



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

Regulation of the Gas Installer Industry with respect to Safety from 2016

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RESPONSES TO:	Tara O'Beirne (tobeirne@cer.ie)

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CER Information Sheet

Abstract:

The CER is committed to ensuring that its approach to regulation evolves and develops over time to ensure an appropriate level of gas safety in Ireland. In order to align with the end of the designation period of the currently designated Gas Safety Supervisory Body (Gas SSB) in 2016, the CER, through this consultation process, reviewed how the gas installer industry is regulated with respect to safety.

The CER published a Consultation Paper (CER/14/131) earlier this year and following consideration of all responses received is now publishing this proposed decision.

This proposed decision should be read in conjunction with the CER's response to comments paper (CER/14/760), which summarises and responds to all responses received to the consultation on this matter.

It is intended that elements of the final decision on this matter will:

- (1) feed into the process to designate a Gas SSB to carry out the day-to-day regulation of gas installers with respect to safety from 2016 onwards; or,
- (2) feed into the overall approach through which the CER regulates this industry.

Target Audience:

This document is for the attention of the general public and industry stakeholders. It will be of particular relevance to existing and future gas installers, the current and prospective Gas SSBs, parties with an interest in the gas contracting industry in Ireland such as NSAI, the HSA and gas installer representative bodies along with members of the public who use the services of those involved in the gas contracting industry in Ireland.

Related Documents:

This paper should be read in conjunction with CER's Response to Comments paper (CER/14/760), which summarises and responds to all responses received to the consultation on this matter. (CER/14/760).

The following is a list of CER documents related to the regulation of gas installers:

- Regulation of the Gas Installer Industry with respect to safety from 2016 Consultation Paper, (CER/14/131). 17th June 2014;
- Regulation of Gas Installers with Respect to safety. Definition for the Scope of Gas Works with regard to Liquefied Petroleum Gas (CER/11/074), 21st April 2011;

- Regulation of Gas Installers with Respect to Safety. Definition for the Scope of Gas Works (CER/09/083), 19th May 2009;
- CER Criteria Document Version 1.4 The Regulation of Gas Installers with Respect to Safety;
- Economic Regulation of the Gas Safety Supervisory Body and any Electrical Safety Supervisory Bodies to be Designated by the Commission, A Decision and Response to Comments Received Document (CER/08/108), 3rd July 2008;
- Vision for the Regulation of Gas Installers with respect to Safety, A Decision Document, (CER/07/225), 17th December 2007; and
- A Natural Gas Safety Regulatory Framework for Ireland – Approach Paper (CER/07/172), 24th October 2007.

Further relevant documents are available at www.cer.ie

Executive Summary

Section 9 (1) (ea) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006* confers on the CER the power to regulate the activities of gas installers with respect to safety. Section 9F (1) (a) of that Act further grants the CER the authority to designate a body to carry out this role on a day-to-day basis on behalf of the CER. This body is known as the Gas Safety Supervisory Body (Gas SSB).

In 2007, the CER published its Vision for the Regulation of Gas Installers with respect to Safety (ref. CER/07/225). Since that time, the CER has implemented certain tasks outlined in that Vision Document including:

- The **designation** of a body to *inter alia* maintain a register of gas installers and to inspect those gas installers;
- Publication of a **Criteria Document**¹ which, amongst other things, outlines the rules which the designated body and individuals registered with it must comply;
- Implementation of **Statutory Instruments** which defined the scope of domestic Gas Works which, by law, only Registered Gas Installers (RGIs) may carry out;²
- Initiation of criminal **prosecutions** against unregistered individuals who have carried out Gas Works illegally or described themselves as an RGI or acted in a manner likely to suggest they were registered;
- Putting in place a requirement for **assessment** of gas installers which is necessary to demonstrate their ongoing competency.

All of the above have improved the overall safety relating to gas installers which consequently gives customers confidence in the Registered Gas Installers (RGIs) they are hiring to carry out Gas Works in their home.

In 2008, following a competitive tendering process, the CER designated the Register of Gas Installers of Ireland (RGII), to be the Gas SSB in respect of gas installers with their role commencing in 2009 for a period of seven years. RGII's role as the Gas SSB will therefore terminate in January 2016. In 2015, the CER expects to embark on a competitive tendering process to appoint a Gas SSB for a fixed term period commencing January 2016 onwards.

The CER is committed to ensuring that its approach to regulation evolves and develops over time to ensure an appropriate level of gas safety in Ireland. Therefore, to align with the end of the current designation period, the CER reviewed how the gas installer industry in Ireland is regulated with respect to safety. This review commenced in June

¹ In accordance with Section 9F (5) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*.

² *Electricity Regulation Act 1999 (Gas Works) Regulations 2009* S.I. No. 225 of 2009 and *Electricity Regulation Act 1999 (Liquefied Petroleum Gas Works) Regulations 2011* S.I. No. 299 of 2011.

with the publication of the Consultation Paper. Following consideration of responses received to that consultation paper, the CER is now publishing this Proposed Decision Paper.

This document puts forward a proposed decision which retains elements of the scheme which are functioning well to date and includes improvements in some areas where necessary. Some of the main proposals are outlined below.

It is proposed that the Gas SSB would continue to operate on a not-for-profit basis. The CER is of the view that this is the most suitable financial structure for this regulatory body at this time.

It is proposed that the designation period be seven years in duration. The CER is of the view that this is an appropriate term as it is long enough to allow for the implementation of potential developments to the scheme such as electronic certification and the introduction of the non-domestic works into the scope of Gas Works.

