



Response by the

Northern Ireland Energy Agency

to the Department of Finance and Personnel's

Review of Domestic Rating

Green Rebates Public Consultation Document

Submitted: 24 September 2008

Northern Ireland Energy Agency

The Northern Ireland Energy Agency was formed in 2007 and is part of the Bryson Charitable Group. Our aim is “to secure the support and active engagement of Northern Ireland’s energy users, particularly households, in implementing strategies, programmes and measures to combat climate change.”

The Agency plays a central role in changing attitudes and behaviors and promotes action by householders and not-for-profit organisations on

- Energy efficiency
- Renewable energy
- Low carbon transport
- Water
- Waste

The Agency employs 33 staff across its three offices in Belfast, L’Derry and Enniskillen. The single Agency was formed from a merger of three local energy agencies (Belfast Energy Agency, Foyle Regional Energy Agency & Western Regional Energy Agency & Network) which were set up in the 1990s in partnership with DETI’s predecessor DED with the financial support of the European Commission under its PERU, SAVE and SAVE II programmes.

The Agency manage the EST advice centre which provides free and impartial advice to householders across Northern Ireland via outreach and our frrephone service.

If you would like to discuss these comments please contact:

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Introduction

The Northern Ireland Energy Agency welcomes the 'Review of Domestic Rating Green Rebates' and are pleased to offer our comments. We believe that any step which can be taken to encourage investment by the Northern Ireland householder in energy saving measures will have positive benefits for the householder, the government and the environment. The introduction of green rebates is an important move by the Executive to demonstrate its commitment to sustainable development and sends the right signals to householders and housing developers in Northern Ireland.

The Energy Agency manages the Northern Ireland EST advice centre as mentioned in point 23, of the consultation document. Through this service we offer free and impartial energy advice across Northern Ireland via our freephone and outreach work. We have played a significant role in the marketing of the cavity wall cashback since its inception. Our responsibilities include the first contact with the householder or landlord to give information on the cashback and from there we allocate them a Client Reference Number.

What are your views on the proposal to provide a rates rebate for households that carry out energy efficiency improvements to their properties?

The Northern Ireland Energy Agency welcomes any measure which will encourage householders to improve the energy efficiency of their dwelling and the proposals set out in this consultation should have a positive impact. Any step which can be taken to encourage investment by the Northern Ireland householder in energy saving measures will have positive benefits for the householder, the government and the environment. The introduction of green rebates is an important move by the Executive to demonstrate its commitment to sustainable development and sends the right signals to householders and housing developers in Northern Ireland.

The consultation document is a little unclear in terms of which measures will attract rebates. The introduction refers to “approved home insulation work” while section 2, point 20. refers to “energy efficiency improvements ...such as loft and cavity wall insulation”. It would have been very useful if the Department set out a full table of the measures that will attract a rebate and potentially the amount of rebate available or being considered. For example, although solid wall insulation isn’t mentioned in the consultation it is the only option for over 10% of the NI housing stock. In addition it is a very expensive measure to install and could on these grounds justify attracting a higher rebate than cavity wall insulation.

It should be noted that the potential for cavity wall insulation in Northern Ireland is much lower than in GB and it is estimated that only 22% of the housing stock in Northern Ireland has no form of wall insulation about half of these are of solid wall construction (NI House condition Survey).

The consultation doesn’t mention a rebate on microgeneration technologies such as solar water heating or PV, this could be a missed opportunity to encourage the Northern Ireland householder to install such measures.

What are your views on the preferred means of delivery for the rate rebate, that is in partnership with NIE Energy insulation cash-back scheme?

If the cash-back scheme exists in broadly its current form by April 2010 it could make good sense to tap into a tried and tested scheme and this should reduce the administration burden and make the offering less confusing for the consumer. However, given that the Energy Efficiency Levy Programme is currently out for consultation any significant changes may mean that linking the rebate with the insulation cashback would not be possible. In addition NIE

Energy are the only electricity supplier in the market at present, if this situation changes by 2010 this would have an impact on the rebate scheme.

What are your views on limiting the rate rebate scheme to owner occupying households only?

The consultation document states that the cashback is only open to owner occupiers (point 26), however it is also open to private landlords. There will be implications for the rebate in this.

What are your views on the option of providing a higher level of rebate than is currently awarded in terms of the cash-back?

As the consultation highlights the householder may be more attracted to the instant nature of the cashback. Pitching the rebate slightly above the cashback is a good idea and it would mean that when the cashback is over subscribed, as is often the case, the householder will still receive an important incentive.

What are your views on the proposal to introduce an initial exemption for new zero carbon homes?

This is a welcomed development. It sends the right signals to the housing developer to go down this route and provides another incentive for the purchaser.

What are your views on providing this initial exemption to the first residents, rather than first purchaser, of such homes (so that all self builds and buy to lets are included)?

In the current climate where we have an over supply of new build housing it is unlikely that these type of homes will be 'let out' given the initial higher purchase price. Buy to let landlords will probably be more attracted to lower priced housing on offer which doesn't meet the carbon zero criteria. It is however a

good idea to give the incentive to the first resident. The greatest majority of self-builders become the first resident so this criteria is probably extraneous.

What are your views on the Department's approach to the definition of 'zero carbon'?

The approach suggested in the consultation document is wise. It would be counter-productive to bring this in only for self-builders or potential purchasers of new homes to find that the standard is almost unachievable given the current costs, planning restrictions etc. for renewable technologies.