



**firmus energy Stakeholder
Report 2019–2020**

taking natural gas further
firmus
energy

helping Northern Ireland transition
towards net zero carbon

Contents

Foreword from Chairman	03
Introduction	04
Who we are	06
Key Achievements	06
Commitments	07
Services	08
Working with Stakeholders	08
Consumers	08
Businesses	09
Communities	09
Sustainable Energy	10
Partners	10
Plans for the Future	11
Contact	12



Foreword from Chairman

This is our first Stakeholder Report which has been produced to keep our customers and stakeholders informed on what the team at firmus energy are doing to bring natural gas and all its benefits to many more homes and businesses throughout Northern Ireland. As a business with a sense of responsibility, firmus energy is also playing a role in a number of energy efficiency, fuel poverty and carbon reduction initiatives.

My first nine months as Chair have certainly been more eventful than I could have anticipated. Despite the impact of the Covid 19 pandemic, firmus energy has continued to grow its gas network and provide a good service to customers. I want to pay tribute to our staff and contractors who kept us operational throughout the shutdown. In recent months we have restarted work to lay new gas mains and connect new customers. Our key contractor, Kier Utilities has played a significant part in the roll out of the Ten Towns network in recent years and we were pleased to reappoint them for a three-year term in April 2020.

We have ambitious plans to invest in further extending our gas network bringing the opportunity to switch to natural gas to many homes and businesses who have not yet been able to do so. As the only local gas company that is involved in both the distribution and supply of natural gas, we aim to provide our customers with a high standard of service from our team which is entirely 100% locally based.

It has also been encouraging to see the price of gas to our customers steadily reduce and we continue to do our best to take the benefit from markets made weak by the global pandemic.

A key goal of our Government and the natural gas industry is to reduce our local CO₂ emissions and decarbonise. In the short term bringing natural gas to more homes and businesses will make a major contribution to reducing CO₂ emissions. By switching consumers to gas from oil and coal we are significantly reducing their carbon footprint with natural gas having about half the CO₂ emissions of oil and around third of those of coal. Add to this the fact that natural gas is a cleaner, more efficient and convenient fuel makes the case to switch to gas a powerful one.



In the medium and longer term firmus energy is looking to deliver further decarbonisation and improve sustainability by greening the gas in our network. We are looking at various options including injecting green hydrogen and bio methane into our gas network.

A significant amount of our local electricity comes from wind which at some times of the day/week is not required. At present the wind turbines are switched off when there is not sufficient demand or too much wind. The potential use of this spare renewable energy to generate hydrogen from the electrolysis of water offers an exciting opportunity for firmus energy and the gas industry. Proposals are being developed to use green hydrogen produced in this way as a zero-carbon fuel source and blend it with natural gas and hopefully ultimately use it 100% to totally replace natural gas.

We also have a growing production in local biogas. Because of the prevalence of agriculture and food processing in Northern Ireland, there is a rich resource available for the generation of bio methane from food and farm waste. As a result, there is a growing number of local Anaerobic Digester (AD) plants producing renewable gas supplies. We are exploring how we can inject the gas from AD plants into our gas network as it is a renewable form of methane which is the main component of natural gas. By utilising this bio methane, we hope we will be able to offer our customers green contracts which give them the opportunity to buy this renewable gas and make their homes and businesses more sustainable.

The Economy Minister and her Department are currently updating our local energy strategy with the focus on decarbonisation and making us more sustainable. Along with the Utility Regulator, key stakeholders and other companies in the energy market firmus energy is contributing to the development of this strategy and working together to drive decarbonisation and sustainability.

An Innovation Funding Mechanism will undoubtedly help to support Northern Ireland's transition to a net zero carbon economy and we would encourage the Economy Minister and her Executive colleagues to give this policy priority and ensure that is reflected in the incoming Strategic Energy Framework and accompanying Northern Ireland Executive policies.