There is currently a requirement in place for Registered Gas Installers (RGIs) to sit an accredited competency assessment every five years. The CER proposes that no changes would be made to this requirement that RGIs sit an accredited competency assessment every five years. The CER remains convinced that the accredited five year assessment in conjunction with the annual inspections of RGIs is the most suitable way that assurance can be provided that the RGI is competent to carry out their role in a safe manner.

Comments are invited on this proposed decision as outlined in Section 1.6 of this paper. Following consideration of these comments, a final decision will be published in due course.

It is intended that elements of the final decision will:

- feed into the process of designating a Gas SSB to carry out the day-to-day regulation of gas installers with respect to safety from 2016 onwards; or,
- feed into the overall approach through which the CER regulates this industry.

It is intended that a designation process will be carried out during 2015, to appoint a Gas SSB which will become operational in January 2016.

While comments received are referred to briefly throughout this proposed decision, this document should be read in conjunction with the CER's response to comments paper, which summarises and responds to all comments received to the consultation on this matter.³

³ Please note that all responses are published, in full (insofar as legally permissible) alongside these papers.

Comments are welcome to this proposed decision in accordance with Section 1.6 of this paper by 27th November 2014.

A similar consultation is also currently taking place with regard to the corresponding Registered Electrical Contractors regulatory scheme⁴ (ref. CER/14/130).

⁴ Consultation Paper on the Regulation of Electrical Contractors with respect to safety from 2016 (CER/14/130) was published on June 17th 2014. A Proposed Decision Paper (CER/14/757) is currently available.

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1.0 Introduction and Background

1.1 The Commission for Energy Regulation⁵

The Commission for Energy Regulation (CER) is Ireland's independent energy and water regulator. The CER was established in 1999 and now has a wide range of economic, customer protection and safety responsibilities in energy. The CER is also the regulator of Ireland's public water and wastewater system.

The CER's primary economic responsibilities in energy cover electricity generation, electricity and gas networks, and electricity and gas supply activities. As part of its role, the CER jointly regulates the all-island wholesale Single Electricity Market (SEM) with the Utility Regulator in Belfast. The SEM is governed by a decision-making body known as the SEM Committee, consisting of the CER, the Utility Regulator and an independent member. The overall aim of the CER's economic role is to protect the interests of energy customers. The CER has an important related function in customer protection by resolving complaints that customers have with energy companies.

In 2014 the CER was appointed as Ireland's economic regulator of the Irish public water and wastewater sector. The CER's functions and duties in the water sector are set out in the Water Services Act 2013 and in more recent legislation in the Water Services (No.2) Act 2013.

The CER's core focus in safety is to protect lives and property across a range of areas in the energy sector. This includes safety regulation of electrical contractors, gas installers and gas pipelines. In addition the CER is the safety regulator of upstream petroleum safety extraction and exploration activities, including on-shore and off-shore gas and oil.

1.2 Introduction to the Regulation of Gas Installers

Under section 9 (1) (ea) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*, the CER has responsibility to regulate gas installers with respect to safety.

Prior to the 2006 Act, there was no specific legislative provision in place to require all fittings, installations and maintenance work on gas appliances to be conducted by a certified and competent installer. Under condition 10 of its Distribution Licence, Bord Gáis Networks was required by the CER to keep and publish a register of gas installers who possess the requisite qualifications, skills and experience for the safe and proper installation, commissioning, testing, repair, removal, replacement and maintenance of gas fittings.

⁵ Further information on the CER's role and relevant legislation can be found on the CER's website at www.cer.ie.

To this end, Bord Gáis Networks had established and operated a voluntary scheme for gas installers. However, registration was not mandatory. Thus, only approximately 800 individuals who worked in the gas installation industry were captured within the voluntary registration scheme.

The relatively low number of people registered demonstrated a need for the process to be formalised. Thus, the legislature granted the power to regulate the activities of gas installers to the CER through the *Energy (Miscellaneous Provisions) Act 2006*. In order to fulfil this safety function the CER appointed the Register of Gas Installers of Ireland (RGII) as the Gas Safety Supervisory Body (hereinafter referred to as the Gas SSB), in accordance with section 9F (1) (a) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*, commencing in 2009 for a period of seven years. As the Gas SSB, the RGII is responsible for registering and regulating gas installers with respect to safety on a day-to-day basis. The operation of the Registered Gas Installers (RGIs) scheme went live in 2009, replacing the earlier self-regulatory regime. Initially the scheme applied to domestic natural gas installers only but was extended to include domestic Liquefied Petroleum Gas (LPG) installers in June 2011.⁶ In time, the scheme may be further extended to include non-domestic gas installers. Presently there are 2,991 RGIs registered with RGII.

RGII is responsible for the day-to-day activities of registering natural gas and LPG installers and regulating their activities with respect to safety. RGII registers natural gas and LPG installers, ensuring that people looking to become RGIs are appropriately qualified and insured. The RGII also carry out ongoing audit and inspections of each RGI to confirm they are working to the appropriate national safety standards. They also issue, validate and process Completion Certificates. These certificates are provided by RGIs to the customer on completion of Gas Works and certify that the work has been carried out by an RGI and in accordance with the relevant national safety standard.

From a customer perspective, anyone who wishes to carry out Gas Works in the home - for example to service, replace or install a domestic natural gas or LPG appliance or boiler - must be an RGI registered with the RGII, at the time they carry out Gas Works. RGIs must hold suitable qualifications, carry out Gas Works in line with the relevant Irish standards and undergo regular audit and inspection by the RGII. This provides confidence to the customer that registered installers, who carry out Gas Works in their homes, operate to an appropriate safety standard which in turn protects lives and property.

