

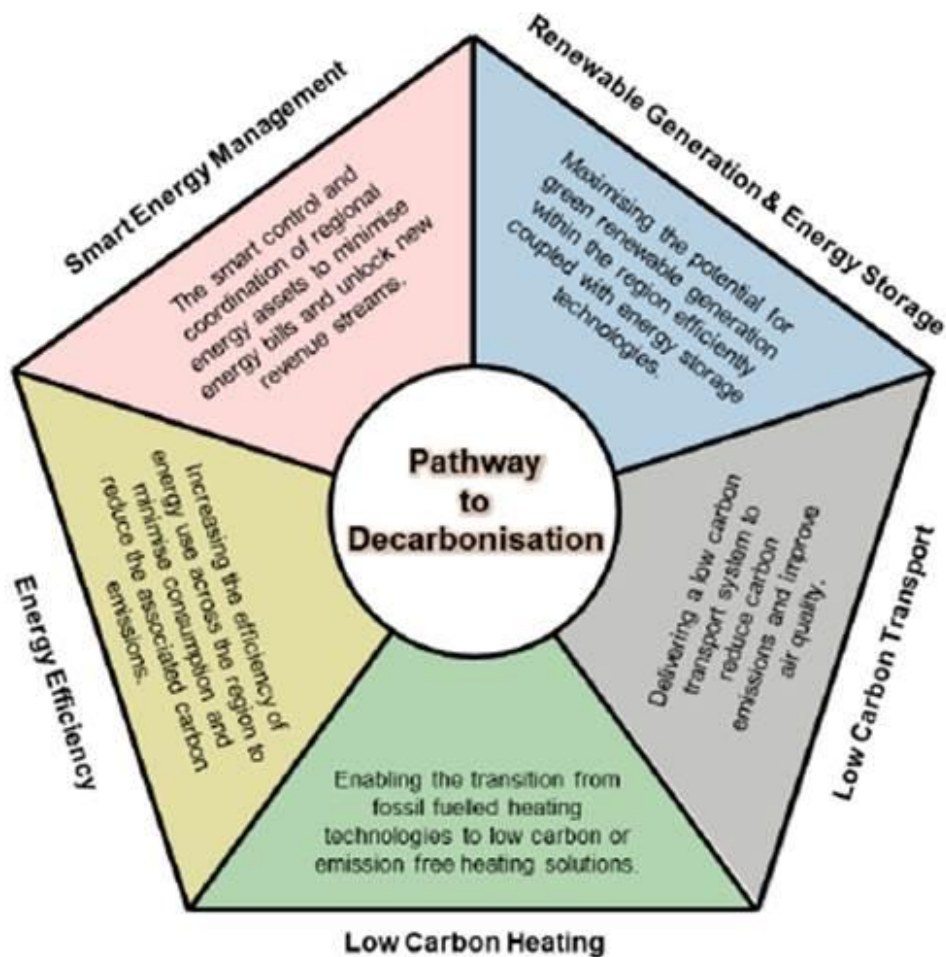
Appendix One – BCC Response to the Call for Evidence on an Energy Strategy for Northern Ireland.

1.0 Introduction

- 1.1 A forthcoming Energy Strategy for Northern Ireland represents an important opportunity to decarbonise the region's economy and enable Northern Ireland to meet the objectives set by the UK government to bring all greenhouse gas emissions to net zero by 2050. The pace of decarbonisation set by government will have a critical impact on Northern Ireland's economic strategy, its climate planning and fuel poverty levels among its most vulnerable households.
- 1.2 Belfast Agenda is the community plan for the city of Belfast, and it includes a core commitment to inclusive growth- improving the wider outcomes for people in Belfast by addressing the issues of poverty, economic inactivity, unemployment and underemployment. We have assessed the ambitions set out in the 'Call for Evidence' against the priorities and objectives in the Belfast Agenda.
- 1.3 Belfast City Council welcomes the core principle in the document to adopt a whole systems approach to energy policy, from energy source to end consumer, incorporating heat, power and transport.
- 1.4 The response below follows the structure set in the consultation paper. We have provided answers where Belfast City Council has a stated position and where it is appropriate for us to respond.

