² [6.5m households in UK plan to buy an electric car by 2030 | Automotive industry | The Guardian](https://www.theguardian.com/uk-news/2020/jun/04/6-5m-households-in-uk-plan-to-buy-an-electric-car-by-2030)

Our own research, **Northern Ireland Consumer Attitudes on Energy Transition Issues** (see Annex 1 submitted as part of our response), found that:

- Besides costs, concerns about EVs also included reliability, changing technology and hidden charges.
- Alongside the initial cost to purchase an EV, the lack of a second-hand market is a barrier to consumers in Northern Ireland. However, there is an expectation that the price of EVs will reduce as technology improves.
- Incentives to change to EVs were seen as the most effective enablers.
- Trade-in or scrappage schemes should be considered for EVs and other large household appliances that have poor energy efficiency ratings.

Incentives and scrappage schemes would help to overcome inertia amongst consumers and encourage them to make energy efficient changes sooner without waiting until the end of an appliance's life. Interest free loans for new and used EVs are available to consumers in Scotland²³ so this model can also be applied to vehicles.

The Consumer Council also notes the potential to use EV batteries for storage and release to the grid when renewable generation is lower. This would be a significant additional benefit of EV uptake as it could reduce the requirement for grid reinforcement.

Consumer education will be required regarding the costs of charging EVs and their potential for use as battery storage. This may also necessitate the introduction of TOU tariffs to incentivise energy demand management. This is discussed in a little more detail under the Dynamic Tariffs section.

Electric Vehicle Charging

Key insight					
PP7	An EV charging infrastructure development plan is essential and requires the collaboration of central and local government. It should address development challenges including planning, grid reinforcement and options for consumers with no off-street parking.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 57 and 59-61					

The EV public charging infrastructure in Northern Ireland is a major concern. Northern Ireland charging infrastructure lags behind other regions in the UK with just 17.3 public charge points per 100,000 of population compared to 43 in Scotland.²⁴ In addition, currently many charge points in Northern Ireland are faulty.²⁵

²³ [Interest-free electric vehicle loan - Energy Saving Trust](#)

²⁴ [How many charge points are there in the UK 2021 \(zap-map.com\)](#)

²⁵ [EVANI Present to Committee for Infrastructure at Stormont – EVANI](#)

The EV charging infrastructure must keep pace with increasing levels of EV ownership. Although it is currently slow there has been an increase in the registration of EVs in Northern Ireland in the last year, with 1,680 registered in 2020 compared to 579 in 2019²⁶.

Having a reliable and available public charging infrastructure will encourage the uptake of EVs. If consumers see EV charge points visible they will be encouraged that the network can support them in owning an EV, helping to alleviate anxiety about range. Consumers in 2019/20 stated factors discouraging them from buying an EV included the need to recharge their vehicle (49%) and vehicle range from one charge (37%).²⁷

The provision of government grants for the installation of home and workplace charging units should be continued.²⁸ This will take pressure off the public charging network and make owning an EV more convenient for Northern Ireland consumers. Home charging is also estimated to be cheaper once public charging is introduced.

Home charging is expected to be the primary source of charging by domestic consumers. As an example, in the Republic of Ireland it is estimated that 80% of charging is at home²⁹. The Republic of Ireland Government has established a hierarchy for the promotion of different types of EV charging: home charging, on-street charging, location/destination charging and fast charging. A similar hierarchy should be developed to assist with planning of the EV charging infrastructure in Northern Ireland.

An EV infrastructure development plan should take account of the anticipated increase in EVs on Northern Ireland roads within the next few years and expectations of how the EV market will evolve over time. Consumer engagement and research will be necessary to inform the plan to ensure it meets the needs of consumers now and in the future. This will help to ensure public funds are well spent in developing the necessary infrastructure.

Issues to be addressed by an EV infrastructure plan are:

- Identification of the strategic locations for charger installation that suit consumers and do not necessitate expensive grid reinforcement.³⁰
- The provision of quick charging via a network comparable to the current ICE refuelling network.
- The impact of home charging on grid reinforcement requirements and the development of public charging.
- How to service rural areas, as currently public charging points are primarily located in towns.
- How to make it easier for commercial charging businesses to develop the charging infrastructure in Northern Ireland, including the introduction of pay to charge.
- The need for domestic smart meters to facilitate the transition.
- The disparity between those with off-street parking and those without³¹ and the provision of a residential charge point infrastructure for those who have communal parking facilities, or do not own their own home.
- The regulation enforcement of EV charging point and charging products' quality standards.

