21/10/2026

By email only
Committee.Economy@niassembly.gov.uk.

RE: Renewable Electricity Generation Bill - Call for Evidence

Flogas Energy welcomes the opportunity to respond to the Committee for the Economy's Call for Evidence on the Renewable Electricity Generation Bill (the "**Bill**").

For the purpose of this response, Flogas Energy refers collectively to Budget Energy Limited, Flogas Natural Gas Ltd and Flogas Enterprise Solutions Limited. Budget Energy, based in Northern Ireland, serves over 120,000 customers, while Flogas Natural Gas and Flogas Enterprise Solutions contribute significantly to energy provision across the region. These entities operate within the DCC Energy plc Group, which also has a portfolio of renewable electricity generation, including solar, wind and anaerobic digestion.

Flogas Energy broadly supports the objective of the Bill and recognises that a Contracts for Difference, or CfD, framework has the potential to provide greater investment certainty for renewable generators and supports the development of additional renewable electricity generation in Northern Ireland. However, Flogas Energy notes that the Bill is primarily enabling legislation. A significant amount of the operational, financial and governance details will therefore need to be established through future regulations, including the design of allocation schemes, eligible generation, key contractual terms, supplier levy arrangements, exemptions, collateral requirements and reporting obligations.

Flogas Energy's response focuses on those provisions where it has relevant experience or a direct interest across electricity supply, renewable generation, market operation and customer outcomes. Flogas Energy has not sought to comment in detail on every administrative or technical provision of the Bill, but has instead focused on those areas where it can provide relevant evidence on the potential consequences of the proposed framework.

Flogas Energy notes that the Bill is primarily enabling legislation, with significant elements of the financial and operational framework expected to be established through subsequent regulations. Where those regulations introduce costs, financial requirements, reporting obligations or other responsibilities for market participants, Flogas Energy believes early consultation, appropriate impact assessments and proportionate implementation arrangements will be essential. More broadly, affordability and consumer confidence should remain central to the development of the framework. Consumers already fund a range of network, market, system and policy costs through electricity bills. Renewable investment has the potential to provide important long-term benefits, but new support mechanisms should therefore be impact assessed alongside existing and anticipated costs rather than considered in isolation.

Contracts for Difference - Clause 2

Flogas Energy broadly agrees that CfDs should form the basis for encouraging renewable electricity generation in Northern Ireland. Flogas Energy recognises that an appropriately designed CfD framework can provide greater investment certainty, help support the financing of renewable projects and encourage additional renewable generation. Similar frameworks have proved successful in a number of other jurisdictions to support the development of renewable generation.

However, the success of the framework should not be assessed solely against the volume of renewable generation secured. From both an industry and consumer perspective, it is important that consideration is also given to affordability, security of supply, deliverability, competition and value for consumers, but also

transparency for suppliers who will incur a levy to cover the overall costs.

Flogas Energy welcomes the Department for the Economy's (the "**Department**") recognition in the REPG Notice of Intention ("**Notice**") that sufficient participation by the current pipeline of potential projects is important to ensure competition in the first allocation round and securing value for electricity consumers. The Notice also confirms the Department's intention that support will be allocated through a competitive auction process.

In Flogas Energy's view, the principle of consumer value should remain central throughout the development and operation of the scheme, alongside the need to create an environment capable of supporting long-term renewable investment.

Potential amendment:
Where regulations introduce or materially alter core financial terms, Flogas Energy would welcome a requirement for appropriate consultation and impact assessment, including consideration of investment signals, scheme costs and potential consumer impacts.

From a consumer perspective, it should be possible to understand how these decisions contribute towards securing renewable investment while delivering value for money.

Our specific comments on individual clauses in the Bill follow:

Eligible Generators and Eligible Generating Stations - Clause 3

Flogas Energy supports appropriate flexibility for the Department to define eligible generating activities through regulations, enabling the framework to respond to technological and market developments. Eligibility should, however, remain transparent and aligned with clear policy objectives.

