

Northern Ireland Affairs Committee

Oral evidence: Energy costs in Northern Ireland, HC 1847

Wednesday 22 April 2026

Ordered by the House of Commons to be published on 22 April 2026.

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Members present: Tonia Antoniazzi (Chair); Chris Bloore; Sorchá Eastwood; Claire Hanna; Mike Kane; Mr Paul Kohler; Katrina Murray; Gavin Robinson; David Smith; Robin Swann.

Questions 1 - 82

Witnesses

I: David Blevings, Executive Director, Northern Ireland Oil Federation; Declan Pang, Director of Policy and Public Affairs, Road Haulage Association (RHA); William Irvine, President, Ulster Farmers' Union.

II: Noyona Chundur, Chief Executive, Consumer Council for Northern Ireland; Pat Austin, Director of National Energy Action NI and Chair of the Fuel Poverty Coalition NI; John French, Chief Executive, Utility Regulator.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]

Examination of witnesses

Witnesses: David Blevings, Declan Pang and William Irvine.

Q1 **Chair:** Good morning and welcome to the Northern Ireland Affairs Select Committee. We have our session this morning on energy costs in Northern Ireland. Online we have David Blevings, and we are joined by William Irvine and Declan Pang. What impact has the recent rise in oil prices had on your industries?

David Blevings: Good morning, Chair. Good morning, everybody. It has had a huge impact not only in my industry but obviously on consumers. We have seen a huge spike—97%—in the price of kerosene locally. Again, that is due to the American invasion of Iran and the closure of the strait of Hormuz. It has had a huge impact on my members getting product, and obviously the price that they have to pay for that product.

We have seen a huge amount of panic buying by consumers. No matter how many times you go out and tell people not to panic buy, it usually has the opposite effect. It has had a very devastating effect on the industry itself, and it is a fear factor for consumers thinking ahead to this winter.

William Irvine: Good morning, everyone. Thank you for the opportunity to be here and speak for Northern Ireland agriculture this morning.

Our agrifood sector is facing an immediate and externally driven cost shock due to this Iranian war. It is driven by the global instability and the disruption in energy markets, and that whole piece is influencing on-farm decisions such as what ground is planted and what investments are made.

Prior to the Iranian war, I was having a lot of conversations with our members around the cost of doing business. That was quite a difficult place to be in even before this energy price hike. This has put the stress on farms to a new level. Our intensive sector are quite high energy users. We are on the point of our grass harvesting season, which requires a lot of fuel for the grass harvesters.

Our arable and potato guys are particularly vulnerable. Hopefully they are isolated reports, but we are hearing reports of potato farmers selling their harvesting machinery to raise the capital to plant this year's crop. How that is sustainable, I do not know, but that is the pressure that is on farm level at the moment.

Declan Pang: Good morning, Chair. Good morning, Committee. We have seen fuel costs have a really crippling impact on haulage firms, particularly since this crisis arose. We really want to see much more urgent and decisive action from the Government to recognise the real impact and the strength of feeling across the sector on how this is impacting the wider economy but also the viability of businesses. Some



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81% of all freight is moved by road. There are very few other options other than using diesel, so that fact certainly needs to be recognised in the current climate.

We have also done some research that shows that, if the 5p cut introduced in 2022 was put back on, or there was a 5p increase in duty, it would have a significant impact on cost of living. We commissioned some research last year that showed that the total household cost would be £7 billion; that includes the costs from increased supply chain distribution costs, but also direct motoring costs from the average car-owning household. We think this needs to be considered much more in line with the cost of living, and as a lever to really ease cost-of-living pressures.

Q2 Chair: Declan, you have talked about consumers and supply chains there, and you have provided a solution from the Road Haulage Association. What is the impact of this spike on consumers and supply chains in the short term, and what is the longer-term impact going to be?

Declan Pang: Diesel makes up around 30% of the operating cost for an HGV, and we have seen diesel costs increase by around 36%. That is causing an inflationary increase, as you can see already from today's increase in inflation to 3.3%.

Fuel costs flow through the whole supply chain, impacting all industries, whether that is agriculture, manufacturing or construction. Not only is it impacting the prices that we all pay, but it is also impacting the viability of some businesses. The majority of haulage firms are SMEs. Over 95% are SMEs, and they have very limited bandwidth to withstand these levels of cost increases. That has led to a substantial increase in insolvencies from haulage firms over the last few years. We have seen around 1,000 haulage firms across the UK go into administration in the last two years. That is at record levels, and in part that it is due to the range of cost pressures that they face.

Q3 Chair: William, what are you seeing in agriculture?

William Irvine: In our supply chains, once these price rises are factored in, everybody passes it down the line to the next person. We are the last leaf on the smallest twig in that supply chain. It is not as easy for us to pass it on.

If this continues and gets more out of control, sooner or later it is going to have a massive impact at consumer level. I fear for our members' businesses in that period when they are dealing with the costs and they have not managed to get extra income for their produce, because there is a time delay in passing it on to the consumer. We would like intervention now to protect our businesses, and ultimately to protect consumers.

Q4 Chair: The country needs to be fed.

William Irvine: Yes, and the world is in a pretty chaotic state. In my view, any nation should be secure in their food security, enhancing their



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food security. Just at the moment, food security is probably taking a backwards step rather than being enhanced, due to a range of pressures, fuel being the main one.

David Blevings: Again, from our point of view, at the end of the day, until the situation is resolved in the middle east, we are not going to see any short-term relief. The key point I would make is that people keep saying that Brent crude has come down now and it is under \$100, etc, but that is for June delivery. We have refineries in the UK, but we have seen the closure of Petroineos and we have seen the Prax refinery close in 2025, so we are even more reliant on imported refined product.

Again, if the strait remains closed, I do worry about the future for this winter. About 40% of jet fuel comes from the Gulf states. Again, if it is resolved quickly within the next couple of weeks, we could see a return to relative normality by quarter 4 of 2026, but if we have a prolonged infraction in Iran, this winter in particular looks very difficult.

I would ask the three local MPs who are there to please look again at the subsidies that they are providing for the Northern Ireland consumer. £100 will not even buy you 100 litres in today's terms. Could we not look at removing the 5% VAT? That will take another £45 or £50 off. That is relatively simple to do, and again would be effective then for consumers who earn over the £30,000. I have had a lot of calls from people who earn £32,000, £33,000 or £34,000. They are saying, "We are going to miss out even on this £100". Again, removal of the VAT of 5% is not a lot, but it would make some difference to the consumers here in Northern Ireland.

Q5 **Chair:** David, just to carry on with you because you have touched on this, what is the outlook for prices and supply shortages in the future? Going forward, what is it looking like?

David Blevings: It is quite negative. According to S&P, we have lost about 16% of the world's supply, with a 42% reduction in global jet tradeable volumes. You have to remember that Europe is very rich in petrol. We have a lot of petrol. We are low in diesel and we are totally dependent on imported kerosene for home heat and jet aviation. Most airlines carry about 30 days' stock. I hear that has come down below 30 days. Again, we are hearing of shortages post June if the war continues.

I got a stat there yesterday. If Europe can replace about 75% of lost supply, it should be able to meet peak summer jet fuel demand, although inventories would still fall below the 23-day cover threshold by August. Again, that does not tell me anything about home heat. That is purely focusing on aviation. Again, I would have concerns about this winter if we do not get a resolution to this problem in the middle east in the next two to three weeks.

Q6 **Chair:** William, in agriculture, what is the outlook for prices and supply shortages?



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William Irvine: One of the issues we would like addressed around all of this is greater market clarity and better information about what stocks are available and timelines. Our guys do not have the proper information they need whenever they look at the tank when it is below half-full. Should we fill it? Should we just do what we need for the next two weeks? They need greater market clarity, and the market clarity is just not there at the moment.

One of our asks is for monetary support, but within Northern Ireland our Executive could provide that market clarity to allow our guys to make more informed decisions.

Q7 **Chair:** What about in haulage, Declan?

Declan Pang: We are not seeing supply issues, but we are very concerned about how this is impacting the viability of haulage firms that support the supply chain. That is a point that is too often overlooked. The fragility and SME nature of the sector means that it is prone to business failure when there are shocks in the system. They do not have bandwidth to cope. We are concerned about the overall resilience of our supply chains if the current trend of insolvencies continues.

Q8 **Gavin Robinson:** Good morning to you all, gentlemen. David, can I come to you first if you do not mind? Credit to you for being the first person who has really sung and hummed along when giving evidence today; that was an entertaining spectacle.

David, you were kind enough to meet me, and I am sure you have met some other political leaders as well, to talk about the oil industry and some of the problems facing us all and the householders in Northern Ireland. We met about five weeks ago. I am keen to ask what engagement you or your members have had with Government, both in Northern Ireland and in the UK.

David Blevings: It is very limited, Gavin. I know my colleague Ken Cronin, who works for UKIFDA—the United Kingdom and Ireland Fuel Distributors Association—has been heavily involved with the Westminster Government. My interaction has been limited to a few interested MLAs and MPs like yourself who wanted to find out what was happening. I have had a bit of engagement with the Department for Communities in terms of the scheme that it is proposing to put forward for helping consumers, but that really has been about it.

Q9 **Gavin Robinson:** Are you are saying that energy policy is with the Department for the Economy in Northern Ireland? How many meetings have you had with the Minister for the Economy?

David Blevings: Now, do not turn this into a political football. We were brought in for a discussion with the Minister, along with the Consumer Council, trading standards and so on. We have had one meeting with the Minister.



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Q10 Gavin Robinson: It is important that we know that engagement is happening. Thank you. William, what engagement have you had?

