

BUDGET ENERGY CONSULTATION RESPONSE

NIAUR: Draft Forward Work Programme 2021 - 2022

Introduction

Budget Energy welcomes the opportunity to comment on the Utility Regulator's Draft Forward Work Programme 2021 – 2022.

The Forward Work Programme provides an important indication to the priorities, actions and outcomes the UR wishes to progress over the next twelve months. As an energy supplier it is critical to be aware of the actions that will impact upon the energy network and our customers. This will allow us to effectively plan for change but also contribute to relevant work streams in terms of our experience and expertise.

General Points

- As highlighted in the consultation Brexit remains the most significant external context for the work of the NIAUR. Despite the end of the transition period on 31st December 2020 there remains much uncertainty regarding final arrangements, requirements and consumer confidence. Therefore, it is essential that NIAUR remains responsive to emerging developments and the FWP is adaptable to react to new issues or actions required.
- Covid-19 will continue to have a significant and long-lasting impact in Northern Ireland. As an energy supplier we see on a daily basis the impact on our customers from having to self-isolate, and their concerns in terms of keeping warm and well, managing their bills and ensuring they don't fall into debt. Budget Energy will continue to engage with the UR and other suppliers to ensure there is a comprehensive understanding of the issues energy customers face and how collectively we respond as an industry.

As we move forward through the Covid pandemic and hopefully to more normal times it is clear consumers relationship with energy consumption will change. Increased working from home and different working patterns will continue to impact on the use of energy in the home. Ensuring the retail market is innovative and supports customer engagement will be an important objective focus on.

- There has been much needed progress in updating the energy policy framework in Northern Ireland through the ongoing development of the new Energy Strategy. There is a need to update energy policy to ensure it is future focused and addresses the key energy challenges facing Northern Ireland. Budget Energy look forward to this development as certainty for the energy sector is needed in terms of policy direction. Given the UR's statutory role is to implement policy it is important that the FWP can accommodate any changes in relation to energy strategy.
- Budget Energy recognises that many of the proposed actions are at a high level and will require further work to develop into detailed project plans with accompanying timescales, outcomes and resource requirements. It will be important for the UR to develop a clear reporting framework to regularly update on progress and outcomes achieved against the Forward Work Programme. This should include clear reporting on the status of actions from the 2020/21 FWP – especially for those projects that have not been carried over to the current year.

- Many of the actions are not for the UR to deliver in isolation and will require input from stakeholders, especially suppliers such as Budget Energy. Therefore, it is essential that the delivery plan is clear to so stakeholders, such as energy suppliers, regarding anticipated inputs or contributions required (such as working groups, information requests or other consultations) so we can forward plan and allocate resources in order to fully contribute.

Specific Points

The FWP contains a number of strategically important projects which directly impact Budget Energy.

Strategic Objective 1: Promoting markets that deliver effective competition, informed choice and fair outcomes

Budget Energy previously highlighted support for the objectives and direction of the Consumer Protection Programme. We signalled our support for an increased focus on vulnerability and how best to support consumers who may face an unforeseen change in their circumstances. This will be increasingly important as we continue to face uncertainty as a result of Covid-19. Over the next year we look forward to further involvement as the key actions are progressed.

In relation to proposed changes to licence requirements to support innovation in retail markets it is important that the UR involves key stakeholders including energy suppliers in fully scoping this work. It will be essential to clearly identify how any changes will support innovation in the market, identify the requirements placed on suppliers and the clear, tangible outcomes for consumers

Strategic Objective 2: Enabling 21st Century networks

In general, the actions listed in terms of Price Controls are as expected in terms of key regulatory activities throughout the year across both water and energy markets.

Additional detail will be required in relation to the Digitalisation Strategy for NI to support a more customer focused framework. In addition, the planned scoping exercise to review electricity network tariff structures will be of particular interest to electricity supply companies such as Budget Energy.

Given the potential significance of these two work areas on the operation of energy supply companies it will be critical for UR to keep suppliers updated on progress.

Strategic Objective 3: Ensuring security of supply and a low carbon future

A key activity listed within this objective is related to the development of a new Energy Strategy for Northern Ireland. Budget Energy as a key stakeholder is committed to informing and supporting the development of this strategy

This strategy will provide the strategic direction across all areas of energy efficiency, renewables, energy transition and low carbon future. The development of the revised energy strategy will influence the actions listed under this objective and it is important that the actions reflect the direction of travel in terms of policy.

Organisational Objectives

Generally Budget Energy would have limited comment in relation to NIAUR organisational objective as these relate more to corporate actions and supporting staff within the organisation.

However, in line with changes as a result of Brexit there are two key actions listed in relation to reviewing the existing legislative framework and ensuring all licences and codes align with the terms of the EU Exit. Although accepting this is primarily a review exercise and may relate to the statutory functions of NIAUR if any amendments to legislation or licence requirements are required there should be an impact assessment of the proposed changes on the role, operation and requirements placed upon suppliers.

Budget Energy confirms that we will continue to work with the Utility Regulator and other stakeholders in delivery of the Forward Work Programme to ensure consumers are protected, benefit from choice, competition and high levels of service.

For any questions relating to this response please contact Emma Martin on email emma.martin@budgetenergy.co.uk or by phoning 0800 012 1177.

Your Sincerely,

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