Response to Call for Evidence by the Department for the Economy on the

Northern Ireland Energy Strategy

Electricity Association of Ireland

Policy Committee

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A decarbonised future powered by electricity

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The Electricity Association of Ireland (EAI) is the representative body for the electricity industry and gas retail sector operating within the Single Electricity Market (SEM) on the Island of Ireland.

Our membership comprises utilities that represent 90% of generation and retail business activities and 100% of distribution within the market. Our members range in size from single plant operators and independent suppliers to international power utilities.

We believe that electricity has a fundamental role in providing energy services in a decarbonised, sustainable future, in particular through the progressive electrification of transport and heating. We believe that this can be achieved, in the overall interest of society, through competitive markets that foster investment and innovation.

We promote this vision through constructive engagement with key policy, regulatory, technology and academic stakeholders both at domestic and EU levels.

We represent the Irish electricity industry in EURELECTRIC, the representative body for the European electricity industry, and help shape the broader European response to developing policy and legislative initiatives.

Introduction

The EAI welcomes the opportunity to respond to the Call for Evidence for Northern Ireland's draft Energy Strategy, dated December 2019.

The EAI represents the generators, distributors and suppliers of electricity in Northern Ireland (NI) and across the island. Our members have a significant presence in NI, ROI and the UK across the sector value chain. We represent the interest of the all-island market in all relevant jurisdictions, including the EU via our membership of the European electricity representative body Eurelectric. Our response to this call for evidence will focus on the potential for electrification and decarbonisation of the Northern Ireland economy and the opportunities presented by pursuing a coordinated approach across the all island market and system.

The EAI vision is for a decarbonised future powered by electricity. Our ambition is to contribute to the realisation of a net-zero GHG emissions economy by 2050 or sooner, in order to limit the impact of rising temperatures. In our vision, overall energy demand will reduce, due to a combination of improved efficiency and increased electrification, which we project will in tandem with increased electricity demand, rise from 20% of total energy consumption today to approximately 60% in the most ambitious decarbonisation scenarios[1]. Electricity generation has shown itself to be on a pathway to decarbonisation, and the pathway to net zero is becoming clearer, notwithstanding some outstanding issues around the last mile[2]. The main challenge for energy policy over the coming decades will be to integrate this zero-carbon electricity into energy use across the economy, focussing on heating, transport, and heavy industry, which today account for the vast majority of emissions in energy use. The low penetration of electricity today relative to other energy use across the economy, coupled with a network capability that exceeds other fuel sources, presents a significant opportunity to grow the Northern Irish economy and reduce emissions in parallel.

Electricity offers opportunities to decarbonise the NI economy in a cost-effective manner. Electrification of segments of the economy, such as heating and transport, in parallel with the decarbonisation of power generation, will not only contribute to emissions reductions in these sectors, but also will allow higher levels of variable renewable generation to be facilitated on the system. A Eurelectric study by McKinsey found that with a direct electrification rate of approx. 60% in transport, buildings and industrial processes, Europe could achieve up to a 95% reduction in energy emissions by 2050.

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[1] 2018 McKinsey/Eurelectric study - https://cdn.eurelectric.org/media/3558/decarbonisation-pathways-all-slideslinks-29112018-h-4484BB0C.pdf

[2] For example, in the 2018 McKinsey/Eurelectric Study, the Power Sector is fully decarbonised by 2045 in three 2050 scenarios, for economy-wide carbon reduction ranging from 80-95%, with emissions offset technology required to achieve 100% economy wide decarbonisation.

Northern Ireland Energy Policy Context

Given the net zero commitments in the UK and EU and the detailed policies and plans that will support them, NI has the opportunity to leverage these and to pursue a low-regrets energy policy over the coming decades. Emissions reduction across the NI economy must be at the heart of the energy strategy and the creation of a cross governmental 'Future Generations' Group is a welcome innovation in this regard.

With the broad direction of climate policy now firmly aligned across the UK and EU, and allowing for its unique characteristics, NI has the opportunity to lead in energy and climate policy development, whilst also having the ability to 'cherry-pick' the most appropriate policies from London, Dublin, Brussels and other jurisdictions. Its size means that a whole of systems approach is eminently feasible.

