# Energy Strategy Call for Evidence

# Response Template

## How to Respond

This template replicates the questions asked in the Call for Evidence found at: https://www.economy-ni.gov.uk/energy-strategy-call-for-evidence

It is recommended that you should read the full consultation document before completing your response. Please note that the text boxes used throughout this template can be expanded to accommodate your response – there is no character limit.

For further information on how we handle your personal data please read our Privacy Notice

Early responses are encouraged but all responses should arrive no later than **5pm on 20 March 2020.**

Please send your response to:

**energystrategy@economy-ni.gov.uk**

Or alternatively by post to:

Energy Strategy
Department for the Economy
Netherleigh
Massey Avenue
Belfast
BT4 2JP

Quote the reference "**Energy Strategy Call for Evidence 2019**"

## 1. General Information

1. **Name (required)**

[redacted]

2. **Are you responding:**

   ☐ **as an individual (please complete 3 to 5 below)**

   ☒ **on behalf of an organisation / company (please complete 6 to 8 below)**

**If you are responding as an individual:**

3. **E-mail address**

4. **Address**

5. **If you are responding as an individual, please read the Privacy Notice and tick the statement below as applicable.**

   ☐ **All responses will be published on the Department for the Economy website following completion of the Call for Evidence process. Please tick if you are content for your name to be published alongside your response.**

**If you are responding on behalf of an organisation / company:**

6. **Organisation / Company**

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| **Lightsource BP** |

7. **Position within Company / Organisation**

| |
|---|
| [redacted] |

8. **Contact details**

   a. **E-mail address**

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|---|
| [redacted] |

   b. **Address**

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| [redacted] |

## 2. Energy in Northern Ireland

Q1. What lessons can we learn from elsewhere in addressing energy within an overarching climate action framework?

Q2. What are the key considerations for decarbonising Northern Ireland's energy sector given existing linkages to other jurisdictions?

Q3. To what extent should Northern Ireland implement the key energy-related recommendations from the CCC 'Reducing Emissions in Northern Ireland' report?

Q4. Do you agree with the 30-year timeframe? If not, please state your preferred approach and reasons.

**Q1 and Q2** - we can learn that we need to take action sooner, rather than later and that the action needs to be science driven and sufficiently financed to reach the targets set. Climate change will affect us all but not equally and those jurisdictions with the most financial resources need to take on the largest share of the action, backed up with financial resources to deliver.

**Q4** – Lightsource BP believe that a 30 year timeframe is appropriate and realistic, however the targets within this period need to be clear, achievable and correctly resourced through a proactive and innovative support mechanism for renewable electricity. ROI has set an ambitious target of 70% renewable electricity generation by 2030 however it is our belief that this is likely to be revised upward in 2023 as a result of wider EU policies. We believe that targets should be set at 80% by 2030 and 100% renewables by 2035.

## 3. The Energy Transition in Northern Ireland

Q5. What are the unique characteristics of Northern Ireland that need to be considered in a net zero carbon energy transition?

Q6. Is your organisation undertaking or planning to undertake projects to support the energy transition? If so, please provide further details.

**Q5** – renewable energy projects like utility scale solar have additional project costs in N. Ireland than the rest of the UK. Also, N. Ireland has come from a very low starting point for renewables, even though significant steps have been taken to achieve the figure of approximately 42% renewable energy by 2020. In addition, since the last round of ROC subsidies were completed in March 2017 (with 12 months grace) there has not been another utility scale solar farm built in N. Ireland. The costs of renewable generation for solar are significantly more in N. Ireland due to several reasons including the costs of additional transport, time delays in planning and project finance issues. If we are realistic about renewable energy, the NI Executive need to be aware of these factors and initiate another mechanism of support to renewables, particularly solar. Utility scale solar farms can be built and energised in weeks rather than months and normally take less time in planning than other renewable projects.

**Q6** – we are certainly planning to undertake projects to support the energy transition in other jurisdictions, however due to the cost of developing utility scale solar here in N Ireland, we have no immediate plans for any projects, unless a PPA opportunity presented. Project finance costs, planning risks, transport costs and lack of a support mechanism all contribute to a lack of current interest in N. Ireland. Currently, we are looking to the Rep. Of Ireland and the RESS.

