Response ID [redacted]

Submitted to Utility Regulator (Support for Decarbonisation Preparation) Bill
Submitted on 2026-07-01 14:38:24

Introduction

1 What is your name?

name:
[redacted]

2 What is your email address?

email address:
[redacted]

3 Are you providing a submission on behalf of an organisation or business?

Yes

If yes, please provide the name of the organisation or business below:

Flogas Energy/Budget Energy

Consent

4 Please confirm that you have read the Northern Ireland Assembly Committee's Privacy Notice by clicking the button below.

yes:
Yes

5 How would you like your submission to be published?

Yes. Publish in full.

Utility Regulator (Support for Decarbonisation Preparation) Bill

Clause 1 (1)

6 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?

Yes

If no, what powers / responsibilities should the Bill confer on the Utility Regulator in order to support decarbonisation, beyond the provision of advice?:

Budget Energy and Flogas recognise the rationale for formally enabling the Utility Regulator to provide advice, information and assistance to the Department for the Economy in relation to decarbonisation policy. We acknowledge that this is intended to support the Department in developing proposals, policies, strategies and plans connected to delivery of energy sector decarbonisation.
We are broadly supportive of that principle. However, as highlighted in our original 2024 consultation response, our support is qualified by the fact that the Bill remains broad in drafting and limited in practical detail. There is currently insufficient clarity on what specific activities the Utility Regulator will undertake under these powers, how this role will develop over time, and how it will translate into future regulatory activity for suppliers. In the absence of that detail, it is difficult for licence holders to assess the likely implications for regulatory engagement, operational planning and future compliance expectations.
While the Bill does not itself introduce new regulatory powers or impose new obligations on suppliers, it is clear that it is intended to be the first step in a wider programme of legislative and regulatory reform. The Department has indicated that future work is expected in areas such as hydrogen, biomethane, smart metering, offshore renewables, demand-side flexibility and future licensing arrangements. These are significant areas for suppliers and customers alike, yet there remains limited visibility of the wider roadmap, anticipated timelines or likely impacts.
A further concern is that the Bill may increase the Utility Regulator's involvement at an earlier stage in policy development. Whilst we recognise the value of regulatory expertise, it will be important to ensure that suppliers continue to have meaningful opportunities to contribute to policy design and that formal consultation remains a genuine mechanism for influencing outcomes.
For that reason, while we support Clause 1(1), we consider it important that implementation is accompanied by a clear commitment to structured industry engagement and transparency as future policies and legislation are developed.

Clause 1 (2)

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

No

If no, who else should the Utility Regulator be able to provide decarbonisation advice to?:

While we understand why the Bill has been framed around the Department for the Economy, the decarbonisation of the energy sector does not sit within one department alone. It intersects with wider policy areas including climate obligations, environmental regulation, planning, infrastructure and system resilience. Restricting the Utility Regulator's support solely to the Department for the Economy may therefore be too narrow over the longer term.
In our view, consideration should be given to allowing the Utility Regulator to provide decarbonisation-related advice to other relevant departments where appropriate, particularly where policy decisions have a direct impact on the operation, regulation or development of the energy sector.
We also remain concerned by the wording in Clause 1(2) requiring the Utility Regulator to comply with any "reasonable request" from the Department, so far as reasonably practicable. The Bill does not define what constitutes a reasonable request, nor does it establish any framework explaining how such requests will be assessed, prioritised or challenged. The Assembly Research Paper identifies this issue as a key area requiring further scrutiny and clarification. From a supplier perspective, greater clarity is needed on how this provision will operate in practice, particularly where there may be resource constraints, differing priorities or disagreements on scope. Additional guidance would improve transparency and provide greater certainty regarding the future role of the Utility Regulator. The Utility Regulator should be able to provide decarbonisation advice, where appropriate, to other departments whose responsibilities intersect with energy policy, including departments involved in environmental regulation, infrastructure, planning and wider climate policy.
We also note that future policy development may involve input from several advisory and consumer-focused bodies, including the Consumer Council and the proposed Just Transition Commission. Clarity should therefore be provided on how advice from multiple organisations will be considered and how any conflicting or overlapping recommendations will be managed.

Clause 1 (3)

8 Do you support this aspect of Clause 1?

Yes

If no, please explain in the text box below.:

We have no specific objection to the definitions set out in Clause 1(3) and recognise that these provisions are intended to provide the legal framework for the Bill.
Our principal concern remains the practical application of Clauses 1(1) and 1(2), rather than the definitions themselves. The key issue for suppliers is understanding how these powers will be exercised in practice, how the Utility Regulator's role may evolve over time, and what that will mean in terms of future costs, regulatory activity and stakeholder engagement.

Clause 2

9 Should the relevant provisions be commenced immediately after Royal Assent?

Yes

If no, what conditions or restrictions might be placed on commencement?:

We do not object to the Bill commencing immediately after Royal Assent.
However, given the enabling nature of the legislation, commencement should be supported by clear communication from both the Department for the Economy and the Utility Regulator regarding how the new arrangements will operate in practice. This should include visibility of anticipated early activity, stakeholder engagement arrangements and any expected resource or cost implications.
Without that clarity, there is a risk that the framework comes into effect before licence holders have any meaningful visibility of its practical consequences.