The REPG Notice of Intention indicates that the first allocation round will support eligible onshore wind and solar PV projects, including specified hybrid projects involving onshore wind, solar PV and/or storage. Flogas Energy welcomes this early clarity.

A similar level of transparency should apply to future allocation rounds, providing investors and market participants with sufficient visibility of the generation capacity, technologies and projects likely to qualify. Eligibility decisions should also consider wider system needs and consumer value, rather than renewable capacity alone.
Flogas Energy also recognises that Power Purchase Agreements provide an established route to market for renewable generators and can support investment, competition and progress towards net zero. The REPG framework should acknowledge the positive role of PPAs and supplier-led route-to-market services while preserving commercial flexibility and avoiding additional or duplicative regulation.

Potential amendment:
The Bill or subsequent regulations should provide appropriate transparency on technology eligibility and recognise the role of PPAs and supplier-led route-to-market services in supporting renewable generation and competition, without introducing unnecessary additional regulation.

Counterparty - Clause 4

Flogas Energy has no objection to the use of an independent counterparty to administer CfD contracts.

Flogas Energy does not currently have a preferred organisation to undertake the role. In its view, the decision should be based on appropriate expertise, independence, governance, operational capability, efficiency and

value for consumers.

Flogas Energy's principal interest relates to the accountability and costs of the counterparty where those costs are subsequently recovered through any levy imposed on the supplier community, which would ultimately add to consumer bills.

Potential amendment:
Flogas Energy would welcome appropriate governance and reporting arrangements for the counterparty, particularly transparency over material costs ultimately recovered through any proposed levy.

Where suppliers and ultimately consumers may fund these costs, it is important that there is appropriate transparency over the counterparty's operating costs and confidence that costs recovered through the scheme are necessary, proportionate and efficiently incurred.

Allocation Rounds - Clause 5

Flogas Energy supports the Department's ability to conduct allocation rounds and agrees that the relevant notices, standard terms and allocation rules should be published.
Competitive allocation should provide an important mechanism for supporting price discovery and securing value for consumers.

Flogas Energy welcomes the Department's intention that REPG support will be allocated through a competitive auction process and its recognition that sufficient participation is important to delivering competition and consumer value. Predictability will also be important for renewable investors. Where possible, sufficient forward visibility should therefore be provided around allocation rounds, eligibility requirements and key conditions.

Potential amendment:
Allocation rules and material eligibility requirements should be published sufficiently in advance to support effective competition and informed investment decisions.

Allocation Schemes - Clause 6

Flogas Energy broadly supports the proposed allocation scheme framework, including the involvement of the NI electricity grid system operator in determining allocation outcomes within the parameters established by the Department.

From Flogas Energy's perspective, the most significant elements are those relating to strike prices, competitive considerations, generation targets, capacity and the overall value and limits of the scheme.

These elements can have implications for investment signals, scheme costs and ultimately consumer outcomes. The apparent cost of supporting generation should also not necessarily be viewed in isolation from relevant wider system implications. Where practicable, consideration should be given to the broader costs and benefits associated with different allocation decisions.

Potential amendment:
The Department should provide appropriate transparency regarding the principal methodology and assumptions supporting allocation schemes, particularly where decisions materially affect the overall cost or value of the scheme.

Agreements to Modify Certain Standard Terms - Clause 7

Flogas Energy recognises that some flexibility may be necessary to address genuine administrative or project-specific circumstances following allocation.
However, contractual certainty is important to renewable investors. The circumstances in which contractual terms may subsequently be modified should therefore be clear and consistently applied.

Equally, post-allocation modifications should not materially change the basis upon which support was initially awarded where doing so could undermine the competitive allocation process or materially increase scheme costs.

Potential amendment:
Material changes to CfD terms following allocation should be appropriately governed, particularly where modifications could affect support levels, competitive outcomes or scheme costs.

CfD Notifications - Clause 8

Flogas Energy recognises the need for clear and timely notification to successful generators and the counterparty following an allocation decision.

Flogas Energy does not currently identify a material supplier or consumer impact arising from the proposed administrative notification arrangements and therefore has no specific amendment to propose.
Flogas Energy would expect notification requirements to provide generators with sufficient certainty regarding the material terms of their allocation.