As a society we must continue our commitment to tackling fuel poverty through sustainable energy programmes. I am delighted to see firmus energy working diligently with NEA – the fuel poverty charity to stem fuel poverty in Northern Ireland. Boiler replacement schemes and energy efficiency grants via the likes of the Northern Ireland Sustainable Energy Programme (NISEP) have made a significant impact on the energy rating of our social and affordable housing and that is something which we can be proud of.

One thing our board is certain of, if we are to succeed and optimise outcomes for all, especially on decarbonisation, we have to work in collaboration with the gas industry, the Utility Regulator and the Government to develop the capability needed. I look forward to working with the talented team at firmus energy and with all our stakeholders to foster a strong and positive future for the gas sector, firmus energy, its customers and the communities it serves.

Introduction



Michael Scott,
Managing
Director

In recent months our business has reached some significant milestones – supplying our 100,000th customer and growing the Ten Towns natural gas network to over 1,700 km.

I'm pleased to say we delivered sustained growth on an ongoing basis. Our original business plan was to connect around 2,000 customers a year but we've more than trebled that and are currently delivering in excess of 6,000 connections each year.

These tremendous milestones have been years in the making and are the culmination of all the hard work from our staff to engage with stakeholders, market the benefits of natural gas to consumers and invest in communities in which we work to bring the network to their front door.

But we didn't do this on our own. Our team has worked hard to co-ordinate with Government, the Utility Regulator, the Consumer Council, the business community, Northern Ireland Housing Executive, Housing Associations, developers, and our network of Gas-Safe registered installers (plumbers) to continue converting customers to natural gas and completing new build installations.

Customers have also continued to show their commitment to investing in their homes and businesses.

firmus energy is owned by Equitix, a leading investor, developer and long-term fund manager of core infrastructure and energy-efficiency assets in the UK and Europe with over £6bn of assets under management.

firmus energy is comprised of two distinct operations, our distribution company lays the natural gas network in the Ten Towns area and our supply business buys and sells gas for customers across all three gas distribution network areas. And while we are most certainly in the business of selling gas, we take great pride in being the only UK energy company to have all staff qualified to City & Guilds standard in Energy Awareness.

We have also partnered with National Energy Action, Energy Saving Trust, Carbon Trust and the Utility Regulator to deliver energy efficiency programmes, help inform consumer choice and alleviate fuel poverty.

It may seem contradictory to help customers use less energy, but through educating and empowering our staff, we are in the enviable position of being able to make gas an even more attractive proposition and our satisfied customers then become some of our most vocal ambassadors.

By making natural gas work better for existing customers, we can tell the "good news story" to others and grow our customer base further.

We complement this with supporting business customers to buy gas in the right way to mitigate against the potential risks of political and economic uncertainty. The support we provide feeds into senior decision-making processes among senior management teams across Northern Ireland and aids financial planning and budgeting.

There is no shying away from the fact that the pandemic has had a significant impact on firmus energy and its partners this year. In April, network development activity ceased, and our installer network had all but stopped working on new connections to allow customers to socially distance.

As a responsible business, health and safety is at the heart of everything we do, so before asking our staff and contractors to venture out of their homes we liaised with the Health and Safety Executive and Public Health Agency to ensure we were fully prepared.

We carried out health and safety risk assessments for all core activities including construction, meter reading and connections and I am pleased to say our colleagues and suppliers have done a sterling job of providing a safe working environment for themselves and others at such a difficult time.

I want to thank our staff for working tirelessly to prepare for our return to work and also for those who worked on the firmus energy care support programme, which went the extra mile in providing a listening ear to customers through lockdown and offered support beyond our operational remit to have medical prescriptions and shopping collected. Some of this may have gone largely unnoticed but what we know is that this initiative had a significant impact on the people who received the support, so thank you.

We also provided funding to produce 800 scrubs through a community initiative called NI Scrubs and provided transport for a network of sewing groups to deliver over 23,000 scrubs to frontline workers in the NHS and other care settings.

