



Northern Ireland  
Assembly

Committee for Enterprise, Trade and  
Investment

# OFFICIAL REPORT (Hansard)

Energy Bill: DETI Briefing

15 November 2012

# NORTHERN IRELAND ASSEMBLY

## Committee for Enterprise, Trade and Investment

### Energy Bill: DETI Briefing

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#### **Members present for all or part of the proceedings:**

Mr Patsy McGlone (Chairperson)  
Mr Phil Flanagan (Deputy Chairperson)  
Mr Gordon Dunne  
Mr Paul Frew  
Ms Maeve McLaughlin  
Mr Stephen Moutray  
Mr Robin Newton  
Mrs Sandra Overend  
Ms Sue Ramsey

#### **Witnesses:**

Ms Alison Clydesdale	Department of Enterprise, Trade and Investment
Mr Fred Frazer	Department of Enterprise, Trade and Investment
Ms Olivia Martin	Department of Enterprise, Trade and Investment
Ms Helen Vaughan	Department of Enterprise, Trade and Investment

**The Deputy Chairperson:** I welcome to the Committee Olivia Martin, Fred Frazer, Alison Clydesdale and Helen Vaughan. If you wish to make an opening statement, we will follow with a question-and-answer session.

**Ms Olivia Martin (Department of Enterprise, Trade and Investment):** Thank you very much for fitting us into your schedule. As you know, the Department carried out a public consultation on policy proposals for a new Energy Bill. The consultation closed in the middle of September, and we have spent the intervening time looking closely at the responses to the consultation and coming up with our final policy position, on which we want to consult with you today. I am responsible for co-ordinating the Bill and can give you an overview of the consultation responses; my colleagues are here to help me to respond to queries.

We had 57 responses to the consultation, and I understand that you have a list of the people who responded. We carried out four consultation events, which I will go through by subject matter, if that is OK, starting with the energy-efficiency obligation. The consultation asked whether the Energy Bill should introduce powers for an energy-efficiency obligation. Of those who tackled that question, the majority were in favour of qualifications outlined in the comments that are attached to the letter that the Minister sent in favour of the introduction of a framework for an energy-efficiency obligation. The consultees raised many important issues around the cost of energy and the need to ensure that businesses are not saddled with extra burdens of higher energy costs as well as the need to balance requirements for those in fuel poverty. Other issues were raised about the technicalities of the obligation — who should be obligated and who could benefit from the measures — and the need to

ensure that impartial advice was available. If the framework is ultimately approved, further consultation would be needed on the detail of those issues. However, at this stage, we are looking only at the framework that might bring it in. We believe that the energy-efficiency obligation could play a useful role in contributing to many energy policy goals.

Turning to the feed-in tariff for the small-scale generation, the vast majority of consultees supported the introduction of a framework power for a small-scale feed-in tariff for renewable electricity, as they had done in the previous consultation on the issue. A number of issues were raised about transitional arrangements, future tariffs and the need to be mindful of implementation issues, but the issues raised by consultees were primarily for secondary legislation and not the primary framework powers. Therefore, further consultation in advance of secondary legislation will be required on the small-scale fit to determine tariff levels and implementation dates. The Committee will, of course, be consulted on that in due course. Therefore, the Minister proposes to introduce the powers as a basis for the introduction of the small-scale feed-in tariff.

With regard to the transfer and assignment of licences, this provision allows electricity licences to be transferred from one party to another in the event of a merger or takeover. This is known as the assignment of licences. Most consultees who commented on that area agreed that the Electricity Order should be amended to correct the absence of statutory provision for the assignment of electricity licences and that the additional provision in place in Britain for gas and electricity assignments should be replicated here. One respondent felt that the current process should remain as it is. However, the majority of respondents favoured the extended two-month consultation period, in line with that in place in GB, although some felt that a shorter 28-day period was preferable.

Any concerns about making provision for the assignment of electricity licences can be addressed by making provision for effective prior consultation and allowing for the extended consultation period, also in light of the fact that the Utility Regulator will be obliged to apply the same criteria to the transfer of the licence as it would in considering whether to grant a licence in the first place.