Allocation: Offer to Contract on Standard Terms - Clause 9

Flogas Energy supports the principle that a successful generator should receive an offer consistent with the relevant allocation notification and applicable standard terms. From an investment perspective, clear timelines and predictable contractual processes can provide important certainty following a successful allocation.

Flogas Energy does not propose detailed amendments to the administrative contracting process. However, any subsequent regulations should seek to maintain consistency and certainty for successful projects.

Supplier Levy - Clause 10

Flogas Energy supports the overall objective of increasing renewable electricity generation and recognises that an appropriate funding mechanism will be required to support the operation of the Contracts for Difference framework.

However, Flogas Energy is not currently satisfied that sufficient evidence has been provided to demonstrate that a levy on electricity suppliers represents the most appropriate, proportionate or equitable mechanism for funding the scheme.

Electricity suppliers already operate within a market where significant network, system, market and policy-related costs must be managed as part of the overall cost of supplying electricity. Introducing an additional supplier levy has the potential to increase operating and financing costs, create additional cash-flow requirements and place further pressure on the retail market.

While the proposed levy would be imposed on suppliers, its potential consequences should not be considered solely as a supplier issue. Additional unavoidable costs within the electricity supply chain ultimately affect customer bills and should therefore be fully understood before a funding model is determined.

In Flogas Energy's view, the Department should undertake further assessment of potential funding and cost-recovery options and demonstrate why the proposed approach represents the best outcome for the Northern Ireland electricity market and consumers.

Particular consideration should be given to the cumulative impact of energy policy costs.
Consumers already fund a range of network, system, market and policy-related costs through electricity bills. Renewable investment may provide important long-term benefits, including greater security of supply and reduced exposure to volatile fossil fuel prices. However, these benefits need to be considered alongside the short and medium-term costs required to deliver the scheme.

This is particularly important given the wider policy focus on energy affordability. There is a risk of poor policy alignment where government interventions seek to provide financial support or relief to consumers while separate energy policies introduce additional costs into the electricity supply chain. Flogas Energy therefore believes that new CfD-related costs should be considered alongside existing and planned network, system, market and wider policy costs rather than assessed in isolation.

The fundamental questions should remain:
Who ultimately bears the cost? When does that cost arise? What measurable consumer benefit is expected in return?

A whole-system cost-benefit assessment would provide greater confidence that the selected funding approach supports renewable development without creating disproportionate additional costs for suppliers or consumers.

Impact on competition and supplier viability

The potential impact on retail competition should also form part of the assessment. Supplier levy arrangements may affect businesses differently depending on factors such as customer volumes, working-capital requirements and the timing of levy payments and recovery.

Any funding mechanism should therefore be assessed for potential impacts on:

- Supplier cash flow and financing requirements;
- Retail competition;
- Supplier viability;
- Barriers to market entry;
- Tariff setting and cost recovery; and
- The ability of suppliers to invest in innovation and customer propositions.

The objective should be to support renewable generation without introducing unnecessary financial pressures that could inadvertently weaken retail competition or result in poorer outcomes for consumers.

Governance and consumer confidence

Strong governance will also be critical to maintaining confidence in the framework. Previous energy interventions provide relevant lessons in this regard.

In Northern Ireland, the Renewable Heat Incentive demonstrated the importance of effective governance and robust policy design. The subsequent RHI Inquiry led to recommendations for change which were accepted by the Northern Ireland Executive, with governance forming part of the subsequent reform programme. Flogas Energy does not suggest that the Renewable Heat Incentive is directly comparable with the proposed CfD framework. Rather, the lesson it draws is that good policy intent must be supported from the outset by effective governance, clear accountability, appropriate cost control and joined-up oversight.

Similarly, previous consumer experiences with long-term energy arrangements reinforce the importance of ensuring that the wider implications of policy interventions are fully understood before implementation.

For the CfD framework, the respective responsibilities of the Department, Utility Regulator, system operator and counterparty should therefore be clear, with appropriate oversight of scheme costs, funding requirements and consumer outcomes.