From a governance perspective, we decided to appoint a new Chair with first-hand experience of operating a high performing business within the Northern Ireland market. In Dr David Dobbin CBE we have found a high calibre advocate who has already been challenging and supporting me to deliver in my own role as Managing Director.

Our owners, Equitix, have committed to playing a long term role in Northern Ireland and since acquiring firmus energy Equitix has acquired Granville Eco Park and invested in Full Circle Power's waste to energy plant in Belfast's Harbour Estate which is a sign of its commitment to a low carbon future.



The formation of the Northern Ireland Executive earlier this year has seen an increase in activity towards delivering a new Strategic Energy Framework and provide sustainable solutions to meet Northern Ireland's energy needs.

We have been working alongside sector colleagues from The Gas Industry Stakeholders Group to engage with the Department for the Economy and wider Northern Ireland Executive on this strategy and are hopeful that it will confirm the role Northern Ireland's natural gas network can play long into the future.

By the end of 2022 Northern Ireland's natural gas infrastructure should have passed over 550,000 properties. This presents an opportunity to expedite the conversion to natural gas of a further 230,000 properties and realise a total carbon reduction saving of 1.7million tonnes of CO₂ each year.

We also recognise that simply selling gas as a cleaner fuel is not enough. We are already involved in two trials to inject renewable gas into the network, one which is converting food waste into biomethane, and the other is removing hydrogen from water for use in the network.

This presents a significant opportunity to deliver even greater carbon reductions and offers the opportunity for HGV and other transport sector partners to make use of the gas network.

The polyethylene natural gas pipelines used throughout Northern Ireland are uniquely placed to deliver gas from renewable sources long into the future and we hope to be in a position to offer renewable energy tariffs to customers once volumes are scaled up.

Looking to the future, we'll also be trusting and relying on our staff and supply chain to deliver on network growth and connection targets to achieve our GD17 price control.

We also have multiple opportunities to extend our network into new towns and villages such as Crumlin, Glenavy and Ballykelly, all of which represent significant investment.

I look forward to bringing you even more positive results next year.



Who we are

Since 2005, firmus energy has been responsible for installing and maintaining over 1,700km of pipeline across 35 cities, towns and villages in Northern Ireland. Based in Antrim, firmus energy has connected over 50,000 customers in its Ten Towns network area (outside greater Belfast) and supplies over 100,000 domestic and industrial customers with natural gas across Northern Ireland.

Currently, we employ around 120 staff, specialising in areas of engineering, regulation, customer service, customer billing, finance, IT and commercial and domestic sales and marketing. Our vision is to extend the benefits of natural gas to as many people and premises as economically possible in the Ten Towns licensed area. In doing so, putting our customers first.

Our company values reflect the true nature of our company and influences how we operate across all areas of our business and within the local community. By reinforcing our values of Clarity, Empathy, Integrity and Teamwork we strive to create a company culture that our staff can be truly proud of. These values underpin everything we do at firmus energy and help make our company and staff stand out from the crowd.



Key achievements

- **1996:** Natural Gas first arrived in Northern Ireland via the Scotland Northern Ireland Pipeline (SNIP) and Phoenix Natural Gas Limited awarded Greater Belfast supply and distribution licences
- **2004:** North-West gas transmission pipeline (NWP) completed
- **2005:** Ten Towns distribution and supply licences first awarded to firmus energy and first supply customer connected
- **2006:** South-North Transmission Pipeline completed. Gas arrives in Broughshane
- **2007:** firmus energy starts competing in Greater Belfast gas supply market
- **2009:** firmus energy starts competing for SME customers in Greater Belfast area
- **2010:** Gas first arrives in Portstewart
- **2011:** Ten Towns network extends to Warrenpoint
- **2012:** Ballyclare and Tandragee added to the Ten Towns network area
- **2013:** firmus energy brings natural gas to Bessbrook and Bushmills (including Bushmills Distillery)
- **2014:** firmus energy acquired by iCON infrastructure
- **2015:** 1,000km mains laid in Ten Towns network to date and gas first arrives in Moira, Richhill, and Loughgall
- **2016:** 100,000 Ten Towns properties passed and connections are now available in Charlemont, Blackwatertown and Benburb
- **2018:** £3m Foyle River crossing completed
- **2019:** firmus energy acquired by Equitix
- **April 2019:** firmus energy announces plans to extend Ten Towns natural gas network to Camlough, in Co Armagh
- **April 2019:** firmus energy becomes a JAM Card Disability Friendly Organisation
- **August 2019:** firmus energy secures its first supply customer in the Gas To The West network
- **2020:** firmus energy customer base exceeds 100,000 across Ten Towns and Greater Belfast and 1,700km of mains laid past 150,000 Ten Towns properties to date
- **September 2020:** £200m invested in Northern Ireland economy to date