2.0 Energy in Northern Ireland

- 2.1 The forthcoming Energy Strategy is critical to enabling Belfast to realise its ambitions in the Belfast Agenda and its transition to an inclusive low-carbon climate resilient economy. Conversely, greater urban development in Belfast could help facilitate some of the ambitions of a future Energy Strategy. The strategy should be an enabler for innovation in the energy industry as it decarbonises at pace and should be a driver for high quality jobs in the industry across Northern Ireland. The ambitions in the strategy should signal strong policy intent on the scale and rate of decarbonisation in Northern Ireland, and this in turn will provide the clarity and certainty necessary for investors to play their part in the energy transition.
- 2.2 The strategy offers the opportunity for Northern Ireland to firmly set out its intentions as a sustainable region of the UK, and one which is prioritising clean growth- integrating our ambitions on climate change with our economic goals.
- 2.3 Lessons should be learned from jurisdictions where the energy strategy has been effectively integrated with wider economic and climate change strategy. It is critical that Northern Ireland begins the process of integration of these important goals, in the development of long-overdue legislation on climate adaptation and mitigation.
- 2.4 The Scottish Government strategy for power, heat and transport is useful because it emphasises the importance of systems change in decarbonisation.



- 2.5 The Welsh Assembly Government has also developed a strategy called ‘Prosperity for All: A Low Carbon Wales’, which brings together a range of policy interventions and pathways to decarbonisation on a sector-by-sector basis. Best practice globally suggests that sectoral pathways are effective in decarbonising local economies.
- 2.6 When considering linkages to other jurisdictions, the key consideration should be to ensure ongoing resilience of Northern Ireland’s energy system while also maximising opportunities to innovate through greater economic connectivity.
- 2.7 When considering implementation of the Committee on Climate Change report, at the very least, the report should be implemented in its entirety. Furthermore, the report of the Committee on Climate change was based on advice requested by DAERA on possible policies and strategies that could deliver economy-wide emissions reductions of 35%, 40% and 45% against 1990 levels by 2030. The recommendations therefore reflect the advice sought, and as many of them remain highly relevant, the report should be considered as a critical guide to the development of a future Northern Ireland Energy Strategy. However, the spirit and intent of the report has been superseded by the passage of the Climate Change Act last year which set a net zero carbon target for the UK by 2050. Future strategies should therefore work to this new target, and as such, the advice of the Committee on Climate Change may need to be revised or reconsidered given the importance of the 2050 target.

2.8 Belfast City Council agrees that a 30-year timeframe is obviously necessary to meet the UK 2050 net zero carbon target. However, the IPPC and other global institutions have called for a transformative shift to decarbonised economies in this decade and so it is essential that critical milestones are set for 2025 and 2030 in order that that sufficient progress is made over the next ten years. This is also a key conclusion of the recent ‘Mini Stern’ undertaken to provide an economic analysis of decarbonisation in Belfast. The Energy Strategy for Scotland has prioritised actions within this decade, i.e. to 2030, and Belfast City Council would recommend a similar approach.

3.0 The Energy Transition in Northern Ireland

3.1 The unique characteristics of Northern Ireland are set out within the Committee on Climate Change report ‘Reducing Emissions in Northern Ireland’, and Belfast City Council has nothing further to add.

3.2 Belfast City Council is undertaking several programmes of work to support energy transition:

- It has produced a draft Resilience Strategy which has as its core ambition, the transition to an inclusive, low-carbon, climate resilient economy in a generation, i.e. no later than 2050. The strategy contains a number of recommendations for Council and its Community Planning Partners to take in the coming years towards the achievement of that goal. The draft strategy is currently out to consultation and can be accessed here <https://yoursay.belfastcity.gov.uk/chief-executives/rmclbelfast-resilience-strategy/>
- The Council’s Energy Team lead its work to proactively enhance energy efficiency within the Council. In 2018-19, carbon dioxide emissions from Council buildings had decreased by 55% on the 1992-93 baseline.
- To play a key role in convening delivery of the objectives in the Strategy, the Council has established a Resilience and Sustainability Board, made of up Community Planning Partners.
- The Council is currently in the process of developing its own climate adaptation and mitigation plan, which will include targets and actions for decarbonisation and energy transition, and will be produced by mid-2021.
- The Council’s draft Local Development Plan Strategy outlines the council’s local policies and site-specific proposals for new development and the use of land in Belfast. It will be a critical spatial tool for ensuring a sustainable city. The draft policies seek to support both energy efficient developments and infrastructure by providing the opportunity to develop local renewable energy schemes and ensuring that new developments are both resource and energy efficient.
- Belfast City Council is currently proactively reviewing the energy efficiency of its transport fleet and aims to develop a revised strategy to decarbonise its fleet over time. This work is underway as a core corporate priority.
- Belfast City Council has prioritised how it can boost city connectivity within its 2019-2023 Corporate Plan, to support a modal shift to sustainable means of transport such as walking, public transport and cycling.

