

Phoenix Energy's response to the Utility Regulator's Draft Forward Work Programme 2024/2025

Phoenix Energy¹ welcomes the opportunity to respond to the Utility Regulator's (UR) consultation on its "Draft Forward Work Programme 2024/2025".

We look forward to working with UR over the coming year to ensure delivery of the Forward Work Programme (FWP) projects and are happy to meet with UR to discuss any queries raised following this response.

The FWP is ambitious but necessary in the move to a net-carbon zero strategy. Whilst UR's own resources are rising significantly, the overall resources available to Phoenix Energy has remained reasonably static and we welcome ongoing engagement with UR on how industry is resourced to match the pace with which UR intends to deliver upon its key targets for 2024/2025.

Our specific comments on UR's draft FWP projects are detailed below.

Strategic objective 1

- i. We all have a part to play in moving to a net-carbon zero society and in doing so ensure that current and future consumers are supported and protected through the transition. Phoenix Energy therefore welcomes the projects proposed by UR for 2024/2025 which both align with UR's new strategic direction for 2024-2029 and provide the necessary detail on how UR intends to deliver on these objectives in the coming year. We particularly welcome the projects that will be undertaken by the Networks and Energy Futures team to:
 - Complete and publish an assessment of any gaps in the policy/ regulatory framework and evidence base needed to deliver net-zero.
 - Develop and publish a policy framework with DfE for biomethane injection.

- ii. We are committed to the ongoing growth of gas network connections and implementation of renewable gas market solutions and have advocated for implementation of a suitably funded NI Executive led Energy Efficiency Programme to provide awareness, support, and guidance to energy users. We also therefore welcome the project to:
 - Complete and publish assessment with DfE to allow decisions to be made on a successor programme for, or the extension of, Northern Ireland Sustainable Energy Programme (NISEP).

¹ Phoenix Energy Group Ltd is trading as Phoenix Energy

We have a wealth of knowledge and evidence on the strength of such social schemes (e.g. NISEP, the Boiler Replacement Allowance, Affordable Warmth) for fuel poor households / those on lower incomes. We recommend that any assessment considers the wider availability of suitably funded schemes to support consumers so that the decision on the successor programme, or the extension of NISEP, is fully informed. We would therefore be happy to share our knowledge with UR and DfE as this project takes shape.

Strategic objectives 2 and 3

Use of appropriate regulatory frameworks and other properly defined consumer protections will be critical going forward as consumers embrace a changing energy landscape, to ensure that the fair and cost-effective outcomes they have come to expect from NI's regulated utilities are maintained or enhanced.

We therefore welcome the ongoing engagement with UR on the price control framework both for GD23 and for the next GD29 review and specifically the projects that will be undertaken by the Price Controls team to:

- Commence a review of the approach to future network gas price control regulation.
- Commence a review of cost and performance reporting for network companies.

The latter project should look to ensure that UR has not just the right reporting arrangements, but also consider the information within current reports; if no one uses the data, it should be removed; if there is too much data, the superfluous information can detract from what is important. This approach was trialled by UR and the gas DNOs when developing the GD23 cost reporting arrangements and has ensured that the report is concise and only contains actionable data.

We also welcome the project that will be undertaken by the Consumer Protection team to:

- Design and implement new licence compliance framework including the development of a new public compliance reporting regime.

Given the increased resources within UR, it is important that the regulatory burden on utilities is minimised i.e. reports are held centrally by UR so that utilities are only asked for information once.

Strategic objective 4

Phoenix Energy is passionate about delivering the best possible standards of service for all consumers. That means taking the time to understand and cater for different consumer needs and often bespoke solutions specific to a consumer's circumstances on a case-by-case basis. We continually look at ways to improve and adjust our services to ensure positive outcomes for all consumers and we particularly look forward to continuing to support the projects that will be undertaken by the Consumer Protection team to:

- Deliver our Consumer Protection Programme (CPP) for 2024-2029.
- Finalise Best Practice Framework project for electricity, gas, and water.