Commitments

As a company we operate all areas of our business with our values front and centre, facilitating a positive culture within the organisation.



Clarity

We are committed to ensuring customers and our staff are engaged with and communicated to in a clear and transparent way



Empathy

Our customers are at the heart of everything we do, delivering a service that focuses on meeting their needs in the most cost effective way possible



Integrity

We believe in open and honest dialogue, delivering on our promises



Teamwork

Our strength is in our people; without them we would be unable to deliver the results we do on a daily basis

firmus energy prides itself on achieving and maintaining Investors in People, the international standard for people management – offering opportunities for professional growth and staff development. In 2019, in recognition of our ongoing work in this area, firmus energy was awarded gold status.

On an annual basis firmus energy also takes part in Business in the Community's Environmental Benchmarking Survey which assesses the environmental performance of organisations. The BITC Environmental Benchmarking Survey plays a key part in ensuring environmental issues are on the agenda in boardrooms across Northern Ireland, and serves as a way for organisations to demonstrate to their stakeholders, sector and the general public, that they are taking steps to become more sustainable.

The health and safety of our colleagues, partners and the local communities in which we operate is also paramount and we strive to continually improve and evaluate our contribution in this area. firmus energy has been involved in a number of initiatives focusing on health and safety, including, engaging with schools across the Ten Towns network highlighting the importance of health and safety, engaging with the NI Fire and Rescue Service on the hazards and safety measures required for natural gas, supporting the Dial Before You Dig Safety campaign which promotes the importance of safe digging practices around natural gas mains and services, and successfully mitigates our Health and Safety Management System.



Services

Working with stakeholders

firmus energy works with a wide range of consumer, business, and community stakeholders to provide an efficient and cost effective service to its customers. And to date this has included providing sustainable energy efficient solutions. Looking to the future there will also be a need to move towards renewable gas resources.



Consumers

firmus energy's Ten Towns domestic tariff is regulated by the Utility Regulator in consultation with the Department for the Economy and Consumer Council for Northern Ireland. The Greater Belfast tariff remains competitive with the regulated SSE Airtricity tariff.

Fuel poverty is a real concern in many Northern Ireland households and firmus energy is the only UK energy company to have all staff qualified to City & Guilds standard in Energy Awareness. This means energy efficiency knowledge doesn't just sit with our Energy Advisors engaging with customers on a daily basis, but is also understood by our IT, HR, Finance and Engineering teams too.

We have also partnered with National Energy Action, Energy Saving Trust, Carbon Trust and the Utility Regulator to deliver energy efficiency programmes, help inform consumer choice and alleviate fuel poverty.

To date, in the private housing sector we have installed over 10,000 new fully controlled High Efficiency Natural Gas heating systems, along with necessary roofspace / cavity wall insulation measures to low-income houses via financial grant assistance from the Northern Ireland Sustainable Energy Programme (NISEP) and the Department for Communities funded Boiler Replacement Scheme (administered by the Northern Ireland Housing Executive, NIHE) and the Affordable Warmth Scheme (administered by both the NIHE and local Councils).

We also understand that no two customers are the same and it is important to have a range of services to meet their differing needs. Customers who have identified as being vulnerable, whether because of their age, disability or through illness, are placed on the firmus energy care register and a package of support is developed for their unique circumstances.