Additional Information/Comments

10 Please provide information on any other potential amendments that you feel would enhance the Bill and the rationale for those.

Additional information or comments.:

Budget Energy and Flogas remain supportive of the overall objective of ensuring that the Department for the Economy can access the technical expertise of the Utility Regulator when developing decarbonisation policy. However, many of the concerns raised in our original 2024 consultation response remain relevant. There remains limited visibility on how the Utility Regulator's expanded role will operate in practice, how this activity will develop over time, and what the resulting impacts may be for licence holders and consumers. While the Bill itself is limited in scope, it is intended to be the first step in a broader programme of regulatory reform. Future policy development is expected in areas such as hydrogen, biomethane, smart metering, offshore renewables, demand-side flexibility and future licensing arrangements. These are all areas that may have significant implications for suppliers and customers, yet there is limited visibility of the anticipated roadmap, expected timelines and likely impacts. A key concern remains the lack of transparency regarding costs. Our previous response highlighted concerns that funding this activity through licence fees would create a direct cost burden for suppliers that would ultimately be reflected in consumer bills. Whilst there is now greater clarity on the proposed funding route, there remains limited information on the likely scale of future costs, how resource requirements may evolve, or what measurable outcomes will be delivered from this investment. We also note that previous consultation documentation referred to five additional FTEs being required, whereas the Explanatory and Financial Memorandum refers to four FTEs at an estimated cost of £328,000. While there may be valid reasons for this change, it highlights the wider challenge in understanding the scale and cost of the activities being proposed. Our position remains that any costs associated with this Bill, or any future powers enabled by it, should be supported by a clear and transparent cost-benefit assessment. Whilst additional regulatory activity may be necessary to support decarbonisation objectives, suppliers and ultimately consumers will bear these costs through licence fees and energy bills. Stakeholders should therefore be provided with evidence demonstrating the expected benefits, rationale for additional resource requirements and how value for money will be assessed. We also continue to have concerns regarding the practical operation of certain provisions within the Bill. There remains no clear definition of what constitutes a "reasonable request" or how the "reasonably practicable" test will be applied. Additional guidance would provide greater certainty and improve transparency regarding the scope of the Utility Regulator's future involvement. Similarly, there is limited clarity regarding how the Utility Regulator's advice will interact with advice provided by other bodies, including the Consumer Council and the proposed Just Transition Commission. As decarbonisation policy increasingly considers affordability, consumer protection and wider social impacts, it would be helpful to understand how overlapping responsibilities and differing advice will be managed. transparency and help ensure that future proposals remain proportionate, deliverable and focused on positive customer outcomes.

Proposed Additions and Amendments

11 Please provide information on any potential amendments that you feel would enhance the Bill and the rationale for those.

Information on any potential amendments:

Greater transparency on cost and funding implications
There should be clearer information on the scale of expected additional regulatory activity, the projected impact on licence fees, and the likely effect on supplier costs and consumer bills. Any material increases in regulatory activity funded through licence fees should be supported by a transparent cost-benefit analysis, including clear articulation of expected outcomes, customer benefits and alternative funding options considered.
A clearer roadmap for future regulatory development
The Bill is being presented as an initial step. The Department should therefore provide greater visibility on the expected next stages, including future legislative areas, indicative timing, and how stakeholders will be engaged as the Utility Regulator's role develops.
Greater clarity on how "reasonable request" will operate in practice
Given the importance of this provision, there should be clearer guidance on how reasonableness will be assessed, how resource and proportionality considerations will be taken into account, and how disagreements between the Department and the Utility Regulator would be managed.
Stronger governance and accountability arrangements
Consideration should be given to how advice from the Utility Regulator will interact with advice from other organisations, including the Consumer Council and the proposed Just Transition Commission, and how conflicting recommendations would be managed.
A stronger commitment to structured industry engagement
Future policy and legislative development should include early and meaningful supplier engagement, not just formal consultation once policy positions have been developed. Consideration should be given to structured mechanisms such as workshops, advisory groups and industry working groups.
Greater consideration of proportionality and competition impacts
Future developments arising from this Bill should take account of the differing impacts on suppliers of different scale and operating models. This is important to ensure that regulatory developments remain proportionate and support competition, innovation and positive customer outcomes.
Consideration of wider departmental interfaces
Given the cross-cutting nature of decarbonisation, consideration should be given over time to whether the Utility Regulator should be able to support a broader range of relevant departments where appropriate, rather than being confined solely to the Department for the Economy.
Requirement for cost-benefit analysis before material cost recovery
Any material increases in regulatory cost recovery through licence fees, or any alternative funding mechanism, should be supported by a published cost-benefit assessment outlining expected benefits, consumer impacts, supplier cost impacts and value-for-money considerations before implementation.

Almost done...

12 If you provide an email address you will be sent a receipt and a link to a PDF copy of your response.

email:
[redacted]