With regard to gas storage, the consultation paper outlined proposals for amending the gas order in respect of provisions for major gas infrastructure, including a gas storage facility. First, it was proposed that responsibility for granting consent to construct a pipeline or gas storage facility should transfer from the Utility Regulator to the Department. That amendment would bring arrangements for constructing major gas infrastructure into line with those for electricity infrastructure in Northern Ireland and with arrangements for the gas sector in GB. The Utility Regulator will retain responsibility for gas licensing, including responsibility for granting a licence to operate the gas storage facility. The majority of respondents agreed with that suggested amendment.

It was also proposed that the gas order should be amended to provide further clarity in relation to provisions for the decommissioning and abandonment of a gas storage facility. Again, respondents largely welcomed those proposals. A few respondents argued that care should be taken to avoid establishing overly burdensome conditions in respect of decommissioning and abandonment that might create potential barriers to investment. In response, however, the Department pointed out that detailed consent conditions will be developed on a case-by-case basis, and that they will be tailored to the particular circumstances of each project. We have no desire to have more onerous conditions in Northern Ireland than in the rest of the UK. However, it is important to protect not only public safety but the public purse in the event of circumstances that would require the decommissioning of a gas storage facility.

We move on to duties and obligations on the Department and the regulator. The consultation set out the duties of the Department and the regulator and asked whether consultees were satisfied that those are still fit for purpose. We also consulted on the introduction of a duty on the Department alone to promote renewable heat and on whether sustainability should become a secondary duty in the hierarchy of duties rather than a general duty. A number of significant issues were raised in response to those consultation questions. It is difficult to summarise all the various responses and issues, but the general thrust was that the duties and obligations should be cast to ensure a more sustainable energy framework for the future and that there should be consistency in the regulatory framework between the Department and the regulator.

We recognised many of the issues raised by consultees, and we tried to address them by bringing forward the following: introducing a new duty to promote renewable heat; giving sustainability greater weight in the hierarchy of duties; reviewing the promotion of gas duty in five years' time; consulting further on amending the bulk of the duties and objectives; introducing a new duty for the Department and the regulator to follow regulatory best practice; and introducing a requirement for the Department

of Enterprise, Trade and Investment (DETI) to produce a strategy and policy statement for the approval of the Assembly. That statement would set out the strategic priorities for the energy sector; describe the roles and responsibilities of the Department, the regulator and other relevant bodies; and define policy outcomes that DETI considers the regulator to have an important role in delivering. The regulator would have to have regard for that strategy and policy statement in carrying out their functions, similar to the way in which they already have regard for Department for Regional Department guidance on its water duties. The regulator would then have to report against the actions that they have taken in line with the strategy and policy statement. Those are the proposals on the regulatory issues.

The final issue was the enforcement provisions. Just five consultees responded to that question. All supported the proposal to amend the energy order in order to provide a full appeal to the High Court for a regulated person aggrieved by the imposition or amount of a penalty or the date by which a penalty was required by the Utility Regulator. Therefore, the Department proposes to proceed with developing the policy as set out in the consultation paper.

Those are the main elements of the consultation responses that we wanted to draw to your attention. We are happy to respond to any queries.

**The Deputy Chairperson:** Thanks, Olivia. I will hand back to Patsy before we start.

**Ms S Ramsey:** It is like the 'X Factor'.

*(The Chairperson [Mr McGlone] in the Chair)*

**The Chairperson:** Do members have any queries?

**Mr Newton:** Thank you, Chairman. We just had a briefing from the Utility Regulator about the position on domestic energy costs, and Northern Ireland is, in fact, in a favourable position vis-à-vis GB or, indeed, the Republic of Ireland. Is it likely that this will have implications for the cost of energy to the consumer?

I read in your document that 19 of the 21 respondents had concerns about impartial advice. I think that that was the highest response, was it not? Will you say something about the importance of impartial advice in the scheme and how you hope to address it?