Potential amendments:

Before regulations introducing a supplier levy are made, Flogas Energy recommends that consideration be given to requiring the Department to undertake consultation and publish an assessment considering:

- Alternative funding and cost-recovery options;
- Expected scheme and levy costs;
- Potential customer bill and affordability impacts;
- Supplier operating, cash-flow and financing impacts;
- Implications for retail competition and supplier viability;
- Interaction with existing and anticipated network, system, market and policy costs;
- Distributional impacts across different customer groups;
- Potential volatility in levy requirements;
- Forecasting and reconciliation arrangements; and
- Expected short, medium and long-term consumer and system benefits.

This assessment should demonstrate why the preferred funding mechanism represents a proportionate and appropriate approach when compared with credible alternatives.

Where costs primarily arise from the delivery of strategic government energy and decarbonisation objectives, Flogas Energy believes consideration should also be given to whether government funding, underwriting or alternative cost-recovery arrangements could provide a more appropriate allocation of costs than reliance on electricity suppliers.

Flogas Energy is therefore not opposing the development of an appropriate funding mechanism for the CfD framework. Its position is that the case for placing additional costs on electricity suppliers has not yet been sufficiently demonstrated and should be subject to further evidence, consultation and assessment before the funding approach is determined.

Exemptions from the Supplier Levy

As outlined above, Flogas Energy considers that the case for a supplier levy requires further assessment before the detailed operation of exemptions can reasonably be considered.

If a supplier levy is ultimately demonstrated to be the preferred funding mechanism, Flogas Energy recognises that the Department may require flexibility to exempt certain electricity supplies.

However, any exemption would potentially alter the base across which scheme costs are recovered and may therefore affect the amounts borne by remaining suppliers or customer groups.
Exemptions should consequently be supported by a clear policy rationale and an assessment of their distributional consequences.

Supplier Levy - Supplementary Clause 11

Flogas Energy believes Clause 11 should be considered alongside Clause 10 rather than as a separate policy question.

If further assessment demonstrates that a supplier levy is the most appropriate funding mechanism, Flogas Energy recognises that appropriate arrangements will be required for the collection and recovery of legitimate levy liabilities. However, the counterparty's powers relating to financial collateral and recovery of supplier debts should be accompanied by appropriate transparency and procedural safeguards.

In particular, there should be a clear distinction between genuine supplier default and sums subject to legitimate calculation, reconciliation or other disputes. This would protect the financial integrity of the scheme without creating unnecessary risk for suppliers where genuine calculation or reconciliation issues arise.

Payments to Electricity Suppliers - Clause 12

Flogas Energy supports the principle that where funds are held by the counterparty in excess of the amounts required, there should be an appropriate mechanism for returning those sums.

Where regulations require suppliers to provide a specified benefit to customers, we also support the principle that consumers should receive the intended benefit.

However, this provision should be considered as part of the overall funding model. If suppliers are expected to collect costs through the levy and subsequently distribute surplus amounts or benefits to consumers, the framework should avoid creating unnecessary administrative complexity and cost.

Suppliers operate different tariff, billing and payment arrangements, including prepayment.

A prescribed mechanism may therefore require changes across billing, finance, IT and customer communications.
There may also be circumstances where the administrative cost of allocating very small individual sums materially reduces the value of the benefit ultimately delivered. The objective should be to ensure that the maximum practical value reaches the consumer rather than being reduced through avoidable administration.

Community Benefit - Clause 13

Flogas Energy supports the principle that communities hosting or affected by renewable infrastructure should be capable of appropriately sharing in the benefits associated with renewable development.
However, community benefit requirements should be transparent, proportionate and clearly defined.

From a wider cost perspective, consideration should also be given to whether additional community benefit requirements affect project costs and, consequently, the level of support sought through the CfD framework.

There should also be appropriate consideration of how statutory community benefit requirements interact with existing developer commitments to avoid unnecessary duplication.