²⁶ <https://evani.uk/ev-figures-for-ni-before-import/>

²⁷ [Attitudes towards electric vehicles in Northern Ireland 2019 2020 \(infrastructure-ni.gov.uk\)](https://infrastructure-ni.gov.uk/attitudes-towards-electric-vehicles-in-northern-ireland-2019-2020/)

²⁸ [Grant schemes for electric vehicle charging infrastructure - GOV.UK \(www.gov.uk\)](https://gov.uk/grant-schemes-for-electric-vehicle-charging-infrastructure)

²⁹ [gov.ie - Transport Energy \(www.gov.ie\)](https://gov.ie/transport-energy)

³⁰ Decarbonisation - Empowering and Protecting Energy, Transport and Water Consumers, Consumer Council, March 2021.

³¹ Electric Vehicle charging market study, progress update, CMA, 1 March 2021 [Electric vehicle charging market study \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/electric-vehicle-charging-market-study)

- Ensuring the houses we build in the coming years are EV-ready and local planning policies incorporate facilities for charging electric vehicles.
- The inclusion of decarbonisation in the UR's remit to enable it to remove barriers to competition, promote innovation and allow tariff reform. This is discussed further under the Connection Charging Regime section.

Funding is available for local councils from the OZEV On-street Residential Chargepoint Scheme. However, it is apparent that local councils in Northern Ireland need support to access funding as none have applied so far. The Consumer Council advocates that local councils are supported by DfI to access funds for charging infrastructure. DfI should work with local councils to facilitate necessary changes to road and footpath infrastructure which will assist consumers with no driveway to access convenient charge points.

Encouraging a Reduction in Private Vehicle Mileage

Key insight					
PP9	The Dfl travel hierarchy of trip substitution, modal shift, and fuel switching must be supported by remote working policies and innovative planning policy from all local councils.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 34					

Most of the measures that will support people to reduce the miles they travel in private vehicles are well known. The key concepts are:

- Making public transport more accessible and attractive for consumers through cheaper and more comprehensive public transport systems with more options for consumers.³²
- Creating infrastructure, incentives and campaigns to encourage active travel.

Most journeys are still made by car, while only one-quarter of journeys in Northern Ireland are taken by walking, cycling or public transport.³³ Therefore, reducing private car journeys requires action to change consumer behaviour.

However, policies must account for high car dependency in Northern Ireland, particularly in rural areas where public transport is less available.³⁴ For many in Northern Ireland access to a private car is a necessity. Consumers on lower incomes, and consumers for whom a car is a necessity, need to be protected.

The hierarchy could be supported through facilitating remote working, online services and by using planning policy to develop '15-minute neighbourhoods' where residents have access to most, if not all, of their needs within a short walk or bike ride from their home.

³² Decarbonisation - Empowering and Protecting Energy, Transport and Water Consumers, Consumer Council, March 2021.

³³ [Travel Survey for Northern Ireland Headline Report 2016-2018 \(infrastructure-ni.gov.uk\)](https://infrastructure-ni.gov.uk/travel-survey-for-northern-ireland-headline-report-2016-2018)

³⁴ [34 Low-carbon-transport-priorities-for-Northern-Ireland.pdf \(energysavingtrust.org.uk\)](https://energysavingtrust.org.uk/34-low-carbon-transport-priorities-for-northern-ireland.pdf)

The decentralised and devolved nature of our planning framework is helpful in this regard. It places power with local councils who understand the unique characteristics of each neighbourhood and can plan development and local service provision accordingly. This could involve collaborating with government to develop remote working hubs in satellite communities.

Public Transport

Key insights					
PP10	Lower fares can make public transport more attractive and cost competitive but unless it is also convenient consumers will continue to favour private vehicles.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 34					

It is clear that consumers support public transport services and identify with its societal benefits. Recent Consumer Council research found that whilst most consumers do not want to see public money used to subsidise airlines or ferry companies, they are more relaxed about Translink receiving public investment aimed at ensuring that services remain and are improved after COVID-19.³⁵

Recent focus group research by the Consumer Council³⁶ found that while a better public transport network would be welcomed by consumers, current ticket prices were said to be too high.

Findings from research on Translink services³⁷ in February 2021 show that 29% of non-public transport users who responded, cited fare reductions as the most important measure in encouraging them to use public transport.

This was reflected in other research by the Consumer Council where amongst those for whom COVID-19 safety was less important, accessibility, cost and convenience were the most frequently mentioned priorities in relation to public transport.

Key findings from the same research included *“to retain the environmental gains brought about by lower emissions during the pandemic, consumers suggested that fares should be reduced to encourage more use of public transport, and that public transport fleets should go electric or hydrogen-powered as soon as possible.”*³⁸

Convenience of public transport is a key issue which, together with cost, must be addressed to decrease private vehicle use. This means that it doesn't matter how low cost public transport is, unless it is also convenient enough to compete with the private car consumers will continue to favour the latter option.