**Ms Martin:** Certainly. The main cost implications arising out of the Bill for the consumer will be from the energy-efficiency obligation. One of the important things to bear in mind is that the obligation would replace the Utility Regulator's Northern Ireland sustainable energy programme (NISEP), which is funded by a levy on electricity that all consumers pay. That fund is running at about £8 million a year. The Minister is very keen for the obligation, as far as possible, not to be at a level more onerous than that for NISEP.

That question is primarily for the secondary legislation, which will determine the targets and, therefore, the costs of any obligation. We would need to do much more detailed consultation on the exact costs and where they would fall. In the current environment, businesses were very concerned about any further costs on them, and we fully take that on board. Equally, those representing consumers are concerned about that issue. Therefore, there is a great deal of further work to be done for the secondary legislation if the primary legislation goes through.

Most people said that impartial advice is key to the operation of any obligation. In fact, yesterday, I was in a meeting with the Department for Social Development (DSD) and other parties on fuel poverty. We discussed the need for a much more joined-up approach to the provision of advice in the fuel poverty and energy arena and whether the one-stop-shop approach could be taken forward. We hope that by working together, we could help to do that. The consultees were concerned that if the only form of advice came from suppliers, it might not be perceived as impartial.

**Mr Flanagan:** Olivia, thank you for your presentation. Your final comments have warmed my heart because it is great to see that something that Sinn Féin put into a consultation response was embraced and that there may be some progress on the one-stop shop on advice for energy-efficiency measures and even renewable energy. I am delighted to see progress on that.

I was also glad to see that the consultation events got out of Belfast and Lisburn. Thanks for making that change. Chair, I attended one of the events in Cookstown in your constituency, which you share with Mrs Overend, so I will not leave her out of the Mid Ulster game either. How much of the Energy Bill was drafted taking fuel poverty into consideration? My big concern about energy policy in DETI is that DSD takes a lead on fuel poverty. From my take on it, DETI is primarily concerned with growing the economy and with protecting businesses. I see that as the primary objectives of DETI, and, as such, many of the policies that DETI implements on energy are targeted more towards businesses than people who are living in fuel poverty. On fuel poverty in particular, how much consultation was there with DSD, which is taking the lead on fuel poverty, and external stakeholders in drafting the proposed legislation?

**Ms Martin:** As you will be more than aware, there are three pillars to fuel poverty: income levels, fuel costs and energy efficiency. DSD has the statutory responsibility for domestic energy efficiency, which is why it leads on fuel poverty.

**Mr Flanagan:** Sorry to cut across you, Olivia, but which Department leads on the other two pillars?

**Ms Martin:** I suppose that income levels are a function of the economy.

**Mr Flanagan:** Therefore, it is DETI.

**Ms Martin:** I do not know whether any Department is designated as responsible for income levels, but I suppose that that is an economic issue. That is why, in introducing the energy-efficiency obligation, we have worked hand in hand with colleagues in DSD right through the process. They were involved in the study that looked at the energy-efficiency measure that underpinned the work on the obligation, and they have been involved in formulating the policy at every stage. Our Minister has written to her colleague in DSD at every stage to ensure that what we are introducing can help to meet DSD's requirements on fuel poverty. We see this obligation as contributing to the PFG target on the prevention of fuel poverty. My colleague Paul Dolaghan and I sit on a couple of fuel poverty groups that DSD runs, and I sit on the fuel poverty prevention group. We see energy efficiency as one of the key elements in helping to prevent people from falling into fuel poverty. The main external consultation that I have done prior to the public consultation was with the Consumer Council for Northern Ireland. It has a keen interest in fuel poverty matters, and I recently presented the results of the consultation to one of the other fuel poverty groups that DSD runs. Antoinette McKeown and Pat Austin of National Energy Action sit on that group.

That is the kind of engagement that we have had.

**Mr Flanagan:** The big thing in the Energy Bill to tackle fuel poverty is the energy-efficiency obligation, which is to do with housing and which is a DSD matter. I am concerned that energy cost is probably as important as having a fuel-efficient home. How much work has been done to calculate whether the increase in per unit cost that will have to be incurred to fund the obligation will have a benefit in the overall reduction of energy usage in fuel-poor households?