I just wanted to thank you for the welfare call one of your people made to me a few days ago, it was very much appreciated.

customer quote in response to firmuscare call

We currently support more than 3,250 customers through this service and special arrangements have included relocating the gas meter as well as well as having a pre-agreed password to identify genuine firmus energy employees calling at their door. Some customers have required specially adapted appliances to make these more accessible, or asked for a braille or audio format bill while others have designated a carer, relative or friend to have full access to their account.

During lockdown we supported around 1,200 customers on the firmus care register to provide extra support.

Businesses

firmus energy has been working with the business community across the region, supporting them in understanding what is required in switching to natural gas, and where required, building a business case for this.

firmus energy currently supplies natural gas to around 2,500 businesses across Northern Ireland. These customers benefit from support mechanisms firmus energy has in place to assist industrial and commercial customers make informed decisions about their energy usage.

Recent supply customers in the new Gas To The West network have included Moy Park, Northern Ireland's largest private sector business and Linergy an innovative renewable energy company which develops renewable fuels from organic waste.

Businesses supported by firmus energy are committed to operating a sustainable business through actively managing and reducing their environmental impact. It is vital that businesses are well informed on the benefits natural gas can have on the environment and on operating costs for individual businesses.

Communities

Instilling a strong corporate responsibility culture is at the heart of all that we do at firmus energy. By proactively contributing to important causes within the communities in which we operate, we are creating a positive workplace for our employees and giving back to our customers.

With the help of our dedicated CSR team, we are committed to ensuring we are delivering across several community outreach initiatives - raising money for local charities and working on environmental and educational initiatives across Northern Ireland.

Since 2016, we've raised over £50k for local charities through our 'Charity of the Year' initiative. Most of these charities rely on public donations and partnerships with companies like firmus energy. This year long partnership encourages employees to get involved with the series of fundraising activities including abseils, mountain climbs, bake sales and zip lining.

In 2019, staff nominated the Children's Heartbeat Trust as the company's chosen charity. As a result of this initiative we raised a total of £23k for Children's Heartbeat Trust which helped 92 families access lifesaving treatment, provided ongoing support for Heartbeat Trust families and helped raise awareness for the charity at a national and regional level.

Air Ambulance NI is the latest charity set to benefit from the fundraising efforts of firmus energy. Although Covid-19 resulted in many challenges in our company, we remained fully dedicated to providing support and fundraising initiatives for the charity in a safe manner. This can be demonstrated by our participation in the Belfast Virtual Marathon in which our employees ran a total of 288.2 miles in aid of the Charity of the Year initiative.



Sustainable Energy

Energy users switching from home heating oil to natural gas reduce their carbon emissions by 50%. This is achieved through the introduction of a carbon cleaner fuel and the associated efficiencies of a highly efficient natural gas boiler and controls.

These impressive carbon savings complement lifestyle and convenience benefits and make moving to natural gas a desirable home and business improvement.

The natural gas industry recognises the importance of energy efficiency in delivering a low carbon economy as well as the importance of continually educating the public on the role both technical innovation and behavioural change can have on reducing energy use.

By the end of 2022 there will be c.550,000 properties in Northern Ireland with access to natural gas and it is estimated that c.320,000 homes will have taken the opportunity to connect to the gas network.

Maximising the conversion of heating from oil to natural gas has the potential to deliver 1.1m tonnes of CO₂ savings per year by 2022. That's the equivalent of taking 750,000 cars off the road each year.

Opportunities will also exist to further improve Northern Ireland's carbon footprint by:

- **Facilitating transport fuel change, particularly for HGVs**
- **Facilitating biomethane injection into the existing natural gas network**
- **And facilitating the blending of hydrogen into the existing natural gas network**

firmus energy is already involved in trials for the latter two and is hopeful that there will be positive results to announce soon.

