



## **NILGA Response to the Assembly Economy Committee Micro-enquiry on an Energy Strategy**

**Executive Meeting**

**22nd May 2020**

The following response was developed in relation to the Assembly Economy Committee 'micro-enquiry', drawing heavily from the existing NILGA document developed in response to the Department's call for evidence earlier this year. The Committee has requested responses by 29<sup>th</sup> May. Member comments provided by 12 midday on 28<sup>th</sup> May will be factored in to this response.

**Derek McCallan**  
**Chief Executive**

**Date: 22<sup>nd</sup> May 2020**

### **1. What would you like to see as the key elements of the Energy Strategy?**

NILGA believes that any future strategy must have statutory footing and binding targets that are clear, measurable, ambitious and in line with both the Programme for Government (NI) outcomes and the UN sustainable development goals (SDGs). Effective governance is needed and enforcement mechanisms put in place. There need to be clear lines of accountability; for the strategy to succeed, strong leadership, long-term thinking and brave decision-making will be required.

A collaborative approach is needed - all government departments and public bodies should be included in the design and implementation not just of the strategy but the crucial actions that need to be clearly set out within it. Clear mechanisms of monitoring must also be built into this. It is essential that this is also matched by appropriate and significant additional and direct investment to reach set decarbonisation targets.

Without policing and without incentives, 'goodwill' policies are unlikely to reach their potential.

The recent Departmental call for evidence was comprehensive in its approach and touched on most of the key elements that will be required of the forthcoming Strategy. It is hoped that consideration of the following will feature heavily:

- Decarbonisation – of heat, of power and of transport – and the accompanying infrastructure
- A just transition - particularly for rural dwellers and economically vulnerable
- Energy security – security of supply, diversity of supply, battery storage, energy from waste
- Grid issues – fitness for purpose and grid capacity, consideration of strategic sites, development of micro-grids, connection capacity
- Consumer protection and incentivisation (grants/schemes for households)
- Energy efficiency measures (and targets)
- Research and development – on decarbonisation of heat, use of hydrogen and methane, geothermal, Carbon Capture Utilisation and Storage, incentivisation of new technologies and alternatives
- Maximising the economic opportunities from innovative technology
- Education, skills employability and community awareness
- Community activity – including community energy schemes/clubs
- Improved data collection, sharing and use

## **2. Where do you see the future of renewables?**

NILGA supports the use of a long-term target to provide certainty to stakeholders about the transition of NI to a low carbon economy, having regard also to the global policy framework to achieve carbon reductions. There is the capability for the 30-year timeframe to be taken forward, but there is also recognition that the transition will take some time to be implemented. A long-term time-frame is needed to enable robust targets to be set, but short-term interim targets are also required to ensure focus on the short, medium and long-term efforts required. Without shorter term targets there is a risk that all efforts would be left to the end. Short term targets would encourage the investment necessary.

A future strategy must acknowledge that Northern Ireland is predominately a rural area. Whereas the geography does offer unique opportunities for the development of renewable technologies, the urban/rural split means that use of gas pipelines will not be an option for many. Many of our council areas have a large proportion of homes run on oil and access to gas is not affordable in these areas. Significant attention will need to be paid to develop options to decarbonise the rural community therefore, which will have to be considered differently to the urban areas. The consideration of an 'oil factor,' may be required. Government departments

have a duty in the Rural Needs Act (NI) 2016 to have due regard to rural needs. Due to the oil dependency at present in rural communities, a slower pace for its replacement in some areas may be needed. Alternatively, major infrastructure investment will be required.

The diversification of Northern Ireland's power generation and movement to renewable and sustainable energy production should utilise the strategic importance of existing power generation sites, such as Kilroot and Ballylumford. Subject to technological advances, beyond 2030, coal and potentially natural gas should be completely phased out with complete reliance on renewable energy as the years progress.

Although the need for investment in renewable technologies is vital, it must be recognised that renewables themselves can act as 'bad neighbours.' They may have environmental impact; both in terms of natural resources, ecology, community and many forms of energy production. The current policy, for example on wind turbines needs further appraisal. Many parts of Northern Ireland are reaching saturation point, with separation distances from neighbouring premises not being achieved; Areas of Natural Beauty must also be protected. Other measures and other alternatives must therefore be considered. A landscape approval, carried out by the Department of Economy (ideally in partnership with the Department for Infrastructure Planning Policy Unit, council Planners and relevant officials in DAERA) could help assess the capacity of the landscapes to absorb this whole agenda.