3.3 Targets in the strategy must be aligned with broader government-wide ambitions on climate change; it is critical therefore that the future strategy is developed in tandem with climate strategy and economic strategy, as is the case in other jurisdictions. The economic

and decarbonisation ambitions of cities and local authorities in the region should also inform the targets set in the strategy, to ensure alignment of purpose and increase the potential for delivery in due course.

- 3.4 As part of its work with the Place Based Climate Action Network, Belfast has undertaken an economic analysis of decarbonisation in the city. Taking the IPCC target to limit average global levels of warming to 1.5 degrees, the so-called 'Mini Stern' divided the global carbon budget up by population and gave Belfast a total carbon budget of 15.6 million tonnes through to 2050. Based only on the fuel and electricity used within its boundaries, Belfast currently emits c.1.7 million tonnes of carbon a year. This means that Belfast will use up its share of the carbon budget through to 2050 in just over 9 years.
- 3.5 The 'Mini Stern' analysis also provides a 'net zero carbon roadmap' for Belfast. It concludes that Belfast could stay within its carbon budget by reducing its emissions by 9.4% year on year. This would mean that to transition from its current position where its emissions are 33% lower than 2000 levels to a local pathway that is consistent with the world giving itself a 66% chance of avoiding dangerous climate change, Belfast should adopt carbon reduction targets (from present levels) of:
- 63% by 2025,
 - 78% by 2030,
 - 86% by 2035,
 - 92% by 2040,
 - 95% by 2045,
 - 97% by 2050.
- 3.6 At the time of writing, we are undertaking further analysis of the data in the Mini Stern, however it is highly likely that this analysis informs the city's ambitions for decarbonisation in the future. This means that a step change in decarbonisation must take place by the end of this decade.
- 3.7 In our view, a forthcoming Energy Strategy should contain similar levels of ambition to drive decarbonisation and ensure Northern Ireland stays on course to meet its 2050 target.

4.0 Consumers

- 4.1 Belfast City Council believes that an inclusive energy transition should be a core objective of a future Energy Strategy. A future strategy should have the reduction of fuel poverty as a specific goal, and this should drive other measures in the strategy. The relationship between a forthcoming Energy Strategy, future Building Regulations and future Local Development Plans are critical in this respect, and a future strategy should attempt to ensure coherence across all three, so that they are aligned in the best interests of consumers.
- 4.2 Population trends, mobility and development patterns will be critical determinants of energy demand and use over the long term. Transition to a low-carbon economy will require more sustainable patterns of development, so the availability of effective energy infrastructure will be an essential driver in enabling consumers to exercise meaningful choice in where they live, how they travel and what they consume.

- 4.3 Given our commitment to inclusive growth, Belfast City Council is keen to ensure that future energy strategy ensures strong consumer engagement and protection, while also empowering and enabling communities through the development of local community energy systems and networks. We support approaches that engage and involve people in energy supply, as this has positive impacts for good urban behaviour, e.g. more efficient energy behaviour and reduced consumption.
- 4.4 The proposed strategic position of “enable and protect” is the appropriate policy stance. Incentives to reward energy efficient behaviour will be critical levers to pull; consideration should be given to the adoption of incentives e.g. financial incentives for using energy during times of reduced demand. A permanent and appropriately funded source of independent advice to the consumer should be a critical pillar of a future energy strategy.