Recent research by the Consumer Council³⁹ found that of those older people (55+) with access to a car, 46% say there is nothing that would encourage them to use public transport instead of a personal vehicle. However, 12% suggested a more frequent and reliable service, and 7% proposed

³⁵ COVID-19 Barriers to transport recovery: focus groups April 2021.

³⁶ Northern Ireland Consumer Attitudes to Energy Transition Issues, March 2021.

³⁷ Translink Covid Brand Tracking Study, February 2021.

³⁸ COVID-19 Barriers to transport recovery: focus groups April 2021.

³⁹ Older persons transport and Covid, February 2021.

closer transport links as ways to increase public transport usage. The same research found that 75% of those with access to a vehicle reported that a car or van is a more convenient method of transport over bus or rail services.

Research of UK consumers by Mintel reported that ‘public transport needs to raise perception of convenience to compete with cars’.⁴⁰ In the same survey, convenience followed by price, are by far the most influential factors determining choice of transport mode, selected as priorities by 78% and 63% of consumers respectively.

Furthermore, Consumer Council focus group research found that most, especially those living in rural areas, said that public transport services did not suit their needs.⁴¹ This suggests that making public transport more frequent and available locally may help to alleviate the convenience issue. The same research also found that considering consumers with disabilities, public transport needs to be more user friendly and with easier access.

Recommendations from this research included that consideration should be given to increasing the number of community transport schemes that are low cost to consumers, and which run on routes and at times that make them viable alternatives to using a car.

Active Travel and Mobility as a Service

Key insights					
PP11	The integration of various transport models into a single service could be liberating for many consumers but timetable information and booking tickets must be accessible and easy to use.				
PP12	Better facilities for walking and cycling will encourage people to undertake active travel, traffic free walking and cycling routes, while enhanced safety measures at road junctions will be essential for safety and comfort.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 34					

Educating consumers with accurate information on active travel options and benefits will be critical to the success of the Energy Strategy.

In terms of reducing the carbon emissions of the transport sector, the recent necessity to work from home has been a positive development. However, as we ease back into normal life, action will be required to ensure the return to workplaces/offices produces an increase in the use of public transport, not private cars.

The Consumer Council agrees with the complementary steps outlined in the Consultation paper to reduce private vehicle miles. These include maintaining flexible working arrangements, the promotion of working from home, and the use of digital platforms to access public, shared and private transport services to facilitate car sharing.

⁴⁰ Public Transport: Inc Impact Of COVID-19 - UK - July 2020 Executive summary.

⁴¹ Northern Ireland Consumer Attitudes to Energy Transition Issues, March 2021.

Other measures that may reduce the affordability and convenience of private cars, such as increasing parking charges, reducing car parking availability and congestion charges are less likely to be readily acceptable to consumers.

Whilst positive evidence of their success in other jurisdictions and urgent environmental priorities deem such measures unavoidable, it is essential consumers are actively engaged on these issues and are given accurate information about the benefits and the sacrifices they may be asked to make.

Mobility as a Service (MaaS) which integrates various modes of transport into a single service has a role to play in encouraging alternative travel modes. However, the Consumer Council agrees with the recognition the Consultation paper gives to consumers who do not have access to suitable digital infrastructure or are unable to use these services.

Simplifying fares and ticketing is mentioned in the consultation paper in terms of creating an environment in which it is easy for people to travel using public transport. Information on timetables and booking tickets must be accessible and easy to use.

For example, a recent report on the impact of digitalisation on Northern Ireland consumers highlighted that some consumers find the Translink website and app services difficult to use, and criticised the need for two separate apps, one for checking journey times and another for booking tickets.⁴² The Consumer Council will provide suggestions for improvement to the provision of this information to Translink later this year.

Development of designated cycle lanes, city bike schemes and purchase schemes for bicycles can encourage active consumers. For example, France and Germany have a focus on developing infrastructure designed to help encourage the uptake of more active forms of transportation such as designated biking zones and lanes.

Decarbonising public transportation to include more designated walking streets and biking lanes that are separate from vehicle traffic, even at junctions, can help people feel more comfortable taking part in those active forms of transportation, when they might otherwise not have due to safety concerns with biking or walking on busy roads.⁴³ Developments of this nature may also encourage consumers to embrace new technologies such as electric bikes and electric scooters by making it easier for them to use such transport methods in our towns and cities.

Rurality

Key insight					
PP13	Frequency and reliability must be tackled if rural consumers are to be encouraged to increase their public transport usage.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 34					

⁴² Impact of Digitalisation on Northern Ireland Consumers, Consumer Council, March 2021.