**Ms Martin:** We did some initial calculations on scale, but the primary framework will not set the target obligation of, for example, a 1% a year reduction in energy usage; the cost will depend on the target that you set. We need to go into the detail of that in the secondary legislation. The primary legislation will only allow the secondary legislation and set out its parameters. Therefore, subject to everything being agreed, we envisage that the secondary legislation will set the targets, and that is the point at which we will want to look in depth. It is a great opportunity because we can tailor it to meet the needs of everyone in Northern Ireland so that it will not add a significant burden to cost but will make a step change in energy efficiency, which we feel is needed. It is hard to do things about fuel costs, but the one factor in fuel poverty that we can affect is to make people's homes more energy-efficient. That is the key area in which we in Northern Ireland can do something positive to help people in fuel poverty and, indeed, help businesses to keep their costs down. Energy efficiency is the key thing in that field.

**Mr Flanagan:** There is a substantial section on the green deal, the proposals for that and how it has worked in the Department of Energy and Climate Change (DECC), and when the green new deal was ruled out by the Minister for Social Development, it was ruled out on the basis that economists advised that it was too risky. However, in this consultation document, it has come out that it was ruled out because a green deal would not be appropriate for those in fuel poverty because they are likely to be either unable or unwilling to take on debt for the purposes of energy efficiency. However, what

happened was that a grant was given out for a boiler, and fuel-poor households are now expected to find £1,000 out of somewhere to buy a new boiler. If I was in sales, it would be an awful lot easier to convince somebody to take out a loan to put in a range of energy-efficiency measures, which could include a boiler, instead of going to poor houses to try to get them to come up with £1,000 to buy a new boiler there and then. For me, the green new deal is a far better option than the boiler replacement scheme, which is important, but it is not working in fuel-poor households because they just do not have £1,000 up front.

**Ms Martin:** I want to differentiate slightly between the green new deal and the green deal in GB, and perhaps we have been as guilty as anyone of conflating the two. The study that we did about a year ago looked at the energy-efficiency measure and what would be the best between the green new deal, a green deal and extended NISEP, the supplier obligation and voluntary agreements. When looking at the green deal, we, through a DETI-led study, felt that a loan scheme was probably not the best way to help people in fuel poverty, and the boiler replacement scheme has been a DSD thing. My understanding is — I cannot speak for them of course — that it is about the prevention of fuel poverty and helping people who are not in fuel poverty to lower their costs with a more efficient boiler to avoid falling into fuel poverty. So, I take your point that people in fuel poverty will not have the other half of the grant that is needed.

I return to Lord Whitty's report to the Consumer Council, in which he advised Northern Ireland policymakers to wait to see what happens with the GB green deal. That is because it is an incredibly complex mechanism. There is a lot of scepticism in GB about whether it will work. Our feeling is that such a pay-as-you-save scheme may be helpful here, but we want to see how it works in practice first.

**Mr Flanagan:** Larry also said that extending the gas network may not be such a good idea, so I wonder whether you listened to that comment as well.

I cannot remember exactly the terms that you used, but you said that your information was that the green new deal may not be great for people in fuel-poor households. Where did you get that information?

**Ms Martin:** We undertook a study, which is referred to in the consultation document. It is —

**Mr Flanagan:** Did you engage with people such as the Consumer Council or those who work on tackling fuel poverty, or did DETI just make the policy decision that the green new deal would not work, with the result that it would not include it as part of the energy obligation?

**Ms Martin:** There is probably opportunity for green new deal-type arrangements under the obligation, with the green new deal party being partnered with the obligated parties, such as the suppliers or, as it may be, the oil importers. That would certainly enable them to deliver that type of arrangement, if that is what the supplier and the green new deal grouping felt was the best way of doing it.