William Irvine: As an organisation, we are always talking to the full range of political parties. The Executive Office of Northern Ireland wrote to the Prime Minister and then all the party leaders signed a letter that we drew up also to the Prime Minister, highlighting the issues and explaining briefly just how vulnerable Northern Ireland agriculture is in this situation.

We have had good engagement. We met the Northern Ireland Secretary of State over here in Whitehall last week. He listened, but he played the poverty card—that he has no money. Again, this support now will alleviate future pain for consumers. He needs to have that long-term view.

Q11 Gavin Robinson: How important was it for your members to hear the Agriculture Minister on the radio last Tuesday encouragingly say that there was £236 million available to support with this crisis?

William Irvine: That was a confusion and a distraction. We have pointed that out.

Q12 Gavin Robinson: Do you mean that it is not available?

William Irvine: It is available, but it is our ongoing farm support that is already factored into our cash flows. We are now looking at exceptional circumstances.

Q13 Gavin Robinson: Just to be clear, the announcement that was made last Tuesday is not an announcement at all.

William Irvine: It confused. The money is coming, but that money has had no inflationary increase for 10 years. It is decreasing year on year because of that, and it is vital to support Northern Ireland's industry.

Q14 Gavin Robinson: Are you saying that the announcement that was made last Tuesday was already there and it is, in real terms, less than what was there the previous year?

William Irvine: Yes, just due to inflation.

Q15 Gavin Robinson: Mr Pang, what engagement have you had with Government, either in Northern Ireland for the Road Haulage Association or yourselves here in London with Whitehall?

Declan Pang: We have a very regular dialogue with Whitehall officials, particularly in the Department for Transport and the Department for Energy Security and Net Zero. They have been very keen to monitor how the industry is seeing any potential supply issues, which we have been regularly surveying our members on and providing feedback.

We are very supportive of the letter sent by the First Minister on fuel duty measures recently. We have constantly been calling for a number of



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different measures to be introduced, one of which is the cancellation of the fuel duty increase in September.

Unfortunately, we have not had any engagement at ministerial level on this issue recently. There is a feeling in our sector that there is a lack of understanding about the immense pressure that many of our members and businesses are under in this situation. There is also a feeling that the UK is now becoming an outlier in its lack of action when you compare it to other countries.

- Q16 Gavin Robinson:** I spoke to a taxi driver last week who just indicated to me that personally, as a self-employed person, he was spending £500 more per month to keep his car on the road. One of my colleagues was speaking to a gentleman who was delivering animal feed as a haulier, and he said their small firm operating in Tyrone was paying an additional £5,000 for fuel costs this month. What real-world examples do you have? Are you concerned that there are members within the haulage sector that are going to cease to exist because of the lack of Government support?

Declan Pang: We are very concerned about that. You gave the example of a taxi driver. There are a number of companies that we speak to that are seeing their fuel costs for refilling on a weekly basis for an average-mileage HGV increase by about £350 per week. If you multiply that across a fleet of, say, 50 or 1,000, that is a significant unsustainable cost. They often say that they cannot always pass that on to the customer because the customers are also struggling, and they also have limited bandwidths to absorb these costs. It is a deeply worrying situation, and this is a very common story that we hear across the industry.

- Q17 Gavin Robinson:** That brings me to a point I think you were trying to open up earlier, which is what Government can do and the outlier impact. You say "outlier"; a number of European countries have brought forward support packages, for example. Hauliers have been the beneficiary. Agriculture has been a beneficiary of that. Consumers have been a beneficiary in different aspects.

What do you think is likely to come from our Government? Do you feel that they get it? Do you feel that they are being overly resistant to the additional revenue that they are receiving as a consequence of inflated costs? Do you buy the fact that they say they are receiving additional revenue, but their interest rates are going up so they are at a net loss themselves? Do they have the bandwidth to support and should they bring forward support?

Declan Pang: It is critically important that they bring in support. I am incredibly surprised that there has been nothing announced at all about what is happening in September and whether that is going ahead. There are so many other countries where there have been rebate schemes introduced or measures to mitigate fuel costs. The UK is now one of the few developed nations that has not introduced a scheme to support industries or fuel costs across the board.



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You have to remember that haulage firms were already at a competitive disadvantage before this crisis because the average fuel duty rate across Europe was around 41p versus 52p in the UK. We already started off from a position where tax rates were not competitive, and it is now even worse because those countries have their own rebate schemes.

Q18 Gavin Robinson: Yes, and receiving VAT on top of that again, so we have a duty differential that is higher in the United Kingdom, but there is also increased VAT on the increased cost that consumers and businesses are paying.

Declan Pang: Yes, indeed. The Government are receiving a windfall from this situation, and that has not been acknowledged.

Q19 Gavin Robinson: William, there was a hiatus last Tuesday, really, but what support do you envisage coming forward, either at Northern Ireland Executive level or in Whitehall?

William Irvine: We would be calling for a further temporary reduction in fuel duty due to the impact on diesel costs. That includes the retention of the existing fuel duty cut beyond September 2026, and a pause in that reintroduction.

Q20 Gavin Robinson: At the moment there is an issue around red diesel, which I raised with the Chancellor six weeks ago. Red diesel can be used agriculturally off road, and I think with the ability to travel on road for about 15 miles. I was told that the reality of that is that, for contractors moving from field to field to assist with silage cutting and so on, they cannot risk getting dipped on the road. Once you have used the red diesel, there will be remnants of it in your tank. You cannot risk using the red diesel if you are, as part of your business, travelling from farm to farm. Is that a real-world reality where a lot of these contractors are having to use white diesel at the increased cost?

William Irvine: No, not quite. As long as the activity is totally related to agriculture, they are okay. Where they do get on the wrong page sometimes is if, say, a guy with a digger does a day's farm work today and goes to a building site tomorrow, he is conflicted. He would need to change totally to white diesel for the building site work.

Q21 Gavin Robinson: You do not get the benefit of the agricultural relief if you are dual-use.

William Irvine: If you are dual-use it is very complicated.

Q22 Gavin Robinson: David, you might not feel it, but from your perspective, unlike the other gentlemen, there has been some Government intervention on home heating oil across the United Kingdom, and Northern Ireland disproportionately benefited, but it is not a huge amount. I think you can acknowledge that, as can I. What are you calling for from Government?



David Blevings: It is very difficult. I would agree with my colleagues there. The UK stands out like a sore thumb. We have already seen the Republic take out 30 cents per litre, including VAT, mind you, so it is 24 and a smaller amount. You can now fill up a tanker in the Republic, bring it up north and sell it here and make money, which to me just does not make sense. We need to see some action from Government to reduce the excise duty on both petrol and diesel to help consumers.

Kerosene home heating oil is more difficult. You only have 5% VAT. Please do not get me wrong; £100 to some people is a lot of money, but it would not buy you 100 litres. If your average usage is 1,500 to 1,600 litres per annum, with the greatest respect, 100 litres is not going to cut it if we still head into September, October and November. No doubt you will hear from Pat later about the people on lower-level incomes. They just will not be able to fill their tank. The £100 is a miserly offer, and the Assembly should be digging deep and making that into a more substantial package to try to help consumers out this winter.

Q23 Gavin Robinson: You said there September, October and November. When we met five weeks ago, when we were talking about resolution within a week or two, you were saying this would stretch well into the autumn. We are now five weeks on and there is still no sign of a resolution. You said autumn five weeks ago; are you now saying autumn and winter? Do you think this will stretch into 2027 at this stage?

David Blevings: It could well do, Gavin. At the end of the day, even if the strait opens tomorrow, it is going to take four to six weeks for crude oil to reach refineries. That has to be refined and then put into the system. The information I received yesterday said that, if we see a resolution before the end of this month, we may see a return to relative normality by quarter 4 of 2026, but if this stretches on into May and June, yes, you are moving into 2027.

Gavin Robinson: Thank you. That is quite stark.

Q24 Robin Swann: This is a very live issue in Northern Ireland. I do not get the same feeling that it is so live an issue here, even in Westminster with regard to the conversations that have been had. Why do you think that is? Why is Northern Ireland on the cusp? Why are we feeling it so sharply back home?

William Irvine: At farm level, it is a UK issue, but for rural communities outside farm level, rural communities feel vulnerable at this time. We do not have a significant gas heating system for our houses. We rely heavily on the kerosene for heating. We do not have a good transport system outside the towns within Northern Ireland. If you are a rural dweller, you need a car and you need to have that mobility. I read somewhere that we have a greater percentage of diesel cars than other parts of the world, and that is because of that rural reason, and the fact that you cannot bring up a family or make your hospital appointments if you do not have that independence of transport in Northern Ireland.



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Further than that, Northern Ireland as a whole is also more vulnerable because we are an island of an island. That last hop across to Northern Ireland seems to cost an incredible amount of money with all those costs.

The whole rural community is vulnerable, but at farmyard level, this is a UK-wide issue. If there is fuel rebate to come, and I hope there is, it needs to be national.

Q25 Robin Swann: Gavin mentioned red diesel. The anomaly we also have back home is green diesel, and red diesel that gets the colour taken out of it. David, you mentioned the transport of fuel coming across from the Republic of Ireland into Northern Ireland. Is there anything being done with regard to increased surveillance regarding smuggling and laundering, which would have been a major threat, probably mostly to your industry, David?

David Blevings: Yes, absolutely. I have no doubt that that still continues. We have spoken to HMRC. We have spoken to a few elected representatives, including Gavin, and we have made the point that we are well aware that fuel will be making its way up from Dublin to the north of Ireland and being sold here. Yes, we have asked those questions. Has it been carried out or has there been increased surveillance? I cannot answer that. That is one for HMRC.

