

Single Electricity Market

DEMAND SIDE VISION FOR 2020

Consultation Paper

NIE Energy Supply's Response

18 October 2010



Introduction

NIE Energy welcomes the opportunity to respond to the Regulatory Authorities' (RAs) paper on their demand side vision for 2020. The paper provides a very useful context and review of the range of options which may be available to help meet the challenges of the changing generation mix on the island of Ireland in coming years.

General comments

NIE Energy generally agrees with the main options outlined in the paper. We have noted a few points below which the RAs may wish to consider:

- Whilst responsibility for much of the technical and planning aspects of demand side options may rest with regulators, government, network companies etc, much of the delivery is customer facing. Therefore, we would urge the RAs to actively engage with suppliers to ensure that the appropriate frameworks are in place to encourage the demand side customer related aspirations to be delivered.
- There is a significant element of the report focused on smart meters – whilst NIE Energy is aware of a number of benefits offered by smart meters, we also are mindful of the costs and would urge the RAs to be realistic about the cost benefit analysis of a smart meter programme.
- Policies in the demand side vision should be consistent with the Northern Ireland Strategic Energy Framework. If the RAs envisage much of the heating requirements being provided by electricity by 2020, there is a requirement therefore to consider if the extension of the gas network would result in stranded assets. In addition, there is a need to ensure that the technologies to provide electrically based heating are fit for purpose. NIE Energy is aware of a number of significant issues with heat pump installations.
- NIE Energy is actively engaged as a consortium member in the Plugged in Places bid for Northern Ireland. We would envisage a significant role for suppliers in the development of electric vehicle infrastructure, particularly in relation to the development and provision of charging arrangements. We would encourage a joined-up industry/government approach to ensure that the market for electric vehicles has the necessary support mechanisms in place.
- NIE Energy has significant experience in developing innovative products and services for customers. These include:
 - Energy efficiency programmes.
 - Smart metering initiatives (approx one third of NI customers currently have a meter which provides both real time and historic information on usage on a display).
 - Introduction of Time of Use tariffs for the domestic sector (we have c3000 customer on a domestic ToU tariff already).

- Provision of on-line information to customers through NIE Energy's 'Smart On-line' trial.
- Direct experience with new technologies such as domestic CHP and heat pumps which both have potential to feature in the overall demand side implementation plan.
- Introduction several years ago of an export and ROC reward programme for small generators.