**Mr Flanagan:** The important thing about the green new deal group is that its members are not dying about taking it forward. They want government to implement it, so they are willing to hand the whole thing over to government to implement it in whatever way they want. It is not that they want to do it, want the credit or want to put in the work; they are so bought in to the idea that it can make such a difference for the good that they want government to take it forward. So, it is not really about working with the group to achieve this and some other thing; it is about taking the group's idea, which is not really that new, and developing it. It could really become more than what is proposed at the minute because it could mean that NISEP schemes and other things are put into a proper, impartial one-stop shop for providing energy efficiency and renewable technology advice. I see that one of the points in the economy and jobs initiatives is that the Office of the First Minister and deputy First Minister (OFMDFM) will take forward proposals on a retrofitting scheme, so all that we can do is wait and see what happens there. However, will OFMDFM take that forward, or will DETI or DSD do that?

**The Chairperson:** I am conscious that you are here to discuss the Energy Bill. So, important as these issues are, you may or may not be in a position to answer the questions with the information that you have in front of you today.

**Ms Martin:** Yes; I do not know at this stage. That document came out last week, so, at this stage, I do not have sight of how the scheme will be delivered.

**Mr Flanagan:** Finally, Mr Agnew asked Shane Lynch whether the Utility Regulator had responded to the consultation, and his reply was that it had. Yet, that is not listed in the 57 responses.

**Ms Martin:** The regulator responded informally to our director, Fiona Hepper. It was not a formal consultation response.

**Mr Flanagan:** OK; no problem.

**The Chairperson:** To pick up briefly on what Phil said, you talked about the correlation between you and DSD and the work that you are doing together. At any time, did you and DSD separate your responsibilities? Did you say that DETI is responsible for looking, through either broad or very specific themes, at energy and the Energy bill in the overall context of fuel poverty and keeping people out of being fuel poor? Did you specify ways that DETI is taking the issue forward strategically and ways that DSD will take its area of responsibility forward strategically? I presume that there was such a discussion because I hope that that is why you met. If that is the case, will you share that information with us so that we can see which areas of responsibility were agreed, which thematic areas were agreed and how that was fed into the preparation for the Energy Bill?

**Ms Martin:** That is a good point. I do not think that there is a formal piece of paper that sets out that we are going to do x and DSD is going to do y. I would just meet my counterpart in DSD frequently and have a lot of liaison with her on issues relating to the obligation and general energy efficiency issues.

I do not know whether you are aware that energy efficiency is divided up in statute in, perhaps, a strange way. DSD is responsible for domestic energy efficiency, while we have responsibility for energy efficiency in the voluntary sector. Invest NI is responsible for energy efficiency in the commercial and industrial sector, and the Department for Finance and Personnel has responsibility for it in the public sector.

So, if you are looking for a written version of the division of responsibilities for energy efficiency —

**The Chairperson:** That would be very important, because if there are bits that need to be tweaked or added to, we could certainly look at doing that. I am surprised to hear that you did not clarify your areas of responsibility with DSD.

**Ms Martin:** Our Minister wrote to the Minister for Social Development to liaise with him formally on taking the Energy Bill forward.

**The Chairperson:** I presume that, in such a liaison, certain areas of work would be divided between the Departments. I would be surprised if there were no such approach.

**Ms Martin:** Yes, I suppose that that letter would cover the ground that you described.

**The Chairperson:** I hope so. I think that it would be important if that could be shared with us.

I want to ask you about what has been referred to as the green deal, the renewable energy targets of 40% and 10% for renewable heat and the importance of renewables. I want to ask you about this in the context of something else that is happening and of what might arise with the green investment bank, and how, if we look at it at all, that bank could feed in to meeting or helping with some of those targets.

**Ms Martin:** I am afraid that I do not have any information on the green investment bank, but we could probably get it.

**The Chairperson:** That is grand, it is just that we had done that, and it would help our work on that.

I have one final point to make. Out of the 21 respondents, five were not in favour of the introduction of an energy-efficiency obligation. Can you provide details about who those respondents were and their rationale for not supporting the obligation?

**Ms Martin:** Yes, we certainly can. My recollection is that at least two or three of those respondents were oil importers who were not comfortable with the idea of introducing an obligation for Northern

Ireland alone. They felt that something should be done on a UK-wide basis under the energy efficiency directive.