Potential amendment:
Community benefit requirements should be based on clear principles covering transparency, proportionality and accountability.
Any material implications for project or CfD costs should be appropriately recognised as part of the assessment of the overall scheme.

Sums Held by, and Liabilities of, the Counterparty - Clause 14

Flogas Energy recognises the need for clear arrangements governing how the counterparty manages funds and meets its liabilities.
This is particularly important if the final framework involves material funding being collected from electricity suppliers. Where the counterparty has insufficient funds, and available sums or additional liabilities must be apportioned, suppliers should have appropriate visibility of how those decisions are made.

Equally, where the counterparty holds material surplus funds, there should be clarity regarding how these are treated. This would provide greater accountability around the management of funds collected through the framework.

Information and Advice - Clause 15

Flogas Energy recognises that appropriate information will be required to administer and oversee the CfD framework.

However, information requirements placed upon suppliers or generators should be necessary, proportionate and clearly connected to the operation or oversight of the scheme.

Suppliers already provide information through existing regulatory and electricity market reporting arrangements. Where required information is already available through these mechanisms, Flogas Energy encourages its use rather than the creation of duplicative reporting obligations.

This will help maintain regulatory transparency while avoiding unnecessary compliance costs. Appropriate safeguards should also apply to commercially sensitive and confidential information.

Oversight and Resolution of Disputes - Clause 16

Flogas Energy supports appropriate independent oversight of allocation rounds and clear arrangements for resolving disputes.

Strong governance will be particularly important given the financial flows associated with the CfD framework and the number of bodies potentially involved in its operation.

The responsibilities of the Department, Utility Regulator, system operator, counterparty and any appointed monitor should be sufficiently clear to maintain accountability and avoid unnecessary duplication.

Monitoring should provide transparency around material findings while dispute arrangements should allow affected parties to address significant procedural or administrative issues in a timely and proportionate manner.

Further Provision in Connection with CfDs - Clause 17

Flogas Energy recognises that the Department will require a degree of flexibility to make further regulations necessary to operate the CfD framework.

However, Clause 17 provides potentially broad regulation-making powers. These powers could have consequences for generators, suppliers, consumers and wider market participants depending upon how they are exercised.

Flogas Energy's broader concern regarding the funding framework is relevant here. Regulations made through Clause 17 should not be capable of introducing material new financial or operational obligations without appropriate scrutiny of the consequences.

Potential amendment:

Where Clause 17 is used to introduce material:

- *Costs;*
- *Financial liabilities;*
- *Operational obligations;*
- *Reporting requirements; or*
- *Changes affecting market operation,*

the Department should undertake appropriate consultation and impact assessment before the requirements take effect.
This should include consideration of affordability, competition and implementation costs where relevant.

Making of Regulations - Clause 18

Much of the detail that will determine the financial and operational impact of the CfD framework will not be contained within the primary legislation but will instead be established through secondary regulations.

Flogas Energy therefore strongly supports the requirement for the Department to consult electricity suppliers

and other affected stakeholders before regulations are made.

However, consultation will need to be sufficiently detailed and undertaken sufficiently early to allow stakeholders to meaningfully assess and influence proposals.
This is particularly important for the future funding mechanism. The existence of a regulation-making power should not mean that the choice of a supplier levy has effectively been predetermined before alternative funding approaches, and their impacts have been assessed.

Where regulations affect areas including:

- Scheme funding;
- Supplier levy methodologies;
- Financial liabilities and collateral;
- Supplier default arrangements;
- Generator eligibility;
- Material contractual terms;
- Reporting requirements;
- Consumer benefit mechanisms; or
- Implementation responsibilities,

stakeholders should have access to sufficient evidence to understand the likely consequences.

Potential amendment:
Flogas Energy recommends that the Committee considers whether Clause 18 should provide that:

1. *Consultation applies to material amendments to existing regulations as well as new regulations.*
2. *Material regulations are accompanied by appropriate impact assessment.*
3. *Consultation takes place sufficiently early for stakeholder evidence to influence the policy approach.*
4. *Where supplier funding is proposed, alternative funding models and cumulative consumer impacts form part of the evidence presented for consultation.*

This is particularly important to avoid significant financial or operational policy decisions being taken through secondary legislation without sufficient consideration of their wider consequences.