5.0 Energy Efficiency

- 5.1 Energy efficiency should be a central priority of a future Energy Strategy, in particular because of the high levels of energy inefficiency in Northern Ireland’s housing stock. Its importance in ensuring an effective energy system cannot be overstated. Belfast City Council would echo the recommendation of the 2019 House of Commons report that improving the energy efficiency of the housing stock is a national infrastructure priority¹.
- 5.2 Belfast City Council would support a new, legally binding standard for home energy efficiency. The target should be science based, reflect progress thus far, and further reflect the UK’s legal obligations in respect of progress towards the UK net zero carbon target, and any future milestones or targets set at UK level. The Council notes with interest the approach taken by Scotland in its energy strategy to define an ‘energy productivity’ target of 30% by 2030 - a measure of the combination of energy consumption and the output of the economy. According to the strategy, ‘Enhanced energy efficiency and improved productivity will help curb energy consumption without limiting growth – enabling the continued reduction in emissions whilst still growing the Scottish economy. It can make businesses more competitive by improving their productivity in respect of each unit of energy consumed, with investment in industrial energy efficiency reducing operating costs and protecting against some or all of any rise in energy prices.’
- 5.3 The forthcoming review of Building Regulations for Northern Ireland should consider standards for low to zero carbon buildings as a matter of priority. The development of a Future Homes Standard in England offers a useful framework for comparison; however, given the unique circumstances at play in Northern Ireland, it may be necessary to be more ambitious than the standards set elsewhere.
- 5.4 Given the particular characteristics of homes in Northern Ireland, it is essential that a future Energy Strategy is an enabler for a large-scale programme of deep retrofit across Northern Ireland as well as driving standards for low-carbon buildings. The strategy should inform an ambitious approach to transforming our built environment which should have decarbonisation, virtual eradication of fuel poverty, and inclusive economic growth as priorities.

¹ <https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/1730/1730.pdf>

6.0 Heat and Power

- 6.1 Belfast City Council believes that a forthcoming Energy Strategy provides an opportunity to be ambitious in setting a pathway for decarbonisation that builds on the growth in renewables in the wider energy sector. We note the research from other countries where it has been possible to transition from oil to entirely clean renewable systems, and would strongly recommend that this is the stated ambition in the document, with key milestones in place for transition. We would recommended that further advice is sought from the UK Committee on Climate Change on the approach to be taken in the strategy.
- 6.2 The previous Energy Strategy set targets for electricity generated from renewables which were then considered ambitious, and which were met, and exceeded. Strong and ambitious policy intent on a new target will be critical to giving confidence to investors and to giving the direction required by the industry to drive momentum towards a decarbonised and integrated energy system.
- 6.2 Belfast City Council supports the development of district heating schemes, and would welcome the opportunity for further engagement with the Department in this regard. It is our view that evidence from across Europe demonstrates the important role that district heating networks can play in ensuring effective heating systems at a local level. The development of this strategy provides a timely opportunity to explore their potential further, in the best interests of consumers.

7.0 Transport

- 7.1 Relative to other capital cities, Belfast still has a carbon intensive transport system, with the majority of journeys still made by car. As an urban area, there is considerable potential for growth in low-carbon transport at scale, to offer meaningful choice to people travelling to the city, and within the city. A forthcoming energy strategy should ensure maximum coherence between transport policy and energy policy and given the 2050 target, should begin to set targets for the elimination/step reduction in high carbon forms of transport in favour of low-carbon transport within this decade.
- 7.2 Belfast's draft Local Development Plan and its Resilience Strategy both emphasise the importance of active travel in building attractive and sustainable patterns of development. A forthcoming energy strategy should provide a strong policy signal towards low-carbon transport options as the preferred modes of travel in Northern Ireland.
- 7.3 Belfast City Council is currently involved in pilot programmes to explore options for roll-out of EV infrastructure across the city. Findings from these programmes can be shared with the Energy Team in the Department for the Economy to help inform a forthcoming Energy Strategy.

8.0 Energy and the Economy

- 8.1 The forthcoming Energy Strategy is critical in enabling Belfast to realise its ambitions in the Belfast Agenda and its transition to an inclusive low-carbon climate resilient economy.

