



Northern Ireland
Assembly

**COMMITTEE FOR
ENTERPRISE, TRADE AND
INVESTMENT**

**OFFICIAL REPORT
(Hansard)**

**Renewable Energy Inquiry: Northern
Ireland Authority for Utility Regulation**

25 November 2010

NORTHERN IRELAND ASSEMBLY

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ENTERPRISE, TRADE AND
INVESTMENT**

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Members present for all or part of the proceedings:

Mr Alban Maginness (Chairperson)
Mr Leslie Cree
Mr Paul Frew
Mr Paul Givan
Mr William Irwin
Dr Alasdair McDonnell
Mrs Claire McGill

Witnesses:

Ms Sarah Brady)
Mr Iain Osborne) Northern Ireland Authority for Utility Regulation
Ms Tanya Wishart)

The Chairperson (Mr A Maginness):

I advise the Committee that we are being briefed by Mr Osborne, who is assisted by Ms Sarah Brady and Ms Tanya Wishart. You are very welcome today. I advise members that the papers contained in their packs include the regulator's written response to the renewable energy inquiry, an e-mail regarding a report on energy efficiency of wind turbines in Scotland and a press article relating to wind farm output. The Committee Office has provided a briefing paper with background for colleagues.

Mr Osborne, we have read your written response to our inquiry, but you may want to make some opening remarks.

Mr Iain Osborne (Northern Ireland Authority for Utility Regulation):

I will begin by introducing my colleagues. Sarah Brady is manager of our social and environmental work, and she has particular responsibility for the renewables obligation certificate (ROC) scheme. Tanya Wishart is manager in our electricity team, and she deals with issues such as the connection of renewables.

The Committee knows that we exist as a resource to the whole system. We are not part of the Executive. We are independent of the industry, and we exist to focus on customers' interests. As a result of those fundamentals, I want to talk to you about value for money.

I have seen a list of the parties that have provided evidence to the Committee, and many of them are doing tremendous work in building the renewables industry. However, they are doing it in order to make money, and virtually all of that money comes from customers. There is relatively little tax money going in, but, given that every household in the land uses electricity, the distinction between a household as a consumer and a taxpayer is not necessarily that interesting. We all bear the burden if we pay more to get renewables built.

We have shared with the Committee the work that we have done on support mechanisms. It seems to us that the renewable obligation as currently designed is at a level that will get us to the 40% target. I know that a lot of developers are keen on a feed-in tariff. The way that feed-in tariffs are discussed is always a bit odd, as if you could discuss the impact on the sector without actually talking about the level of the feed-in tariff. A very generous feed-in tariff would probably get more stuff built, whereas a very skinny one might get less stuff built. Therefore, you cannot talk about it in the abstract.

It is an area where policy stability is of material value. You will be aware that there are quite a lot of discussions across the UK about electricity market structures, and the renewable obligation has been reviewed several times over the years. Something that one often hears loud and clear from the renewables industry is the advantage of policy stability. The renewable obligation has been around for quite a long time. People understand it, and the investor

community understands it. Therefore, you would need a good reason to move away from it. We cannot see that at present.

We think that the 40% target that is set in the strategic energy framework is eminently achievable. It will not be achieved mostly by very small units. The economics of microgeneration make sense if you are avoiding buying electricity, because you are avoiding paying for the network and all the rest of it. However, as providers of raw electricity at a wholesale level, the economics are often not great. We would have doubts about designing support mechanisms around an assumption that we have to turn every home into a power station and that that is necessary to deliver targets. We do not think that it is necessary to deliver targets.

The 40% target is eminently achievable, because it is not a wind target but a renewables target. We probably could reach 40% wind. We have modelled, across the regulators, the impacts on market prices of 40% wind, and they are not dramatic. It depends what we compare to and what the gas price is, but the break-even point at which customers start to benefit is about where gas prices were a couple of years ago — higher than they are now but not beyond the bounds of possibility. However, on top of that, we must consider the costs of the network and of support mechanisms, and there is no doubt that the costs of the grid expansion to connect 40% wind are pretty substantial.