⁴³ Decarbonisation - Empowering and Protecting Energy, Transport and Water Consumers, March 2021.

The Consumer Council welcomes the requirement for tailored approaches to urban and rural areas is reflected in the Consultation document. This is essential if an effective modal shift is to occur.

Services on their nearest route in rural areas operate between every 15 minutes and every hour for 27% of rural people, which suggests public transport is not a viable or convenient option for them when compared to using a car.

A more frequent and reliable service and closer transport links were suggested by rural respondents as ways to increase their public transport usage. The focus group identified that there is a huge difference between urban and rural settings in terms of connectivity and that Community Transport should be better co-ordinated with public transport services.

Economic Growth and Job Creation

Key insights					
PP14	Updates may be required to planning polices to facilitate green energy schemes that range from major infrastructure projects to domestic home improvements. Government and local councils should take a collaborative approach to planning and make certain the needs of local communities are prioritised.				
PP15	The energy transition provides opportunities for job creation, skills development and indigenous businesses to flourish. With careful planning, economic growth can be designed and aligned around consumer needs.				
PP16	Building regulations will provide a mechanism to enforce energy efficiency measures but should only be used in this manner once the support is in place to enable consumers to undertake the updates required.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 12-16					

The Energy Strategy presents an opportunity to plan for a just and fair transition, not solely tackling decarbonisation but improving equality, public health and resilience within Northern Ireland. One means of doing so is by using the energy transition as a driver of economic growth and job creation. With careful planning, economic growth can be aligned with consumer needs.

According to Department of Finance (DoF) statistics, the total housing stock in Northern Ireland is almost 808,000. As new build housing accounts for a very small percentage of the housing stock, addressing how we heat and ensure the energy efficiency of our existing stock will be crucial to achieving the 2050 net zero target, and will require innovation and a joined-up strategic approach.

This provides us with an opportunity to create “shovel ready” skilled jobs, increase carbon savings by improving energy efficiency, and improve indoor health which is intrinsically linked to wellbeing.

The Royal Institute of Chartered Surveyors paper **Retrofitting to Decarbonise UK Existing Housing Stock** notes a package of ambitious building regulations, regulatory measures, industry standards, property data, fiscal levers and market insight to provide a blueprint to help make an economic recovery from COVID-19. The paper also highlights how Government incentives are needed to promote a positive shift, by encouraging and supporting more people to consider making their homes more energy efficient.

Building regulations will provide a vehicle to enforce energy efficiency measures but should only be used in this manner once the support is in place to enable consumers to undertake the updates required. This is particularly important for domestic consumers in vulnerable circumstances who are likely to need specific assistance in the energy transition. However, the provision of this support and regulation is another job creation opportunity.

There will also need to be partnership working across Government and local councils to ensure planning policies are capable of facilitating our move towards low carbon lifestyles. This may require changes to how planning policy assesses schemes that range from major infrastructure projects to domestic home improvements.

It is essential that inclusive engagement methods are applied when major infrastructure projects are being planned. This will help to ensure local community buy-in which is essential for further development of renewable energy generation.

The Energy Strategy identifies four clean energy sectors for prioritisation:

- **Energy efficiency:** Energy efficiency and a scaled-up housing stock retrofit programme will play an important role in decarbonisation. Therefore, energy efficiency programmes will provide an important economic stimulus. It is important that upskilling is prioritised to develop the pipeline of green skills, within the built environment and including the tech sector, required to deliver this labour-intensive programme.
- **Renewable energy:** Renewable energy will be central to achieving the 2050 net zero target through decarbonisation policies that will enable indigenous renewables to gradually replace fossil fuels. The increase in demand for renewable technologies will ensure that the sector should prosper and provide economic opportunities for local businesses at home and abroad.
- **Hydrogen economy:** Hydrogen has an important role to play in helping to clean up the manufacturing, shipping and transport industries. It may also prove possible to inject hydrogen into our gas grid. Hydrogen from renewable sources represents a considerable challenge and its development must not create undue costs for consumers, but it also provides an opportunity for the creation of research, innovation and technical jobs.
- **Circular economy:** Renewable energy, without doubt, is both driving and shaping the clean global economy of the future but closing the consumption loop to create a truly circular economy in which there is no longer any such thing as 'waste' is a massive challenge.

A Circular Economy Strategic Framework is required to set a clear vision for how Northern Ireland can transition towards a circular economy. It will ensure that renewable products follow circular rather than linear pathways, wherein products and their component parts will be recycled, remanufactured and refurbished. The circular economy will help drive innovation and research, and has the potential to create jobs across the value chain.