Four broad safety risks associated with the utilisation of gas are:

1. the competency of gas installers;
2. the use of approved gas fittings and appliances;
3. working to an appropriate national standard; and

⁶ Through S.I. No. 299 of 2011 – *Electricity Regulation Act 1999 (Liquefied Petroleum Gas Works) Regulations 2011*

4. the levels of gas safety awareness amongst end use customers and the general public.

Gas installers must be competent, assessed as such, and registered to undertake installation and maintenance activities on gas fittings and appliances. The potential outcomes of improper gas installation and maintenance include:

- gas leaks inside the property resulting in fire and/or explosion; and
- inadequate ventilation and/or incomplete combustion resulting in the potential for carbon monoxide poisoning.

Gas customers and the public at large should have a level of gas safety awareness to ensure that they understand the potential dangers of not hiring Registered Gas Installers to carry out Gas Works and to have their installation and appliances serviced regularly.

The work which has been carried out in this area to date aims to ensure an appropriate level of safety in relation to gas installers in Ireland.

1.3 Development of the Regulation of Gas Installers

Prior to the implementation of the scheme in 2007, the CER outlined its vision for the regulation of the gas installer industry with respect to safety. This vision outlined the CER's intended approach on how the scheme would be structured and would operate.

At the centre of this scheme is the Criteria Document which the CER has published as required under section 9F (5) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*. This Document outlines how the Gas SSB should operate on a day-to-day basis. This document was originally published in 2008, following a consultation, and the most recent version is available on the CER website.⁷

Separately, the CER, in accordance with section 9G (1) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*, has defined Gas Works which may only be carried out by an RGI. These works have been defined as the installation, removal, repair, servicing, maintenance or replacement (or any combination of the foregoing) of a natural gas or LPG fitting covered by I.S. 813 or I.S. EN 1949, which is used or designed to be used by a domestic customer or which is designed to be used by a domestic customer but which is located in a non-domestic⁸ or industrial premises.⁹ It is an offence for an unregistered individual to carry out such Gas Works under section 9G (3) and (4) of the *Electricity Regulation Act 1999* as amended by the

⁷ At time of publication the most recent Criteria Document Version 1.4, The Regulation of Gas Installers with Respect to Safety, available [here](#).

⁸ This was previously referred to as Commercial Gas Works and does not include industrial Gas Works.

⁹ These have been designated as Gas Works by means of Regulations through the following Statutory Instruments:

S.I. Number 225 of 2009 – *Electricity Regulation Act 1999 (Gas Works) Regulations 2009*

S.I. Number 299 of 2011 *Electricity Regulation Act 1999 (Liquefied Petroleum Gas Works) Regulations 2011*

Energy (Miscellaneous Provisions) Act 2006. The CER also has a role in prosecuting individuals who have undertaken relevant Gas Works while not being registered.

This work and other matters relating to the regulation of gas installers are discussed further in this document.

1.4 Purpose and Scope of this Paper

The CER is committed to ensuring that its approach to regulation of installers evolves over time to ensure an appropriate level of gas safety in Ireland. Therefore, to align with the end of the current designation period¹⁰, the CER, through this consultation process, reviewed how the gas installer industry is regulated with respect to safety.

The CER published a consultation paper in June of this year and following consideration of all responses received is now publishing this proposed decision.

This proposed decision should be read in conjunction with the CER's response to comments paper, which summarises and responds to all responses received to the consultation on this matter.

Comments are invited on this proposed decision as outlined in Section 1.6 of this paper.

It is intended that elements of the final decision on this matter will:

- feed into the process to designate a Gas SSB to carry out the day-to-day regulation of gas installers with respect to safety from 2016 onwards; or,
- feed into the overall approach through which the CER regulates this industry.

It is intended that the designation process will be carried out in 2015, with one Gas SSB being designated and becoming operational in January 2016.

1.5 Structure of this Paper

The structure of this Proposed Decision Paper is as follows:

- This section provides an introduction and a background to the gas installer regulatory scheme along with a purpose for this paper;
- Section 2.0 provides an overview of the regulatory regime to date and performance thereof;
- Section 3.0 provides information on the Designated Body and provides a proposed decision relating to the Designated Body from 2016 onwards;
- Section 4.0 gives an overview of the Criteria Document and provides a proposed decision for comment;

¹⁰ The designation period for the current Gas SSB is due to expire on December 31st 2015.

- Section 5.0 outlines the Technical Standards, Training and Assessment associated with the scheme and provides a proposed decision for comment;
- Section 6.0 gives an explanation of RGI Membership and provides a proposed decision for comment;
- Section 7.0 outlines Gas Works and Certification and provides a proposed decision for comment;
- Section 8.0 provides information on Investigations and Prosecutions relating to Unregistered Individuals and provides a proposed decision for comment;
- Section 9.0 gives an outline of the Communication between CER and Stakeholders and provide a proposed decision for comment;
- Section 10.0 provides information and a proposed decision on the Public Awareness aspect of the scheme for comment ;
- Section 11.0 provides information on the corresponding electrical contractors scheme and provides the CER's proposed decision on the possibility of appointing a joint Gas and Electrical SSB for comment;
- Finally Section 12.0 provides information on the next steps.

Throughout this paper, the CER presents its proposed decision on relevant matters.

Comments are invited on this proposed decision as outlined in Section 1.6 of this paper.

