

31 January 2024

Samantha Young
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

Dear Samantha

firmus energy welcomes the opportunity to respond to the Utility Regulator's Consultation on its Consumer Protection Programme 2024 – 2029.

We set out below our responses to the consultation questions.

1. Do you agree with the three themes that have been identified for CPP 2024 - 2029? Please provide any additional information to support your view.

The Utility Regulator's Consultation on its Consumer Protection Programme 2024 – 2029 proposes the following three themes:

- Research and Leadership
- Enablement
- Protection

These themes are set to supersede the current objectives of Affordability, Equal Access, Empowerment and Leadership and Engagement.

It will be important that the current objective of affordability remains as a key overarching principle of the three new themes.

The three new themes cover broadly the same remit as the current four objectives, with more emphasis on research and the provision of a sound evidence base.

It is important to note that doing research is not a guarantee of producing results and any proposed new areas for research must be appropriately scoped to avoid unnecessary or non-value-added work.

The energy transition is at an early but crucial stage in Northern Ireland and protecting consumers (domestic and non-domestic) throughout this transition will be imperative. The Utility Regulator could and should play a significant role in this and have identified a 'Just Transition' as a key objective of their Corporate Strategy (2024-2029).

To stress the importance of meeting climate change targets whilst ensuring a 'Just Transition' for consumers, it might be more effective if this was encapsulated as a distinct theme for the Consumer Protection Programme.

2. Do you agree that a 5-year CPP with a mid-term review after 3 years is a suitable duration and approach? Please provide your rationale.

firmus energy supports a five-year Consumer Protection Programme (CPP), with a mid-term review after three years.

However, any Government direction, changes to the Utility Regulator's vires or statutory powers or other wider social, political, or economic issues could change the needs of consumer protection.

In these circumstances, it may be important for a review of the CPP, and the Utility Regulator should have the flexibility to allow for a special review at any stage throughout the proposed five-year duration.

3. In relation to 'Theme 1: Research and Leadership':

- a. Do you agree with the proposed areas of work and projects identified under this theme? Please provide any additional information to support your view, including any additional areas or projects that you feel should be of focus.**
- b. Are there any projects that require prioritising within years one to three of the CPP? Please provide your rationale as to why.**

Under Theme 1: Research and Leadership, the Utility Regulator has proposed multiple areas of work including:

- Domestic Insight Tracker
- Non-Domestic Insight Tracker
- Research on the consumer attitudes and behaviours around the energy transition
- Consumer experience of debt and affordability
- Energy literacy issues
- Issues experienced by domestic consumers who live in private rented accommodation
- Projects on enablement for non-domestic consumers
- Climate Action Plans
- Energy Strategy – Path to Net Zero
- Fuel Poverty Strategy

For being only one of the three themes included under the CPP, this is a large amount of work to be delivered in the five-year period. While the Utility Regulator may have the necessary internal resources to manage these proposed areas of work and projects, they will require a substantial amount of assistance and data from stakeholders and, in particular, energy suppliers.

The energy suppliers may not have access to the same level of resources and/or capacity to support all of these research projects and the Utility Regulator should be mindful of this, requesting any information in a timely manner and staggering the projects appropriately throughout the five-year period.

Theme 1 includes the proposed area of Leadership and the consultation notes that the Utility Regulator will "provide leadership and direction in developing appropriate consumer protection for both domestic and non-domestic consumers via our existing legislative and statutory framework." The Utility Regulator has a unique opportunity to not only improve consumer protection by providing

guidance and direction to energy suppliers but also influence government policy by offering insight and evidence-based research.

As we noted in our response to the Utility Regulator's Call for Input on the Review of the Regulation of the Non-Domestic Energy Retail Market, firmus energy would be supportive of extending, where appropriate, the domestic Codes of Practice and minimum standards to smaller non-domestic consumers.

firmus energy supports all of the list of projects outlined above, however we would be particularly supportive of the research on the consumer attitudes and behaviours around the energy transition. This valuable research could help shape Price Control determinations and influence wider investment decisions, especially when having to differentiate between competing renewable energy solutions. We would see this workstream as a priority for years one to three of the CPP. It is fundamental to the energy transition that we protect consumers.

4. In relation to 'Theme 2: Enablement':

- a. Do you agree with the proposed areas of work and projects identified under this theme? Please provide any additional information to support your view, including any additional areas or projects that you feel should be of focus.**
- b. Are there any projects that require prioritising within years one to three of the CPP? Please provide your rationale as to why.**

firmus energy completely agree that improving energy literacy is fundamental to empowering the consumer to engage effectively with the energy market and with Just Transition. We will work collaboratively with the Utility Regulator in this area, sharing our data and customer experience and working to improve our energy literature, ensuring that information is more accessible and less complex.

As a gas distribution network operator and gas supplier, firmus energy is actively involved in the development of the new gas metering solution, replacing the current gas prepayment meter. This project is at an early stage, however a key workstream within the project is consumer engagement, ensuring that any solution maximises the consumer benefits of a smarter meter. Collaborating with consumers, the Utility Regulator, and consumer representative bodies will help shape the optimal solution and avoid any potential harms in advance of the introduction of a smarter gas meter in Northern Ireland.

The existing Northern Ireland gas prepayment meter provider has indicated that they will be ceasing to support this meter from 2025 and hence the programme to replace this meter will require prioritising by all stakeholders and should be a priority within years one to three of the Utility Regulator's CPP.

As noted in our response to the Utility Regulator's Call for Input on the Review of the Regulation of the Non-Domestic Energy Retail Market, firmus energy is supportive of this review and welcome any measures to strengthen the opportunities for non-domestic consumers to engage in the energy market.