An Energy Skills Forum should be established to shape the future skills needs of a clean energy sector. The role and remit of such a group should be to develop alternative sources of skills supply to maximise the number of recruits to the sector, for example by encouraging vocational entry routes to the sector such as apprenticeships and Foundation Degrees. It is also important that the sector is attractive to new recruits.

This can be achieved by increasing awareness of the benefits of working in the sector, improving the provision of careers information, advice and guidance, and encouraging existing employees to act as ambassadors and promote the benefits of working in the sector to potential new recruits.

Responsible Development

Key insights					
PP17	There should a requirement for renewable developers to share some of the financial benefits with local communities.				
PP18	Empowering and enabling local communities will help to ensure buy-in, which is essential for further development of renewable energy generation.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 43					

Given the impact the installation of new renewable energy generation technologies can have on local communities, there should a requirement for renewable developers to share some of the financial benefits. We note that, for example, Drumlin Wind Energy Co-Op donates £2,000 per year (£12,000 donated to date) to a community fund.

This community fund is primarily for environmental and educational purposes in the communities within the vicinity of the turbines. They have visited local primary schools and conducted renewable energy workshops which involved students building model wind turbines.

Another option would be for a percentage of profits to be contributed to a social fund to help consumers in vulnerable circumstances and low-income families pay for their energy.

Not only should renewable developers share financial benefits, they should enter into positive and constructive engagement with local communities. This should be undertaken at the earliest possible opportunity to ensure community concerns are heard and resolved.

Empowering and enabling local communities will help to ensure buy-in which is essential given the requirement for significant further development of renewable energy generation.

Plans for the Electricity Grid

Key insights					
PP19	It is imperative that the strategic principle to Create a flexible and integrated energy system maintains security of supply at the least cost to consumers.				
PP20	There is a need for greater co-ordination of where power generation and high-demand users are located.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 35, 43, 66 and 69					

The Consumer Council recognises that to achieve a 70% RES-E ambition will necessitate approximately 1,600 MW of generation in Northern Ireland, which will impact upon power system planning and will require significant financial investment.

The Consumer Council acknowledges that to meet this ambition by 2030 will likely require increased renewable electricity generation capacity via a generation-led or developer-led approach.

While much of Northern Ireland's success in adding renewable electricity capacity is down to incentivising the developer-led approach, we note that generation capacity has been added regardless of the proximity to demand or strength of the local grid.

Due to the high network reinforcement cost that could arise from a continuation of the status quo, we recognise the need for greater co-ordination of where power generation is located and would require a change in government and regulatory policy and the cooperation of the generation sector.

This approach would also require significant engagement with consumers to explain the cost benefits of such an approach, but also the consequences that may arise for local communities if generation is located closer to population centres where demand is higher.

The Consumer Council also notes the potential for greater demand-side interventions. In this regard, changes in policy could be considered to determine whether high-demand users should be compelled to locate closer to sources of clean power. Alternatively, Government could task an organisation, such as Invest Northern Ireland, to help high-power users find sites close to generation sources when making new investment decisions.

The Consumer Council also recognises that domestic interventions have the potential to reduce energy demand growth and the consequent need for grid reinforcement. To limit energy demand growth and to integrate renewable energy whilst ensuring security of supply will necessitate careful planning. Therefore, it is essential that the Electricity Network and System Operators assist government by developing a pathway to the creation of a flexible and integrated energy system.

This will require whole systems thinking, from the energy source to the end consumer, incorporating heat, power and transport. It is imperative that the guiding principle for the development of a flexible and integrated renewable energy system is maintaining security of supply at the least cost to consumers.

Plan to Decarbonise the Natural Gas Network

Key insights	
PP21	It is essential that consumers are given clarity regarding the future of the gas grid to enable them to make appropriate choices when investing in home heating solutions.
PP22	Retaining natural gas as part of our energy mix may be required for security of supply and to avoid the need for excessively costly upgrades to electricity distribution networks.
PP23	Consumers should not be asked to subsidise biomethane unless this review demonstrates its introduction is equitable and proportionate for bill payers.
PP24	If hydrogen and/or biogas grid injection comes to fruition, the development of a billing methodology that accounts for variations in energy content of biogas and hydrogen will be necessary to protect consumers.

PP25	While natural gas has a role as a transition fuel, there is a danger of lock-in that would result from a failure to develop alternative heating technology. It is important that gas network operators develop a plan to decarbonise gas by 2050.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 44, 49-51 and 69					

Biomethane and, in the long-term, hydrogen injection have the potential to reduce carbon emissions without consumer disruption, but these fuel sources must first receive safety approval for grid injection.

Northern Ireland produces around 20 million tonnes of GHG a year, with some 27% of it from agriculture, including methane from cattle. Harnessing this gas for grid injection would make a positive emissions reduction and could also benefit consumers.

