

Phoenix Energy Gas Conveyance Licence Extension

Decision and Notice under Article 8(6) of the Gas
(Northern Ireland) Order 1996 on Extension of
Phoenix Energy Gas Conveyance Licence

26 February 2025



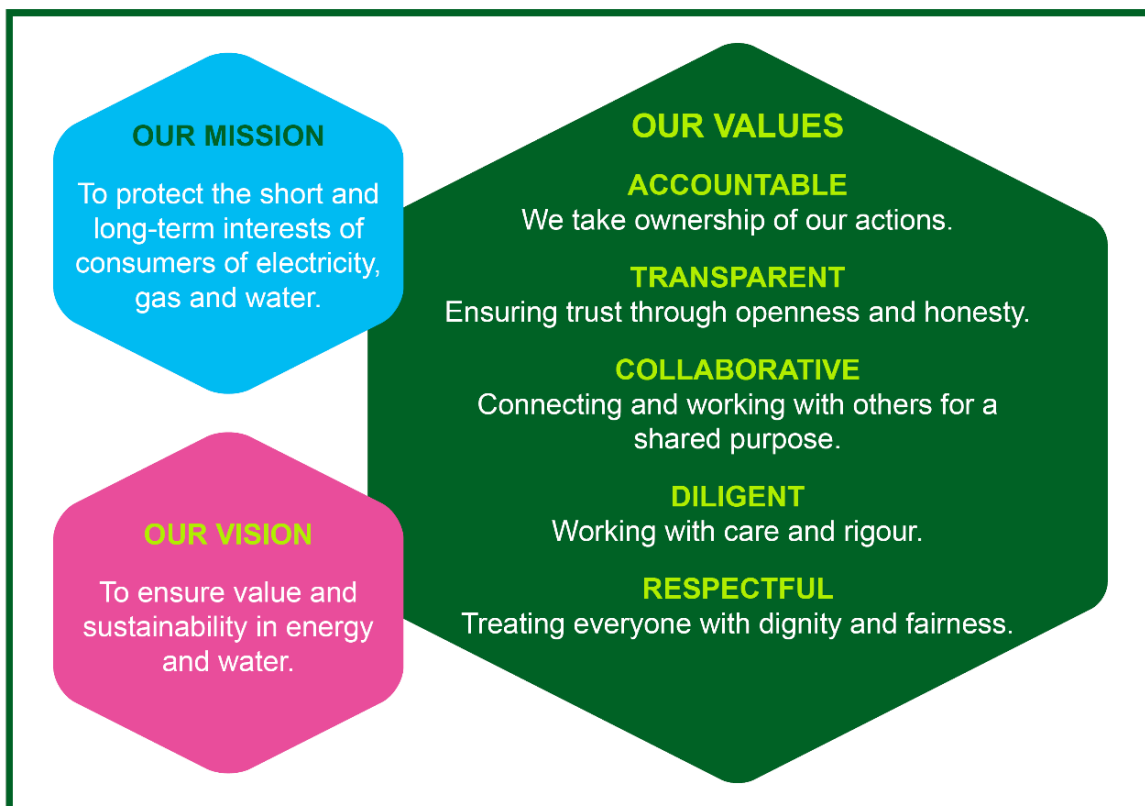
About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland’s electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls; Networks and Energy Futures; Markets; Consumer Protection and Enforcement. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Abstract

We are publishing our decision to extend the gas conveyance licence held by Phoenix Energy Group Ltd (Phoenix Energy). The licence extension seeks to facilitate the conveyance of biomethane from three sites (which were located outside the Phoenix Energy Licensed Area) through the Phoenix Energy distribution network.

Audience

This document is likely to be of interest to the parties wanting to inject biomethane from the three sites onto the Phoenix Energy network, regulated companies in the energy industry, government, other statutory bodies as well as consumer groups and other organisations with an interest in the energy industry.

Consumer impact

We consider that licence extension will further the decarbonisation of the gas network and help to secure a diverse, viable and environmentally sustainable long-term energy supply, at minimal financial risk to consumers.

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Glossary

AD	Anaerobic Digestion
NI	Northern Ireland
Phoenix Energy	Phoenix Energy Group Ltd
United Renewables	United Renewables Ltd

Executive Summary

On 13 September 2024 Phoenix Energy Group Ltd (Phoenix Energy) submitted to the Utility Regulator an application for the extension of its gas conveyance licence to facilitate the injection of biomethane from three biomethane injection sites:

- United Renewables AD (Anaerobic Digestion) plant, lands 150 metres southwest of 5 Hannahstown Road, Slievenacloy, Lisburn, County Antrim BT28 3TB
- RGWP Ltd AD plant, 91 Bowtown Road, Newtownards, County Down, BT23 8SL
- Rea Hill Farm Ltd AD plant, lands 166 metres north of 10 Rea Hill Road, Newtownabbey County Antrim, BT36 5SF

After review and consideration of the application, we consulted, on 25 November 2024, on our proposal to grant the requested licence extension on a non-exclusive basis.