NI has already benefitted from the innovations that have been adopted in the UK, such as:

- Enshrinement of 2050 net zero target in UK legislation
- Establishment of a Climate Change Committee (CCC), including three dedicated publications for Northern Ireland[3]
- A carbon budgeting framework under the UK Treasury,
- The use of CO_2 as a secondary metric in the UK approach to energy efficiency and other policy areas

The proposal in the Call for Evidence to integrate energy strategy into wider industrial policy mirrors recent developments across the UK. The future direction of UK energy policy and its application to NI, most notably in relation to carbon pricing and the financing of necessary investment, will undoubtedly have a major bearing on the future direction of NI energy policy.

The EU-UK Political Declaration that was agreed in October 2019, recognises the energy sector as a priority in the future EU-UK relationship. Maintaining close co-operation and collaboration to deliver secure, affordable and clean energy systems across the EU and the UK is strongly supported by Eurelectric[4]. The Single Electricity Market (SEM) between Ireland and Northern Ireland, as well as being a symbol of cross-border political cooperation, is also economically important. By enabling a more open and efficient market of larger scale the all-island approach provides customers with significant benefits. These include increased access to cheaper sources of electricity and the integration of unprecedented levels of renewable energy, leading to enhanced security of supply in both jurisdictions. In this way it underpins the continued expansion of renewable energy on the

[3] The Feb 2019 report by the UK Committee on Climate Change states that NI accounted for 4% of total UK emissions in 2016. In the context of the UK's 5th Carbon Budget in 2019, the report also assessed that NI could make a 'fair contribution' to the UK 2030 target of a 35% reduction on 1990 levels, which is a lower target than other parts of UK but which exceeds projections that NI will reduce emissions by 32% under a BAU scenario.. The CCC further notes, that there are ''excellent opportunities to close this gap and potentially reach a 45% reduction by 2030''.

[4] https://cdn.eurelectric.org/media/4190/eurelectric-statement-on-brexit-h-ED98BC2A.pdf

system in support of International commitments, UK and European goals on carbon reduction. It is to be hoped that the political consensus around the continuation of the all-island market evidenced during the negotiation of the withdrawal agreement will be maintained during the ongoing negotiations and reflected in the terms of any enduring EU-UK Trade Agreement.

Northern Ireland Energy Strategy

The EAI agrees with a whole systems approach across the island in order to maximise the efficiencies of the all-island system for the mutual benefit of both Northern Ireland and the Republic of Ireland. The EAI believes that there is a strong evidence base in SEM Committee annual reports, market reports and general statements, built up over close to 14 years, to support the continued operation and development of the SEM.

The synchronous all-island system has already integrated an unprecedented volume of zero carbon non-synchronous generation and SONI and EirGrid have ambitions to push the system limits even further towards a system 100% powered by non-synchronous generation.

Northern Ireland has the opportunity and the potential to progress beyond the 45% RES-E penetration it has already achieved. In line with this success, the trajectory towards a net zero carbon economy by 2050, and the benefits of all-island alignment in the SEM, **the EAI sees no reason for Northern Ireland not to set an ambition of at least 70% RES-E 2030.**

Both ROI and NI are anticipated to require new generation projects by the mid-2020s in all but the lower demand scenarios of SONI's most recent GCS. The all-island capacity market provides the most cost-effective means to ensure generation adequacy across the island, but also requires the urgent completion of the North-South interconnector to ensure an optimal outcome for all consumers on the island.

While RES-e targets are important, the most important number is greenhouse gas emissions across the economy. In the long run, increased electricity demand may put downward pressure on the RES-E figure but the displacement of carbon in the economy will have a positive impact on the overall emissions picture.

Key Considerations

The key considerations the EAI would like to see in the new Energy Strategy for Northern Ireland are:

1. **Support for low-carbon generation** through setting a new **RES-E target of at least 70% by 2030** and providing a **route to market** for such technologies.
2. Maintaining security of supply in the SEM and facilitating an efficient all-island electricity system through the timely delivery of enabling infrastructure, primarily the **North-South Interconnector**

3. A **strategy for low carbon dispatchable generation** and other supporting solutions and infrastructure to incentivise system flexibility to facilitate increased levels of intermittent renewables on the system.
4. **Electrification and decarbonisation of the heating and transport** sectors through a decarbonised power supply, energy efficiency measures and the use of low-carbon fuel alternatives.
5. A strategy that ensures a just and equitable distribution of the costs and benefits of an energy transition in NI.

Governance and Targets

The EAI agrees that 2050 is the correct time horizon to consider in the energy strategy, not least given the UK's decision to move to net zero by 2050. The EU has also announced plans to transition to net zero by 2050 and 2050 is a key date in the Paris Agreement. However, a 2050 target of itself is too far into the future and so interim targets are needed; the carbon budgets serve this purpose on a UK wide basis.

