



Committee for Enterprise, Trade and Investment

Report on the Legislative Consent Motion which extends to Northern Ireland of the provisions of the Energy Bill dealing with Power Sector Decarbonisation thus enabling a 2030 power sector decarbonisation target for the electricity sector in subordinate legislation

26 September 2013

Report: NIA 130/11-15

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Committee for Enterprise, Trade and Investment Report on the Energy Bill Legislative Consent Motion (LCM)

Powers

1. The Committee for Enterprise, Trade & Investment is a Statutory Committee established in accordance with paragraphs 8 and 9 of the Belfast Agreement, Section 29 of the Northern Ireland Act 1998 and under Assembly Standing Order 46. The Committee has a scrutiny, policy development and consultation role with respect to the Department for Enterprise, Trade & Investment and has a role in the initiation of legislation.
2. The Committee has power to:
 - Consider and advise on Departmental Budgets and Annual Plans in the context of the overall budget allocation;
 - Approve relevant secondary legislation and take the Committee stage of relevant primary legislation;
 - Call for persons and papers;
 - Initiate inquiries and make reports; and
 - Consider and advise on matters brought to the Committee by the Minister for Enterprise, Trade & Investment.

Background

3. The purpose of the Bill is to make provisions for the statutory framework and enabling powers for Electricity Market Reform and to extend to Northern Ireland the power of the Secretary of State at the Department for Energy and Climate Change to set a 2030 power sector decarbonisation target for the electricity sector in subordinate legislation.
4. The draft motion, which will be tabled by the Minister is:

“That this Assembly endorses the principle of the extension to Northern Ireland of the provisions of the energy Bill dealing with Power Sector Decarbonisation, as contained in Part 1 of the Bill as amended at Committee Stage in the House of Lords.”
5. The Legislative Consent Memorandum (Appendix 1) states that committing to a 2030 decarbonisation target is principally to give an investment signal to the renewables industry beyond 2020. A statutory decarbonisation target range would be a sector-wide target, placing a legal limit on the carbon intensity of the electricity sector in 2030. The target would not place such a limit on individual generators. Sole responsibility for achieving the target would be placed on the Secretary of State.
6. The provisions are being made because it is believed the absence of a target in Northern Ireland would mean that renewable investors here would not have the same certainty that GB investors would have and could therefore result in Northern Ireland renewable investment being negatively impacted, resulting in a negative impact on the achievement of the 2020 target for 40% of electricity to be consumed from renewable sources.

Committee Consideration

7. At its meeting on 20th June, the Committee considered correspondence from the Minister (Appendix 2) outlining the detail of the Bill as it relates to Northern Ireland and informing the Committee that a Legislative Consent Motion would be required. The Minister highlighted the

view of industry and investors that a target is needed as a clear and unambiguous signal to encourage more renewable generation. She further highlighted that, not having a long-term commitment to decarbonisation fails to set a clear vision for the future energy mix, could create uncertainty for investors and could adversely impact on the supply chain investment and development of projects to come on line after 2020.

8. At this meeting the Committee agreed to support the setting of a 2030 decarbonisation target for the power sector.
9. Having considered the evidence, the Committee agreed to support DETI in seeking to extend a power sector decarbonisation target to Northern Ireland through this Legislative Consent Motion.