We have received consultation responses from:

- Phoenix Energy
- Hall's Pig Farm
- United Renewables Ltd (United Renewables)
- Battletown Renewable Energy (on behalf of Bowtown Anaerobic Digester Green Energy Generating Station and John Steele & Son Agricultural Contractors)

All responses were supportive of licence extension.

After review and consideration of the responses, our decision hence is to proceed with the requested licence extension on a non-exclusive basis. The extension shall have immediate effect.

1. Introduction

Purpose of this Document

- 1.1 On 13 September 2024 Phoenix Energy Group Ltd (Phoenix Energy) submitted to the Utility Regulator an application for the extension of its gas conveyance licence to facilitate the injection of biomethane from three biomethane injection sites:
- United Renewables AD (Anaerobic Digestion) plant, lands 150 metres southwest of 5 Hannahstown Road, Slievenacloy, Lisburn, County Antrim BT28 3TB
 - RGWP Ltd AD plant, 91 Bowtown Road, Newtownards, County Down, BT23 8SL
 - Rea Hill Farm Ltd AD plant, lands 166 metres north of 10 Rea Hill Road, Newtownabbey County Antrim, BT36 5SF
- 1.2 After review and consideration of the application, we consulted¹, on 25 November 2024, on our proposal to grant the requested licence extension on a non-exclusive basis.
- 1.3 Our consultation closed on 9 January 2025. We received four consultation responses which were all supportive of the extension.
- 1.4 The purpose of this paper – and the notice set out in *Annex B* to this document – is to set out our related decision, following consideration of the consultation responses received.

Document Structure

- 1.5 This decision document is structured in a number of chapters as follows:
- *Chapter 1 Introduction* provides an overview over the purpose and structure of this decision document
 - *Chapter 2 Consultation Responses* summarises the consultation responses received and our related considerations
 - *Chapter 3 Decision* sets out our decision on the licence extension
- 1.6 The document is complemented by a number of annexes as follows

¹ [Utility Regulator: Notice and consultation on a proposed Phoenix Energy Gas Conveyance Licence Extension, 25 November 2024.](#)

- *Annex A* shows the amendments to the Phoenix Energy gas conveyance licence to effect the licence extension
- *Annex B* represents the notice under Article 8(6) of the Gas (Northern Ireland) Order 1996 of the licence extension
- *Annex C* to *Annex F* represent the consultation responses from Phoenix Energy, Hall's Pig Farm, United Renewables Ltd (United Renewables) and Battletown Renewable Energy (on behalf of Bowtown Anaerobic Digester Green Energy Generating Station and John Steele & Son Agricultural Contractors) respectively

2. Consultation Responses

Summary of Consultation Responses

2.1 We have received consultation responses from:

- Phoenix Energy
- Hall's Pig Farm
- United Renewables
- Battletown Renewable Energy (on behalf of Bowtown Anaerobic Digester Green Energy Generating Station and John Steele & Son Agricultural Contractors)

2.2 All consultation responses received were supportive of the proposed licence extension. The responses highlighted its relevance for the achievement of Net Zero goals as well as associated socio-economic benefits.

Phoenix Energy Response:

2.3 Phoenix Energy emphasised that biomethane offers:

- A key opportunity to use the existing gas network to deliver, with minimum disruption, a decarbonised solution which enables consumers to continue to enjoy the flexibility of gas;
- Companies obliged, or seeking, to decarbonise their production an option to achieve this in a timely manner.

2.4 Phoenix Energy expressed the view that using new and existing AD plants to generate the renewable gas for injection into the gas network was key to maximizing the amount of biomethane available. Phoenix Energy therefore welcomed the proposed licence extension.

Hall's Pig Farm:

2.5 Hall's Pig Farm highlighted the importance, in an energy security and decarbonisation context, of the potential of renewable gas generators and providers to supply gas to the network. Hall's Pig Farm also pointed to associated economic benefits by creating a local industry and creating cost savings to consumers.

2.6 Hall's Pig Farm therefore fully supported the licence extension.

United Renewables Response:

- 2.7 United Renewables observed that biomethane integration into the gas network, and the associated environmental benefits, constitute a cost-effective solution for decarbonising heat which can be delivered with minimal disruption to gas consumers.
- 2.8 United Renewables emphasised the contribution of its biomethane injection project for advancing NI's energy and climate objectives.
- 2.9 United Renewables also highlighted the socio-economic benefits of the proposed gas network extension, including the potential to mitigate fuel poverty, support local employment and enhance energy security by reducing reliance on imported fuels.
- 2.10 United Renewables considered the extension of the Phoenix Energy gas licence to include its site to be critical in this context and was supportive of the proposal to do so.