The EAI believes that Northern Ireland will need a series of local Northern Ireland carbon budgets to provide clarity for local policy making. This process has been completed already in Scotland and Wales where devolved administrations have set jurisdictional targets on the pathway to 2050. We recommend the following approach is taken to achieve this ion Northern Ireland:

- The authorities in Northern Ireland should ask the CCC to recommend a series of carbon reduction targets out to 2050 for Northern Ireland with these targets taking account of Northern Irelands unique characteristics compared to the rest of the UK. This will include effort sharing with the UK on agriculture.
- Once the CCC makes its recommendation, Northern Ireland should proceed to legislate for the targets in the same way as Scotland and Wales has.
- Recognising that this process will take time, not least because the CCC is developing recommendations for the next UK wide carbon budget, the existing CCC report from February 2019 should be relied on for setting the energy strategy until the updated information is available.

As set out in the call for evidence, Northern Ireland should seek to decarbonise at least cost and this can be supported through the following:

- Significant alignment with the wider UK on many decarbonisation initiatives including CCS, transport and heating.
- Appropriate alignment across the Island on the wholesale electricity market and integrated areas of the economic such as transport.
- Wider appropriate alignment on the Islands between the UK and Ireland (and the EU) recognising the synergies that can be achieved (e.g. electricity interconnection, gas decarbonisation).

Power (Q24-29)

- **Support for new renewable projects (Q28 & Q29)**

The EAI shares the CCC view that the ongoing absence of a route to market via a formal support scheme is an issue that needs to be addressed to deliver the investment in renewable generation assets necessary to achieve RES-E targets. The absence of a support since 2017 has contributed to a lag in RES-E development in NI; had that lag not occurred, NI may would have been able to produce an even greater percentage of electricity from renewable sources. SONI's network plan sees no new wind coming on the system in the next two years, with 100MW of installed wind capacity expected to be connected in NI in 2022.

Northern Ireland has the opportunity to look to other jurisdictions when it comes to support schemes for low carbon technologies. The CCC outline a number of options for a route to market for renewable energy in NI, including joining either the UK or ROI support schemes, or designing its own support scheme with consideration of the UK CfD and/or ROI RESS, each of which has merits and drawbacks. The EAI believes that an NI-specific renewable support mechanism can provide the opportunity for NI to use the best aspects from schemes in other jurisdictions to develop a scheme that can be delivered in a more timely manner than the other options outlined by the CCC and guarantees the delivery of new RES projects in NI.

Any new routes to market for renewable technologies in NI must facilitate a diverse renewable portfolio in NI. In SONI's TES 2019, 70% RES-E in 2030 in the 'Addressing Climate Change' scenario is achieved through growth in offshore wind, tidal and solar PV generation.
An important consideration will be the approach to offshore wind technology in NI. The NI coastline provides the opportunity to utilise offshore and marine technologies to achieve their climate ambitions. However, it is unlikely that offshore projects will be delivered before 2030 under current policy. The NI Energy Strategy should include a plan for offshore technologies.

- **Security of Supply (Q36)**

There is a need for greater focus on the issue of security of supply in NI and across the all-island system in the NI Energy Strategy. While significant resources will continue to be deployed to overcome both the technical and physical limitations which currently impede a system from deriving 100% of its electricity from 'non-dispatchable' renewable generation sources, dispatchable sources of electricity generation will continue to play a significant role, especially at times of low RES output. Looking out to 2050, energy security in the all-island system, in the form of the ability to draw on zero carbon dispatchable generation for multi-day and even multi-week periods, needs to be addressed.

In addition, the imminent closure of some existing power stations, alongside increasing demand raises concern around capacity adequacy in the medium term in Northern Ireland. It is expected that

new capacity will be required in Northern Ireland from 2024, and a functioning CRM is key to providing new capacity to meet current constraints and any reduced future constraints. Development of the North-South Interconnector is also a key requirement to eliminate constraints and EAI fully supports its development.

