

**CALL FOR
EVIDENCE – UTILITY
REGULATOR
(SUPPORT FOR
DECARBONISATION
PREPARATION) BILL
2026**

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**Utility
Regulator** 

Executive Summary

The Northern Ireland Authority for Utility Regulation (UR) welcomes the Utility Regulator (Support for Decarbonisation Preparation) Bill 2026 as a positive and constructive step in supporting Northern Ireland's transition to net zero.

The Bill provides helpful clarity by placing the UR's ability to provide advice, information and assistance to the Department for the Economy (DfE) on a clear statutory footing. In doing so, it will enable the UR to contribute its regulatory, technical and market expertise in support of DfE's work in developing proposals, policies, strategies and plans relating to the energy sector.

The UR considers that the Bill broadly strikes an appropriate balance. It creates a workable framework for engagement with DfE, while recognising the UR's role as an independent economic regulator. Within that framework, the UR's contribution is intended to support and inform policy development, with decisions on policy direction remaining for Ministers and the Assembly.

The UR also considers it important that the practical operation of the Bill is supported by appropriate resourcing arrangements. Where work falls within the UR's existing statutory gas and electricity functions, it is expected that this can be supported through licence fee income. Where requests extend beyond those functions, it would be helpful for funding arrangements to be clearly defined.

The UR welcomes the Bill as a positive step in clarifying its role in supporting decarbonisation. As the energy sector continues to evolve at pace, the UR considers that there is merit in further development of its wider statutory framework to ensure it remains sufficiently flexible and supports the effective discharge of the UR's functions in a changing environment.

The UR remains committed to engaging constructively with the Committee and DfE as the Bill progresses.

Responses to Committee Questions

Clause 1(1)

Question: Does this part of Clause 1 give the Utility Regulator sufficient power and/or responsibility in order to help decarbonise the energy sector in Northern Ireland?

Answer: The UR considers Clause 1(1) to be a welcome and useful provision. It provides a clear statutory basis for the UR to support DfE through the provision of advice, information and assistance in connection with the development of proposals, policies, strategies and plans relating to the decarbonisation of the energy sector.

This clarity is helpful in enabling the UR to contribute its expertise in a structured and transparent way, particularly given the increasing complexity of the energy system and the scale of the decarbonisation challenge.

The UR's role in this context is to support DfE by providing regulatory insight, technical analysis and market understanding to inform its work. The Bill reflects that supporting role.

Clause 1(2)

Question: Should the Utility Regulator's support for decarbonisation be restricted to the provision of advice to the Department for the Economy?

Answer: As drafted, the Bill focuses on support to DfE, reflecting its lead role in relation to energy policy. The UR understands and supports that approach.

At the same time, decarbonisation is a cross-cutting area which can engage a range of departments and public bodies. In principle, the UR considers that there may be circumstances where its regulatory and technical expertise could usefully support work across government in this area.

If the Committee were minded to explore this further, it may wish to consider whether a similar, clearly defined power could apply in a broader governmental context. Any such provision would benefit from clarity in scope, as well as appropriate resourcing arrangements.

In this context, the UR notes that it would expect work carried out under the Bill to be aligned with its statutory functions or supported by suitable funding arrangements where this is not the case

The UR is also aware that questions have been raised in relation to the wording of "must" and "reasonable" within the draft Bill.

This drafting reflects the outcome of engagement with DfE during the Bill's development, including a focus on ensuring that the framework operates effectively in practice while maintaining the UR's position as an independent economic regulator. In particular, it enables the UR to respond positively and constructively to requests from DfE, while recognising that the UR must retain discretion as to how it exercises its functions, the advice it provides, and how it prioritises its resources within its statutory duties.

The inclusion of "reasonable" and "reasonably practicable" therefore provides an appropriate safeguard, allowing for effective engagement while ensuring that the UR is not constrained in how it discharges its regulatory responsibilities.

Clause 1(3)

Question: Do you support this aspect of Clause 1?

Answer: The UR is content with the definitions provided in Clause 1(3).

Clause 2

Question: Should the relevant provisions be commenced immediately after Royal Assent?

Answer: The UR supports commencement of the Bill following Royal Assent, so that there is clear statutory authority for the UR to support DfE in this area.

However, it would be helpful for any necessary operational and funding arrangements to be in place ahead of commencement, particularly where work may extend beyond the UR's existing statutory functions. Subject to that, the UR would welcome timely commencement.

Additional Information / Comments

The UR welcomes the Bill as a practical step in providing a clear statutory framework for engagement with DfE on decarbonisation preparation.

In doing so, the UR considers that it supports an effective and collaborative approach, enabling the UR to contribute independent regulatory, technical and market expertise to inform DfE's work, while maintaining clarity as to respective roles.

The UR remains committed to ongoing, constructive engagement with the Committee and DfE as scrutiny of the Bill continues.