We would also need to see an equality impact assessment being done as it appears that the premises for providing renewables are becoming concentrated in the West. Balanced decision making on these matters is needed through the Local Development Plans.

Demands on power in Northern Ireland are likely to increase with the increased use of renewable technologies. The decarbonisation of transport and the decarbonisation of heat is likely to have an impact on the existing network potential; we therefore need to increase the connection capacity. This in itself can bring problems which have to be overcome, such as intermittence and other technical issues. Development of battery storage technology should assist in ameliorating current known difficulties, and further research on infrastructure that can be provided through public-private joint projects (such as that in Warrington with Gridserve) should be explored to provide potential solutions).

Community-led projects should be a feature of our renewable energy future – such as the community wind and solar panel development located near Loughguile Community Association, Saint Anne's Support Group and Cloughmills Community Action Team. The wind turbine located at the site powers their building and business complex. Ground mounted solar panels also work

well. Assistance from the local Council was helpful in facilitating the application process with the supplier and managing the process initially. Council-led community and local development planning will become key mechanisms for delivering change locally.

NILGA recognises that careful consideration is needed to ensure that the long-term effects of actions have been properly thought through. Research, investment and investigation is needed to ensure there is broader awareness of the consequences of measures put in place. For example, the best use of land is a consideration with biomass production as is the sustainability of the output; renewable energies should not present future problems for waste disposal. Through the energy transition, we need to fully understand our needs for the future by carrying out analysis and assessment to help make decisions. Although NILGA acknowledges that mistakes will undoubtedly be made as technology develops, and we need to allow for this, we should avoid unintended consequences as much as possible.

Demand reduction from users of high carbon heating, and the supply shift to lower carbon emitting energy sources seem to be the most obvious broad pathways moving forward. Both Demand and Supply can be influenced in a sustainable (low carbon) manner through taking advantage of the sort of spatial opportunities mentioned in the Department's recent Call for Evidence document. These potentially include examples of using district heating in high density urban areas and utilising renewable energy in low density / rural areas where the resources exist (e.g. wind energy / geothermal heat sources). The learning from NI Housing Executive work in rural areas, including their Solar Photovoltaic (PV) programme and particularly the HANDIHEAT project in Lisnaskea, should be explored as part of the policy development work on the Energy Strategy.

We could also revisit the concept of 'town gas'. Instead of extracting gas from coal, as was done previously in Northern Ireland, we could perhaps extract gas (e.g. hydrogen) from alternative and renewable energies. The use of alternative gases such as hydrogen and biomethane should continue to be explored to produce gas that does not contribute to climate change. Biomethane from gas already supplies some gas to the network and this should continue to be increased. The potential for hydrogen is reliant on cost reductions, uptake of CCUS and investment in the technology and infrastructure.

NILGA is of the view that a holistic approach is required, and that there are a number of significant strategies that should be interlinked. The energy strategy has significant links and cross over with the environmental strategy and innovation strategy, for example. All these strategies should be nested in each other and not disconnected, to ensure an integrated Government response. Waste management, renewable energy, alternative energy and energy

efficiency are all linked. It is noted that other jurisdictions such as the Republic of Ireland, have developed an umbrella Climate Change Strategy as a mechanism for reducing their vulnerability to the negative effects of climate change.

### **3. How could the Energy Strategy help achieve emissions targets at net zero carbon?**

NILGA supports the Committee for Climate Change recommendations for energy priorities, and as highlighted earlier, the Strategy will need to ‘factor in’ a proactive approach in relation to the unique characteristics of Northern Ireland and its rurality in nature.

From the information currently available, it would seem to be the case that reducing emissions from the agri-food sector and transport will be the ‘big wins’ for Northern Ireland.

The deployment of electric vehicles needs further exploration and consideration, although there is consensus that the deployment of electric vehicles requires significant investment in supporting infrastructure it is only one of a number of options that should be explored. Hydrogen is another fuel that is likely to feature heavily in future transport fleet – particularly for the public sector.

Societal behavioural change in relation to transport is absolutely required. Again, careful consideration is needed to ensure required behavioural change is met with beneficial alternatives that work for consumers in practice. We need to enable consumers to do without private vehicles.

Northern Ireland is an unequal society and we need to ensure that we share the costs of change. Electrification of heat will continue to be important and is likely to increase as decarbonisation progresses. It is important that tariffs are modernised to reflect this, and that there is a ‘just transition’.

