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John French
Utility Regulator
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22 February 2021

Dear John,

On behalf of Energy Group in the Department for the Economy, I am writing in response to the publication of the Utility Regulator's Forward Work Plan (FWP) for 2021-22, which the Department welcomes.

I want to first acknowledge the contribution of your team in the Utility Regulator in contributing to key energy priorities over the past year including managing the impacts of Covid-19, implementing the Clean Energy Package, developing a new Energy Strategy and administering the Northern Ireland Renewables Obligation. Our teams have worked closely to deliver the best outcomes for consumers in these areas and we have committed to maintaining this approach going forward.

I welcome the Draft Forward Work Programme and, in particular, those areas that relate to regulatory issues that will result from future energy policy and our requirement to contribute to the UK's commitment to net zero emissions by 2050. There will be significant changes to energy policy in Northern Ireland and the Utility Regulator will have a key role to play in ensuring this is achieved in a cost effective manner for consumers which both enables and protects them.

Areas of the proposed work programme I would like to draw particular attention to that will be vital for future energy policy include:

- Facilitating innovation in energy markets;
- Considering decarbonisation expenditure within price controls;
- Developing a consumer-focused Energy Strategy;
- Facilitating biomethane injection into the gas grid; and
- Reviewing the adequacy of the Regulator's legislative remit.

In addition, proposed projects relating to implementing the Electricity Directive and Clean Energy Package and ensuring the licensing regime reflects the terms of EU Exit, will be vital in the context of our future relationship with the EU. I would also highlight that developing a registration platform under REMIT and implementing the existing and new REMIT regimes may be a more significant piece of work than the Forward Work Programme currently has estimated.

It is particularly important that we recognise the joint work we need to do in the development of energy matters contained in both the Protocol and the Trade & Cooperation Agreement.

You will be aware from your involvement in the development of a new Energy Strategy that it will bring about significant changes in our energy sector and the relationship it has with consumers. Our Minister has already stated her commitment to growing the hydrogen economy and setting a renewable electricity target of no less than 70% by 2030.

Whilst the specific policies implemented will be determined through the Energy Strategy and the Options Consultation due to be published in March, we know that we will need to expand energy efficiency, grow our renewables base, incorporate new and emerging technologies, develop an integrated, smart, digitised and flexible energy system across heat, power and transport and ensure that consumers are enabled and protected through all these changes. The Utility Regulator will have a significant role in these areas.

In developing new energy policies, we have restructured Energy Group in the Department for the Economy and substantially increased our resources. It is very clearly not for the Department to interfere in the office of the Utility Regulator, however, given the size of the task of decarbonising our energy sector, that 'business as usual' also has to continue, we would be supportive of an increase in resources in the Utility Regulator if you were to consider it necessary.

I trust this response is useful and look forward to continuing to work together and ensure the best outcomes for local consumers.

Yours sincerely,



Richard Rodgers
Head of Energy