A figure of £1 billion is in the air, and, now that we have a clear target, we can start to make use of that. The next price control for electricity is kicking off, and we expect NIE to come forward with concrete proposals. Therefore, we will know with a bit more clarity soon whether £1 billion looks right. However, it is pretty clear that there are diminishing returns. I will stick to percentage terms because it is easier to work with. Currently, about 12% of our energy comes from renewables, and that is almost all from wind. We could double that to 24% or 25%; that is the easy bit. I cannot give the Committee hard numbers on the grid impact, but, pro rata, it will be a lot less than £1 billion.

What could we do to fill in the gap? There are quite a lot of renewable resources that we are not harnessing yet. Belfast City Council has a methane capture site at Dargan Road, and that is great. However, the hard fact is that, in Britain, methane capture from landfill used to comprise close to 50% of renewables obligation certificates — I think that it is still over 40% — whereas that amounts to only 2% or 3% in Northern Ireland. We could do a huge amount more.

Biomass combustion is now a pretty stable and mature approach. We need to make sure that biomass combustion is, in fact, renewable. That depends on where the feed stock comes from. There are all sorts of issues to consider. If we were to build 150 megawatts of biomass next year, we would clearly have to import a lot of that biomass. Presumably, if there was a plant in Northern Ireland to burn that biomass, the value chain would mature in time, and a local supply industry would develop. That is clearly an option.

The Rose Energy project is an illustration of possible future projects. Rose Energy is taking the poultry industry's current problems with dealing with the nitrates directive and turning it into a solution. I am not commenting on the planning issues there; those are for other people. However, that project is an illustration of what we need to do to look more widely at energy from waste.

In order to get to any of those solutions, the planning system has to be able to cope in an efficient way with the public interest issues. We are disappointed — that is too weak a word — with the way that the planning system is dealing with the North/South interconnector. The all-Ireland electricity market works out the most efficient pattern of power stations and recognises that, sometimes, you cannot use the most efficient ones and that, therefore, you need to constrain some people's down and other people's up. It makes the costs of constraint very transparent. There are lots of constraints across the network. The one between the Northern network and the Southern network is not the only one, but it is the biggest one. Those constraints interact with each other. Therefore, although we can see the overall cost of constraints, it is a bit difficult to tease out.

Overall, the cost of constraints is going up quite markedly. It was about 5% a couple of years ago and is about 7% this year. It will probably continue that steady march because it is driven by the increase in wind energy. We are going to have enormous difficulty in absorbing the desired levels of wind energy unless we have more interconnection. It will be impossible. The developers who have built the infrastructure and have sunk in capital will be routinely constrained down. They will not get the market revenues or the renewables obligation certificates (ROCs).

The absence of interconnection is a major problem for renewable development. As the cost of constraints is transparent and is being paid by consumers, it is a major cost for consumers. We

are probably paying about £20 million a year in the North because we do not have a North/South cable. The planning application is stuck in a queue waiting for the Planning Appeals Commission to deal with it. There are projects in front of it in the queue that may well be of commercial interest to the developers in question, but I find it hard to see that they are adding value to society in the same way as the interconnector. That is not a comment on whether it should pass or should not pass; that is not for us to say. However, I feel that the inability of the system to recognise strategically important projects and to deal with them rapidly is completely unacceptable and needs to be addressed.

The Chairperson:

Thank you very much, Mr Osborne. On that last point, is there no way in which government can prevail on the Planning Appeals Commission to prioritise the interconnector issue? That seems to me to be a very important strategic issue. I will not comment on the merits of the application, but it is of strategic importance. I know that the commission has resource issues, but surely something as important as this should be dealt with promptly.

Mr Osborne:

The short answer is that I do not know the answer to that. I do not know whether the problem is statutory or administrative in character. If it is administrative, the commission needs to be told to get its finger out. If it is a statutory problem, we probably need a legislative solution. Either way, however, the problem needs to be solved.

The Chairperson:

You said that the lack of an interconnector is costing about £20 million a year. How does that cost come about?

Mr Osborne:

In order to have power supply tomorrow, generators put their bids in to the market operator today. It is like a reverse auction. The market operator will determine the most efficient pattern of generators to use to provide tomorrow's power; that sets the price. Tomorrow, the Systems Operator for Northern Ireland (SONI) will send signals to turn power stations on or off. It will have a difficulty in that some of the power stations that are in the schedule that was set the day before cannot physically be used because there is not enough grid capacity. SONI also deals with the variability to do with whether the wind is blowing. It is quite a complicated task. It may be

that, for one reason or another, SONI needs to contact a generator to say that, although that generator bid to generate 100 units, which is part of the efficient schedule, it will have to constrain the generator down to 20 units. The generator gets paid for the extra 80 units that it wanted to provide but cannot provide. That is the right thing to do.