1.6 Responding to this Paper

Interested parties are invited to comment on the CER's proposed decision presented in this paper by close of business on Thursday, 27th November 2014. In the interests of transparency, the CER intends to publish all responses in full on its website. In the event that a respondent does not wish for its response to be published, the response should be clearly marked as confidential or any confidential information should be included in a separate annex.

Comments should be sent to Tara O'Beirne tobeirne@cer.ie no later than close of business on **Thursday, 27th November 2014**.

Comments in electronic format are preferable. However comments may also be posted to the CER at the following address:

Tara O'Beirne
Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

1.7 Next Steps

Following consideration of all responses received to this proposed decision paper, the CER expects to publish a Final Decision in December 2014.

It is intended that elements of the final decision on this matter will:

- feed into the process to designate a Gas SSB to carry out the day-to-day regulation of gas installers with respect to safety from 2016 onwards; or,
- feed into the overall approach through which the CER regulates this industry.

It is intended that the designation process will be carried out during 2015, with one Gas SSB being designated and becoming operational in January 2016.

The CER would encourage all interested parties to provide their opinions to the CER's proposed decision as presented throughout this paper.

2.0 Overview of the Existing Regulatory Regime

2.1 Introduction

This section outlines the main components of the regulatory scheme which are fundamental to the effective operation of the scheme. This section then goes on to describe the performance of the scheme since 2009 to date.

2.2 Components of the Regulatory Regime

In December 2007, the CER published the “*Vision for the Regulation of Gas Installers with Respect to Safety*” (ref. CER/07/225), which set out the CER’s high level approach to the regulation of natural gas installers with respect to safety within the Gas Safety Framework. Section 9 (1) (ea) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006* gave the CER the authority to address the gap between the voluntary regulatory scheme which Bord Gáis were operating by conferring on it the authority to regulate the activities of gas installers with respect to safety and by moving to a mandatory scheme for gas installers.

Since that time the CER developed a regulatory regime consisting of the following main components:

- The CER has **designated a body** to regulate gas installers on a day-to-day basis.
- The CER has put in place a **Criteria Document** to which the Gas SSB and the RGIs registered with it must adhere to. This includes detail on how complaints and disciplinary proceedings regarding RGIs are dealt with.
- The CER has specified (through the Criteria Document) the **standards** to which RGIs must operate, the **qualifications** which individuals must have in order to register with the body and the **assessments** which must be completed to maintain registration with the body.
- The CER has specified **Gas Works** which, by law, may only be carried out by individuals who are registered with the body and has undertaken **prosecutions** against individuals who have not complied with this requirement.
- The CER has co-ordinated and participated in **promotion and public awareness** activity to ensure the public has sufficient knowledge regarding the regulatory regime.

These functions are closely linked to the CER Strategic Plan 2014 – 2018, Strategic Goal One – to ensure that energy is supplied safely. The strategies for achieving this goal are:

- **Compliance Assurance** - The ongoing monitoring of compliance of industry with the safety regulatory requirements.

- **Enforcement** – enforcing compliance with the regulatory systems when required.
- **An evolving improving safety framework in line with technical and legislative developments Continuous improvements in safety** - Applying a continuous improvement philosophy to the safety regulatory systems.
- **Safety Promotion & Public Awareness** - Undertaking comprehensive promotion and public awareness campaigns.
- **External Engagement** – Co-operating and working with other agencies to facilitate the discharge of respective safety regulatory functions.¹¹

The CER remains committed to the continuous improvement in safety for the gas installer industry and the proposed decisions outlined in this paper are intended to further that goal.

The CER has also monitored the performance of the regulatory regime since 2009 in order to ensure there is compliance with the Gas SSB's Terms and Conditions of Appointment and the Criteria Document. This is discussed in Section 2.3 below.

2.3 Performance of the Regulatory Regime

In its role of overseeing the gas installer regulatory scheme with respect to safety, the CER receives quarterly reports from the Gas SSB in order to monitor the scheme on an ongoing basis. The CER also carries out audits and inspections of the Gas SSB to ensure compliance with the relevant rules. Statistics are provided below regarding the performance of the scheme since 2009 to 2013.

2.3.1 *Number of Registered Gas Installers (RGIs)*

At the end of 2013 there were 2,982 installers (including full and trainee members) registered with the Gas SSB, this represents a 1.5% increase on the previous year. The graph below demonstrates the number of RGIs from 2009 to 2013. The number of RGIs has remained stable, with small growth in numbers, throughout the duration of the seven year period for which the body was designated.¹²

¹¹ To view the full Strategic Plan 2014 – 2018 click [here](#).

¹² At any given time, an RGI may be suspended due to issues such as, for example, lapse of insurance. Suspended RGIs are included in the numbers presented in Figure 1.