Q26 Robin Swann: With regard to sector resilience, David, you mentioned the kerosene. Is there any other alternative contingency planning or preparedness being made with regard to other sources rather than specifically looking to that supply from the middle east?

David Blevings: You have opened up a can of worms there. We talk about UK resilience. We have seen the closure of two refineries. We are quite happy to rely on cheap imported product. I say "cheap"—when it is cheap and available. But you are into the whole UK industry. That is a bigger question than I can answer.

In terms of short-term solutions, can we do anything? No; not unless we are going to build huge storage terminals in the north of Ireland and have our own reserves, which I do not think we are. Again, that is only going to last you for so long.

I would encourage MPs around the table to look at the Energy Act 2023, when we said we would have a debate and we would carry out a review of introducing HVO—hydrotreated vegetable oil. It is non-fossil, non-OPEC, and has only seen an increase in price of about 6%. I know everybody wants it. You have probably seen it at the forecourts. Agriculture is using it. Again, making fuel from waste has to be in there and part of the renewable journey. We are still going to need fossil fuels for the next 20, 25 or 30 years, no matter how much you go down the renewable road, so let us try to make it low-carbon.

I would encourage you to look at the Energy Act 2023 that was passed just in the closing days of the Conservatives' tenure, supported by



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Labour. Again, let us try to look at low-carbon alternatives to try to help consumers have a reasonable supply and a reasonable cost of fuel.

William Irvine: In this whole discussion, it is worth noting that we went into this recent crisis with the highest energy price in Europe, so we are starting right up there and it has got worse.

Declan Pang: Just to add to David's point around HVO, we have seen no recognition from the Government on the role that HVO can play as a drop-in fuel. As you said, it can cut carbon emissions by 90%, but the take-up is so low because it is more expensive and there is no tax incentive. The duty rate is the same. We have to diversify much more if we are going to be resilient to future price spikes.

Q27 **Robin Swann:** Even with regard to the production of HVO, surely it would then be more attractive for producers and manufacturers to put it into road fuel rather than heating oil, would it not, given the price differential?

Declan Pang: Yes, indeed. It would open up a much bigger market for them if they were appealing to that.

Q28 **David Smith:** Good morning, gentlemen. Thank you very much for coming. Most of my questions will probably be to David, but I am happy to hear also from the other gents.

Robin mentioned the particular impact that this issue is having in Northern Ireland, which is obviously why we are discussing it, and the reliance of Northern Ireland households on heating oil, but it is also true to say, just to slightly correct my colleague here, that there are other parts of the country where this is very much having an impact, not least places such as Northumberland, where I am a Member of Parliament. Early doors in this crisis, I and other Labour MPs wrote to the Chancellor and said, "You need to do something about this", partly with Northern Ireland in mind, but certainly for rural communities all around the country.

Fully understanding, David, that there is a strong degree to which suppliers are price-takers in relation to home heating oil and LPG, there were also some practices that I saw amongst constituents in Northumberland, where suppliers, very early doors in this, as in immediately when the Iran crisis blew up, were refusing to take orders or were changing the ballpark for orders that were already taken from households, going back and saying, "No, the price has changed". There were certainly cases of that.

Both that and the wider crisis itself, as I am sure you have heard, have led us to situations where people are not turning on the heating. Okay, it is spring, but it is still quite cold at times, especially in older, rural properties.

There is this review by the CMA now into heating oil markets, partly because of accusations around price gouging and profiteering. I reiterate



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that these are accusations. Does the sector recognise those concerns about this investigation taking place? Do you welcome increased regulatory oversight?

David Blevings: There is a lot to take out of that. On the first comment about price gouging, I think it is totally uncalled for in terms of Northern Ireland distributors. If you remember, the conflict started at a weekend, and people then rang on the Monday morning to get oil orders. We saw 30, 40 or 50 times the number of people trying to order than would normally order.

I told my members not to price because, at the end of the day, you have to remember that a distributor turns up at the terminal to buy the product and he pays the price on the day, so he does not know what price he is going to have. If you are taking 50, 60, 100 or 150 orders, you are not going to deliver those in two days. You do not know what the price is going to be at that time.

I can stand here and say that trading standards and the Consumer Council have told me that they have had no complaints of rescinded contracts and no complaints of people being told that they were given one price and not the other. Again, we welcome the CMA inquiry in Northern Ireland because we do not think they will find any wrongdoing at a local distributor level.

In terms of the commodity price, remember that the price has been so volatile over the last 10 years. Distributors no longer hold stock. You have seen movements of 10p per litre in one day. If you bought and held stock, you would be out of business because you just would not be able to hold it.

I have no issue with the CMA inquiry and look forward to them finding a positive result for Northern Ireland distributors. They are price-takers. People say to me, "There is stock in Belfast. There is stock in Derry/Londonderry. Why did the price jump up?" The price jumped up very simply because it is a commodity. It is not owned by David Blevings. It is not owned by Joe Bloggs distributor. It is owned by the major oil companies.

I have a very simple example to give you. If you bought an ounce of gold today at £3,500, which is the price I looked at, and that commodity price tomorrow went to £5,000, are you going to sell me your ounce of gold for £3,500? No, you are not. Again, if you want regulation, my members would welcome regulation. I did some sums this morning. EBITDA for the vast majority of oil distributors in Northern Ireland is about 1%, and after-tax profit is 0.2%. My guys would welcome regulation. They would actually make more money.

You have to remember that there are 150-plus distributors in Northern Ireland competing for business. Colleagues said earlier about gas. Gas came to Northern Ireland in 1996. We still have over 60% of homes in



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Northern Ireland using kerosene. It is a hugely competitive market. You will buy your kerosene cheaper in Northern Ireland than you will in the rest of the UK or the Republic of Ireland. Again, there is no issue about regulation. My guys would welcome it.

If some of you are old enough to remember the old Department of Enterprise, Trade and Investment, it looked at regulating the oil industry 12 or 14 years ago and concluded that it did not need to because it would add cost to consumers.

Again, I am happy to look at regulation, but where would you regulate: at the wholesale level or major oil company level? The guys who own the product in the tank are companies such as Chevron or Trafigura. We are getting into an argument about consumerism versus capitalism. Those guys provide so much income to the UK Government in terms of taxes. That is not going to change, in my humble opinion, but if you are going to regulate, that is the level you need to regulate at.

Finally, over 60% of homes here use kerosene; it is less than 5% in the GB market. That is why it is particularly impactful on Northern Ireland consumers. I hope that has answered your question.

Q29 David Smith: That is helpful, David. In somewhere such as Northumberland, it is 30%, so it is significantly higher. It is particularly impactful in Northern Ireland.

I have one final question before we move on, because I am sure we are going to get on to talking about some of the structural and strategic issues. You are saying that the market is very volatile and that that can be good for the consumers at times. When it is low it is low, and when it is high it is high. When something external to anyone's control happens, such as the Iran crisis, it can go very high. What, if anything, do suppliers do to hedge?

Taking one step back from the Iran crisis and that particular spike, if you look at all the graphs, it goes up and down, up and down, and then it goes massively up. For the Ukraine war, it went massively up. For this situation, it goes massively up. Nevertheless, it is going up and down. It is much more volatile than other energy providers and suppliers. What do suppliers do to hedge? At the end of the day, you can draw a line through the jaggy line and say, "This should be our level of expected turnover or income". Can you say something about that?

David Blevings: The simple answer is that distributors do not hedge, because they are not a monopoly. You have no contract with the end consumer. It is different for a monopoly or a duopoly. Electricity and gas have fixed customers, so they can hedge.

If you take an ordinary oil distributor, if he hedges today at 60p per litre and then the market falls to 40p per litre, who is going to buy product off him? Do you know what I mean? There is no hedging done at distributor



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level. Airlines hedge because they can, but at the distributor level there is no hedging done whatsoever.

David Smith: That is an important area for further exploration, but I will leave it there.

Q30 **Sorcha Eastwood:** David, thank you so much for your answers today. They have been really constructive. Just to take the question in two parts, at the back end there of your last response to David, you were talking about regulation. My question is first about regulation. You said that your guys would really welcome regulation, so I am going to put my hands up and say that I have been one of those people calling for regulation. It has been a consistent call from me and my party over the last few years.

What jolted a lot of people into action was Ukraine and that first situation that we had with this really volatile global energy shock. You have really hit the nail on the head there, David. It is great to hear that your guys would welcome it. There is a really valid question about how you go about that. That is completely valid.

From my perspective, what the public mean whenever they say that we need regulation, specifically in Northern Ireland, is to do with transparency. We can argue the toss about that, but a lot of people do not understand energy markets. I certainly do not understand energy markets. It is not my forte. It is not my profession. People such as you, David, have personally been a very trusted voice in this whole debate, in an area that most people are not really familiar with.

How do you think that would look, even if it was not a matter of regulation per se, but of how we talk to the public in terms of explaining how this system works and giving them the confidence of transparency in it all?

David Blevings: I have no issue with that. Again, I am happy to sit down with the Department for the Economy, parties or whatever, and have a discussion on that. I have no issue on that whatsoever. As I said, my concern about regulation is where you place it. Price caps and stuff like that do not work, in my humble opinion, because consumers are paying for them for years and years. You are only putting off the problem.

I struggle. Again, I remember that DETI, in the discussions we had 12 or 14 years ago, really struggled to see where you could put regulation in in a competitive market. Remember that it is competitive, Sorcha. You buy your kerosene at a very good price in Northern Ireland. I am happy to engage in those conversations with yourself, the Department or whoever. I have no issue whatsoever.