Retaining natural gas as part of our energy mix, rather than complete dependence on electricity, may also be required for security of supply and to avoid the need for excessively costly upgrades to electricity distribution networks.

The Consumer Council supports the proposal to undertake a review of the costs and benefits of biogas and biomethane. This should consider the impact of biomethane subsidies, such as a green gas levy, on Northern Ireland consumers. Consumers should not be asked to subsidise biomethane unless this review demonstrates its introduction is equitable and proportionate for bill payers.

If hydrogen and/or biogas grid injection comes to fruition, the development of a billing methodology that accounts for variations in energy content of biogas and hydrogen will be necessary to protect consumers.

While the European Council (2020) has acknowledged the role of natural gas as a transition fuel it has warned against lock-in to natural gas that would result from a failure to develop alternative heating technologies. As natural gas lock-in could result in Northern Ireland failing to meet its net zero target it is important that the local gas network operators develop a plan, supported by comprehensive and robust research, to decarbonise gas by 2050.

As it is estimated that 65% of households will have access to the natural gas network by 2023, any gas networks decarbonisation plan must address the consumer impact of the solutions proposed. The following scenarios should be considered in the gas networks' plan:

- **Green gases:** This should consider the viability of biogas injection, the resultant emissions reduction, and any subsequent technicalities and costs for consumers of converting their gas boilers to accommodate biogas.
- **100% Hydrogen:** This should consider the viability of using the gas network to transport hydrogen, the cost of doing so, and the resultant technicalities and costs for consumers of converting to hydrogen-ready boilers.
- **Utilising the gas network as an energy store:** This should consider the implications, costs and benefits for consumers of using natural gas as a fall-back fuel in times of peak demand only.
- **Decommissioning the gas network:** This should consider the cost of decommissioning the gas network.

It is essential that consumers are given clarity regarding the future of the gas grid to enable them to make appropriate choices when investing in home heating solutions. To provide this clarity, the legislative requirement on DfE and the UR to promote the economic development of the gas network should be reviewed.

Plans to Eradicate Oil, Coal and Wet Wood as a Heat Source

Key insights					
PP26	It is essential that consumers who use oil as a heating source have access to clear, impartial, comprehensive, and free advice regarding alternative home heating options.				
PP27	It would be unfair to expect consumers to pay to transition from oil to natural gas if natural gas was also to be phased out in the short to medium term.				
PP28	It is important that a consumer information campaign is launched so consumers are aware of oil boiler phase out.				
PP29	The home heating oil industry in Northern Ireland must be regulated before it can play any part in decarbonising heat. Once that happens the oil industry should also be asked to provide insight as to how bio fuels could help meet our net zero target by 2050.				
PP30	Specific support and incentives should be provided to assist the 3% of consumers that continue to use solid fuels as a primary fuel source to transition to alternatives.				
PP31	If biomass is phased out in the future consumers using it as a primary source of heating must be adequately supported in transitioning to new fuel types.				
PP32	The Consumer Council would welcome the introduction of trials of local heat networks during which affordability should be a key consideration.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 52-56 and 79					

The sixth UK Carbon Budget proposes that oil heating should be phased out by 2030 and we in Northern Ireland should take the same approach given our overreliance on fossil fuels.

Oil heating has been one of the main contributors to fuel poverty in Northern Ireland because of the volatility of oil prices and the oil market is unregulated. For example, the Consumer Council weekly **Oil Price Checker** shows that the average cost of 500 litres of oil has increased by around 35% since June 2020.

Quantitative research undertaken on behalf of the Consumer Council regarding the **Impact of COVID-19 on Energy Consumers in Northern Ireland** (see Annex 2 submitted as part of our response) during March and April 2021, indicated that 13% of the sample survey (that have home heating oil) said they use emergency 20 litre oil drums with most (87%) buying these at a garage or shop. Purchasing home heating oil in this manner is significantly more costly and demonstrates the costs and risks to consumers that arise from the lack of industry regulation.

Therefore, it is questionable whether consumers would be best served by being given the choice to retain their oil boiler for use with biofuels if the biofuel market experienced the same price volatility as the global oil market.

Whether or not oil boilers are banned, given that around 68% of households use oil as their heating source, it is essential that consumers have access to clear, impartial, comprehensive and free advice regarding alternative home heating options. This advice should include information regarding price volatility of existing fuel sources and new sources such as biofuels.

It is important that a consumer information campaign is launched so if a consumer's boiler fails, perhaps in the middle of winter or in an emergency situation, they are not surprised by the fact that they are unable to make the straightforward choice to replace it like for like.