Battletown Renewable Energy Response:

- 2.11 The response from Battletown Renewable Energy (on behalf of Bowtown Anaerobic Digester Green Energy Generating Station and John Steele & Son Agricultural Contractors) was also supportive of the proposed licence extension and highlighted its relevance for the regional strategic net-zero goals as well as the local economy.
- 2.12 In particular, the response noted that the licence extension would enable green gas injection into the network supporting Northern Ireland's net Zero targets by reducing carbon emissions.
- 2.13 The response also pointed to benefits associated with efficient use of existing infrastructure, increased use of organic waste, energy flexibility and security, job creation and economic growth, improved air quality through reduction of pollutants, as well as access to renewable energy for consumers.
- 2.14 In addition, the response highlighted benefits for local small farms from licence extension and green gas injection into the network, including additional revenue streams and waste management savings, improved soil health, circular economy integration and rural development, improved reputation and long-term sustainability.

Consideration of Consultation Responses

- 2.15 We welcome the responses to the consultation. We note that all four

responses received are supportive of the licence extension proposed.

- 2.16 Having considered all the responses duly made to the consultation on the Phoenix Energy gas conveyance licence extension, we see no reason not to proceed with the proposed licence extension.

3. Decision and Reasons for Licence Extension

- 3.1 We have reviewed the Phoenix Energy application for licence extension submitted on 13 September 2024. The reason given by Phoenix Energy for the requested licence extension is that it will facilitate the injection of biomethane from three biomethane injection sites located outside the Phoenix Energy Licensed Area.
- 3.2 As set out in our consultation on the proposed licence extension², we consider that the application has been made in the prescribed manner and that the appropriate fee has been submitted.
- 3.3 We explained in the consultation paper that in Northern Ireland, the “producer-pays principle” applies in relation to connections for biomethane injection, i.e. the party seeking such a connection has to bear all associated connection-related ongoing costs. No capital costs to be underwritten by consumers had been requested in the licence extension application and the any operational cost was anticipated to be minimal. We therefore did not see the need in this circumstance to undertake an economic appraisal and considered the financial risk for consumers to be minimal.
- 3.4 We also set out in the consultation document our view that granting the requested licence extension would:
- Facilitate the injection of biomethane into the NI gas network and that – given the location of the sites and the existing gas networks – injection from each of these three sites into the Phoenix Energy network is the optimal solution for this;
 - Thus help to further the decarbonisation of the gas network and secure a diverse, viable and environmentally sustainable long-term energy supply, at minimal financial risk to consumers.
- 3.5 Having given careful consideration to the responses duly made to the consultation, our view with this respect remains unchanged.
- 3.6 In accordance with the power conferred on it by Article 8(2)(a) of the Gas (Northern Ireland) Order 1996, the Northern Ireland Authority for Utility Regulation has therefore granted the Phoenix Energy licence extension, on a non-exclusive basis, as detailed in paragraph 1 of *Annex B* to this decision

² [Utility Regulator: Notice and consultation on a proposed Phoenix Energy Gas Conveyance Licence Extension, 25 November 2024.](#)

document.

- 3.7 The licence amendments to the Phoenix Energy gas conveyance licence to effect the extension are set out in *Annex A* to this decision document.
- 3.8 We have updated the maps in *Annex A* and *Annex B* to this decision paper (compared to those that had been included in the respective annexes of the consultation paper) by removing the word “*proposed*”, i.e.:
- In the maps on the left hand side, “*Proposed Licence Area Extension*” now reads “*Licence Area Extension*”
 - In the legend and in the map title, “*Proposed Licence Extension*” now reads “*Licence Extension*”
- 3.9 This is to reflect the extension has been granted and is no longer proposed. However, we have not modified the extension area or amended (compared to the consultation) the maps or licence drafting in any other way.
- 3.10 We are of the view that granting the requested licence extension is an appropriate course of action for us to take as such grant is in keeping with our principal statutory objective in that it promotes the development and maintenance of an efficient, economic and co-ordinated gas industry in Northern Ireland in a way that is consistent with the fulfilment of the designated regulatory gas objectives.

Annexes

Table 1 below provides an overview over the annexes to this decision document.

Annex A shows the amendments to the Phoenix Energy gas conveyance licence to effect the licence extension.

Annex B represents the notice under Article 8(6) of the Gas (Northern Ireland) Order 1996 of the licence extension.

Annex C to *Annex F* represent the consultation responses from Phoenix Energy, Hall's Pig Farm, United Renewables Ltd and Battletown Renewable Energy (on behalf of Bowtown Anaerobic Digester Green Energy Generating Station and John Steele & Son Agricultural Contractors) respectively.

Annex Number	Annex Name
Annex A	Phoenix Energy gas conveyance licence extension – Licence update
Annex B	Notice under Article 8(6) of the Gas (Northern Ireland) Order 1996
Annex C	Phoenix Energy consultation response
Annex D	Hall's Pig Farm consultation response
Annex E	United Renewables Ltd consultation response
Annex F	Battletown Renewable Energy consultation response

Table 1: Overview over Annexes