

ENERGY STRATEGY - PATH TO NET ZERO ENERGY

**ACTION
PLAN 2023**



MARCH 2023

Contents

1. Introduction	3
2. Placing Consumers at the Heart of the Energy Future	4
3. Growing the Green Economy	5
4. Do More with Less (Energy Efficiency)	6
5. Replace Fossil Fuels with Renewable Energy	8
6. Create a Flexible, Resilient & Integrated Energy System	10

1. Introduction

This is the Energy Strategy Action Plan 2023 and follows on from the recently published report on Energy Strategy Action Plan 2022¹. It outlines the priority areas of action and the associated tasks for delivery in 2023, which is year 2 of the delivery of the Energy Strategy Programme. It is important to emphasise that the delivery of these actions will be subject to resources being made available despite the very challenging current budgetary pressures.

This document also provides an update on the progress across the five principles of the Energy Strategy. This is not an exhaustive list of energy decarbonisation work that is being done by government during 2023 – there is a wide variety of other energy decarbonisation work being taken forward, both within the Department for the Economy and with other departments and partner organisations.

The transition to a net zero carbon energy system is a key contributor to Northern Ireland achieving the net-zero emissions 2050 target as set out in The Climate Change Act (Northern Ireland) 2022. The Act includes provision for an in-line target for 2040 and a net 48% emissions reduction on the baseline by 2030. It requires all Northern Ireland Departments to contribute to five year carbon budget periods (first one to 2027) and climate action plans including sectoral plans.

This action plan aims to continue to drive short-term progress towards the ultimate goal of a decarbonised energy system for all our heat, power and transport needs.

Our objective continues to be to become self-sufficient in affordable renewable energy.



2. Placing Consumers at the Heart of the Energy Future

Update

Significant progress was made within the Consumer principle of the Energy Strategy during 2022. The Energy One Stop Shop Implementation Plan Consultation, which was published on 27 October, outlined the plan to deliver a single point of contact where consumers can receive information, advice and support on energy matters.

The Utility Regulator (UR) and Consumer Council NI (CCNI) jointly produced a Call for Evidence (CfE) on protecting consumers during the energy transition to net zero. This CfE aims to assess the future need for the protection of energy consumers during the transition to energy decarbonisation and included a report documenting research on lessons learned in other jurisdictions. Work on consumer protection, led by the UR and CCNI, will be taken forward over the coming years.

Objectives

- People are informed, empowered, supported and protected to enable them to transition to decarbonised solutions for all their energy needs; and
- Households and businesses have access to essential and affordable energy to help enable a decent standard of living, health and competitiveness.

	Action	Detail	Owner
1	Launch the Energy Decarbonisation Information, Advice & Support Service to Consumers.	This will initiate delivery of a core energy decarbonisation advice service for consumers subject to funding. In addition, we will finalise a multi-year Implementation Plan for the service reflecting the outcome of the One Stop Shop consultation ² .	DfE
2	Complete first phase of consultation and engagement on a new Fuel Poverty Strategy.	Engage and consult on key issues for the alleviation of fuel poverty while contributing to positive health outcomes and carbon reduction. This will include identifying and targeting priority population groups and the most effective tools to support their move out of fuel poverty.	DfC & DfE and other relevant departments

² <https://www.economy-ni.gov.uk/consultations/energy-one-stop-shop-implementation-plan-consultation-policy-options>



3. Growing the Green Economy

Update

Northern Ireland has the potential to develop a leading reputation as an economy with an important energy decarbonisation technology cluster and a proven track record in innovation delivering energy solutions to achieve local self-sufficiency in renewable energy and exporting energy products and services as part of the rapidly growing 10X economy in sustainability, innovation and inclusion.

We will continue to both invest and leverage in new investment in research and innovation to support local companies and academic institutions in the development of energy decarbonisation technology solutions, building on the good progress made in 2022.

Objectives

- Double the size of our low carbon and renewable energy economy to more than £2bn turnover by 2030; and
- Northern Ireland to become a leading energy decarbonisation innovation hub.

	Action	Detail	Owner
3	Commence delivery of the plan based on the findings of the Energy Skills Audit.	The Energy Skills Audit will identify gaps and the skills needed from the education and training sectors for energy decarbonisation by the end of April 2023. We will commence implementation of a plan based on the findings of the audit from June 2023.	DfE



4. Do More with Less (Energy Efficiency)

Update

Energy efficiency remains a key priority area for the Energy Strategy. Not only will it boost our economy, save consumers money on fuel bills and reduce the amount of energy we import, it will also help to create a more sustainable and secure energy system and help reach our energy decarbonisation goal.

In 2022, over £20m of funding for projects was secured and delivered through the Energy Invest to Save Project to support the reduction of energy consumption and carbon footprint in central government. Throughout 2023 and beyond, the Energy Invest to Save Project will be taken forward as business as usual.