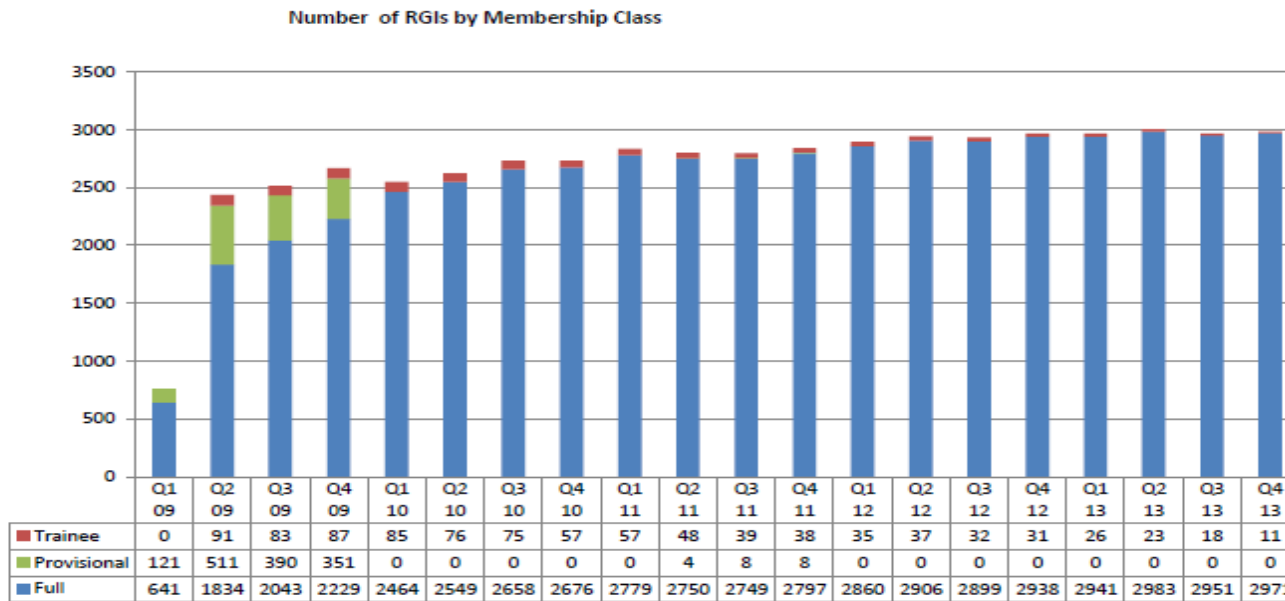


Figure 1 Registered Gas Installers by Class of Membership 2009 to 2013

2.3.2 Inspections Carried out by the Gas SSB

The Gas SSB is required, under the published Criteria Document, by the CER to monitor and inspect RGIs. It schedules inspections in line with the requirements of the Criteria Document. The target is to inspect each member on an annual basis (that is 2,982 Registered Gas Installers at the end of 2013).

During 2013, the Gas SSB planned to execute 3,358 routine inspections of RGIs. A final routine inspection figure of 3,022 was achieved. The graph below shows the number of inspections carried out by the Gas SSB on a quarterly basis since the scheme went live in June 2009.

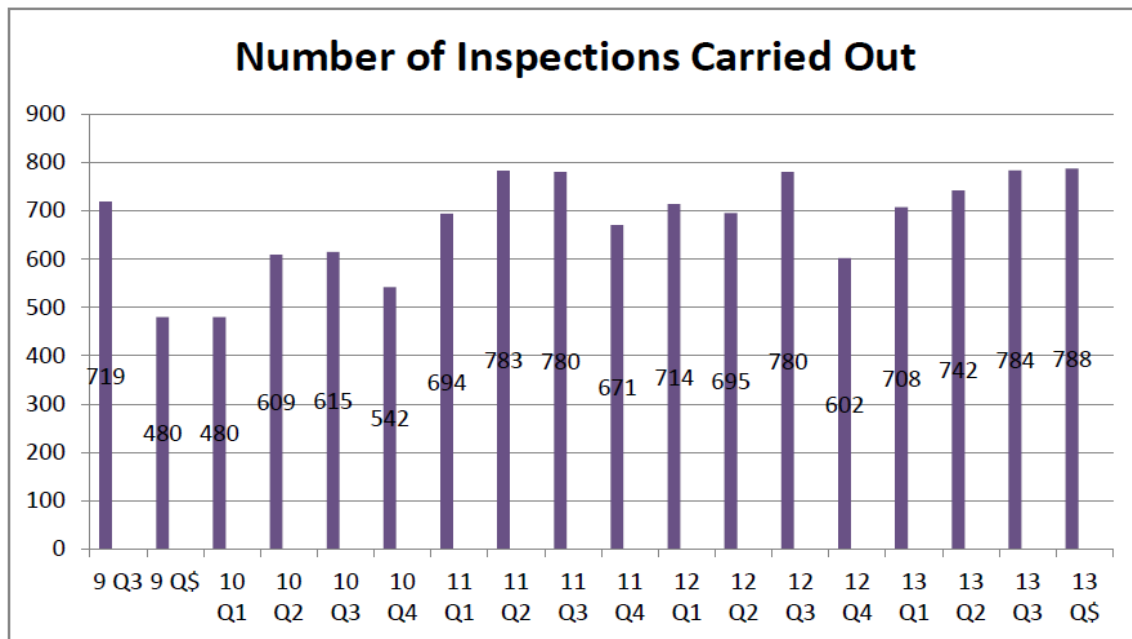


Figure 2 Number of Inspections Carried Out by the Gas SSB¹³

2.3.3 Sale of Completion Certificates by the Body

The issuance of a Completion Certificate to customers is legally required for all regulated Gas Works carried out in a domestic setting.¹⁴ When a Registered Gas Installer performs work (new installation, replacement or servicing) a Completion Certificate must be provided to the customer, a carbon copy is returned to the Gas SSB for processing and the RGI must keep one carbon copy.

The sale of certificates shows the level of Gas Work being carried out by RGIs in Ireland. There are three types of certificates.¹⁵ The sale of Completion Certificates increased by 19.3% in 2013 compared to 2012. The Gas SSB sold 215,476 appliance servicing certificates, 11,365 appliance replacement certificates and 7,946 new gas installation certificates as shown in the graph below. This graph shows that broadly there is a consistent number of certificates sold when one year is compared to another.