I think that they perhaps have not taken into account that GB already has the mechanisms by which it will comply with the new requirements under the energy efficiency directive, which is due to come in this month. That is the green deal. They are going to use the green deal and the energy company obligation to comply with the requirements under that directive. Those initiatives do not cover Northern Ireland, so our view is that we need something here in Northern Ireland as well.

Perhaps they were not aware of that, and we need to have some more engagement with the oil importers. I can certainly get back to you with the details that you asked for.

**Mrs Overend:** I want to ask about the energy-efficiency obligation. Is there a possibility that some consumers will be paying more for energy without any real benefit from the obligation, if, for instance, they have already installed energy efficient measures? Likewise, businesses will be paying for the energy-efficiency obligation, and, rightly, they should already be as energy efficient as they can be. What are your thoughts on that?

**Ms Martin:** It is correct to say that, in any overarching policy, there are going to be people who will not benefit from it. It depends on the level at which the target is set. It can be shaped to ensure that that burden is as light as possible. That is a matter that we definitely need to consult on again. It is like any policy. If you installed a solar photovoltaic, you might still be paying for the rest of the Northern Ireland renewables obligation even if you are benefitting from it. I think that a similar type of situation might arise. The key will be in ensuring that the balance between the energy efficiency goals that we want to achieve and the burden on business and domestic consumers is right. We need to get further views on that and do some more economic modelling on the detail.

**Mrs Overend:** I would appreciate that.

**Mr Dunne:** Apologies for being out for a while. Thanks very much for your contribution today. To be honest, I heard very little of it, but I have one or two questions.

I understand that you get four renewables obligation certificates (ROC) for each 250 kilowatt turbine. That has been reduced by 20% since 2010, yet the cost of installation and generation has increased. Is there an argument that that should be increased to five ROCs for smaller units to try to encourage investment in the sector?

**Ms Alison Clydesdale (Department of Enterprise, Trade and Investment):** You get four ROCs for each 250 kilowatt turbine, but we have no evidence to suggest that the ROC level should be increased. Indeed, the four ROC level is quite generous. The number of planning applications for 250 kilowatt turbines indicates that that level of incentivisation is adequate to stimulate the building of enough turbines.

**Mr Dunne:** There is an argument that the cost of installation has increased significantly since 2010.

**Ms Clydesdale:** The cost of wind turbines has actually decreased. I do not have any figures on the cost of installation, but as with all onshore wind technologies, the cost of the technology has fallen quite rapidly over the past five years or so. We do not have any evidence to suggest that the cost of installation has gone up, but we will seek information on that when we go out to consult on the small-scale fit. We will have to look at the small-scale fit for the tariff levels, and we will ask for evidence on that.

There is also a Department of Energy and Climate Change call for evidence on the cost of onshore wind production, which we have circulated to all our Northern Ireland stakeholders. We have made a plea to those developers and individuals to provide that evidence. They are the people that have that evidence, and we really need it. So, to date, we have no evidence that the cost of installation is increasing, and it is the opposite for the cost of the technology.

**Mr Dunne:** What about the cost of connection into the system? We are always lobbied on that.

**Ms Clydesdale:** It is an issue. That is the regulator's responsibility. From the beginning of October, it removed the 40% subsidy that individuals at that level would have got, which has meant an increase



in the cost of connection for some small-scale producers. Obviously, it is a commercial decision for individuals at that point, but four ROCs over 20 years is quite a generous level of incentivisation. So, it is a personal decision whether that level is adequate for them to pay their generation costs. However, the cost of generation and the connection policy is the regulator's responsibility; we do not have any role in that.

**Mr Dunne:** OK. Thanks very much.

**The Chairperson:** Now that you are on that subject, you mentioned that the cost of the technology has decreased. What specifically do you mean by "the technology"?

**Ms Clydesdale:** Sorry, I meant onshore wind turbines. That is what we were talking about.

**The Chairperson:** I know, but what do you mean? Do you mean the turbine, the wee base at the bottom of it, or do you mean —

**Ms Clydesdale:** No, I meant the cost of purchasing the turbine.

**The Chairperson:** So, are you saying that, from what you are hearing, the actual cost of the entire turbine — the thing that you put on the site — has decreased?