Q31 **Sorcha Eastwood:** In an earlier response to Gavin, you already raised the Government support from UKG in terms of £17 million for the home heating oil supports. I have asked Treasury where it got that figure from,



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because I am not convinced that that is actually representative of Northern Ireland. I am still to get a satisfactory response from Treasury.

We already know that 24% of Northern Ireland was in fuel poverty before this crisis, and the *News Letter* had reported earlier this month that the St Vincent de Paul Society, which specialises in giving energy supports because very few charities can actually issue energy vouchers, had said that there is a 126% increase in calls to them, specifically on energy.

We know that a lot of places—for example, a care home, a community facility or something like that—will have an oil tank out the back. There is an old phrase that it is very expensive to be poor. Do you think that the Government have understood sufficiently and have reflected in that allocation of £17 million that Northern Ireland is really exposed here? I am proud of Executive colleagues who have tried to work together to find that additionality of the £19 million, but that is going to be tight. That was leadership from us as the Executive to do that, but do you think the Government can and should do more on that?

David Blevings: It is clear that they have not. I have had discussions with the Department for Communities, which I believe is going to be overseeing it. If you divided it with the 500,000 oil users there are, it is something like £36. If you do the threshold of £30,000, it is £50. The Assembly is going to make that up to £100. I just go back to the point. It is not even 100 litres in today's pricing terms. It is not enough, no.

They could go further in terms of the capital sum. I also would ask them to take the 5% VAT off. At least that is a start, and it also hits people who are not in the lower income bracket. Anybody earning over £30,000 is getting nothing, and I would argue that the person earning £32,000, £33,000 or £34,000 will welcome £150, £200 or £250 just as much as the person earning under £30,000.

To answer your question, they have not stepped up enough. They do not realise that over 60% of people in Northern Ireland are using kerosene. They are going to be very badly hit, and they should do more to help the people here.

Q32 **Sorcha Eastwood:** Yes, absolutely. Just very quickly and lastly, I am sure you were as shocked as I was, David, yesterday, whenever the Chancellor said in response to her statement on the middle east that Northern Ireland got £150 off its electricity bills. Obviously, that is not the case because we are in completely different electricity markets.

You really got to the nub of the issue there. Even if you put those two figures together in terms of the UKG support for home heating oil but also that earlier sum in relation to the Barnetts from the electricity in GB, if that was spread out among people, that would not total £150, exactly as you said. As Robin has referred to earlier, do you think that goes to show the lack of understanding around the urgency of this crisis from UKG in terms of Northern Ireland?



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David Blevings: Yes, absolutely. The situation that consumers find themselves in over here has not been understood at all.

Q33 **Mr Kohler:** Good morning, gentlemen. I am the MP for Wimbledon in London. I always assumed everyone had access to the gas grid. My GB colleagues in rural areas soon disabused me of that, and I see in Northern Ireland you have said today that only 40% have access to the grid, but another 30% of homes are within distance of a pipeline. Does anyone know why more homes have not been connected to the gas grid?

William Irvine: In rural communities it is that cost of the distance between wherever the pipe may be and the scattered homes.

Q34 **Mr Kohler:** It was the 30% that are near a pipeline I was asking about. Why have they not been connected?

David Blevings: The first thing is the good fuel. If you look at the last four or five years, it has been the cheapest form of heating your house in Northern Ireland. Apart from this disaster in Iran, it has a very good rap. People like using oil over in Northern Ireland. It is a very good fuel to heat your house with. Again, natural gas, LPG and oil are competing on a daily basis. People can choose what they want to do. The vast majority of people with oil-fired heating like it. They have no plans to rush.

I will give you a very simple example. The sad thing is that the oil boiler is usually the last thing people heat off. Apart from cost, there is energy, summer holidays, changing your car or having your nice car on the driveway. You try to say to somebody, "Change your oil boiler from a modern condensing-oil or gas boiler", and you say that it is £2,500 or £3,000, and they go, "What? I cannot afford that". There is a situation in Northern Ireland of, "If it ain't broke, don't fix it". We are very reluctant to change.

You could say the same thing about politics in Northern Ireland as well as the heating appliances. Sorry, I digress.

Q35 **Mr Kohler:** You have given me a lovely metaphor. Thank you for that. Are you saying, therefore, that there is no market even to maximise the grid where it could be maximised? You are saying that there is no consumer interest.

David Blevings: Government policy is gas first. The Housing Executive changes houses. Public-sector houses will change to gas where there is a gas pipeline beside them. I am just saying that there is an apathy, if that is the right word. Maybe that is being rude to people. As I say, unless it is broken, people do not particularly want to change it.

Again, it is about cost. I am surprised sometimes when I go out to meet consumers and they say, "I need a new boiler and they have quoted me £3,000. Can I not eke this one out another two or three years?" You will hear more on this from Pat. People do not have the capital sum in



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Northern Ireland. Again, with children, schools and holidays, there are lots of different priorities before it comes down to the heating appliance.

Again, I struggle to think what this winter will be like. I go back to my earlier point. If kerosene prices are still up near £1, people will really struggle to heat their homes this winter, whether they have a modern boiler or an older boiler.

Q36 **Mr Kohler:** Will that then help the market move towards gas?

David Blevings: It could do but, ironically, I was talking to colleagues in the Republic and they have seen a huge demand for modern oil-condensing boilers. Again, not to bore you, but standard-efficiency boilers were outlawed a lot of years ago. A modern condensing-oil boiler will give you an extra 25% or 30% efficiency. They have seen a huge increase in people who have money buying new boilers because they want to save the extra 25% to 30% in heating costs, which I find counterintuitive, but I can understand the rationale for it.

Chair: Thank you very much. Thank you for your time, David Blevings, William Irvine and Declan Pang. We are now going to suspend the session.

Examination of witnesses

Witnesses: Noyona Chundur, Pat Austin and John French.

Q37 **Chair:** We are continuing with our session on energy costs in Northern Ireland. This is our second panel. I would like to welcome Noyona Chundur, the chief executive of the Consumer Council for Northern Ireland, John French, chief executive of the Utility Regulator, and Pat Austin, the director of National Energy Action Northern Ireland and chair of the Fuel Poverty Coalition.

Can I just ask you all for your assessment of the impact of the spike in oil prices on consumers and on household income and fuel poverty?

Noyona Chundur: Good morning and thank you for the opportunity to come here. This is the second energy price crisis in four years. Every time we have a price crisis like this and the volatility that this results in, there is an almost immediate and significant impact on household bills because the costs are just passed on to consumers.

Heating oil is the largest share of the energy market. To the question that you asked earlier, Robin, 60% of our households depend on home heating oil. That rises to 80% in rural areas. In some rural areas, it is significantly larger, such as in parts of Fermanagh, West Tyrone and the peripheral border county areas.

Since the most recent conflict in the middle east, prices have increased by, on average, 85%. The tiny bit of good news is that they have consistently dropped in the last seven days. However, as has been outlined by the previous panel, 100 litres is going to cost you more than



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£100 at the moment. When you have household discretionary income at lower levels than any region of the UK, that is significant for a lot of consumers to be able to bear that cost.

Rising energy prices are also an indicator of headline inflation, because that passes on not just to household utility bills but, as has been outlined, the impacts on logistical, production and transportation supply chain costs across multiple sectors will ultimately move into what consumers pay. Consumers just do not have that resilience.

There is one thing on fuel poverty before passing on to Pat. We did fieldwork back in December 2024, so this is quite recent. Our research found that 32% of households in Northern Ireland could be classified as fuel-poor. It is a significant group of our population that is impacted by this.

Pat Austin: Thank you to the Committee for inviting us along today. As Noyona has said, the situation in Northern Ireland is very different to that in GB. Some 63% of all households are reliant on home heating oil. Even in Belfast, where you would imagine you would have a higher concentration, still there are lots of houses reliant on home heating oil. That rises to 87% in rural communities.

The other thing about Northern Ireland that is very particular is that the lower-income households where gas is available are dependent on prepayment meters. Over 50% of households are also reliant on electricity prepayment meters. For lower-income households, our energy use and essential service requires us to have that money up front. That makes us unique. Some households can manage household bills; even many people on benefits can manage their money. We need that money up front, so when things like this happen simply overnight, the lower-income households were simply crippled with this type of increase.

A lot of households that are reliant on oil do not use that oil all year round. They are using more expensive options such as lighting coal fires and heating systems. There is a very complex look at what happens in Northern Ireland in relation to home heating oil, electricity and gas, but obviously this crisis has, literally overnight, put people on their knees. Where we were trying to hold people off and say, "Be sensible. Hold off", we just see this as a tsunami coming on down the line, where people probably have held off to date but are soon going to need that fill of oil and will be in real difficulties.

John French: We do not regulate home heating oil. We regulate electricity and gas. Gas is generally sold in therms. You would have seen for the last 20 years, prior to the Ukraine crisis, gas prices at about 50p or 60p per therm, depending on whether it has been a cold winter or not. That spiked up to £9 per therm on some days in the Ukraine crisis, but probably rested at about £5.



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Before the Iranian conflict, we saw prices falling back quite significantly, to about 80p per therm. Indeed, we announced price reductions on 1 April, both for Firmus Energy, which runs the Ten Towns area, and for SSE in Belfast and the west. What we have seen now is gas prices going up to £1.50 or £1.60, although they have softened significantly. Last week, when the strait of Hormuz was open for a short time, we were seeing prices down to 97p per therm, but today they are about £1.08.

Q38 Chair: What is the outlook for the energy market?

John French: For domestic customers there has been no change at the moment. As I say, there were those price reductions on 1 April. That probably will wash through and those price decreases will have to be reversed at some point if the current state of play takes place. We have seen roughly a 19% increase in wholesale electricity across the island of Ireland.