The Chairperson:

That is where the loss occurs.

Mr Osborne:

Exactly. Equally, someone else has to provide the missing 80 units, and they get paid too.

The Chairperson:

There is a double cost.

Mr Osborne:

Those costs are bundled up and are added to the bill of every electricity consumer.

The Chairperson:

The other issue that you raised, and which has concerned the Committee, is to do with incentivising the market and ROCs versus the feed-in tariff. You seem to be saying that the ROC system works reasonably well in the circumstances. Forgive me if I am misquoting you, and you can correct me, but you are basically saying that the ROC system works.

Mr Osborne:

Yes. In the circumstances, it is important. It is a good deal for Northern Ireland, partly because we are allowed to have a lower level of obligation compared with other parts of the UK that are contributing. I do not have anything beyond the analysis that we have shared with you. It appears that it is sufficient to get us to the target, and it is the lowest cost to consumers of the options available to us. If we were to move to a feed-in tariff (FIT) at the level of the ROI FIT, it would probably not be enough to get us to the target. You could boil it down to saying "leave it alone".

The Chairperson:

That is basically what you are saying. In Britain, there is a FIT for small generation. Britain has

both ROCs and the FIT. Could we have a similar system here, whereby, for small generation, there would be a FIT as opposed to a ROC?

Mr Osborne:

Technically, you could. The question is whether that is the right thing to do. You need to recognise that there are some fundamental differences between our situation and the British situation. We all set targets for renewables as a percentage of electricity, so the fundamental issue is the ratio between available renewable resource and demand. For us, that ratio is much more favourable than is true across the island of Britain as a whole.

We have tremendous wind resource, and, if wave and tidal become mature technologies, we will have even better resource. We are very well placed to become a net exporter of renewable electricity, whereas Britain will find it a good deal harder to summon up enough renewables to meet its targets. I am not necessarily saying that, if I were advising the British authorities, I would promote microgeneration to the extent that they are. It is not my job to advise them. We do not need microgeneration to hit our targets, and perhaps they do.

The Chairperson:

So, you are saying that microgeneration is not really the way forward here. We have sufficient resources to allow large-scale generation, so why concentrate on microgeneration.

Mr Osborne:

We do not need it, and it is expensive.

Mr Cree:

I want to return to the interconnector and the £1 billion that you mentioned is in the ether. Bearing in mind that that is going to have to be invested in the short to medium term, what are the likely costs to the consumer of that £1 billion expenditure over the short to medium term? I was interested in how you explained the grid system. I understand that and believe that to be right, but where does the input/output facility come into it? For example, the systems operator could export surplus, but that presupposes that that system is available. How would it mitigate the scenario that you painted? What is happening on the Scottish link? Is there no flexibility there for the analogy that you made with the operator?

Mr Osborne:

I am very sorry, Leslie, your second question completely chased your first one out of my mind. Will you remind me what it was? *[Laughter.]*

Mr Cree:

Was it that bad? It was about the use of the interconnector and how the export/import facility would work. To go back to the Chairman's point: we are talking about macrogeneration. Bearing in mind the problem that you have referred to with the Planning Service, would there not be a reasonable doubt in your mind that it would actually work? I am sorry that my questions are so fragmented.

Mr Osborne:

That is all right; I can remember what you were saying now. On that last point, the only strong reason why you might focus on microgeneration is if you believe that the Planning Service will make it impossible to build the big stuff. But, dear me, we should be able to do better than that.

We have one interconnector to Scotland, the Moyle interconnector. As such facilities go, it is quite medium-sized, with an export limit of 450 MW. It is reasonably well used, but it is not used as efficiently as we would like. Before the establishment of the single electricity market (SEM), that wire was used for importing big blocks of power, quite a lot of which was wheeled through Northern Ireland into the South because hydroelectric power was not treated as green in Scotland and it was treated and paid for as green in the South. That was the rationale for importing big blocks.

When SEM kicked off, it became a trading resource. To start with, we were quite worried about underutilisation because there are risks in trading, and the market participants took some time to get used to it. Partly, they have got used to the risks, and, partly, we have done some sensible, incremental things to reduce those risks. The SEM committee is looking at whether we can do other things to reduce those risks. In the medium term, we need to look to improving the efficiency of that line and the way that we use the new east-west interconnector.