**Ms Clydesdale:** It has decreased across large-scale and small-scale wind.

**The Chairperson:** Has it decreased by much?

**Ms Clydesdale:** Large scale would probably have decreased marginally more than small scale.

**The Chairperson:** What do you mean by "large scale"?

**Ms Clydesdale:** Over 5 megawatts.

**The Chairperson:** Right. I want to get this completely clear. Are you saying that the cost of individual turbines has decreased?

**Ms Clydesdale:** The evidence of the ROC banding review that is published on the DECC website suggests that the costs of onshore wind have fallen.

**The Chairperson:** Right. Do you mean the cost of the actual turbine?

**Ms Clydesdale:** The actual turbine, yes.

**The Chairperson:** That is grand. Thank you for that.

Do any other members have questions?

**Mrs Overend:** Could I just come back in again? You talked about reaching the targets. When Gordon was talking about the ROCs, you said that there was a plethora of wind turbines in the planning system. Do you have figures for that? Huge renewable energy targets have to be met by 2020, and, obviously, producers will need as many incentives as possible. You said that a lot are coming through the system, but how many are in the system? What do those numbers mean relative to the targets?

**Ms Clydesdale:** Are you specifically interested in small-scale wind?

**Mrs Overend:** We were talking about that earlier, but —

**Ms Clydesdale:** There are upwards of 700 small-scale wind planning applications that we can attribute to the four ROC level. At the moment, only about 25 megawatts of installed capacity is at the small scale, but there are a plethora of applications for that in the planning system. It remains to be seen how many of those come out the other side of planning and how many will be built when they

come through. So, there is uncertainty about how much of that will come out the other side. However, the Planning Service has received a very high volume of applications for small-scale wind. If you trace back the trending, it looks as though the increase in volume started when the four ROC incentive for the 250 kilowatt wind turbines came in. That indicates to us that that is an adequate level of incentivisation.

**Mrs Overend:** Thank you.

**The Chairperson:** Do no other members wish to ask questions?

**Mr Flanagan:** Given there is a bit of a poor take-up in asking questions, I will seek a bit of clarity. There are an awful lot of positive sentiments in the Minister's letter to the Chair and in her foreword to the report. However, a reference to reducing emissions and moving towards a low-carbon future is missing. Is that in the strategic energy framework or in any DETI policy document anywhere?

**Ms Martin:** A lot of the provisions in the Bill will support the goals that are set out in the strategic energy framework. The energy-efficiency obligation is one particular measure that will help to reduce carbon emission. Increasing sustainability in the hierarchy of duties will not, perhaps, have a direct effect on carbon emissions, but it would, perhaps, signal that we are serious about working towards the more sustainable —

**Mr Flanagan:** Is the objective to reduce carbon emissions, or is that a side effect of people's having more energy efficient homes?

**Ms Martin:** The directive states that the focus should be on energy savings, which, obviously, will lead directly to a reduction in carbon emissions. In the consultation, we asked what the focus of the obligation should be. In GB, the focus was a reduction in carbon emissions, and they have introduced the carbon emission reduction target. Consultees agreed that, in line with the directive, it would be better to focus purely on energy savings. That will reduce carbon emissions. The small-scale feed-in tariff will be part of the overall effort to increase the sustainability of energy supply. So, some elements of the Energy Bill will support the SEF targets for increasing the sustainability of energy supply.

**The Chairperson:** As no other member wants to ask a question, I will thank you. My apologies for not being here for the start of your presentation; I had scheduled to take a call at 12.00 pm. Before you leave, can you tell me whether those consultations are on the website?

**Ms Martin:** Not at present. We are probably going to put them out once we get the final policy position from the Executive. Once we get that government response, we will put them on the website. However, if you want them, you can have them. One consultation is confidential. We cannot give you that, but you can have the others.

**Mr Flanagan:** Can we get a copy of them now or do we have to wait until they go on the website?

**The Chairperson:** I am sure that they could be supplied to us. Thanks very much for that.