Domestic customers are hedged. It is a regulated price, so it is a hedged market. They have not seen the dramatic effects that the home heating oil has seen, but if you are an industrial consumer and you do not have a hedge contract, you are seeing those price impacts. It is very hard to predict the future on this because of the price movements. The gas market used to be a stable market. In the last five years it has been so fragile. It just takes one piece of news for the market to change quite significantly.

Q39 Chair: How does the Utility Regulator cope with that?

John French: We try to have our crystal ball and project forwards. In a regulated market, we do not have a price cap in Northern Ireland as in GB. We do a "price to beat" with our main suppliers. You essentially have a bank account, so you project forward and, if you get it right, that bank account should be zero at the end of the next period, but if you get it plus or minus, that then goes into the next tariff review. Consumers do not lose out, but it is spread over a longer period of time.

Q40 Chair: That is interesting. From your point of view, Noyona and Pat, what is the outlook? Do you think things are going to deteriorate or improve over the coming months? Basically, what is the long-term impact for consumers of this instability? As John says, there is no crystal ball.

Noyona Chundur: The instability is really brought into sharp focus on page 7 of our briefing, where we have given you the price of home heating oil for the last 10 years. You can see just how exposed and volatile people are in what they pay for their energy.

I have to echo what David Blevings said. If there is not a fast resolution in the next four to six weeks, we are in for a difficult winter because, as he has outlined, it takes time to turn on supply, production and distribution. In that time, people are still paying more for their energy. People already cannot afford what they are being asked to pay.



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In Northern Ireland terms, it is really important to put it into the context of household resilience. Half of our households in Northern Ireland have a discretionary income of just over £100. That is 50% of the household population. That is not a good news story. They are significantly impacted. Yes, there are the lowest-earning households; they have just over £52 of discretionary household income, but half the households have around £100. If we are looking at heating oil costing more than £100 per litre, the resilience of consumers and households is already impacted today.

The summer months will bring some relief for some because we do not need heating as much as we do. None the less, winter is around the corner. We are sitting at the end of April, and it gets cooler in September and October. That is not a lot of time for people to be able to plan and build affordability when, ultimately, the commodity that you are paying for is almost double. The average price is about 85% more across the litre. It is going to be quite significant for households to be able to cope. For a lot of households it is already difficult to cope.

Pat Austin: I would echo what Noyona has said. I would also just say that, for the last three years, we have commissioned LucidTalk to do a poll on fuel poverty in Northern Ireland, and it consistently comes out in the region of 40%, so it is already stubbornly bad. While Sorcha talked about that percentage, that is a 2016 percentage, which is woefully out of date, so we know that this is going to get significantly worse. One in five people in that survey was going without heat or power, and had done so in the last two years. One in four reported that rising costs had affected their health and wellbeing, and there is an impact in terms of people withdrawing from society.

We already have a significantly bad situation in Northern Ireland, and some of the interventions that are in place throughout the rest of the UK are simply just not there, for a number of reasons. This recent intervention, which is looking at £100—and we have worked closely with the Department in terms of trying to get that money out the door—is woefully inadequate. It really will not touch the sides of the tank.

If we look at our counterparts in Wales, they are looking at a one-off £200 payment for low-income households. They also have discretionary funds there, where people can get assistance of up to £750 twice, rolling over a year. Scotland is looking at a payment of £300 on the back of that support. The intervention is just woefully inadequate.

Q41 **Chair:** That is an Executive issue.

Pat Austin: Yes, that is an Executive issue, and they are doing their best. I have to say that the Department has been talking and already has an additional £19 million, but it is simply not enough.

Q42 **Gavin Robinson:** Given that we are talking about fuel poverty, and John has mentioned regulation, it would be a good opportunity to raise a case



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from my constituency that I raised with John about four or five weeks ago, where SSE wrote to a customer and indicated that the price of gas would drop by 8.1%. Two weeks later, it wrote a letter to say that their direct debit would increase by 46%. How do you, as a regulator, deal with that scenario? How does that feel right? Do you feel that the suppliers in Northern Ireland are treating their consumers fairly?

John French: There are a couple of issues there. There is the price reduction that is a regulated price for SSE in Belfast. As part of our regulation, we have codes of practice. That price increase that you are talking about is a billing increase. We investigate companies on an annual basis to make sure that they are following the codes of practice around billing and that they are doing it correctly and in a justified way, and that it is not based on bill estimation.

Without trying to get into the specifics of the constituent who you mentioned, we are in the process of investigating that. We have a compliance and enforcement team that makes sure that people are compliant with their licence, and we will pursue people if they are not, in that regard.

Q43 **Gavin Robinson:** Do you sanction suppliers? Do you have that within your power as a regulator? Have you done it in the past?

John French: We can fine people up to 10% of turnover. Over the past couple of years, we have recouped several million pounds from companies that have not fulfilled their licence obligations.

Q44 **Gavin Robinson:** Sadly, it is required. Pat, this is required only because people at the front end of the process are suffering, and people in fuel poverty suffer exponentially more. Are you concerned about the sorts of practices that you hear of, with consumers being told they are going to have a reduced price, but then having significantly higher direct debits at the same time?

Pat Austin: Yes, absolutely, but, to be fair, Gavin, the majority of people who we are dealing with are on prepayment meters, so they are not manifesting as a difficulty for suppliers. They simply disconnect from the meter. If you are disconnecting from your electricity meter, you have also disconnected from your oil or your gas meter. The onus is very much put on the consumer to have that money up front to deal with those difficulties.

When we are talking to counterparts in GB, debt has become a big issue here, but debt does not manifest itself as a big issue in Northern Ireland. The householders getting into debt are managing it in some other part of the household budget, but it does not necessarily come into energy.

Over the past couple of years, we have run a project in Belfast. We may have gone in and found somebody who was literally on the verge of disconnecting or had disconnected. We are going into homes where people are sitting without power for a couple of days now. Certainly, in



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relation to oil, many of our callers simply do not have any oil in the tank. A lot of the calls that we are getting at the moment are about, "Can I make a decision about that £100? Can I put that £100 on my electricity meter?" because they do not want to use the oil in the first instance.

Also, there are unsafe practices developing, where people are cutting pipes in order to have a smaller tank for that £100, or those smaller veins to get through into the home. We also have inefficient boilers. If we go back to efficiency, the cheapest unit of energy is the one you do not need to use. We need a massive energy efficiency programme for Northern Ireland, because some boilers—especially oil boilers—can be up to 50 years old, believe it or not. As David said, they may be fixing smaller parts of it and they are wholly inefficient to start with.

Gavin Robinson: I just want to stop you now because colleagues sometimes feel that, when I ask a short question, the answer that is given steals their thunder in terms of asking the next question. On prepaid meters, I just want to make this point. It angers me when you are out and about in the community and somebody has run out of money. Their meter is in a communal area, and it blares. There is an alarm and it tells everybody in the street, and all their neighbours, that they are struggling. It is difficult for them.

If you are engaging with some of the suppliers, there has to be a better way of indicating to somebody that they have run out without telling everybody else the precarious position of poverty that they find themselves in. It does not sit well with me, and you hear it all the time. This is not a rare thing. People in their community have it broadcast to everybody around them that they have run out of cash or out of credit, and it does not sit well, so there has to be a better way of doing that.

Q45 Claire Hanna: I just want to ask about the targeting. We are really glad that the Executive brought forward a package. I have to say, as the opposition, we spent six weeks saying that they should bring forward a package, and they said that that was only for London, and we were just writing letters to London. It is good that it is through. Is it targeted in the most equitable way? Had there been work done? We had another energy shock after Ukraine in 2022. Are we learning from that and taking patterns? Are we doing that in the most strategic way in terms of getting the money to where it is most needed?

Pat Austin: Have we learned lessons from the past? No, we have not. We have asked and we have written to Ministers to say that this is a terrible situation, but one of the outcomes of this is that, if, through this new intervention, we find who these most vulnerable people are on oil, they, like customers on electricity and gas, are perhaps put on a priority list to be looked after if this should happen again. We should be preparing for this to happen again.

The Department has done its best in trying to target this at those most in need. It did not go just for the traditional route of pension credit. It did



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try to extend it out, but the more it extends it out, the less meaningful, if you like, that £100 becomes. If you look at oil specifically, and if you have nothing in your tank, it literally will not hit the sides. If you just look at a 1,000-litre tank, as David said, that is 100 litres of oil going in. The householder is going to have to be supplementing that with their own income.

The new fuel poverty strategy has talked about trying to find those datasets. We currently do not have those, Claire, and we need to get better at identifying those pathways.

- Q46 **Claire Hanna:** Could I ask you about the fuel poverty strategy, which was launched in February, with various commitments and targets? Are you confident that that is funded and is going to be a set of promises that is going to be kept? As stakeholders, are you being engaged in how that will be delivered?

Pat Austin: As a stakeholder, I was involved in the reference panel and in helping support that strategy and helping the Department write it. We are told that there is £150 million committed to that. We have yet to see where that money is coming from. An action plan has to be realised. There is a range of excellent actions that are in there, but we have not seen the action plan yet and that needs to be brought forward.

- Q47 **Claire Hanna:** We have been here before, and we get really good strategy documents that are then not matched up with funding. Warm, healthy homes, if delivered and realised, would be transformative and make individual households more energy-secure or at least efficient. Are you confident about the delivery of that and it being translated from a really nice document to something that catches up on the lost time on insulating homes?