Obviously, when we use the line from Dublin to Wales, we have to be able to get power from the North to the South, so we are back to the discussion about the South/North interconnector. The medium-term solution is probably much more intensive market integration between our

market and the British market. I do not yet know how exactly you do that. I know that the Department of Energy and Climate Change (DECC) in London has been doing a big review of wholesale market structures in the British market, and I have been told privately that it is likely to propose a two-part market, with some kind of payment to capacity separately from the payment to energy, which we introduced three years ago. It gives me a warm glow that we were slightly ahead of the curve on that one.

It will make it much easier to integrate the markets if their fundamental structures are similar. I am optimistic and have my fingers crossed that the outcome of the DECC review will give us a platform for a discussion that will be on the agenda for the next two or three years about how we get to a much closer level of market integration, which will make it much easier to use the interconnectors efficiently.

You asked me about the costs of the South/North interconnector. If we were to spend £1 billion this year, we would probably depreciate those assets over 40 years. Therefore, you can divide £1 billion by 40. The debt or equity of the capital that is provided to fund that would also need to attract a return. We are currently giving them a return of 4%, pre-tax and in real terms. I suspect that, over the next couple of decades, the return will bubble around in the range of between 4% and 6%. You have to pay the cost of depreciation and the return on capital.

I am a bit loath to give numbers that might then become gospel, but you could do the arithmetic yourself. If you were to divide £1 billion by 40 and, broadly speaking, to double it to allow for the return, you would get the kind of level that will be added on to customers' bills. It results in an increase in bills that is material. DETI has said that it might cost an extra 10% on bills, and that is probably about right. In other words, it is material, but it is well within the range of fluctuation that we see already with electricity prices because of fossil fuel variation and other factors. It is not a step change.

Dr McDonnell:

Your comment that we do not need microgeneration and that it is expensive worries me slightly. Surely to God, we need some of it as an insurance policy. It may be expensive, but it is needed to guarantee supply in a difficult period. Say oil prices go through the roof — would it not become less expensive in that situation?

Mr Osborne:

We have quite a lot of experience in building the network so that we can get power to people. The network does not fail very often. Sometimes it fails in bad weather, and so forth. It is important for us to be happy that we have short-run security of supply. Of course, some people have oil generators in their basements. They may live in the country, where, sometimes, the wires go down. Of course, if householders want to get to 100%, rather than 99 point something per cent, that is fine. I am not convinced that there is a social benefit.

It is enormously important that there be longer-term security and robustness towards oil price movements. My point is that we can do that as easily through building larger renewables projects as through putting something in every home, and it is cheaper.

Dr McDonnell:

I am still a little bit baffled. As a layman and a non-engineer, I am baffled by these surges that run through the wires. Are we moving vast amounts of electricity from the South to the North, or from the North to the South, when we need this interconnector? Where are the oversupply and the demand?

Mr Osborne:

At present, we move electricity from the North to the South more often. However, it changes over time depending on changes in generation fleets.

Dr McDonnell:

It is a bit hard for us sitting here, seeing all those wires and pylons up there and thinking that the country is well networked, to realise that it is not that well networked. It is easy enough to understand, from where I am sitting, that Donegal might not be all that well connected to the rest of the Southern network, because of its isolation. However, the understanding is that if electricity cannot go one way, it can get round the system a different way.

Mr Osborne:

When was the last time that you saw a big metal pylon west of Lough Neagh? There are none there.

Dr McDonnell:

Point taken.

Mr Osborne:

There are a few up around Londonderry because there is a power station there. You can drive for miles and miles. You will see wooden poles; there is a bit that you can do in terms of restringing.

Dr McDonnell:

The T poles are 240 MW, are they not?

Ms Tanya Wishart (Northern Ireland Authority for Utility Regulation):

They vary from 110 MW to 33 MW and 11 MW. If you drew me a picture, I could tell you.

Mr Osborne:

Once you get up to 275 MW, something bigger is needed.

Ms Wishart:

When you get to 275 MW, you need towers.

Mr McDonnell:

By T poles, I mean the ones that have three wires.

Ms Wishart:

Some poles of that shape can be 110MW, which would be deemed to be transmission.