¹³ Please note this graph has been updated to reflect the correction of an error which appeared in the Consultation Paper (CER/14/131) published June 17th 2014.

¹⁴ Under section 9F (12) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*

¹⁵ The definition of certificates is outlined below:

- Cert 1: New installations or existing gas installations requiring a supply of gas and/or new meter fit
- Cert 2: Boiler replacement where a meter/gas is already supplied;
- Cert 3: Existing installations with a gas supply/gas meter for new appliance fit (except boilers), repair, safety check and/or service

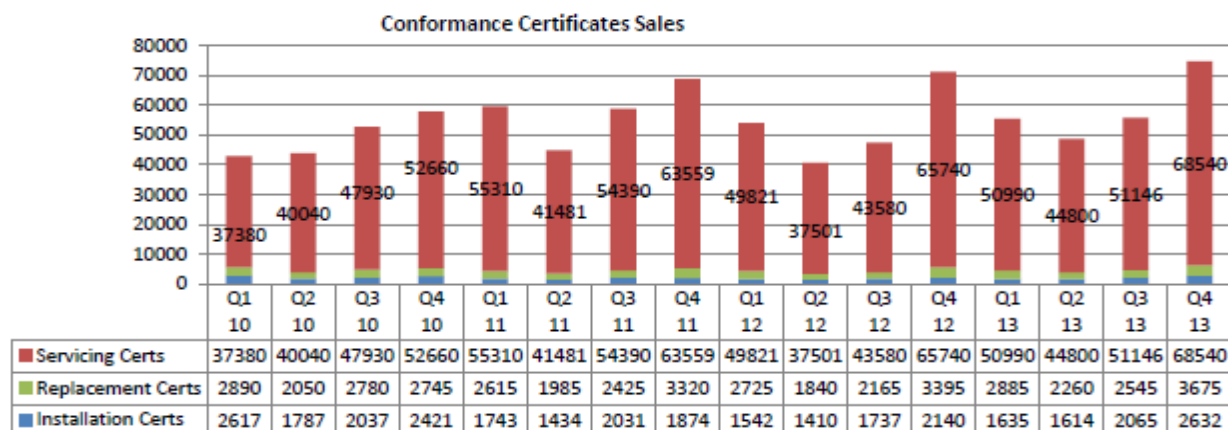


Figure 3 Registered Gas Installers certificate sales 2009 to 2013

The CER does not have definitive statistics regarding the number of boilers installed in a domestic setting each year¹⁶ although the CER is currently taking steps to engage with boiler manufacturers in order to establish sales. The views put forward by stakeholders have been that this would be in excess of the number of certificates sold for this type of work, with some stakeholders providing information which states that the figure for boilers sold is more than 10,000 above the number of certificates sold¹⁷. This would indicate that either RGIs are not issuing certificates for this type of work or boilers were being installed by unregistered individuals. The former is a matter for the Gas SSB to deal with through the prescribed disciplinary process while the latter is a criminal offence for which the CER can prosecute. While the CER cannot give definitive numbers regarding non-compliances, it is of the view that any level of non-compliances is unacceptable.

¹⁶ The CER has also engaged with the Central Statistics Office (CSO) with regard to determination of verifiable figures on the number of gas boilers sold. There is no definitive timeframe regarding having verifiable figures available from the CSO on the number of gas boilers sold and no guarantee that this will be possible.

¹⁷ And roughly 18,000 above the number of certificates returned.

2.3.4 Return of Completion Certificates to the Body

There is a relatively low level of certificates being returned to the body compared to those being sold as demonstrated in the graph below. This can be for a number of reasons, for example, not all of those sold would have been used and would therefore not (yet) be returned. However, there is likely to be scope for improvements in this area and this is discussed further in Section 7.4 of this document.