Pat Austin: Yes. Again, the programme interventions are being designed at the moment. Mr Kohler talked about the penetration of oil; where oil is available, whether we should be connecting householders. To connect, householders simply do not have that up-front investment to be able to connect to the gas network. At one point in Northern Ireland, we were spending £30 million a year on fuel poverty. At the moment, we can be spending anything between £2 million and £7 million. Clearly, that is simply not enough to get an energy efficiency programme for fuel poverty and, indeed, for all of Northern Ireland plc.

- Q48 **Katrina Murray:** Following on from that point, I am the Member of Parliament for Cumbernauld and Kirkintilloch, which is a relatively urban constituency just outside Glasgow. However, we have a couple of rural villages that are not on the gas grid. Therefore, they are using heating oil. The one thing I probably would want to correct is that, while the Scottish programme can be up to £300, that is only for people who are in receipt of pension credit or income support. It is not the wider area.

What we have seen is significant investment in moving households in those villages on to renewables, such as heat pumps and solar, which has



provided a level of cushion for where there have been those significant price shocks. Would there be a benefit from recommending that move to the parts of rural Northern Ireland that would benefit very much from wind technology, solar or ground source heat pumps?

John French: These are all technologies that have been investigated. It is the cost. Electricity is three times the price of natural gas to heat your homes, but a heat pump is generally three times as efficient as gas, so it works itself out. Ultimately, it is the cost of doing that. As we have all said, the elasticity of consumers in Northern Ireland is not great in terms of what can be afforded. It is about trying to move forward the net zero targets, but in the most affordable and cost-effective manner we can for consumers.

Noyona Chundur: Can I add to that? The last conversation around the fuel poverty strategy just surfaces the need for a more connected approach. It is not just the fuel poverty strategy that will alleviate fuel poverty. It is also the energy strategy. There are a number of moving parts in terms of policymaking that need to come together. I believe that there are steps and pathways being developed to achieve just that.

The priority has to be about consumer resilience and energy security, because, irrespective of how we get there, the pathways have to be for sustainable energy to be delivered to people, communities and businesses at the most transparent, affordable and fair price. Then the technology blend is layered, depending on circumstances or rurality or population demographics. That more agile approach is something that is much needed, given the shocks that we are facing at the moment.

Pat Austin: The realistic outlook is that moving the volume that we need to move will require significant investment, which we are not talking about at the moment. There are some niche things that are happening in Northern Ireland, such as EnergyCloud. We are dumping so much wind that we are developing a project where some of it is being diverted into fuel-poor houses to warm their heating tanks and things. There are much more innovative things that can be looked at as well. For the moment, that is the aspiration, but we are where we are, and we are going to be with these oil boilers for quite some time.

Noyona Chundur: Could I just add something to that around consumer behaviour and the capacity of consumers to cope with the transition when people are being faced with significant increases and pressures on their household budgets? We need to be very real about the ask. We need to be very realistic about the timelines. We talked about transitioning from oil to a more renewable source. That is not going to happen overnight.

Whatever pathway we develop collectively, it has to factor in that we are looking at medium-to-long-term aims. How do you do that when household spending is curtailed to the level that it is at? Fifty three pounds a week is not a lot of money at a household level, so where is the capacity to even consider investments or changes to behaviour to adopt



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more renewable sources of energy? We have to get there, but we have to support people in enabling and empowering them to do so.

Q49 **Robin Swann:** John, in your earlier answer, you mentioned the £7 million fine that you had applied to suppliers.

John French: No, it was several million pounds.

Q50 **Robin Swann:** Sorry. Where does that go?

John French: There are two routes for it. If it gets to the formal stage, it has to go to HM Treasury. If it is an informal agreement, we can suggest that it is provided to people in Northern Ireland. Generally, if it is an informal settlement, fuel poverty charities in Northern Ireland generally benefit from those moneys.

Q51 **Robin Swann:** When you said several million, then, what would be the split between formal and informal? What sort of percentage is formal and gets returned to Treasury?

John French: The vast majority is informal.

Q52 **Robin Swann:** So the majority of it is coming back to Northern Ireland schemes, or supports in regard to that.

John French: Yes. It is not predictable. It depends on, essentially, bad behaviour by the companies.

Q53 **Robin Swann:** In response to Sorcha's question, the Chancellor yesterday mentioned two support mechanisms over here in terms of £150 per home, and the British industrial competitive scheme. How do you feel about seeing those schemes being mentioned over here but not being introduced? What more could be done with them?

John French: It is just a lack of understanding that there is a different market and regulatory process in Northern Ireland. Quite often, Ofgem is taken as the regulator for the whole of the UK. It is a devolved issue, so it is about trying to understand that. Things are sometimes not foreseen or taken through.

The real benefit that would make a huge difference to Northern Ireland is recoupling with the GB market. Post Brexit, the wholesale market was decoupled from the GB market. If we were to recouple, it would probably be up to a 20% reduction in wholesale electricity prices in Northern Ireland. That would be a huge benefit. In terms of the EU treaty that is potentially going forward this year, if Northern Ireland can recouple to the day-ahead market in GB, where 80% of electricity is bought, we could see huge reductions in wholesale electricity, which would be a huge benefit.

Another huge benefit to Northern Ireland would be the building of the north-south interconnector. That would be a reduction of several per cent in people's bills as well. Those two projects could make a huge impact. I know that there are the schemes to help industry, and that is good in the



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short term. In the long term, if we could recouple with the GB energy market and build that north-south interconnector, there would be huge reductions in prices.

Q54 **Robin Swann:** In regard to that recoupling, in whose gift is that, or whose ask is it? Is anybody asking for it?

John French: GB is asking for different reasons to recouple to continental Europe. As part of the Brexit negotiations, the single electricity market was seen to be part of Europe. We do not have coupling to the day-ahead market in GB. There would need to be a treaty between the UK and the EU, but access to that market would make a huge impact on wholesale prices in Northern Ireland.

Q55 **Gavin Robinson:** If Robin does not mind, could I just follow up on that? I was interested to hear you, John, mention recoupling with the GB market and proceeding with the interconnector, so it is not an either/or.

John French: No, they are two separate issues.

Q56 **Gavin Robinson:** They are two separate things, but they are compatible.

John French: Yes, 100%.

Q57 **Gavin Robinson:** They are not mutually exclusive. It is a political decision, then, to be agreed between UK Government and the European Union.

John French: Yes, 100%.

Q58 **Gavin Robinson:** But it is well worth pursuing and worth a 20% reduction on day-ahead prices.

John French: Yes.

Q59 **Mr Kohler:** This is probably an incredibly naïve question, but I thought that GB prices were higher than those in Europe.

John French: They are.

Q60 **Mr Kohler:** How does recoupling with the GB network help Northern Ireland? At the moment, you are part of the European—

John French: We are not as yet connected to continental Europe. There is an interconnector being built between Cork and Brittany. At the moment, the wholesale prices on the island of Ireland are 20% more expensive than those in GB, so that recoupling would enable that reduction to take place.

Q61 **Mike Kane:** Thank you for being here today. I just wanted to share with the Committee an email I have just received from my energy supplier, which says, "Hi"—it is in my wife's name—"We continually review your account balance and monthly payments to help keep the account on track. Good news. Based on your current usage and a combination of your current forecast and future prices, we recommend a reduction in



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your monthly payments”, and that reduction is by £21.50 a month. How does my experience as a consumer in mainland UK, with that email, compare to that of consumers in Northern Ireland at the moment?

John French: It is very similar. Regulated prices in Northern Ireland for electricity are about £50 lower than GB’s price cap. We are more expensive for gas, but overall we are roughly the same. We are about £600 to £700 cheaper than Ireland at the moment. It is a similar kind of thing, and we are there or thereabouts with GB. We have been roughly cheaper than GB, give or take some periods within the Ukraine crisis, since 2014.

Energy prices are lower in Northern Ireland, which does not make sense, essentially, because you have the extra transportation costs to bring it to Northern Ireland. You have to pay the toll for bringing gas into Northern Ireland, but our prices are roughly comparable to GB’s for domestic consumers.

Noyona Chundur: If I can just add, though, that that is one end of the spectrum. Affordability is another. From an affordability perspective, the Northern Ireland population is impacted more than the population in GB, as I said, and our spending power is at least 19% lower. In terms of energy prices, it is very helpful that we are comparable. None the less, our spending power is significantly lower than in the rest of the country.

Q62 **Mike Kane:** You heard the evidence that we had from the lobby groups earlier in terms of electricity, farmers and the fuel industry. There is an old saying among PR firms, which is, “Never let a good crisis go to waste”. Not in relation to that, but in terms of other lobbying I am hearing around the current geopolitical fuel crisis that we have, these groups sing the same old hymns about wanting cost reductions. I have never heard a storekeeper say they paid too little rent. Is there more that industry could be doing to help consumers in Northern Ireland?

Pat Austin: I would like to see more engagement from the oil industry. There is an energy charter where regulated companies come to the regulator and work with the Consumer Council on agreements that they have around prepayments and recovery of debt, where there is debt. As I said, it is not a particular issue for lower-income households.

I would like to see some more oversight in relation to the oil industry as well. It is not necessarily in the price. We hear a lot about competition. Competition is not always good for vulnerable customers. The way we buy oil, and the nature of having to shop around and all those issues as well, do not necessarily favour vulnerable householders.

There is much more to be done, and we welcome the Competition and Markets Authority’s scope on that. There was a referral to a previous look at this in Northern Ireland 14 years ago. At that time, that scope was not sufficiently in-depth. We simply cannot look at the oil industry as, “We do not get complaints, or we get few complaints. Therefore, there is not an



issue". That is not necessarily the outcome. Organisations need to talk to people directly and to rural communities, who have their own particular ways of dealing with things and who are not necessarily going to lift up the phone and complain to the Consumer Council or trading standards. Much more could be done.