Dr McDonnell:

OK. Who controls the east-west connector in real terms? There are systems operators and people who say they will buy a few now and a few tomorrow. Who decides on the movement of electricity east-west and west-east?

Mr Osborne:

Essentially, the outcomes are determined from auctions. Are they run by SONI on behalf of Moyle?

Ms Wishart:

Yes. SONI has responsibility for that.

Mr Osborne:

Obviously, the day-to-day physical operation of the network is SONI's responsibility.

Dr McDonnell:

Would it be cheaper to suck electricity in from Scottish Hydro than to worry too much about providing?

Mr Osborne:

There is no single answer to that. Obviously, it depends on the price here and the price there. By building renewables, we have the opportunity to use the big GB market as a sink, so that when the wind drops here, we can pull in power and avoid turning on expensive resources in order to keep secure our isolated island, and, equally, we can export in times when it is profitable to do so because prices are higher there than they are here. The aim is to not have a system that is static, where the same assets are being used for the same thing all of the time. It is not like a canal. You are trying to get to a network that is closely integrated, so that it can react in real time to changes in conditions across the network. In the medium term, that will not just be across the island of Ireland, but across the UK and, indeed, north-west Europe, hopefully.

Dr McDonnell:

Is there an opportunity for those east-west interconnectors? I am not talking just about the Moyle interconnector; there is a Dublin-Wales one as well.

Mr Osborne:

There is no doubt that the interconnectors across the Irish Sea and, as some people have suggested, to France have the potential to create value by enabling us to sell more renewables to a wider market, and similarly with the South/North interconnector. If we do not get the South/North interconnector, people building wind farms in Northern Ireland will suffer economically.

Mr Irwin:

Although you have said that there is public acceptance for renewable energy and the equipment, I

believe that the vast majority of the general public do not fully understand or see the need for it. For instance, the interconnector and pylons go through part of my constituency, so I know fine well where the problems are. I believe that the public do not understand fully the real necessity of the interconnector, because it was not sold to them early on. In fact, I know that it was not. What more can the Government do to sell the idea of renewable energy to the public? More needs to be done for the general public to take it on board and for us to be serious about it.

Mr Osborne:

That is right. One of the lessons from the South/North experience is that it was a bit unreasonable to expect NIE to charge into the guns without public policy objectives having been set out much more clearly by the appropriate authorities, rather than expecting a private company to take the flak.

The interdepartmental group on sustainable energy's work on simplifying the message and getting to common ground is very useful. However, there is a real danger of people becoming very muddled and a bit turned off by messages from all over the place, some of which are, frankly, a bit naggy. Northern Ireland people are quite pragmatic. It is fairly obviously the case that Northern Ireland is so small that whether our emissions go up or down will not make much difference to whether the planet cooks or not. However, there is a moral case for taking our share of the burden. This is a wealthy part of the world, so, morally, we cannot carry on in a way that damages the well-being of very vulnerable parts of the world. It is also clear that people understand the economic benefits to them of using less energy and stopping waste, and it is perfectly possible to get them to understand that we are tremendously exposed to fluctuations in volatile international markets and that, therefore, using the resources that God placed on this island makes eminent economic sense. I think that that message can be got across. It is important, however, that government messages be simple and co-ordinated.

Mrs McGill:

Are you opposed to microgeneration.

Mr Osborne:

I am not opposed to it. However, I am opposed to customers being required to put money into it.

Mrs McGill:

Will you give us some examples of microgeneration?

Mr Osborne:

My point was that large wind farm developments, containing maybe a dozen turbines which generate perhaps 2 MW per turbine, are more cost-effective than placing — often badly — small turbines on people's homes. Furthermore, solar arrays, even though they work quite well — at least when the sun is shining — are very expensive to install.

Mrs McGill:

Sorry, I missed what you said. Are you saying that you are, to some extent, opposed to individual small wind turbines? I ask because there are so many applications for those in my area.

Mr Osborne:

No, I am not opposed to private individuals doing what they want. They may well make sense if, as a householder, you are thinking how you can avoid paying an electricity bill. The electricity bill is made up of the cost of electricity, plus the cost of the wires, billing and supply. The value to you of avoiding importing electricity into your home is much bigger than the value to society of the raw electricity that you produce.