## 4. Consumers

Q7. How should we ensure that energy remains affordable for domestic consumers? What approach should be taken to eradicate fuel poverty?

Q8. What steps could be taken to improve the relative cost competitiveness of larger non-domestic consumers?

Q9. Is a strategic position of "enable and protect" the correct policy stance?

a) What policies or schemes are needed to enable active consumers?
b) What policies or schemes are needed to protect vulnerable consumers?

Q10. What types of advice and information are required by all consumers and what are the best mechanisms for facilitating this?

Q11. Are there examples of successful citizen energy projects in Northern Ireland and elsewhere that have delivered improved energy efficiency and/or clean energy to local communities?

Q12. What opportunities are there in both urban and rural areas for citizen energy communities in Northern Ireland? What role could government have in facilitating these?

Q13. What evidence can you provide that identifies the challenges and opportunities for NI energy consumers in decarbonising energy?

**Q7** – by investing in renewable energy like utility scale solar this is an industry that is now the cheapest forms of new power generation in GB. Solar generation will provide the required low carbon generation at the best price for consumers. The Republic of Ireland has targets of 15% of electricity demand to be met by renewable energy sources contracted under PPAs by 2030. Lightsource BP believes that the Energy Strategy should set out a similar ambition.

**Q8** - the relative cost competitiveness of larger non-domestic consumers can be reduced through PPAs. Lightsource BP have two separate PPAs in Northern Ireland as follows:

- PPA between Belfast International Airport (BIA) and Lightsource BP to provide 27% of the airport's annual electricity needs. This has saved BIA approximately £1000 per month on energy costs.
- PPA between Brett Martin and Lightsource BP where Gibson Solar Farm supplies 14% of Brett Martin's electricity, giving them a fixed price for 25 years.

## 5. Energy Efficiency

Q14. What, if any, energy efficiency target or targets should be set for Northern Ireland?

Q15. How should we define, measure and monitor energy efficiency to optimise its potential in our homes, business, economy and environment?

Q16. What are the most important policy levers for government to ensure zero carbon in:

a) New domestic and commercial buildings by 2050?;

b) Existing domestic and commercial buildings by 2050?

Q17. What should the future of energy efficiency support look like and who should be the key delivery bodies?

**Q14** - Energy Targets should be 80% renewable electricity by 2030 and 100% (carbon zero) by 2035.

**Q15** - Energy efficiency should be measured against clearly defined targets, set now, with financial resources set to achieve these targets. Examples would be 80% renewable electricity by 2030.

**Q16** – Financial incentives through a support mechanism is the best way to achieve this.

**Q17** - Northern Ireland should have its own energy support framework, fully resourced by the NI Executive. This should be a similar system to the Republic of Ireland's RESS system considering this is a single island electricity economy.

## 6. Heat

Q18. What is the appropriate pathway and timeline for the decarbonisation of heat between now and 2030, and subsequently to 2050?

Q19. What are the appropriate ways to measure the progress of decarbonising heat?

Q20. What are the most cost-effective and sustainable steps that government might take to accelerate the reduction of the carbon intensity of heating fuels?

Q21. Is decarbonisation of the gas grid a viable option and what evidence can be provided on both the speed and affordability of decarbonising the gas grid?

Q22. What evidence can you provide on the opportunities for district heating schemes in Northern Ireland and where should responsibility lie for facilitating these?

Q23. Can you provide any evidence or information on the opportunities for geothermal heat supply?

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| No evidence to contribute |

## 7. Power

Q24. What is the appropriate pathway for the decarbonisation of power from now to 2030, and subsequently to 2050?

Q25. What target for electricity consumption generated from renewable sources by 2030 is ambitious, achievable and affordable?

Q26. How can the new infrastructure necessary to meet a new renewable electricity target be delivered in a timely, affordable and acceptable way for consumers and society?

Q27. What innovations and solutions could contribute to meeting a new renewable electricity target?

Q28. What market incentives and support are necessary for investors to deliver the investment in renewable generation assets at a scale that will achieve a new renewable electricity target?