- 8.2 It should be an enabler for innovation in the energy industry as it decarbonises at pace and should also be a driver for high quality jobs in the industry across Northern Ireland. The ambitions in the strategy should signal strong policy intent on the scale and rate of decarbonisation in Northern Ireland, and this in turn will provide the clarity and certainty necessary for investors to play their part in the energy transition.
- 8.3 The strategy offers the opportunity for Northern Ireland to firmly set out its intentions as a sustainable region of the UK, and one which is prioritising clean growth- integrating our ambitions on climate change with our economic goals.
- 8.4 The challenges associated with decarbonising Belfast's economy are complex. However current available analysis suggests:
- The economy is heavily dependent on carbon intensive systems – leaving the city's economic growth dependent on an increasingly expensive fuel source. 32% of the city's housing is powered by oil; water and waste-water infrastructure is fossil fuel dependent; large sections of the city's economy are dependent on carbon intensive transport- car use remains the dominant form of travel. Few of these carbon intensive 'systems' sit wholly within the control of one organisation and so decarbonising the city's economy and taking economic advantage of energy transition will require collaboration, and alignment with regional and national policy.
 - Less than 10% of the city's economy is circular. As the cost of carbon increases, and other cities increase levels of investment in the circular economy, this could impact on Belfast's competitiveness.
 - Belfast is currently a net importer of energy. This leaves the city exposed to a number of potential risks- volatility in the cost of energy; long-term energy security and some lack of control over the pace of decarbonisation. In turn, this could reduce the city's competitiveness, as cities that are energy independent are able to decarbonise rapidly, and on their own terms.
- 8.5 However, well-planned and designed decarbonisation will also present substantial economic opportunities. The Mini Stern shows that Belfast could close the gap between its projected emissions in 2050 and net zero emissions by 38% through the adoption of cost-effective options in houses, public and commercial buildings, transport and industry. Adopting these options would reduce Belfast's total energy bill in 2030 by £286M p.a. whilst also creating between 500 and 1,400 jobs in the city. Their adoption could also help to generate wider benefits, for example by helping to tackle fuel poverty, reducing congestion, improving ambient air quality and enhancing public health.
- 8.6 There is limited data currently available on how a decarbonised economy could impact on employment in Belfast. The 'Green House Think Tank' summarises jobs estimates for Northern Ireland using its own 'Climate Jobs Project' modelling². It projects net job gains in NI in the reuse and recycling sectors; net job gains in transport; considerable gains in building retrofit; net job losses in land and food (including agriculture) and net job gains in renewable energy. However, the data is limited- it does not include freight and provides

² https://greenhouse.chiltern.org.uk/regional_reports/Region_Climate_Jobs_Summary_v2019a_UKN.pdf

little insight at a Belfast level. It does not take account of an increase in the circular economy, climate adaptation and work to train and upskill the workforce. Alignment between energy strategy ambitions and the wider industrial strategy is therefore critical to protect and grow jobs in Northern Ireland throughout the period of decarbonisation.

- 8.7 The Energy Strategy should therefore ensure that it is aligned with the ambitions of the UK Industrial Strategy which identifies ‘Clean Growth’ as a Grand Challenge, *‘The move to cleaner economic growth – through low carbon technologies and the efficient use of resources – is one of the greatest industrial opportunities of our time. By one estimate, the UK’s clean economy could grow at four times the rate of GDP. Whole new industries will be created and existing industries transformed as we move towards a low carbon, more resource-efficient economy.’* The vision and ambitions within the UK Industrial Strategy should strongly inform the future Northern Ireland Energy Strategy.
- 8.8 Targets in the strategy must be aligned with broader government-wide ambitions on climate change; it is critical therefore that the future strategy is developed in tandem with climate and economic strategies, as is the case in other jurisdictions. The economic and decarbonisation ambitions of cities and local authorities in the region should also inform the targets set in the strategy, to ensure alignment of purpose and increase the potential for delivery in due course.

9.0 Delivery Framework

- 9.1 Smart data must be a critical pillar of a future Energy Strategy, and will be necessary to power the efficient and effective operation of a ‘whole systems’ approach. As the availability of data increases, it will increasingly inform decisions on system optimisation will enable more efficient use of the assets connected to the system, and may avoid the need to build out new, expensive generation to meet peaks in demand. Good data will help underpin the effective operation of a more distributed system. However, a new data ecosystem requires investment, and this should be prioritised in the development of a new strategy.
- 9.2 The range of powers and responsibilities for decarbonising energy – and indeed decarbonising the economy more generally are spread across central government. This could potentially make the objectives in the future strategy more difficult to realise. A useful next step, to ensure we have optimum governance and an operating model in place to decarbonise our energy system, would be to undertake a mapping exercise to compare the spread of powers and responsibilities in NI with the approach taken in other jurisdictions. We should seek examples of best practice before forming a view on ‘what works’.
- 9.2 Belfast City Council considers itself a critical delivery partner for a future Energy Strategy and this may involve changes to our powers and responsibilities to meet the objectives we have set out in this response. Our strategic planning powers, our ability to convene partners at a city level, and our city-to-city global networks make us very well placed to ensure that decarbonisation of our energy system continues at pace. We look forward to positive future discussions on the role we can play to support a future Energy Strategy for Northern Ireland.

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