Energy from waste

firmus energy's owner Equitix has invested in two large waste facilities in Northern Ireland. The first waste facility it invested in back in 2015 was Full Circle Generation (FCG) located Belfast's Harbour Estate. FCG processes mainly household and commercial residual waste and converts it into syngas which is then used to generate renewable electricity, a third of which is sold to Bombardier located next door. FCG was developed in partnership with RiverRidge recycling and energy developer P3P and has processed more than 100,000 tonnes of waste in its first year of operation and plans to process 140,000 in the next twelve months. Its significant waste treatment capacity mean it can process a considerable amount of Northern Ireland's residual household waste and avoid it going to landfill. The second waste facility is Granville Eco Park located in Dungannon. It processes mainly food waste and converts it into biogas which is then used to generate renewable electricity or convert it into biomethane. It has a capacity to process over 90,000 tonnes of food waste per annum.

Partners

firmus energy continues to work with multiple partners on the delivery of a wide range of services and recognise that, without this collaboration, meeting our organisation's objectives would not be possible. From our future investment plans, to our CSR activity and awareness campaigns each partner makes a significant contribution to our company.

Since 2016 firmus energy has raised a grand total of £50,000 for a range of charities as part of our 'charity of the year' initiative, partnering with charities who have been recommended from within the firmus energy team.

Earlier this year, firmus energy reappointed long-term partner Kier Utilities for a £60m contract to provide much needed natural gas distribution services across our network. We have worked with Kier since 2005 and their expertise and experience is vital in delivering this critical service for the business. Over this time, Kier has laid over 1,700km of pipeline allowing us to connect 50,000 domestic and business customers.

As part of this partnership, both companies have committed to providing local training and employment opportunities, supporting graduates, apprentices and the long-term unemployed who are seeking to start a career within the build environment.

As part of our local networks, firmus energy works with over 40 local natural gas installers, connecting an average of 6,000 customers across Northern Ireland annually. As part of this relationship, local installers work directly with firmus energy's local Energy Advisors to identify opportunities to connect to new homes and businesses.

As a 24/7 customer service company firmus energy works with partner organisations to provide quality effective customer service on our behalf outside normal working hours. These partners are an extension of the company and their values and work ethic align closely with ours. Our external contact centre (MessagePad) who are based locally in Hollywood provide this vital service, ensuring that customer call queue times are minimal (4 seconds on average) and that calls are answered by 'a person' rather than a voice mail system.



Plans for the Future

firmus energy continues to operate under gas distribution price control GD17 which runs for six years from the start of 2017 until the end of 2022.

Between now and the end of 2022, there are further investment plans to build over 350km of pipeline and connect over 12,000 additional customers off mains in areas which have already been passed by firmus energy's network. With an estimated spend in excess of £30m in the next two years firmus energy is on target to have connected 65,000 customers in the Ten Towns network area by the end of 2022.

GD23 is due to take effect from 1 January 2023 and the Utility Regulator is currently consulting on its intended approach. We will maximise opportunities to extend our network to enable more domestic consumers to be connected in new areas, pending regulatory approval. firmus energy also has a long term plan, continuing to connect customers whilst maintaining the pipeline asset, stretching out as far as 2045.

In the next couple of years, we will continue our focus on maximising the network potential with new connections and assisting Northern Ireland in its transition to net zero carbon emissions by 2050 by exploring opportunities for sustainable gas solutions.



**For further information please
contact firmus energy's Senior
Management Team**



Michael Scott

Managing Director

mscott@firmusenergy.co.uk



Denise Curran

Finance Director

dcurran@firmusenergy.co.uk



Niall Martindale

Director of Regulation and Pricing

nmartindale@firmusenergy.co.uk



Eric Cosgrove

Director of Engineering

ecosgrove@firmusenergy.co.uk



Paul Stanfield

Director of Sales, Marketing
& Customer Operations

pstanfield@firmusenergy.co.uk

**helping Northern Ireland transition
towards net zero carbon**

Website: firmusenergy.co.uk

Telephone: 028 9442 7800

 **firmus**
energy

taking natural gas further