The new Energy Strategy should consider renewable electricity targets, system flexibility to support the targets and underlying security of supply in a holistic manner in order to deliver the desired policy outcomes in the most efficient and cost effective way. To this end, t**he EAI believe that there needs to be a clear strategy for electricity system flexibility in NI to facilitate increasing levels of intermittent renewable generation, while maintaining security of supply.**

To provide for high volumes of renewable electricity and high % SNSP on the system, system constraints must be removed towards 2030 and beyond. Clarity is required on the system services to support a high volume of renewable generation. Adequate funding for SONI and EirGrid's DS3 programme, accompanied by a framework for delivery, is necessary to ensure the delivery of smart and flexible system service that will to facilitate an increase in renewable penetration on the system.

The EAI recommends that the feasibility of technologies that could provide low carbon dispatchable generation and facilitate increased levels of variable renewables on the system, such as battery storage, CCS, and power to gas be investigated for future use in NI. These technologies will reduce emissions and also facilitate increased penetrations of renewables on the system – for example, renewable or green hydrogen can be produced as a low carbon transport fuel through utilising wind output in times of low consumer demand for electricity. NI should utilise synergistic relationships with other jurisdictions when investigating the potential for these technologies. For example, the EAI supports the CCC suggestion that NI officials should engage with the UK CCUS Council to ensure that Northern Ireland is considered in any UK-wide CCS strategy.

The EAI also recommends investigating the potential for bioenergy production in NI. Bio-gas production through anaerobic digestion should be explored as a way of reducing GHG emissions, creating jobs, and producing a valuable product, while the utilisation of indigenous biomass in combined heat and power installations should be investigated in terms of its potential to move heat loads away from fossil fuels and play a role in district heating schemes in conjunction with heat pumps. While the limitations on availability and sustainability of bioenergy feedstocks would need to be considered for both of the above examples, there is still potential in this area.

- **Infrastructure Development (Q26)**

Infrastructure Development needs to progress at a pace that matches policy ambition. There is a need to underline and communicate the Government's policy on infrastructure and engage the public on the need for electricity infrastructure.

The EAI believes a key priority for the all-island system is the construction and completion of the North-South interconnector. The optimal operation of the SEM for customers in NI and across the island requires effective connection of the NI grid to that in ROI to facilitate the most efficient flows of electricity across the island. The existing NI to ROI electricity network connection is proposed to be enhanced by a new North-South tie-line, which will enhance security of supply, put downward pressure on costs for consumers and facilitate more renewables on the system. The need for enhanced transmission capacity between the jurisdictions is increased by the forecasted energy deficit in NI from 2024 coupled with increasing levels of RES penetration. There have been a number of 'amber' alerts in NI since ISEM go-live when generation has not met demand, despite surplus energy in the all island market and export position on the Moyle interconnector. The impact of this has been high prices in the ISEM Balancing Market.

The underlying electricity network infrastructure to support the decarbonisation of NI society must be developed in an efficient way that ensures electrification needs of customers are met and that new renewable projects can connect in a timely manner. SONI have stated in their recent TDPNI that many RES projects that will be developed between 2020 and 2028 will be in rural areas where the transmission network is less developed. Electricity networks will need to be upgraded in a timely manner, future-proofed and linked to industrial policy to limit costs. Relevant Price Controls must be configured to facilitate and deliver the NI Energy and Industrial strategies.

- **Planning (Q26)**

To ensure the infrastructure and capacity needed to meet NI's climate and energy targets is delivered in a timely, affordable, and acceptable way for consumers and society, the planning process in NI needs to encourage investment. The policy system must ensure the alignment and integration of energy policy, infrastructure planning, capital investment frameworks and energy regulation. Statutory timelines with respect to planning must be adhered to. If the low carbon transition is to be achieved, the policy and planning system must find a mechanism which balances delivery of energy infrastructure in Northern Ireland and societal acceptance of these projects at a local level without compromising any environmental protections.

Energy Consumers (Q7-13)

In regards to the 'enable and protect' strategic position outlined in the Call for Evidence, the EAI cautions that, while it is necessary to both enable customers to take part in the energy transition through increased information and control over their energy consumption, and to protect vulnerable customers, it is important not to conflate customers who are vulnerable and customers who are inactive. These are two very different segments of the market, which will require different policy interventions to facilitate participation in the energy transition.

A cross-sectoral plan on how to engage individuals and how to help them finance investments that aid environmental protection and climate change mitigation would help achieve citizen engagement.

Consumers need to fully understand the opportunities, upfront costs, processes, and the long-term environmental & financial benefits of measures such as reducing energy consumption and investing in technologies such as EVs, heat pumps etc. To this end**, the EAI supports the establishment of a strong independent agency in NI**, as suggested by Q49 of the Call for Evidence, that is well funded to provide consumers with impartial advice and finance to help them invest in the appropriate technologies.