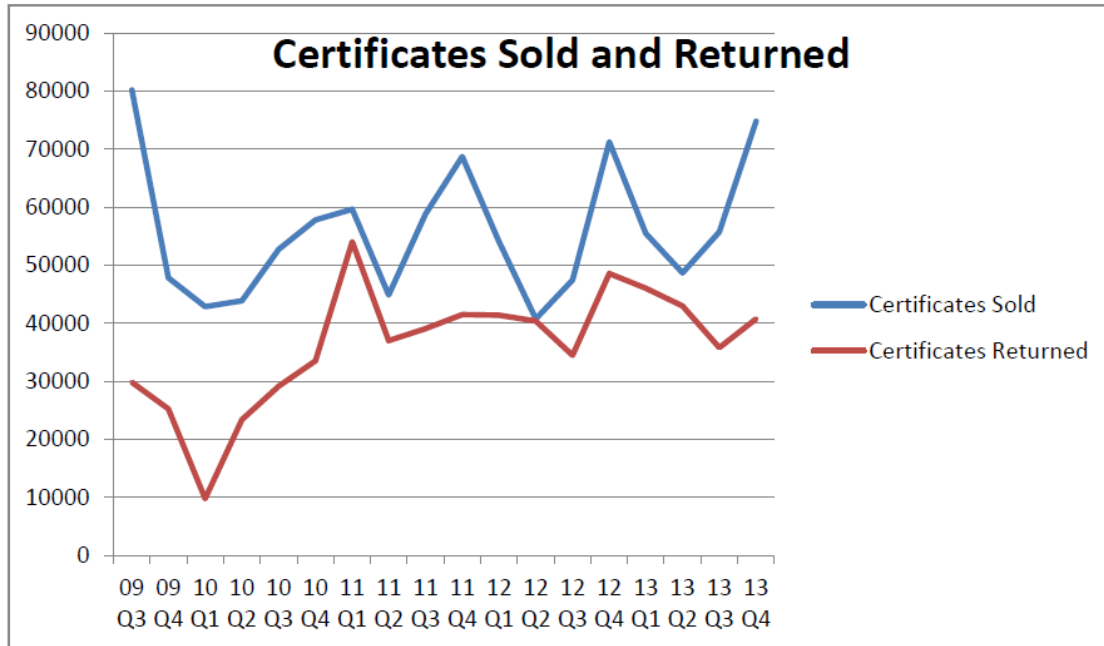


Figure 4 Certificates sold and returned from 2009 to 2013

2.3.5 Prosecutions

The CER has investigated and has a number of ongoing investigations of instances where unregistered individuals may have carried out illegal Gas Works or have described themselves as an RGI but are not registered as such. These investigations are carried out by CER Gas Safety Officers. Of these cases, ten have resulted in successful prosecutions to date. Some of the ongoing investigations are actively being progressed and may result in the prosecution of individual parties during 2014.

In two of these instances the individual was also prosecuted for describing themselves as a Registered Gas Installer while not being registered. This is an offence under sections 24 and 25 of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*.

2.3.6 Public Awareness of the Scheme

Ultimately, the success of the scheme depends on the customer being aware of the scheme and the legal requirements thereof. The graph below shows the number of visitors to the Gas SSB website from 2010 to the end of 2013, which may reflect the level of awareness of the scheme amongst the public.

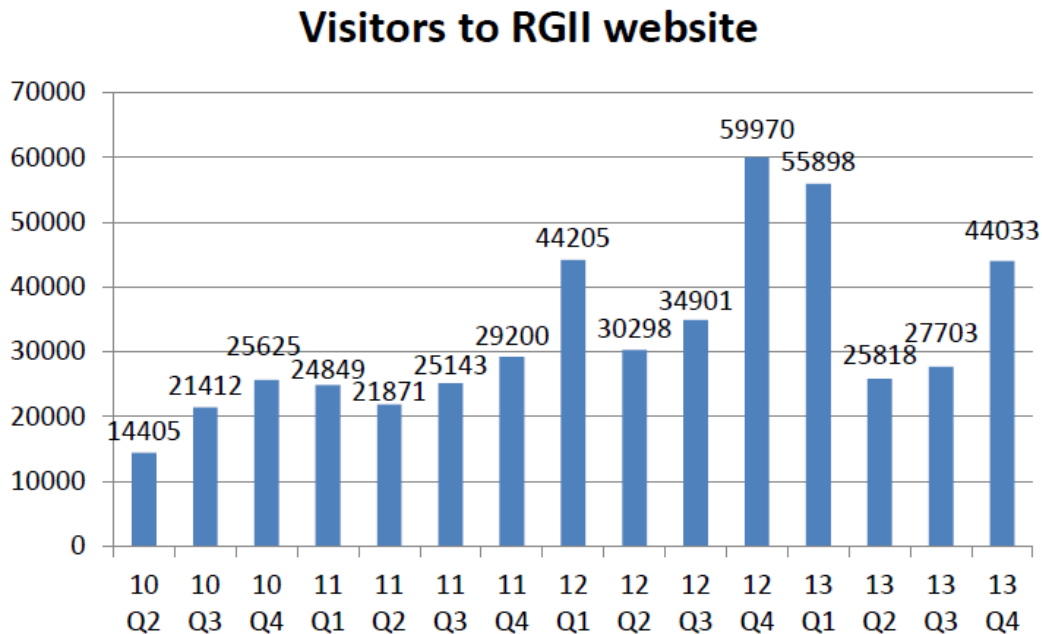


Figure 5 Unique Visitors to the website - WWW.RGI.IE

In order to further assess the awareness of the RGI scheme, surveys carried out by Bord Gáis Networks indicate that awareness has increased from 17% in 2007 to 51% in 2013 and for natural gas users the figures went from 25% to 62%. In 2012 awareness for natural gas users was at its highest at 69%. The promotional activities that have led to this increase are outlined in Section 10.0 of this document.

2.3.7 Financial Performance of the Body

The CER regulates the Gas SSB from a financial perspective. The CER has required that their core activities (those required under the Criteria Document) are operated on a not-for-profit basis. This means that any reserve relating to core activities that remains at the end of the current designation period will be paid to the CER as expressly set out in the Terms and Conditions of Appointment.

The table below shows the reserve available to the Gas SSB at year end for the years 2009 to 2012. These funds are acquired through a combination of money received from

RGIs through collection of membership fees, inspection fees and certificates purchased. As the Gas SSB operates on a not-for-profit basis, any funds which the Gas SSB have at the end of the designation period will be paid to the CER as per the Terms and Conditions of Appointment. It is the CER's intention, at this point, that the CER would use any such reserves solely for the RGI scheme in the future.

RESERVES AT YEAR END	€
2009	180,090
2010	448,137
2011	754,056
2012	809,891

Table 1 Reserve at Year End 2009-2012

There are plans in place to reduce this reserve through the provision of revenue to each RGI who completes the required assessment as outlined in Section 5.0 of this document.

2.3.8 Audits and Monitoring

The Gas SSB has been in place since 2009. Since that time the CER has monitored it through the performance reports which are submitted on a quarterly basis and through the completion of audits and inspections. This includes audits and inspections of how the Gas SSB carries out its role, covering, for example, the processes which are in place within each body and also the manner through which individual RGIs are inspected.

