

Briege Tyrie  
The Utility Regulator  
14 Queen Street  
Belfast, BT1 6ED

19<sup>th</sup> February 2021

Dear Briege,

### **Forward Work Programme 2021-2022**

Firmus energy operates a bundled Distribution and Supply business within our Ten Towns Licensed Area pursuant to an established regulatory framework, made up of the terms of the licences granted in March 2005 and the legislative regime set down in the Gas (Northern Ireland) Order 1996 (as amended). Since 2006, firmus energy has held a gas supply licence in the Greater Belfast and Larne Area and more recently in the West Area.

Firmus energy is committed to working with the Utility Regulator (UR), Department for the Economy (DfE), the Consumer Council for Northern Ireland (CCNI) and other stakeholders with a view to providing the benefits of natural gas to as many consumers as possible in Northern Ireland in a socially responsible manner. To this end, we welcome the opportunity to respond to the UR's consultation on the Forward Work Programme (FWP) 2021-2022.

### **Forward Work Plan and Resources**

The UR has set out its comprehensive work plan for the next year reflecting projects which are aligned to its legislative, statutory and regulatory obligations. The proposed workload for the UR considers projects that commenced during 2020/21 (or earlier) and also new work streams that have emerged.

Whilst we recognise and support the projects set out by the UR, we must note the resource requirement to fulfil such an extensive work plan. The UR has stated that uncertainties around Brexit, the impact of Covid-19 and the evolving strategic landscape in both energy and water may result in the need to make choices about the timing and scope of some of its FWP projects.

During 2020 firmus energy's business continuity measures to address the challenges of Covid-19, demanded the implementation of numerous operational and organisational changes. Our business has proven resilient, with operations and services being sustained for our customers, stakeholders and employees. From this experience alone, we recognise the importance of prioritising operational activities and diverting resources to the most essential work streams. We believe the continuation of restrictions into, if not throughout 2021, will place additional pressure on the UR's ability to manage and deliver such a comprehensive programme of work, and we believe there would be benefit for both the UR and its stakeholders in identifying those projects which are critical for deliver in the next 12 months.

We would ask that the impacts of Covid-19 on Network Operators and energy Suppliers are also duly considered by the UR. As previously discussed with the UR, firmus energy's Regulatory Affairs team consists of two FTEs, who share responsibility for regulatory matters across both our Distribution and Supply businesses.

### **Reviewing the gas regulatory frame work to facilitate possible Bio-methane injection**

Firmus energy has been an active participant and remains fully committed to supporting Northern Ireland's developing Energy Strategy. We believe we have a critical role to play in the decarbonisation of Northern Ireland and achieving net zero carbon by 2050. As such, firmus energy strongly supports the UR's ongoing programme of work to develop a regulatory framework to facilitate the injection of bio-methane into the natural gas infrastructure. It is imperative that Northern Ireland's gas networks do not get left behind in terms of new technological improvements and network advancements being adopted throughout GB and Europe. We would expect that this programme of work might establish a robust foundation for consideration of future fuels within the natural gas infrastructure, such as hydrogen. Firmus energy has already engaged extensively with the UR on this project and is committed to supporting the UR with its delivery.

### **New Meter Solutions for the Natural Gas Networks**

Firmus energy notes that the UR's FWP makes no reference to consideration of new metering solutions for the natural gas industry in Northern Ireland. Whilst securing long-term manufacturing (supply) and maintenance support for Northern Ireland's gas metering solutions is a key driver for this work stream, the recent Covid-19 pandemic and the technical capabilities of the current pay as you go (PAYG) meters, has acted as a catalyst for this project.

Following the outbreak of the Covid-19 pandemic in 2020, the Gas Metering Solutions Group (GMSG) was established by the UR and gas industry stakeholders, with the first meeting taking place in July 2020. Firmus energy is an active participant in this the GMSG.

We believe this project is a matter of imminent importance and the programme of work currently being undertaken by this group, not least given its reach across the natural gas industry and consumers, ought to be identified explicitly within the UR's FWP in 2021 -2022.

### **Meter Reading Responsibilities**

Similar to new metering solutions described above, firmus energy also notes the UR's FWP does not make reference to the potential reassignment of meter reading responsibilities within the natural gas industry. We recognise that this is included within GD23 considerations, however, would note the requirement for significant consultation (including Supplier/Consumer engagement), to ensure clarity on the UR's expectations in the event of a reassignment of meter reading obligations (from Suppliers to DNOs) during the GD23 horizon.

## Conclusion

The past year has given rise to many challenges for the gas market and the wider utilities industry to navigate and overcome. Firmus energy has confronted these challenges with a committed determination, and implemented many organisational changes to ensure we continue to operate and provide outstanding customer service to our c.100k customers across Northern Ireland. We believe many of the challenges which have arisen as a result of Covid-19 will remain in 2021, if not beyond. As such, we will continue to work to ensure optimal continuity of our operations and customer service during these difficult times.

We further recognise the impact of the current circumstances on our stakeholders, including the UR. With this in mind, we believe it is imperative that our industry works together to ensure that, collectively, we prioritise and deliver optimal service provision for Northern Ireland's natural gas customers, in accordance with our legislative, statutory and regulatory obligations.

To ensure our industry obligations can be fulfilled, there must be industry-wide engagement and appreciation for each company's ability to provide appropriate resource to support delivery of the UR's FWP. This should further assist the UR in determining which individual projects set out in the FWP are of highest priority over the next 12 months.

Firmus energy looks forward to our continued engagement with the UR, as we support delivery of the UR's FWP. We very much recognise the importance of assisting the UR implement the 2021-2022 strategic objectives, as discussed above, and can assure the UR of our willingness to do so.

Should you have any further questions, please do not hesitate to contact us.

Kindest regards,

A handwritten signature in black ink that reads "K Kidd". The letters are written in a cursive, slightly slanted style.

Kathryn Kidd

Regulatory Affairs Manager