A future strategy must acknowledge that the way forward must be a combination of different measures. A variety of systems will be required to remove the reliance on the national grid and ensure microgrids are progressed and developed. Appropriate and effective retrofitting technology must be developed, embraced and incentivised, particularly for older homes

It is recognised that the electricity system operator has a role to play in informing Northern Ireland to a low carbon economy, supporting the needs of the Northern Ireland consumers, both domestic and business, and maintaining consistency of supply.

NILGA, in our response to the recent Departmental call for evidence (available at <https://www.nilga.org/media/1965/nilga-response-energy-strategy-march-2020.pdf>) identifies

key projects for consideration by the Department, where collaborative work with councils and other partners can add value to the drive toward net zero carbon in Northern Ireland. These include tree planting, hydrogen vehicles, renewable energy projects, utilisation of landfill gas and other energy from waste technologies.

Urgent modernisation of building control regulations and standards (via Department of Finance) will be required as an early priority within the strategy.

There are concerns around the costs of alternatives and new technologies. Costs will have to come down to drive the market, and this is something that the Energy Strategy could assist in promoting, alongside incentives, which are needed for promotion of renewable/clean energy solutions. These should include e.g. low interest loans and accessible grants. An increase in means-tested grants and fuel-poor energy tariffs are a way forward. For vehicles, scrappage schemes for old diesel and petrol vehicles are a consideration.

NILGA supports the view of the National Energy Action that a mass media campaign is needed to inform all consumers (especially the most vulnerable) of the need to de-carbonise and what is expected ahead. A staged approach is needed to this with a little information at a time, and it is likely that the Energy Strategy will need to be bolstered with a robust and appropriately resourced communications strategy

Likewise we need to develop a suitable skill set in Northern Ireland and to develop the talent locally to take new technologies and infrastructure forward. An effective Strategy should identify key areas of work for government, local government, educators, business and community, and should preferably be co-produced to maximise the expertise available and ownership of the changes to take place.

#### **4. Does cleaner and greener have to mean more expensive in terms of the Energy Strategy?**

The costs associated with what we believe will be the desired aims of the strategy are likely to be high in the short term, but with payback over time. For example, to purchase an electric vehicle and install the necessary charging point currently attracts a high initial cost, but the running costs over time are negligible. Likewise, there is opportunity for renewable energy installations to be suppliers of energy to the grid in addition to energy supply for the owner, but there is often a relatively high initial installation cost.

There are potential opportunities for e.g. district heating schemes (DHS) in urban areas where there is high density housing and the clustering of economic development offers the necessary

economies of scale to ensure commercial viability through the guarantee of a long-term demand, and the minimisation of capital costs, but more research is needed to ensure this is the case.

For the quantum of change needed, it is likely that incentivisation will be necessary to ameliorate initial costs, with a balancing out over time, as part of what is a long term strategy.

It is recognised that energy is one of the most significant costs for businesses and is a challenge for many. Better infrastructure is needed to enable these costs to be reduced and our businesses to thrive. We need to acknowledge the voice of all businesses (large and small) including rural businesses to ensure business interests are protected as we meet growing energy requirements.

The costs of doing nothing - in terms of climate change and severe weather impacts, health impacts of fossil-fuel related pollution and energy security would be massive and likely to increase over time. Northern Ireland's dependency on finite fossil fuel resources from other countries - often with dynamic geopolitical situations – is undesirable, and needs to change.

## **5. If you have any additional comments, please include them here.**

Local government will be critical to the success of this strategy, given the importance of the council role in planning, building control, energy efficiency and community planning. It will be vital to ensure that the legislation we already know to be needed by councils is in place to enable delivery of the strategic aspirations. This will require cross-departmental and cross-committee working, for example to develop contemporary Building Control Regulations with the Department of Finance.

NILGA would again highlight the substantive evidence piece that local government provided to the Department in response to their call for evidence earlier in the year. Some aspects of that response have been included in this evidence in relation to the four questions posed, but the Committee may find it valuable to view the wider paper that was put together with input from council planners, building control officers, sustainable development officers and with advice from the Consumer Council, NEA and other partner organisations. This document can be viewed at <https://www.nilga.org/media/1965/nilga-response-energy-strategy-march-2020.pdf>)

**Disclaimer**

*The Northern Ireland local government association (NILGA) endeavours to ensure that the information contained within our website, policies and other communications is up to date and correct. We do not, however, make any representation that the information will be accurate, current, complete, uninterrupted or error free or that any information or other material accessible from or related to NILGA is free of viruses or other harmful components.*

*NILGA accepts no responsibility for any erroneous information placed by or on behalf of any user or any loss by any person or user resulting from such information.*

DRAFT