To give consumers more control over their consumption and to get the benefit of new electric solutions, they must have the option to see their energy consumption on a half-hourly basis and to move away from load profile settlement. This would both allow consumers to maximise the financial benefits of the energy transition and utilise renewable generation. **The EAI believes that the case for smart metering in NI requires a new review and that a plan for smart metering should be considered in the Energy Strategy for NI.**

As the economy decarbonises and the energy sector transforms over the coming decades, it is important that the benefits of transitioning to a low carbon society are distributed equitably. The move towards a decarbonised energy system must provide benefits for the energy industry and energy consumers alike. Policy must seek to leverage the resources of NI and economic opportunities provided by the energy transition, to guarantee that the transition to a carbon-neutral future will create jobs in new sustainable industries and have a positive impact on communities.

Energy Efficiency (Q14-17)

Reducing energy emissions requires a combination of reducing the amount of energy consumed as well as reducing the carbon intensity of energy. Therefore, enhancing energy efficiency is a key part of the energy transition.

In terms of policy levers for new domestic and commercial buildings, **new, more stringent building regulations** would ensure that all new build follow the 'carbon efficiency first' principle.

For the existing building stock, a **strategy for a retrofitting scheme that delivers significant carbon savings should be considered**. The CCC indicate that there is considerable potential to improve the energy efficiency of buildings at reasonable cost. Housing associations and civic society associations may be dynamic partners in this regard to ensure the correct activation measures are enacted.

Energy efficiency measures in public buildings should be a key focus in NI. The public sector can lead by example through its procurement practices, energy efficiency projects, use of low carbon fuel and the trialling of on-site generation.

Many jurisdictions are actively considering ways to bring forward significant waves of new energy efficiency measures in existing buildings and channelling low cost finance to building owners is a key

part of this. NI should work with UK initiatives which are examining this issue and should look at schemes developed by the European Investment Bank.

Heat (Q18-23)

Decarbonising the heating sector will be one of the biggest challenges for Northern Ireland and will require energy efficiency measures in the first instance to reduce energy consumption in the sector and then accompanied by decarbonisation of the heating source.

For new builds, with appropriate carbon efficiency standards, electric heat pumps, insulation, and airtightness will emerge as the no regrets strategy for a low carbon heating system (as in ROI where >55% of new houses built in 2019 installed heat pumps), while for other buildings, retrofit will be the solution as a low-carbon replacement for oil heating. For homes that are connected or in close proximity to the gas network, a gas connection with the potential for using biomethane/hydrogen as low carbon replacement for fossil fuels may be the least-cost and least disruptive method of decarbonising domestic heating but this must be accompanied by energy efficiency measures. As part of this, there will need to be a clear and credible route to decarbonisation identified for gas.

Therefore, the EAI recommends a strategy involving a combination of electrification measures, such as electric heat pumps in new buildings and buildings away from the gas grid, while for buildings on the gas grid moving heat towards lower carbon fuel replacement for gas, such as renewable gas and hydrogen, is necessary provided a route to decarbonisation for gas is established.

In some areas, **District Heating (DH)** can provide low carbon solutions in the NI heating sector. DH can improve energy efficiency, reduce emissions from heating capture heat resources that would otherwise go to waste, and is flexible to change as the network can be supplied by a range of fuel sources, such as power stations, 'waste to energy' plants, CHP plants and heat pumps. However, the viability of DH is location-specific, being better suited to urban areas. The PwC report for EAI suggests that DH may be well suited to legacy apartments where the cost of deep retrofit is prohibitive. The EAI recommends that the Energy Strategy include plans to assess and develop the potential of more widespread district heating in NI, referencing sources for best practice from the UK, Denmark and the existing examples in NI.

The EAI recommends **direct regulatory interventions**, such as removing the choice to install new or replacement oil boilers, to create behaviour change. For example, measures similar to those outlined in the ROI Climate Action Plan could be successful, such as revised building standards or banning "the installation of oil boilers from 2022 and the installation of gas boilers from 2025 in all new dwellings", which aligns with recent UK and international policy. In their 'Addressing Climate Change' scenario, SONI assume that new standards for low-carbon heat in new buildings and retrofits to existing homes will bring about the uptake of heat pumps to 123,000 by 2030.