5. In relation to ‘Theme 3: Protection’:

- a. Do you agree with the proposed areas of work and projects identified under this theme? Please provide any additional information to support your view, including any additional areas or projects that you feel should be of focus.**
- b. Are there any projects that require prioritising within years one to three of the CPP? Please provide your rationale as to why.**

Similar to our comments on Theme 1: Research and Leadership, the Utility Regulator has outlined a substantial number of workstreams under this Theme and it may be beneficial to focus on a smaller number of projects that can be delivered within the five-year period.

Protection of consumers is fundamental to the regulatory regime and delivering successful projects in this area will require considerable collaboration between numerous stakeholders. Many of the proposed projects would have an overlap of relevant stakeholders and staff members within those stakeholders. The Utility Regulator’s projects would need to be clearly mapped out, in a timeline for the five-year period, to ensure the appropriate resources from all relevant stakeholders can be allocated and dedicated to that workstream.

firmus energy welcomes and agrees with the Utility Regulator’s prioritisation of delivering price controls for the electricity, gas, and water sectors.

In the Forward to the Utility Regulator’s Draft Corporate Strategy, the Chairperson Bill Emery states, “As an organisation we are clear that now is not the time for a piecemeal approach to how we influence and regulate the energy and water sectors towards achieving the set goals.” To this end, the Utility Regulator ought to consider its approach to delivering Price Control determinations in isolation for electricity and gas. Determining allowances or incentives for one energy sector may have knock-on effects for other sectors and these ‘whole energy system’ considerations need to form part of the decision-making process.

Debt and affordability of energy are key areas of concern for all consumers and any research in this area will be extremely valuable. There has been a definite increase in customers self-disconnecting, and it will be important to identify the reasons behind this, what can be done to prevent it and how best to identify customers at risk of self-disconnection or those who have already self-disconnected. We would identify this as a project that requires prioritising within years one to three of the CPP.

firmus energy would be supportive of the establishment of a Working Group with relevant stakeholders to facilitate discussion on

- (i) how to improve supplier approach and response to debt; and
- (ii) how to best support and educate consumers.

This is a working group to which firmus energy could bring a great degree of expertise and experience in its dealings with over 100,000 Northern Ireland customers.

Operating under the Utility Regulator’s price control regulation in the gas supply market in the Ten Towns area, firmus energy recognises the benefits and consumer protection that this regime delivers. As noted in the consultation document, “this price regulation ensures there is a regulated and transparently set price that consumers can avail of should they remain with the incumbent supplier and/or should the competitive market not provide reasonable offerings.”

firmus energy prides itself on its customer service and support for customers in vulnerable circumstances. We will fully embrace the Utility Regulator's Best Practice Framework process including the development of an internal Vulnerability Strategy and the longer-term development of a single Northern Ireland Utility Customer Care Register across electricity, gas, and water industries. Given the benefits that this framework will deliver, coupled with the level of work that will be required across multiple sectors, we would identify this as a project that requires prioritising within years one to three of the CPP.

Since its inception, firmus energy have signed up to the Utility Regulator's Consumer Energy Charter and we will continue to support this important initiative that provides additional support and enhanced protections to households during the Winter.

In relation to price control performance targets specifically linked to consumer outcomes, it will be important that these targets are set at a realistic level, taking in to account the resources required for their achievement and the allowances already determined for the period. firmus energy prides itself on its customer service and whilst we are continually looking to improve this service, we recognise that any additional investment must deliver a proportionate benefit for our customers.

firmus energy supports the review of gas and electricity Guaranteed Standards of Service (GSS) and Overall Standards of Performance (OSP), the review of domestic CoPs (including the possible extension to non-domestic consumers) and the strengthening of protections for consumers who have been recently bereaved.

6. Do you agree that where this document has an impact on the groups listed, those impacts are likely to be positive in relation to equality of opportunity for utility consumers?

All of the projects outlined in the Consumer Protection Programme 2024 – 2029 should have a positive effect in relation to equality of opportunity for utility consumers.

Providing services that promote equality of opportunity for all persons can be complex, especially if a certain consumer category necessarily requires a specialised, bespoke service to address their needs.

firmus energy endeavours to treat all its customers equally and we will work with the Utility Regulator and the wider industry to ensure that any of the projects identified in this Consumer Protection Programme apply that same level of equality.

7. Do you consider that the proposals need to be refined in any way to meet the equality provisions? If so, why, and how? Please provide supporting information and evidence

Equality considerations should be an overarching principle for any of the proposed projects and when any of the projects are concluded, the resultant actions or changes to industry procedures should be reviewed to ensure they promote the equality of opportunity between all consumers.

This review could be conducted by the Utility Regulator, to ensure they are meeting their obligations under Section 75 of the Northern Ireland Act 1998 or by an independent third party.

8. In relation to developing and implementing CPP 2024-2029, is there anything else not covered by questions 1-7 that UR should consider?

firmus energy would encourage the Utility Regulator to map out a timeline, within the five-year period, for all the various projects, including the internal Utility Regulator resources required and also any relevant stakeholder involvement.

This timeline will help identify any challenges to timings and/or resources and could be used to prioritise projects.

We are very keen to receive any feedback from this consultation and look forward to working with the Utility Regulator, the wider industry, consumer bodies and consumers in delivering the Consumer Protection projects that are identified for 2024 to 2029.

If there are any aspects to this response that you would like to discuss further or from replies received from other respondents that might impact firmus energy, please do not hesitate to contact me.

Kindest regards,



Mark Stevenson
Director of Regulation