



**Utility Regulator Draft Forward Work Programme 2025-2026**  
**- GNI (UK) response**



February 2025

## **Introduction**

GNI (UK) welcomes the opportunity to respond to the Utility Regulator’s (“**UR**”) draft Forward Work Programme (“**FWP**”) 2025-2026.

GNI (UK) is one of two gas transmission system operators (“**TSOs**”) in Northern Ireland (“**NI**”) and one of five gas network operators (“**GNOs**”), to include the three gas distribution network operators (“**DNOs**”). We are committed to playing our role in NI’s energy transition and are collaborating alongside the other GNOs, and other key stakeholders, to deliver the beneficial role the gas network and renewable gases can play in decarbonising all sectors of the NI economy.

## **Key Comments**

GNI (UK) welcome many aspects of UR’s draft FWP 2025-2026 – our views on certain of the particular projects referred to in the FWP are outlined below. We then note a number of other possible matters UR may wish to consider whether it is worth including in their FWP.

As an opening point, however, we note the statement in the draft FWP that “*the opening budget for 2025/2026 may be higher than our opening budget for 2024/2025 (£16.7m net, £18.5m gross)*”, and that this 2024/2025 budget was in turn a more than 50% increase on the “*opening budget for 2023/2024 (£10.8m net, £12.4m gross)*”.<sup>1</sup> Similarly, we note the present draft FWP is based on an over 40% increase in staff from the 2024/2025 FWP, up from 120 to 170, and that this “*may increase going forward*”. We accept that the remit and challenges for UR across the water and energy sectors it regulates is becoming increasingly complex and challenging, and we support UR being suitably resourced to successfully discharge its responsibilities. We make two points on this, however:

- (i) it is clearly important in planning and in delivery of its functions that UR maintain and enhance its organisational efficiency and effectiveness, and;
- (ii) the requirement of being suitably (likely increasingly) resourced to meet similar challenges will extend to the (many of the) parties UR regulate, and this will be crucial in delivering outcomes which can support the justification of UR’s own increased resourcing.

## **Draft business plan projects**

### **Strategic objective 1: Supporting the Just Transition to Net Zero**

#### **1.3 Biomethane regulatory framework**

GNI (UK) welcome and strongly support the introduction of this project into the FWP.

In particular, we welcome the commitment to “*develop a framework for injection of biomethane into the transmission network*”, and look forward to UR’s engagement with the gas network operators continuing in this respect.

We also welcome UR’s commitment to assist DfE as required on their biomethane policy, following their Call for Evidence in 2024.

#### **1.4 Northern Ireland energy system model**

GNI (UK) are supportive of this project. We see this as complementary to the gas TSOs proposals (submitted to UR on 3<sup>rd</sup> July 2024, and in follow-up communications) to establish an enhanced gas system planning framework, including improved integrated working with SONI. We would

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<sup>1</sup> [Utility Regulator Forward Work Programme 2024-2025.pdf](#)

request approval of the funding requested in this submission is expedited to allow us to progress deliverables along the timelines therein, which will enable improved consideration (in Phase One of the FWP project) of any interaction with the gas and electricity TSOs modelling activity and deliverables. Should it be decided to process to Phase Two to develop a 'Whole system' model, the gas TSOs proposals and activity can help inform the scoping and cost-effectiveness of establishing such modelling capability.

## **Strategic objective 2: Securing our energy and water supply**

### **2.2 Interconnection regulation**

We welcome this project (noting, for the avoidance of doubt, that it appears to relate to electricity interconnection only, which could usefully be made clear in the final FWP).

However, we see a potential link, in future, between the assessment of the need for (electricity and/or any other form of) interconnection, and any associated need for a Cap and Floor regime, with the gas TSOs improved integrated planning framework referred to at project 1.4 above. The specified timeline of Quarter 1 2025 will, however, come too early for the gas TSOs first deliverables under the proposed new framework (subject to UR funding approval, as noted in the preceding section).

### **2.3 Security of supply regulatory tools**

GNI (UK) welcome the opportunity to engage with all stakeholders on issues relating to gas and/or electricity security of supply and overall energy system resilience in NI, and how any such risks may be suitably mitigated, including by developing or modifying regulatory tools. Identifying the interdependencies between the systems and sharing of data is key to achieving this.