Transport (Q30-35)

Decarbonising transport will require a broad range of measures which in the first instance should focus on increased active travel (walking, cycling) and then followed by increased public transport. These measures can help to decouple increased population and economic activity from emissions and roads infrastructure build.

However, even with more active travel and increased public transport there will still be a need for cars trucks and these should be low or zero emission journeys if at all possible. As with heating and as supported by the Eurelectric Pathways study and the PwC report, **the EAI recommends a combined strategy of increasing electrification combined with infrastructure roll out and expanding the use of low-carbon transport fuels, such as biofuel or hydrogen, to decarbonise transport in NI.**

- The car, small van fleet and some of the bus fleet is ripe for electrification. Low carbon electricity used in a highly efficient electric motor in an EV can displace fossil fuels in internal combustion engine vehicles.
- The public sector can be a leader in this area through decarbonising and electrifying public transport and the public fleet. NI has already taken steps in this direction, having purchased hydrogen double decker buses to be rolled out later this year.
- The solution for heavier transport is less clear at this time and will likely involve a combination of biofuels, hydrogen and compressed natural gas.

In terms of an appropriate pathway for decarbonised energy for transport, there is currently an ongoing UK public consultation on banning the sale of new petrol, diesel and hybrid cars and vans from 2035, rather than the current 2040 target[5]. The ultimate decision of this consultation could have implications for the level of ambition of any pathway for decarbonising transport in Northern Ireland.

The EAI recommends that the NI Energy Strategy includes a number of explicit measures to promote electric vehicles as a low carbon fork of transport for the future:

- NI should develop a specific 2030 & beyond EV target and to use these targets to support the long-term planning of critical infrastructure and incentives to deliver the targets
- Consideration should be given to establishing Public Service Task Force to identify the measures needed to reach to reduce barriers to EV penetration. Such a Task Force could develop a charging infrastructure plan for NI, ensure planning legislation is fit for purpose, promotes EVs to the public and coordinate NI applications infrastructure funding.

[5] https://www.gov.uk/government/consultations/consulting-on-ending-the-sale-of-new-petrol-diesel-and-hybrid-cars-and-vans/consulting-on-ending-the-sale-of-new-petrol-diesel-and-hybrid-cars-and-vans

- While the vast majority of EV charging should happen at home or in work, NI will need a robust charging network for the rollout of EVs. However, this can be delivered at a modest cost when considering the scale of decarbonisation it can support. The energy strategy should set out concrete actions to develop the charging network inclusion supports and identification of funding opportunities for NI.
- NI should work with GB and ROI to ensure that consistent standards for charging infrastructure to ensure that EVs can charge in multiple jurisdictions without issue.
- A range of supports should be considered to support EV rollout at least cost to the customer.

The electrification of transport will not only displace emissions from fossil fuels used in transport but will also allow greater levels of renewables to be facilitated on the system. This increased electrification should be flexible and/ or should correspond to times of excess wind (for e.g. EV charging at night and storage solutions) and so offers a better value proposition for Northern Ireland. With the roll out of electric vehicles, Northern Ireland is expected to require an additional 0.8 TWh per year for the electrification of transport by 2030, according to the CCC.

Policy Considerations

The prompt finalisation of the next Energy Strategy for NI will give a clear signal to legislators, regulators and investors on the path to carbon neutrality that must be travelled. There is a clear need for financeable investment in NI's future and to do that will require a series of measures that will activate such investment.

Policy, once set, must be applied clearly and consistently. Therefore, a rigorous review of the Remit of Regulators, ease of doing business, the timelines for approvals, cost and the administrative burden on investors must be completed in tandem with strategy implementation. The outcome of this work should be the de-risking of investment, ensuring that regulators have an expanded and clear remit to deliver decarbonisation and the alignment of economic and energy policy.

NI must encourage innovation and new players in the market and the regulatory framework must support behind the meter solutions that can be used to further policy objectives. A focus for regulators is to entice new market entrants this can be done by a consistent approach between policy goals, legislation and regulatory implementation.

Conclusion

The EAI believes that the Northern Ireland Energy Strategy presents the opportunity to utilise Northern Ireland's unique characteristics and jurisdictional links to become a leader in energy and climate policy. A clear policy trajectory out to 2050 will provide the necessary signals for investment

in the transition and prevent 'lock-in' to non-optimal pathways to a net-zero carbon economy by 2050.

The EAI thanks the DfE for the opportunity to respond to the Call for Evidence for Northern Ireland's draft Energy Strategy and looks forward to further engagement.