Q29. What steps need to be taken by Government to facilitate investment in offshore and marine renewables for NI?

**Q24/Q25** – Lightsource BP would suggest the following targets:

- 80% renewable electricity by 2030
- 100% renewable electricity by 2035
- Net zero power sector by 2040

**Q27** – Lightsource BP are of the view that utility scale solar in Northern Ireland, if supported through a financial mechanism, has the potential over the next decade, to be one of the primary sources of low carbon electricity generation. We welcome the five yearly reviews that would be built into the energy strategy. The renewables sector is innovative and adapted to the requirements of industry (i.e. Lightsource BP PPA with Brett Martin), transport providers (Lightsource BP PPA with Belfast International Airport) and utility providers (Lightsource BP PPA Thames Water).

## 8. Transport

Q30. What would be an appropriate pathway to decarbonised energy for transport to 2050?

Q31. What role should active travel have in the decarbonisation of the transport sector and what should government do to support this?

Q32. What energy infrastructure is needed to facilitate the uptake of electric vehicles in line with UK Government's 'Road to Zero' targets?

Q33. How will transport integrate with other energy uses (e.g. homes with solar generation, battery storage, EV charging) and what can government do to optimise the opportunities represented by this integration?

Q34. To what extent can alternative low carbon transport fuels contribute to decarbonisation of the transport sector?

Q35. Do you have any data/research to help inform and reduce the carbon intensity of our transport energy in order to achieve net zero carbon by 2050?

**Q30** – the electrification of vehicles would seem a very logical step forward, with more financial support to incentivise both drivers and the car industry.

**Q31** - No evidence to contribute

**Q32** - a further and more targeted roll out of electricity charging points and incentives to support companies that undertake to provide them. External charging points should become standard on all new build housing that can accommodate such infrastructure.

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**Q34** - no evidence to contribute

**Q35** - no evidence to contribute

## 9. Other Issues:

### a. Security of Supply

Q36. What specific risks to security of energy supply are likely to emerge as a result of our changing energy mix, and what actions can be taken to mitigate these?

Q37. What measures or indicators could be adopted or developed to monitor energy security of supply?

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| No evidence to provide. |

### b. The Role of Data

Q38. What is the most cost-effective method of capturing consumer energy usage data in electricity and natural gas (where meters are in place)? In heating oil (where there is no metering obligation)?

Q39. What concerns need to be addressed regarding data privacy, security and/or ownership?

Q40. What are your views on applying the key recommendations of the Energy Data Taskforce for NI?

Q41. What organisations or businesses do you see as having a key role in optimising the value of data? How will they do this?

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| No evidence to contribute |

### c. Carbon Capture and Storage

Q42. What steps, if any, should NI policy-makers consider with regard to the development or implementation of CCUS in NI?

### d. Energy and the Economy

Q43. What specific economic opportunities will arise from the decarbonisation of energy?

Q44. What skills are needed to realise the potential economic benefits of energy in the future?

Q45. What are your views on the future of overall energy demand in NI and how can we ensure that any potential demand growth aligns with our net zero carbon target?

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| No Evidence to provide |

### e. Delivery Framework for an Energy Strategy

Q46. Do the existing division of responsibilities and powers across government enable the most effective approach to the overall aim of decarbonising energy? If not, what are your suggestions for improvement?

Q47. What are the opportunities for local government to contribute to the delivery of the net zero carbon target?

Q48. What are your views on how statutory duties and accompanying legislation and regulatory frameworks would need to change to facilitate the transition to net zero carbon by 2050?

Q49. Is there a need for a dedicated organisation to champion, lead and deliver sustainable energy interventions? If so, what should this look like?

**Q48** - Lightsource BP believes it is time to review the requirement of the Energy Order (Northern Ireland) 2003 to "*promote the development and maintenance of an efficient, economic and co-ordinated gas industry in Northern Ireland*". Such a review should consider whether its replacement with a duty to promote the development of the renewables industry would support the achievement of decarbonisation targets.

## 10. Additional information

Q50. Is there anything else you would like to add in response to this Call for Evidence?

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| Nothing else |