Consequential and Other Provisions - Clause 19 and Schedule 2

Flogas Energy has no specific comments on the consequential legislative provisions.

Flogas Energy's wider position remains that regulations made under the Bill which create material financial, operational or consumer consequences should be subject to appropriate consultation, impact assessment and scrutiny.

Interpretation - Clause 20

Flogas Energy has no specific amendments to propose regarding the interpretation provisions.

Where definitions subsequently established or materially amended through regulations affect generator eligibility, supplier liabilities or customer outcomes, Flogas Energy would expect the consultation and impact assessment principles outlined above to apply.

Commencement - Clause 21

Flogas Energy supports an orderly and transparent implementation process following Royal Assent.
The recently published notice of intention makes clear that preparations for the first allocation round are progressing while the REPG remains subject to necessary State aid approvals and implementation of the relevant legal framework.

Flogas Energy recognises the importance of providing sufficient certainty to renewable investors and avoiding unnecessary delay. However, implementation certainty is equally important for other affected market participants.

If subsequent regulations introduce new financial, reporting, billing, settlement, customer payment or systems obligations, sufficient lead time should be provided to implement these effectively.

This becomes particularly important if a supplier-funded mechanism is ultimately selected following the further assessment recommended under Clause 10.

Key Recommendations for Consideration

Clause	Area	Recommendation	Rationale / intended outcome
Clause 1	Overall CfD framework	Periodically review the framework against renewable delivery, scheme costs, consumer value and market outcomes.	Ensures success is measured against both renewable delivery and consumer outcomes.
Clause 2	CfD financial terms	Consult and assess impacts where material changes are made to strike prices, reference prices, contract duration or payment arrangements.	Provides transparency over investment signals, scheme costs and consumer impacts.
Clause 3	Eligible generation	Publish eligibility criteria and material changes sufficiently in advance of allocation rounds.	Provides investment certainty and supports effective participation.
Clause 3	PPAs and route to market	Recognise the positive role of PPAs and supplier-led route-to-market services without introducing unnecessary additional regulation.	Supports renewable investment, competition, a just transition and the route to net zero while preserving commercial flexibility.
Clause 4	Counterparty	Ensure appropriate governance, accountability and transparency over counterparty costs.	Provides confidence that scheme administration costs are appropriately controlled.
Clauses 5–6	Allocation	Maintain transparent, competitive arrangements and provide visibility of the assumptions supporting strike prices, capacity and scheme limits.	Supports investment while maintaining competition and consumer value.
Clause 7	Contract modifications	Ensure material post-allocation changes are appropriately governed.	Protects contractual certainty and the integrity of competitive allocation.
Clause 10	Supplier levy	Further assessment is required before determining that electricity suppliers should fund the scheme. Assess credible alternative funding and cost-recovery options first.	The case for placing additional costs on suppliers has not yet been sufficiently demonstrated.
Clause 10	Affordability	Assess cumulative electricity costs, customer bill impacts, supplier financing, competition and expected consumer benefits.	Ensures the levy is considered within the wider affordability picture rather than in isolation.
Clause 10	Alternative funding	Consider government funding, underwriting and alternative cost-recovery mechanisms.	Tests whether supplier funding is the most appropriate and equitable approach for strategic policy costs.
Clauses 10–11	Collateral/default	If supplier funding proceeds, ensure collateral and default arrangements are transparent, proportionate and risk-based.	Avoids unnecessary financing costs and disproportionate impacts on competition or supplier viability.
Clause 12	Consumer payments	Consult suppliers on any mechanism requiring benefits to be passed to customers, including prepayment customers.	Ensures arrangements are operationally workable and do not unnecessarily reduce the value reaching consumers.
Clause 13	Community benefit	Ensure requirements are transparent and proportionate and assess material impacts on project or CfD costs.	Supports community benefit without creating poorly understood additional scheme costs.
Clause 14	Counterparty funds	If supplier funding proceeds, provide transparency over funds held, liabilities, shortfalls and surpluses.	Provides accountability over money ultimately contributed through the funding mechanism.
Clause 15	Information requirements	Use existing regulatory and market information where possible and avoid unnecessary duplication.	Reduces additional compliance and administrative costs.
Clause 16	Oversight and disputes	Ensure clear accountability, transparent monitoring and proportionate dispute resolution.	Supports strong governance and confidence in the framework.
Clause 17	Further regulations	Consult and assess impacts where regulations create material new costs, liabilities or operational requirements.	Provides safeguards around the Department's broader regulation-making powers.
Clause 18	Consultation	Apply consultation to material amendments as well as new regulations, supported by appropriate impact assessment.	Important given that much of the detailed framework will be established through secondary legislation.
Clause 18	Funding decisions	Where supplier funding is proposed, consultation should consider alternative funding options and cumulative consumer and market impacts.	Ensures supplier funding is evidenced rather than assumed as the default approach.
Clause 21	Implementation	Provide reasonable implementation periods for material new obligations.	Reduces operational risk and unnecessary finance, billing, IT and customer communication costs.
Schedule 1	Counterparty transfer	Ensure continuity and transparency over funds, liabilities and any supplier collateral if the counterparty changes.	Reduces financial uncertainty and avoids disruption to existing arrangements.

