



Northern Ireland  
Assembly

Committee for the Economy

# OFFICIAL REPORT (Hansard)

Small-Scale Green Energy Bill: Dr Patrick  
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I am aware of some of your work, Patrick, as well as the project in relation to the Housing Executive. I guess that there is an opportunity for social housing associations, the Housing Executive or other bodies that could utilise the minimum tariff that is set out in the Bill to put in place whatever technology it might be and to have the ability to sell what is not used back to the grid. Do you see that as potentially being beneficial and as fitting back into the development of any schemes that might be brought forward under the energy strategy?

**Dr Keatley:** Yes. The work that we are doing is more relevant than ever given the current crunch in gas prices and energy prices generally. That work tries to focus on the most vulnerable households. That can be done through a number of mechanisms. I fully support a tariff for generation that focuses strongly on that socio-economic group.

In more general terms, you could argue that there is plenty of green energy about at the moment that we do not make use of and that, because of the inflexibility of our power system and the fact that we have not digitalised or created a smart grid, we waste an awful lot of the currently available clean energy. For instance, in 2020, 15% of our available wind energy was curtailed, constrained or effectively dumped. One of the projects that we are trying to develop looks at that curtailed and constrained wind to find a way to deliver that energy to vulnerable households for free. That project is called Energy Cloud. Rather than taking the very limited view that the market takes of the value of wind when there is insufficient demand, that could be used as a tool to address fuel poverty.

In general terms, we fully support a Bill such as this that incentivises generation from vulnerable households, but that needs to be seen in the context of a smarter system and of making better use of energy that is currently wasted. That is more to do with providing demand at the right time.

**The Chairperson (Dr Archibald):** That is very helpful. During the Committee's consideration of the Bill and its broader work around the energy strategy, a lot of common themes have come together regarding your points about the need for smarter working in the broader energy system and all the stuff about how the existing capacity is being used. That is helpful to us.

**Mr Dickson:** Thank you very much for your comments, Dr Keatley. There was a very interesting comment about your broader research and the work that you are doing on how to deal with the current situation of high prices and the people who will struggle to pay them.

You made a comment about how we include those who are left behind in their ability to take advantage of renewable resources, which, as you said, is predominantly done through renting a roof. I chair the all-party group on social enterprise, which is an area that presents an opportunity for those who cannot afford that or who do not have the type of property that is suitable for renewable energy schemes. There are opportunities for people to come together to organise a social enterprise or, indeed, a cooperative such as Drumlin, which allows people with very small shareholdings to contribute to a much wider scheme that delivers. What work have you done to examine the opportunities for cooperative and collective working, through social enterprise or cooperatives, for those who cannot afford or may not technically be able to access schemes of that nature for their individual property?

My other question is on the issue that you raised about people who are tenants of the Housing Executive or in other social housing or who are tenants of private landlords, who may have to put up with disruption to have various schemes installed. How can we develop towards allowing those tenants to get the benefit of what is on the property?

**Dr Keatley:** Thank you for that. With regard to the first question on community energy and how to enable people to participate who maybe do not have the physical or financial resources to join in, we are working on a project in the west of Northern Ireland called Rural-Led Energy Transition (RULET). It focuses on two things: areas with high levels of constrained wind, with lots of wind generation that is dumped when there is insufficient demand; and areas of high social deprivation. That involves working with social housing and the Housing Executive.

I draw a parallel between community energy and the social housing sector. Community energy tends to be seen as a geographical arrangement in that there is an area with a group that wants to get together — Drumlin, for instance. It could also be a virtual community, and I see the social housing sector as a community. That brings you two benefits for policy implementation. You are addressing the problem of left-behind citizens, who, in terms of the quintiles for multiple deprivation measures, are the

least well off in society. The bottom two groups are social housing and the private rented sector. You are addressing the problem of those groups being left behind.

You also have the benefit of the way that housing is arranged here, with the Housing Executive being a big organisation. Councils in Northern Ireland do not have the same powers as councils in GB, where you see a much more active community energy sector, but the management of social housing here, not by councils but by the Housing Executive, gives you scale, and scale gives you value for money and means that you can rapidly roll out solutions.