Avoiding importing electricity, and reducing demand, may well make sense for the householder. However, if we are talking about whether it is worthwhile for society to produce a big proportion of that 40% of demand from little stations rather than from big stations, I am just saying that, unlike GB, we have loads of resources in big renewables, and the unit cost is much higher for small ones.

Mrs McGill:

What other examples, then, apart from the individual wind turbine?

Mr Osborne:

My comments are probably generally applicable to small-scale generation. The exception might be combined heat and power, which is quite a cost-effective way to generate electricity if you can use the heat effectively. Small examples of wind and solar power for electricity tend to be more expensive.

The Chairperson:

Do you sit on the interdepartmental working group, or is it one of your colleagues? I know that you are represented.

Mr Osborne:

I have been to probably more than half of the meetings. Sometimes Sarah has attended.

The Chairperson:

Can you give some evaluation of how the group works?

Mr Osborne:

It is a group of people who share the understanding that there is a problem, but many of whom feel that the problem is big — above their pay grade. Some of the things that the group has done has been useful; for example, the work on branding. There is a consensus in the group that there is a requirement for a structural solution to bring dispersed policy into one place, but the individuals on the group are not in a position to do that.

The Chairperson:

Feed-in tariffs are used in the South. Does that difference between North and South adversely affect the all-Ireland market?

Mr Osborne:

No, not really. If you had asked me that a year ago, I would have said that I was quite worried about distortion. However, we have been doing quite a lot of work on the economics of wind dispatch. At the margins, the fact that you have two different structures can present some distortion. There is scope for marginal distortion when the system operator has to decide which wind farm to turn down, but it really is quite marginal.

The Chairperson:

I think that you characterised the 40% target as almost a wind target.

Mr Osborne:

No, I said the opposite. It is not a wind target. The sensible way to deliver 40% renewables is by

getting rather less than that from wind, and the rest from biomass or many other technologies.

The Chairperson:

That clarifies that for me, but it seems to me, given the way government is working at the moment, that it is really a wind target, because most of the emphasis is being placed on the generation of renewable energy from wind.

Mr Osborne:

I think it is very important that government focuses on the issues about unlocking methane from landfill, energy from waste and biomass. There is a need for more focus on that.

The Chairperson:

So we should be putting emphasis on different sources, rather than just one source?

Mr Osborne:

That is always true in energy policy. Diversity is always a benefit.

The Chairperson:

Finally, we have been told in evidence that feed-in tariffs are more bankable and stimulate small-scale generation much better. Is that a view that you accept? I know your views on small-scale generation but, assuming that you wanted to encourage it, is a feed-in tariff a better way of doing so?

Mr Osborne:

If that is what a particular developer has said that he has heard from the funding community, who am I to argue with that? However, I do not understand the logic of the statement, because it surely depends on the level of the feed-in tariff. Ultimately, it is about how many pound notes we are talking about. The statement is at a level of generality, and I just do not understand how it can be true.

The Chairperson:

The point that some people emphasised was that it is effectively a subsidy over 20 years, so people can go along to their bank and say that they have a subsidy of £X which will last for the next 20 years, and in that situation the banks are more willing to lend money for that type of

business.

Mr Osborne:

I can understand that the feed-in tariff is simpler than the ROC. My experience, from talking to people in the investment community, is that the ROC has been around for quite a long time and, although it is not the simplest mechanism in the world, they do understand it by now. However, as I said, if that is what an individual company has heard from its investors, I am not going to say that it is wrong, but it has to be more complicated. Above all, the question is how much money we are talking about. Very few support systems provide any money at all to wind farms that are not generating, so the importance of the planning system enabling the grid so that people are actually able to spin is not to be underestimated.

The Chairperson:

I thank you and your colleagues for attending today. It was characteristically helpful, as always. I also wish you well in your new position with the Civil Aviation Authority and thank you very much for your contribution to our affairs here in Northern Ireland. We wish you well.

Mr Osborne:

Thank you very much. I have had a tremendous time in Northern Ireland. I wish you well. Energy is one of the most important areas of policy for Northern Ireland society, and your contribution is very important. Having an economically rational basis on which people will invest is tremendously important. We are going in the right direction, so good luck with that.

The Chairperson:

Thank you very much.

Mr Frew:

Of course, Iain will be back every year to holiday in Northern Ireland.

Mr Osborne:

I will be back every year to check on the Northern Irish airports. *[Laughter.]*

The Chairperson:

OK, thank you very much indeed.