Overall, Flogas Energy's recommendations are not intended to alter the fundamental purpose of the Bill or significantly constrain the Department's ability to develop the REPG framework. Rather, they are intended to ensure that the flexibility provided through the Bill is accompanied by proportionate safeguards around transparency, governance, affordability, competition and consumer outcomes. Given the extent to which detailed arrangements will be established through secondary legislation, Flogas Energy considers Clauses 10, 11 and 18 particularly important from a supplier and consumer perspective.

Conclusion

Flogas Energy recognises the importance of creating sufficient certainty to support renewable investment and maintain a viable pipeline of projects. Equally, the framework must provide confidence for consumers and market participants that costs are appropriately governed, transparently assessed and capable of delivering the benefits intended.

Flogas Energy's principal comments therefore relate to those provisions capable of affecting renewable investment, electricity suppliers, the operation of the market and consumers, particularly the supplier levy, affordability, competitive allocation, contractual certainty, collateral and default arrangements, reporting requirements and future regulation-making powers.

Renewable generation has the potential to deliver significant longer-term benefits to Northern Ireland, including greater security of supply and reduced exposure to fossil fuel price volatility. However, those benefits should be considered transparently alongside the short and medium-term costs associated with delivering the scheme.

Where additional costs are recovered through the electricity market, affordability, supplier viability, investment signals and competition should form part of the assessment.
Previous energy interventions also demonstrate the importance of getting governance right from the outset. The experience of the Renewable Heat Incentive, and the governance reforms which followed the subsequent Inquiry, provides a relevant reminder of the importance of clear accountability, effective oversight and robust policy design[1]. Legacy solar rent-a-roof arrangements provide a separate consumer-focused lesson on the importance of understanding the longer-term implications of energy interventions and ensuring appropriate consumer understanding.

These examples should not be viewed as directly comparable to the proposed CfD framework. Rather, the lesson Flogas Energy draws is that good policy intent must be matched by strong governance, coordinated regulation, clear accountability and effective oversight throughout delivery.

In particular, Flogas Energy would welcome a joined-up assessment of CfD-related costs alongside wider network, system and policy costs already impacting electricity bills. This will be important in ensuring that measures intended to advance decarbonisation do not inadvertently undermine wider government objectives around affordability and consumer protection. As much of the detailed framework will be developed through secondary legislation, early engagement, transparent impact assessment and proportionate implementation arrangements will be critical.

In Flogas Energy's view, a framework based on **investment certainty, competitive allocation, strong governance, transparency, proportionality and demonstrable consumer value** provides the strongest basis for delivering increased renewable generation while maintaining confidence in Northern Ireland's wider energy transition.

Yours sincerely,

[1] Annex A Summary of Recommendations and Response.pdf