

By email only

Stella McArdle
Clerk
Committee for Agriculture, Environment and Rural Affairs
NI Assembly

26 February 2021

Dear Ms McArdle

Thank you for your correspondence of 11 February 2021 in relation to the Climate Change Committee advice for Northern Ireland in relation to the 2050 emissions reduction target.

The Utility Regulator is responsible for economically regulating the electricity, gas, water and sewerage industries in Northern Ireland, and promoting the short and long-term interests of consumers. We have been working with the Department for the Economy's as they develop their new energy strategy, which will have a significant contribution to Northern Ireland meeting its 2050 emissions targets.

We fully understand with energy policy that there is often no perfect answer and even with the clearest of foresight it will be impossible to predict where the sector will land in 2050. With this in mind it will be important that the new energy strategy sets interim milestones that ensure meaningful progress over the next thirty years.

In developing the future energy strategy, it will be important to ensure that we do not unnecessarily drive up energy prices that would provide NI businesses with a competitive disadvantage, or increase the high levels of fuel poverty that already exist.

The Utility Regulator recognises that there are no miracle solutions, but we believe the energy strategy provides an opportunity to make practical "no regrets" decisions such as removing the use of high carbon intensity fuels, encouraging the use of energy efficiency measures, and developing a co-ordinated approach to tackling fuel poverty.

If helpful, we would be happy to discuss these points further with the AERA Committee.

All the best,

John French
Chief Executive