In this regard it is also essential that consumers are given clarity regarding the future of the gas grid. It would be unfair to expect consumers to pay to transition from oil to natural gas if natural gas was also to be phased out in the short to medium term.

The oil industry in Northern Ireland should also be asked to provide a creditable pathway to net zero by 2050 by providing robust, evidence-based research to support any findings including future costs and supply of biofuels. Impact assessments need to be carried out on biofuels to see if they are a viable alternative to home heating oil.

Furthermore, the oil industry in Northern Ireland must agree to be regulated before it can play any part in decarbonising heat.

Specific support should be provided to assist the 3% of consumers who continue to use solid fuels as a primary fuel source to transition to alternatives. This is of particular importance given that these consumers are more likely to be rural dwellers and/or older, or consumers in vulnerable circumstances. This assistance should be over and above the guidance provided to the 72% of consumers who use solid fuels as a secondary source of heating.

Biomass requires large areas of agricultural land or natural ecosystems for the production of biomass crops. While biomass can be seen as carbon neutral, burning it releases GHG. The CCC does see potential uses for biomass from well-managed and sustainable sources but it recommends the current uses of biomass be phased out in future.

If this proves to be the case in Northern Ireland, it is essential that consumers currently using biomass as a primary source of heating are adequately supported in transitioning to new fuel types. This is of particular importance as some of these consumers will be of the understanding that their fuel system is environmentally friendly, as they were encouraged to adopt biomass by now defunct energy efficiency schemes.

Finally, it is estimated that around 18% of UK heat will need to come from heat networks if we are to meet the 2050 net zero target. Research should be undertaken into other heat networks options being used in Great Britain and other European countries with a climate similar to ours, and trials should be adopted where appropriate.

The Consumer Council would welcome the introduction of trials of local heat networks. Key issues to be considered and tested are the distribution system, the range of potential customers and investors, project value for money, environmental impact and consumer affordability.

Support for Off-gas Consumers

Key insights					
PP33	It is essential that consumers are provided with the correct information, advice and support when adopting heat pumps. This is particularly important given that heat pumps require consumer behavioural change.				
PP34	The high installation costs of heat pumps means grants and incentives will be important to enable people to overcome the initial upfront cost barrier.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 44, 47, 53 and 55					

The electrification of heat through heat pumps could make a major contribution to the decarbonisation of heating in Northern Ireland. Heat pumps can take advantage of the significant renewable electricity resource that is already available and that will continue to increase in Northern Ireland.

Heat pumps are well established in many countries because of their high efficiency rate and low running costs, and they are also relatively mature renewable technology here. By 2030, the United Kingdom (as stipulated in the CCC's **Sixth Carbon Budget**) envisages that there will be one million heat pumps installed. The Republic of Ireland plans to install 600,000 heat pumps by 2030, with 400,000 in existing buildings.

Largescale heat pump uptake, if combined with greater indigenous electricity production and storage, would help reduce Northern Ireland's dependency on fuel imports. Energy storage solutions are imperative in this scenario so to benefit to consumers in terms of price stability and affordability.

The role of heat pumps is important in both off-grid and on-grid gas areas, but it is likely to be the key solution to off-gas grid consumers as the choice of alternative solutions is limited unless other technologies are developed.

Heat pumps could directly replace home heating oil and/or solid fuels as a primary heating source if installed alongside energy efficiency measures such as cavity wall and loft insulation. There may also be an opportunity to utilise biofuels or biomass as a secondary heating source alongside heat pumps if needed.

It is essential that consumers are provided with the correct information, advice and support when adopting heat pumps. This is particularly important given that heat pumps require consumer behavioural change, necessitating consumers to become acquainted with living in a home set at an ambient temperature, without the option of boosting the heating in short bursts.

The high installation costs of heat pumps are probably the most concerning disadvantage and according to Consumer Council research, **Consumer Experiences of Installing Renewable Technology in Northern Ireland** (see Annex 5 submitted as part of our response), conducted in December 2020, if uptake of renewables is to be encouraged in Northern Ireland, grants and incentives will be important to enable people to overcome the initial barrier of upfront cost.

Support for On-gas Consumers

Key insight					
PP21	It is essential that consumers are given clarity regarding the future of the gas grid to enable them to make appropriate choices when investing in home heating solutions.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 52					

Given the high installation costs related to heat pumps and the longer-term potential for biogas and hydrogen into the gas network the Consumer Council does not advocate mandating consumers on the gas network to transfer to electric heating in the short term.

It is also important to note that many on-gas consumers will have recently made significant financial investments to adopt gas.

In the longer-term heat pumps could operate with a decarbonised gas network with the use of a hybrid heat pump that combines an air source heat pump with a conventional mains gas boiler, thereby providing a great low carbon solution for heating most homes.