GNI (UK) believe it may be useful to evaluate security of supply risk from the *de facto* dependence on a single entry point (Moffat) as the primary means of meeting NI gas demand, and whether a more balanced utilisation of supply sources would beneficially reduce this.

Indigenously produced biomethane injected into the gas system will also improve security of supply risk over the longer-term. The strategic and system value of this is an important point for further regulatory and policy consideration.

## **Strategic objective 3: Enabling best in class energy and water companies**

### **3.4 Regulatory approach to Future Network Gas price controls (GT27 and GD29)**

GNI (UK) look forward to engaging with the Utility Regulator and stakeholders to effective planning for and delivery of future gas network price control processes (in particular 'GT27').

## **Strategic objective 4: Providing the highest level of consumer service and protection**

### **4.3 Consumer Protection Programme (CPP) for 2024-2029**

GNI (UK) support this project, in particular "(iii) supporting the Just Transition to Net Zero: Understanding consumer expectations around Just Transition".

## **Other Matters**

### **Hydrogen legislative provision**

We note the Department for the Economy's ("DfE") Energy Strategy committed that, "to ensure we can maximise the potential use of hydrogen in the gas network, we will review existing legislative provision by 2025".

GNI (UK) consider that a key element of this would be the designation of an economic regulator for hydrogen, and we believe it is difficult to envisage UR not needing to partake in substantial engagement with DfE (and industry) on this. We understand DfE are planning to initiate scoping in 2025/26 of an ‘Energy Bill’ to be delivered within this current Assembly Mandate (which runs to 2027), in which this matter may be addressed.

We therefore suggest that, ahead of finalising the FWP, it would be useful for UR to engage with DfE to develop a shared understanding of the scope of the review committed to in the Energy Strategy and the prospective ‘Energy Bill’, and the potential involvement of UR in either, or both.

### **Commissions under the Utility Regulator (Support for Decarbonisation Preparation) Bill**

We understand that DfE propose to progress the Utility Regulator (Support for Decarbonisation Preparation) Bill on the basis of that consulted on,<sup>2</sup> and that it is expected to be enacted in mid-2025. It is therefore possible – perhaps even likely – that commissions for advice, information or assistance to DfE on the decarbonisation of energy sector for the purposes of, or in connection with, the development of any proposal, policy, strategy or plan relating to the energy sector that DfE is required, or considers it appropriate, to develop under the Climate Change Act (Northern Ireland) 2022 can be expected.

For example, we note that a Climate Action Plan and associated sectoral Plan for energy (and other specified sectors) remains outstanding and is yet to be consulted on. While we accept it is difficult for UR to include such projects at this stage in the absence of such commission(s), we suggest UR engage with DfE in the interim prior to finalising its FWP, to understand potential scopes which may be forthcoming, and to suitably recognise the potential for such in their FWP, as appropriate. This is important so that any impact on the other aspects of the FWP (such as reallocation of resources) are accounted for, to the greatest extent possible, prior to it being finalised, so that stakeholders are aware as early as possible.

### **Just Transition Commission**

We note that the Department of Agriculture, Environment and Rural Affairs (“**DAERA**”) recently concluded a consultation on the establishment of a Just Transition Commission.<sup>3</sup> This envisages that the Commission would, in carrying out its functions, need to work in partnership and collaboratively with other statutory bodies (such as UR) where appropriate.

Again, we suggest UR engage with DAERA in the interim prior to finalising its FWP, to understand what the interaction in roles and responsibilities may be, in order to avoid misunderstandings and/or inefficiencies and to ensure this is taken account of in UR’s resource planning.

### **Fuel Poverty Strategy**

We note the Department for the Communities has (“**DfC**”) is presently consulting on a draft Fuel Poverty Strategy.<sup>4</sup> Amongst other things, this contemplates potentially increasing levies from electricity bills to fund energy efficiency schemes and/or introducing levies on gas to increase funding for same. We expect that UR would have significant engagement in the development of such a strategy, considering issues relevant to consumer protection and energy decarbonisation, as well as the potential design and operation of any schemes contemplated for development stemming from such strategy. Again, this may be a matter UR could usefully reflect in its FWP, depending on DfC’s envisaged timing of further development.

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<sup>2</sup> [Utility Regulator \(Support for Decarbonisation Preparation\) Bill | Department for the Economy](#)

<sup>3</sup> [Consultation on the establishment of a Just Transition Commission](#)

<sup>4</sup> [Consultation on a draft fuel Poverty Strategy](#)