That is the answer to the first part of your question, Stewart. I am sorry; I forgot to write down the second part. You asked me something else, and I have forgotten what it was.

**Mr Dickson:** It was about how we deal with circumstances in which — I think it is really the same question — people cannot access the necessary equipment or do not have the appropriate property. You probably answered the question when you said that it was a sort of "cloud" solution in that you bring together virtually those people who fall into that group of tenancies, and, as a tenant, you get the benefit of a particular energy tariff as part of your tenancy. You have answered the question in that respect.

**Dr Keatley:** Yes, it is through some form of aggregation. If I may add to that, it should be part of a package. The energy inefficiency of our building stock is a big issue. There are ways for that to create value through, for instance, capacity markets. At the minute, we pay capacity for generation, building more generation rather than trying to reduce demand, so there are already examples of capacity markets that would reward demand reduction. That pays for energy efficiency in housing. There is a way to do that that takes a more holistic, whole-system view where you have generation and smarter demands, and you also have energy efficiency that can be incorporated into a holistic package.

**Mr Dickson:** At the end of the day, we are trying to achieve energy efficiency and energy saving, and the energy that we use has to be smart energy, it has to be green energy and it has to be delivered at a cost-effective price to the consumer. Going forward, number one with the Housing Executive is not necessarily tariffs, although that is important in the current crisis, but the reality is about how we get our properties up to standard.

**Dr Keatley:** There is a sequence. I listened to Steven and Stuart in the previous session talk about what can be done now in the absence of the strategy being published. Energy efficiency has to be at the top of the list in every answer and every solution, and we do not need to wait for the strategy for that. That is the reality. There is no path to net zero without a massive improvement in the energy efficiency of our buildings, so that is priority number one for me.

**Mr Dickson:** To deliver that priority, we need government incentives, and currently there are none. There is no point in having PV cells on your roof and no insulation underneath it.

**Dr Keatley:** Absolutely not.

**Mr O'Dowd:** Thank you, Dr Keatley, for your presentation and your written response. Indeed, thank you for taking an interest in the Bill. I listened to your opening comments about your concerns about the Bill. From listening to your contribution, I think that that is maybe more about what is not in the Bill than what is in it. With the Bill, I tried to limit the restrictions that would be placed on what a future Minister would have with the scheme and with the scheme's parameters. That is because I have no energy strategy to map it against and because I think that the more restrictions that you put into legislation on a future scheme, the more difficult it is to react to the circumstances at the time. From listening to your presentation, I think that we have to include a clause around how we truly democratise energy production and ensure that the people to whom you referred have an opportunity to benefit from the scheme, both in participating in it and in certainly not being those who are forced to pay for it going into the future. Is that a fair comment?

**Dr Keatley:** Yes. I 100% support the general thesis of the Bill. I am kind of plagiarising work that was done by a colleague of mine, Sean MacIntyre, who is doing a PhD on PV in Northern Ireland and what happened with the ROCs scheme. We can see who benefited from ROCs and microgeneration, and it was people in the third and fourth quintiles on that social deprivation index. The bottom two quintiles did not really benefit and the most well off did not bother for one reason or another. It was people in

those two groups who benefited most. That is my concern about any future Bill. It is that it takes account of that and tries to prioritise those two social groups. Basically, that is what I would push for.

**Mr O'Dowd:** I certainly would not argue against that, and you have given me and perhaps others on the Committee food for thought about how we learn from those lessons and whether we require to put that into legislation rather than at the next stage when the scheme is being developed. I will give careful consideration to that as we progress this Bill.

**The Chairperson (Dr Archibald):** Dr Keatley, I do not have anybody else coming in for questions, so thank you for your time and your contribution. As John said, we thank you for your interest in the Bill. If there is anything further that you want to share with the Committee in our consideration of the Bill, please feel free to do so because that will be helpful to us in taking it forward.

**Dr Keatley:** Thank you very much, Chair.