Noyona Chundur: There is an appetite for that. If you look at how much our content is accessed, and how many people come to our outreach events, the home heating oil tracker is normally accessed 500 times a week. We are sitting at 7,000 sessions a week, so people need information. They are looking for trusted information from industry to help them make those informed choices.

I would touch on the increased oversight piece, because regulation has come up already in the last session. You can look at regulation through the prism of competition, price transparency and consumer or business protection. It is fair to say—and this has been echoed by the last session—that there is good competition, because we have around 200 distributors in Northern Ireland for home heating oil. There is fair competition, but Pat's points are really well made around vulnerable consumers and their capacity to shop around.

The other piece around competition is the demographics of the suppliers. The vast majority of them are small or micro businesses, or even sole traders. Some of them farm in the summer and deliver oil in the winter. These are livelihoods as well that will be impacted by undue oversight, which is probably a fair way of putting it.

From a price transparency perspective, our home heating oil price checker provides that at a retail level, but what we lack is price transparency across the whole system. You have the supply chain that looks at distribution. You have wholesale. You have the intermediary costs. You have the distribution costs. Then you have the retail costs. We are potentially fine at one end, but we do not have the degree of transparency, and that can be brought about by national regulation to make it incumbent upon the players in that ecosystem to be more forthcoming.

From a consumer protection perspective—this also touches on Pat's point—it is wrong to say that there is no regulation in heating oil. Consumer law applies. The DMCC Act is in place. It gives the CMA its powers. It gives trading standards its enforcement powers. From a consumer protection perspective, we need to look at it through the prism of what is already there and what would benefit the retail impacts that we are currently facing from the global price crisis. That conversation has not happened. We are not talking about it in that way.

I would call out the CMA and say that it has been very proactive and accessible in relation to the market study that it is doing, and is willing to expand the scope to look at exactly what I have outlined. You cannot look at just one part of the system and talk about regulation for another.



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Regulating the retail supply chain will not get you the results that you want from a consumer perspective. Standards are another way of doing that, but it goes back to the point around what protections exist, where the gaps are and what we need to bring in, so industry can do more in that space.

Q63 Mike Kane: The answers have morphed into consumer protection, which was my final question, so I will put the three of you on the spot briefly. This is the Harry Potter magic wand question. If you could change it in an instant, what improved consumer protections would you put in place? I am keeping you to one sentence.

Noyona Chundur: We have had very few complaints around consumer protection issues since the start of the price crisis, so that would suggest to us that self-regulation is working up to a point, given the wider consumer protection mechanisms that are already in place. However, there is the dependency and there is the issue around price transparency across the whole system. That is impacting households and consumer detriment.

John French: Regulations are built on legislation, so it is essential that we have the right legislation. Our legislation on energy has not been updated since 2002, so we do not have some of the statutory powers that Ofgem has around consumer protection. It can bring disputes to resolution. We cannot. We would like to have similar consumer protection powers in Northern Ireland to those that Ofgem has.

Q64 Mike Kane: The current system is a quarter of a century out of date, effectively.

John French: Yes. It has not been updated.

Pat Austin: There are structural gaps that harm consumers. The 63% of households in Northern Ireland that enjoy the protections that the regulator provides in electricity and gas should, at the very minimum, be passed across to the rest of Northern Ireland.

Q65 David Smith: Good morning. You all have a role in your various organisations in standing up for consumers, making sure that they have the right information, and addressing fuel poverty. Noyona, you were starting to talk about the heating oil supply industry in Northern Ireland. We heard from the Northern Ireland Oil Federation this morning. We know that there are pressures on them as well.

My first of two questions is about whether consumers are fully aware of the challenges that suppliers face and the reasons for price rises. Are they aware of minimum order levels and the steps that they can take to insulate themselves from price crises?

Noyona Chundur: When you are worried about heating your home or putting food on your table, it is very hard to think about the challenges that suppliers are facing. The response we have had to our content and



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our information would suggest that consumers are empowered. They are looking and shopping around for the best possible price. We moved from a weekly price checker to a daily price checker because of consumer demand and consumer asks. They are up to a point, but it is very difficult, when you are trying to pay a household bill, to think about the supply chain. I just do not think that behaviour necessarily exists.

Pat Austin: Certainly, there was a narrative through the media and through conversations with ourselves that the war happened on Saturday and, by Sunday and Monday, the prices were through the roof. I understand that that is not necessarily the case, but there was a sense that there certainly could have been gaming in the system. In talking to the public or to our customers about how the industry works, it is incumbent on the oil industry to explain these things too. To answer your question, a lot of people felt, "Surely this cannot be the case overnight", but maybe now we understand that it is a fair enough thing to be happening.

Much more needs to be done in terms of energy literacy within the home. People simply see the electricity as a plug in the wall, and the gas as a payment that they are making. When people are struggling, they are concerned about the children's shoes and uniforms for going back to school in September. People are not particularly engaged in how the markets work.

Q66 **David Smith:** My second and final question is quite a specific thing. What we have seen is that energy for everyone, generally, over the last few years, but especially heating oil, is very volatile. It spikes up, especially in relation to these crises, but also even when there are not these international crises. It is much more choppy than other energy provision. It strikes me that much of the issue for people, and especially those who are struggling most, is their personal cash flow.

When I lived in east Belfast 25 years ago, it was my first job. We were a young married couple waiting for payday, which was three or four days away. It was winter. We borrowed a bucket of heating oil from our neighbours, who, thankfully, were very generous. We put it in and it got us through the next few days.

One of the aspects was about minimum order levels. In terms of the whole market for heating oil supply, it is often presented as, "You can have 300 litres. You can have 500 litres. You can have 1,000 litres", or whatever. How empowered are consumers in terms of getting a smaller batch? You talked about buying school uniforms and stuff. There are pinch points for the average consumer, especially if your income is not very high anyway and you are already suffering from fuel poverty.

Is there more that can be done around getting just enough when it is very spiky and your cash flow, as a householder, is strained for all kinds of reasons? Is there more that can be done around those pinch points and getting just enough to get you through to when you are okay and



putting that power back to the consumer? That is the question.

Pat Austin: The Northern Ireland Housing Executive, which is our single housing authority, runs an oil buying club. In some areas, people will club together in order to drive higher amounts and get lower prices. Those things could be done. The thing with oil is that, a lot of the time, you have to shop around to get the savings, and you get a better deal if you pay more. That is why I think, inherently, the structure of the oil market does disadvantage those on lower-income households.

Q67 **David Smith:** That is the poverty premium, is it not?

Pat Austin: Yes, absolutely. That is the difficulty in the structure of how the oil sector is set up.

Noyona Chundur: That goes back to the broader vulnerability issue around households generally and the self-disconnection piece. If you are looking at a larger fill—a 300-litre vend is the most popular vend that we have—that is currently going to cost you around £350. That is a lot of money for a householder to find. That is a lot of money for 50% of our household population.

The short answer to your question is yes, more could be done to be more inclusive in enabling households to put in the energy that they need in smaller bursts, but then we are getting into the territory of what a legal minimum fill is, which is 500 litres, if I am correct. That is a question for the UK Government to take forward. There will be market-wide ramifications, including for trading standards, for example, which enforces against that.

Q68 **Gavin Robinson:** It would be useful now just to try to tie some of the strands together around regulation. We have heard that it is regulated. There are consumer protection laws already in place, but not the same consumer protection laws that are available from Ofgem. It does not need to be regulated. What are you regulating? We heard David Blevins saying earlier, “We are quite happy with it because we would make more money, but it would not work. Really, your focus is on the big guys. The big guys will not care and you will not have the power to deal with them”.

There is a bit of a transition from the oil federation in that. Before, they were saying, “Not on your nelly. We will not have it”. Now, they are saying, “Sure, we will have it because we will make money and it will not work anyway”.

Explain to us, as a Committee, your views. John, you are a regulator, so you can tell us how this might work, but there are different strands here. What do you think? You have mentioned structural problems. Should home heating oil be regulated? Are the regulations or protections out there currently sufficient? Does more need to be done? Is the Department for the Economy looking at it right now? Is somebody saying very clearly, “Here is what you could do. Here is what the benefit would be. Here is the potential cost”?



Pat Austin: Should it be regulated? That is not an area that I have expertise in. Certainly, I would like some oversight. As an organisation, we would like some oversight, to the points that Sorcha was making earlier as well about some of those issues. Is it regulation and price? Is it regulation and protections? That needs a forensic look at the moment in terms of what that might look like and what the costs and benefits might be.

You can simply say that, for consumer protection, competition is the answer, but that is not the case. We need additional protections. We need to know where our most vulnerable customers are. In gas and electricity, we have registers that people can sign up to where they have particular needs. Some oil suppliers are doing some excellent work, but I do not believe it is the 150. We used to be saying there were 300 suppliers, then it was 200, and now there are 150. I do not know where they are or what the relationship is when it is coming in. There is a benefit in looking at all that, to the benefit of Northern Ireland plc and all of us.

Noyona Chundur: I agree and, as I said earlier, regulation has to be considered through three prisms—competition, price and protection. The CMA's market study considers whether regulatory levers are going to be necessary in this sector, and it should be looking at it across all three tools.

From a competition perspective, the CMA has said that there is fair competition. 200 suppliers would suggest that there is fair competition in the market. In terms of price transparency, as I have talked about, you need to look at price from a whole systems perspective. Northern Ireland is a price taker when it comes to buying kerosene, so what are the factors that contribute to that price that our suppliers then have to pay? Price transparency is absolutely critical, and that, therefore, will then result in analysis that will say what protections are absent.