As an air source heat pump is cheaper to run during the summer months but a gas boiler is more economical to run during the winter months, a Hybrid Heat Pump provides cost-effective reduced carbon heating all year round. While this would be a welcome fuel cost benefit to consumers it would also take pressure off the electricity grid at times of peak heat requirements.

Crucial for on-gas consumers is certainty regarding the long-term future of the network. This will enable consumers to make well informed choices about how they heat their homes in an affordable manner.

Circular Economy

Key insight					
PP35	The Consumer Council welcomes DfE’s intention to bring forward a Circular Economy Strategic Framework and is keen to collaborate in its development.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation question: 16					

The Consumer Council agrees with the underpinning principles identified with the circular economy. While a circular economy may not lead directly to carbon emissions reduction it has the potential to positively impact on our environment and biodiversity while also creating jobs.

The Consumer Council welcomes DfE's intention to develop a Circular Economy Strategic Framework to set a clear vision for how Northern Ireland can transition towards a circular economy.

As noted in the Energy Strategy Options paper this will require a collaborative approach between central government, local councils, the private sector and third sector. The Consumer Council would welcome the opportunity to become involved in this collaboration.

Innovation

Key insights					
PP36	While the use of hydrogen in the gas grid would significantly reduce the disruption to consumers required by mass transition to new heat sources the development of hydrogen technologies must not create undue costs for consumers.				
PP37	Engagement with local communities close to offshore wind farms or sites where electricity is brought ashore is essential to ensure community concerns are heard and resolved.				
PP38	DfE, DfI and the Department of Agriculture, Environment and Rural Affairs (DAERA) should collaborate to ascertain opportunities for NI Water and other large energy users, to reduce energy demand and to use land for renewable energy generation.				
Consumer Protection focus					
Affordability	Simplicity	Protection	Inclusiveness	Reliability	Empowerment
Incorporates our response to:					
Consultation questions: 15, 19, 38-41 and 65					

Hydrogen Production

There are economic growth opportunities for hydrogen but its production is currently around two to three times more expensive even before factoring in the cost of electricity. However, solar and wind costs have plummeted in recent years and if they continue to fall, or if Northern Ireland can produce enough cheap electricity, clean hydrogen could become more affordable.

Resultantly, there is an important role for hydrogen to play in helping to decarbonise the manufacturing, shipping and transport industries. We recognise there is also potential for hydrogen to be used as a back-up to renewables including via injection into the gas grid.

While the use of hydrogen as a replacement for natural gas in the gas grid would significantly reduce disruption to consumers in comparison to mass transition to new heat sources, the technology and its safety are not yet proven.

Overall, hydrogen from renewable sources represents a considerable challenge, not least in terms of costs. The development of hydrogen technologies must not create undue costs for consumers.

Offshore Wind and other Marine Technologies

Floating offshore wind can play an important role in our journey to net zero. Last year the UK Government announced that it hoped to achieve 1GW of floating offshore wind by 2030 and deliver 100GW of offshore wind by 2050. Support for technology innovation is needed to drive long-term cost reduction and maximise floating wind projects.

The development of offshore wind technologies should be undertaken in co-operation with the other regions of the UK, and perhaps the Republic of Ireland Government, to ensure it does not

create undue cost for Northern Ireland consumers. Additionally, engagement with local communities close to offshore wind farms or close to sites where the electricity is brought ashore is essential to ensure any community concerns are heard and resolved.

The use of our seas for marine technologies such as wind, wave or tidal power generation must be consistent with our energy and climate objectives and should be secondary to any environmental protection measures.

NI Water activity

We are pleased to see that DfE is not waiting for the new Energy Strategy to make progress, for example the £5m funding for NI Water to trial electrolyser technology.

We would encourage DfE to continue to expand its work with DfI and NI Water to see what opportunities exist through NI Water's land use and sustainable catchment management, including opportunities for carbon capture and renewable energy generation, and to drive new technologies and sustainable solutions. We commend, for example, NI Water's commitment to derive 100% of its power use from renewable sources by 2027.

7. ANNEXES

Accompanying the Consumer Council's response to the Consultation are the following research reports:

- Annex 1: Qualitative Research on Northern Ireland Consumer Attitudes on Energy Transition Issues.
- Annex 2: Quantitative Research on the Impact of COVID-19 on Energy Consumers in Northern Ireland.
- Annex 3: 2021 Consumer Insight Survey.
- Annex 4: Best Practice Research Report on Decarbonisation - Empowering and Protecting Energy, Transport and Water Consumers.
- Annex 5: Qualitative Research on Consumer Experiences of Installing Renewable Technology in Northern Ireland.



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