As outlined in the Action Plan 2022 Report, Department for the Economy officials are developing an ambitious multi-year Energy Efficiency Programme which will focus on a fabric first approach and will help reduce energy demand in existing homes across Northern Ireland to not only tackle fuel poverty and the cost-of-living crisis, but also to help meet our carbon budget and energy decarbonisation targets.

Objectives

- Deliver energy savings of 25% from buildings and industry by 2030;
- Ensure all new buildings are net zero ready by 2027 (or earlier); and
- Reduce the distance people travel in private vehicles.

	Action	Detail	Owner
4	Statement of Intent and Cross-Departmental Consultation on energy efficiency.	<p>This consultation will seek feedback on a range of evidence-based options presented on a multi-year Energy Efficiency Programme.</p> <p>This will follow a period of engagement with a range of stakeholders and will set a statement of intent to local industry.</p>	DfE
5	Deliver a programme to include tailored information, advice, and technical consultancy to support energy efficiency and decarbonisation, along with financial support open to eligible businesses.	This will deliver a new Energy Efficiency Support Scheme for Northern Ireland businesses. The scheme will deliver energy efficiency interventions including low carbon and renewable technologies and is aimed at helping businesses decarbonise their energy use and lower energy demand.	DfE (with Invest NI)



	Action	Detail	Owner
6	Energy efficiency of new buildings - publish and review phase 2 discussion document.	Publish discussion document and liaise on feedback and outcomes with NIBRAC, Minister, Finance Committee and Executive. Dependent on the outcome of this, prepare draft regulations and initial draft technical booklet guidance for Phase 3 uplift for review with the Building Regulations Advisory Committee (NIBRAC).	DoF



5. Replace Fossil Fuels with Renewable Energy

Update

Increasing the amount of locally-produced renewable energy capacity is a critical step in Northern Ireland's pathway to net zero and is a key part of reducing our dependence on fossil fuels and exposure to volatile global energy prices. It is also a fundamental part of meeting the Climate Change Act target of at least 80% electricity consumption from renewable sources by 2030.

In working towards this throughout 2022, consultations were developed on proposals to revise permitted development rights for the installation of domestic microgeneration equipment such as heat pumps and on Renewable Electricity Support for Northern Ireland and the Department for Infrastructure published the Electric Vehicle Infrastructure Action Plan. A cross-departmental group on biomethane was established to progress the delivery of sustainable biomethane production in Northern Ireland and a range of low carbon heat projects commenced in 2022.

Work also continues on delivering offshore wind in Northern Ireland and on the delivery of the geothermal demonstrator projects.

Objectives

- Meet at least 80% of electricity consumption from a diverse mix of renewable sources (original 70% target superseded by the Climate Change Act);
- Replace high carbon heating sources with lower and zero carbon sources in households and businesses; and
- Support the transition to low and zero carbon fuels for vehicles.

	Action	Detail	Owner
7	Launch the design of a renewable electricity support scheme.	Publish the final design of renewable electricity support, along with a pathway and timeline for the support being in place.	DfE
8	Issue a consultation on a low carbon heat support scheme.	Develop proposals for a support scheme for low carbon heating, to assist the transition from fossil fuels to decarbonised forms of heating, that will be required to meet CO ₂ reduction targets as set out in the Climate Change Act. This will also help inform the rules and guidance of a future low carbon heat scheme.	DfE



	Action	Detail	Owner
9	Issue a call for evidence on the options for supporting biomethane production in Northern Ireland.	<p>This will seek to establish the costs for producing biomethane and present potential options to develop the industry in Northern Ireland. We will collaborate with DAERA to optimise feedstocks for biomethane production.</p> <p>We will work with UR to monitor developer interest in injection of biomethane into the gas network and to assess the treatment of network costs.</p>	DfE (with DAERA & UR)
10	Develop a plan for the decarbonisation of Rathlin Island.	By December 2023 we will develop a cohesive plan to decarbonise Rathlin Island (across power, heat and transport). We will work closely with the Rathlin Development Community Association (RDCA) to ensure any plans align with the residents' decarbonisation ambitions.	DfI
11	Issue a consultation on the draft regional strategic planning policy for renewable and low carbon energy.	This consultation will seek views on the future planning policy for renewable and low carbon energy to ensure it is fit for purpose for plan-making and decision-taking in the context of the Energy Strategy and the Climate Change Act.	DfI



6. Create a Flexible, Resilient & Integrated Energy System

Update

Delivering energy decarbonisation – self-sufficiency in renewable energy – requires an energy system (for power, heat and transport) that will be dynamically operated to balance supply and demand in real-time.

In 2022, a cost benefit analysis was completed and concluded that the installation of smart meters for all electricity supply points will facilitate the delivery of this requirement.

Objectives

- Develop an energy system that delivers energy decarbonisation in a secure and cost-effective way; and
- Support the development and delivery of solutions that enable people and communities to be active participants in the energy decarbonisation.

	Action	Detail	Owner
12	Build on the existing pilot and develop a plan for electricity smart meters in NI.	We will work with stakeholders building on the existing pilot of smart meters in NI.	DfE (with UR)