Q69 **Gavin Robinson:** You heard David say earlier that he asked his members not to give a price when they took the order because they would not be able to stand over it. Asking his members not to do that is not the same thing as his members not doing it. They take the order, and then people were complaining that the price they had been offered was not available at the time of delivery. We all heard that locally.

Noyona Chundur: Certainly, calls to our helpline would echo that. We have had 48 complaints so far since the start of this crisis, but, as Pat rightly said, that is a relatively small number. Trading standards has had 39 calls. They are relatively small numbers but they do not convey the scale of crisis or detriment that is out there.

Q70 **Gavin Robinson:** It conveys people's lack of awareness of your ability to take the complaint, I would suggest.

Noyona Chundur: Yes, exactly.



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Q71 **Gavin Robinson:** I suspect that there are many more than 40 people sitting annoyed about the price change.

Noyona Chundur: Yes. There is greater transparency. Following one of the previous questions, the takeaway was transparency. We absolutely need greater transparency. How that translates into regulatory levers akin to gas and electricity remains to be seen, and that analysis needs to be done, but the benefit of having a regulated market that is similar to electricity and gas has to deliver cost and protection benefits to consumers. It cannot be overly burdensome as a result. That is what we would be advocating for.

Q72 **Gavin Robinson:** John, this is the reason why you are here today. Could your office regulate the oil industry? Would there be an associated benefit to that, or would it be unduly burdensome?

John French: We could, of course, regulate it if that was the wish. We follow policy. If it was in legislation for us to regulate it, we could regulate it, as is occurring with Ofgem with the heat networks in GB. It has been given powers to do that, so it is outside electricity and gas.

First of all, you would look at price transparency from the refinery down to the household. You would have to make that Northern Ireland-specific. I know that the price is cheaper in GB, but are the costs beneath it different? What makes up the price? Hopefully, that CMA market study will specifically look at the cost make-up in Northern Ireland and give consumers our price transparency.

Most people then look at price regulation, but there are many types of regulation. We have about 10 codes of practice across electricity, gas and water. They set a minimum standard by which the companies have to operate. That is very important for vulnerable consumers. It is things such as making sure that there are care registers, so those who are on medical lists are looked after if there are security supply problems and things like that. Hopefully, Northern Ireland will become the first place in the world to have one care register for both energy and water in the next couple of years, which we are working towards. Codes of practice are really important parts of regulation.

Finally, if you look at price transparency—and there are irregularities that cannot be explained—that is when price regulation comes in. For electricity and gas, we know exactly from when it is generated to when the householder uses it, and every penny within that process. First of all, you have to see price transparency. Is there a problem or not? Non-price regulation then gives consumers that support system behind it.

Noyona Chundur: We have already made a start. We have a voluntary consumer charter with the Northern Ireland Oil Federation. It applies to its 62 members, but they supply about 80% of the market, so it covers most of the suppliers. That looks at standards, albeit voluntary, but, none the less, standards and customer service in terms of fair delivery



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arrangements and what you would expect a charter to cover. We get very few complaints coming back to us outside of the crisis periods where these things are not being met, and trading standards would tell you the same thing. We have really strong foundations to build upon, but it is then about getting clarity on the price transparency and the drivers of what is really influencing the crisis that households are facing at the moment.

Q73 Mr Kohler: There is a danger in having regulation just for the sake of regulation. The heating oil market is very different from electricity and gas. We heard earlier that market forces are very effective in the price that is paid. That is what we were told last time. Do we need regulation in this area or are market forces working fine, maybe with a code of practice? Do we need regulation?

John French: That is what the CMA market study will find out. If it is happy with the cost make-up from refinery to household, you would probably say that the competitive forces work well. If there are some areas that the CMA is not happy with, it might suggest different areas of price regulation within that.

Noyona Chundur: There is a full suite of levers available, but it has to be done at a whole systems level.

Pat Austin: I would also just like to make the point that, when you have a gas installation, you have heating controls in the home, and it is to a particular standard. The standards within the heating industry simply are not there. We know that a lot of people who have oil do not have heating controls and all those sorts of things that we can enjoy if we put in a gas boiler.

Q74 Mr Kohler: On your point about access to the gas grid and these 30% of homes that are near the pipeline but not connected, are you saying that the consumers have to pay for those connections?

Pat Austin: Yes. If a person wanted to move from an oil boiler to a gas boiler, they would need the up-front capital costs to do that, where the pipeline is there. There are certain parts of Northern Ireland where you will never be able to get gas, but, where you can, the key area for low-income households is that they do not have the £4,000 or £5,000 to be able to connect.

Q75 Mr Kohler: What about the connection?

Pat Austin: The connection is there.

John French: Connection to the household is free. It is then from the household to the heating system. You would pay for your boilers, your radiators and the pipe work necessary, but the connection in Northern Ireland to the household is free.

Q76 Mr Kohler: Why are 30% not being connected to the pipeline that is



going by their houses?

John French: It is generally because the household cannot afford the boiler behind it.

Q77 **Mr Kohler:** So that 30% is consumer choice. It is on offer to anyone.

John French: The difference is that the gas network in GB was rolled out in the late 1960s and the 1970s. It was a socialised process, house by house and street by street. In Northern Ireland, it has been on an economic basis and on consumer choice. Although the connection is free, the consumer has to choose to have it.

Q78 **Chair:** The CMA's road map suggests that the heating oil market study could produce a final report by June 2026. Are you expecting it in June 2026?

Noyona Chundur: I hope so. Certainly, in any conversations that we have had with it, that is the deadline that it is working to. We are doing a joint research project with it to inform consumer experiences of the latest heating oil crisis. That is the timeline that we have been given.

Q79 **Chair:** It all seems to be heading in the right direction to be out by then.

Noyona Chundur: That is probably one for the CMA to answer, but, certainly, the information that we have been given by the team is that it is very focused on ensuring that it progresses at pace.

Chair: That is good to know.

Q80 **Claire Hanna:** Overall, the geopolitical instability is a feature now, and particularly the volatility that we are particularly exposed to. We discussed briefly the ground-level adaptations that people can have access to in order to make their home a little bit more efficient, but, at the macro level, we need to transition to more sustainable and secure energy mixes. Noyona, you said that that is not going to happen overnight, but is it going at the right pace?

I am probably directing this mostly to John. We have very strong periods of renewable generation, but we do not necessarily have the planning and distribution right in terms of using it at the right time. I do not know if you have a sense that we are going at the right pace in terms of grid infrastructure and planning for development and for domestic adaptations.

Our predecessor Committee did a big inquiry in about 2022-23, which you might have contributed to, into the renewables transition, and all the things that needed to be done. There were substantial pieces of legislation that we were told were urgently needed and that would be brought through as soon as the Assembly came back. Are we making appropriate progress on that? Will that, in fact, be done in this mandate? Are you confident that the Executive is driving forward a credible and deliverable energy transition strategy?



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John French: Breaking some of that down, renewables have made an impact already. In electricity, if all our generation was based on fossil fuels, we would have seen a 60% increase in wholesale costs. We have seen a 19% increase in wholesale costs, and that is because renewables have dampened down the price of wholesale electricity. It is a complex picture. We are going forward to an 80% target by 2030. It would be extremely difficult for that to be achievable in the timescale that we have.

Behind that, where the island of Ireland struggles with wholesale prices is that, when the wind does not blow and the sun does not shine, you need fossil fuel generation to back it up as your insurance policy. Northern Ireland always needs two conventional power stations on the bars at any one point in time in case there is a problem with renewables, so you are having to pay for two systems, which is expensive.

Going forward, we should meet the 2050 targets. We just need to not be puritanical about this, and to say that some of this will be a transition. Some of this will not meet the 2050 standards by 2030. We just need to accept that some of this will be a transition. Gas heating in houses will be there for a long time. It is a third less carbon moving from oil to natural gas to heat your home.

There is no option, really, on the island. Where you are seeing cheap wholesale prices across Europe is where they have significant solar plants. Our climate conditions do not go there. We do not have the geography for hydro plants or nuclear, so we are dependent on a fuel—gas—that is dependent on wholesale markets.

Q81 **Claire Hanna:** It is an energy mix, and I do not think that anybody is suggesting that we can or will transition because of the mix, although, clearly, there are opportunities to better plan the use of energy close to renewable sources, as is happening, if you are taking a more strategic look. I hear from businesses all the time about grid connections that are not necessarily there, and even the opportunity to use smart meters to properly access renewable energy, as well as regulatory changes around the things that people can do on their domestic property to make them more sustainable. My understanding is that there are planning changes required for both of those things, which, as I say, we were told would progress. To the best of your knowledge, are those going to progress in this mandate?

John French: It is difficult. There are significant things that can be done, though. The value of the north-south interconnector is huge, because, although we are an all-Ireland market, we are essentially two markets physically. Building that north-south interconnector makes us one market. At the moment, Northern Ireland has to have two power stations on all the time. If we were connected properly on an all-Ireland basis, we could have one conventional power station on all the time. That allows more renewables on to the market, and it greens up our electricity system. There are real decisions that have to be made.



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Q82 **Claire Hanna:** I suppose that my point is that they are not being made. My mother-in-law has all her energy stuff on her phone, and she can decide when to plug things in, which is allowing the grid and the energy mix to be more sustainably used. We seem to be years away from doing that, and I do not have a sense of progress. I do not want to put words in your mouth, but you spoke about decisions that need to be made. I do not get the sense that those decisions are being made.

John French: It is slow.

Chair: Thanks very much for your time.