Where any non-compliance (with respect to the Criteria Document and/or the Gas SSBs Terms and Conditions of Appointment) is identified, the CER works to ensure this is closed out by the Gas SSB in as quickly as possible.

2.3.9 Disciplinary Proceedings

Where an RGI is found to be in breach of any provision of the Criteria Document, they may be referred to a Disciplinary Panel. The Disciplinary Panel will carry out a process in accordance with the Criteria Document and make a finding with regard to the RGI. Since 2010, there have been 23 referrals to the Disciplinary Panel.

2.4 Conclusion

Elements of the scheme are reviewed in more detail throughout this proposed decision paper and a proposed decision is provided. The CER is of the view that, in general, the scheme has worked effectively to regulate gas installers from a safety perspective. The number of RGIs registered with the RGII has remained constant despite the economic downturn, however, it is recognised that an improvement is needed with regard to return of certificates. The number of people being prosecuted has risen sharply this year which indicates that the CER's investigation of reports received is working satisfactorily. Finally,

audits and inspections are carried out by the CER on RGII to ensure compliance with the Criteria Document and Terms and Conditions of Appointment.

3.0 The Designated Body

3.1 Introduction

This section provides information on the functions of a designated body, relevant characteristics of a designated body and details relating to the designation process.

3.1.1 Background

As outlined above, the CER designated the RGII to carry out the day-to-day regulation of gas installers for a period of seven years from 2009. To avoid any confusion between the RGII and any party which may be designated to carry out this role from 2016 onwards, the term 'Gas SSB' is used for the remainder of this section. This covers the RGII in its current position and any body which is designated in the future.

3.1.2 Functions

The functions of the Gas SSB are outlined in the Criteria Document (which is discussed in Section 4.0) and can be summarised as follows. The Gas SSB must:

- **Operate a register** of gas installers. This includes initial registration and renewal of membership in line with the requirements of the Criteria Document.
- **Monitor, audit and inspect** registered installers. This includes ensuring that the work of registered installers is carried out in compliance with the relevant standard. It also includes ensuring that the installer is working in accordance with the Terms and Conditions of Registration and the Criteria Document.
- **Manage the certification of Gas Works.** This includes the administration and monitoring of the completion certificate system by issuing completion certificates to RGIs, validating and processing completion certificates which are submitted by RGIs, and carrying out scheduled inspections of Gas Works performed by RGIs as well as at the request of customers.
- **Undertake promotional activities.** Examples of this work include highlighting the legal requirement to hire a registered installer.
- **Dealing with customer complaints and requests.** This includes investigating a safety related complaint or inspecting any gas work at the request of a customer who has used a registered installer.
- **Taking disciplinary actions against registered installers.** This includes, where a registered installer is found not to have worked in compliance with the Criteria Document or a required safety standard, the body taking an appropriate sanction up to and including suspension or revocation of the RGI's registration with the Gas SSB.

In addition to operating within the Criteria Document, any designated Gas SSB will be subject to Terms and Conditions of Appointment which are set out by the CER.

The CER monitors the Gas SSB through the performance reports which are submitted on a quarterly basis and through the completion of audits and inspections. This includes audits and inspections of how the Gas SSB carry out its role, covering, for example, the processes which are in place within each body and also the manner through which individual RGIs are inspected.

3.1.3 Legislative Restrictions on Characteristics of the Gas SSB

The *Electricity Regulation Act 1999*, as amended by the *Energy (Miscellaneous Provisions) Act 2006*, places certain restrictions on the characteristics of the body including:

- Section 9F (3) of that Act states that the body shall not be or become a trade association or perform representative functions on behalf of persons working in the gas industry. It is clearly set out that a person cannot act as or must cease to act as the Gas SSB in such circumstances.
- Section 9F (10) (c) sets out that the body must be self-financing through its registration fees and the services it provides to members.
- Section 9F (10) (a) states the body must submit its fees and charges relating to the registration process and its support structure for approval by the CER.

3.2 Financial Structure of the Gas SSB

3.2.1 Background

The financial structure of the Designated Body is of importance to the CER as it determines how the Designated Body may operate and what type of ventures it may pursue. Under section 9F (10) (c) of the *Electricity Regulation Act 1999*, as amended by the *Energy (Miscellaneous Provisions) Act 2006*, the Designated Body must be self-financing. The Act states that the tariffs, fees and charges imposed by a Designated Body relating to registration, inspection and any other services must be approved by the CER¹⁸ and that the revenue from such charges should meet the expenses and costs of the Designated Body in carrying out its functions.¹⁹

The CER considered a number of options when it was considering the financial structure of the Gas SSB in 2008. These were:

1. The Designated Body could operate on a strict not-for-profit basis.

¹⁸ Under section 9F (10) (a) of the *Electricity Regulation Act 1999* as amended by the *Energy (miscellaneous Provisions) Act 2006*

¹⁹ Under section 9F (10) (c) of the *Electricity Regulation Act 1999* as amended by the *Energy (miscellaneous Provisions) Act 2006*

2. The Designated Body could operate a not-for-profit registration scheme while offering optional non-domestic services to Registered Gas Installers.
3. The Designated Body could have a regulated return on the registration scheme.
4. The Designated Body could have a regulated return on the registration scheme but also offer optional commercial services.
5. Use of Incentive Based Regulation.

3.2.2 Current Arrangements

Under the current scheme (as defined in the Terms and Conditions of Appointment), the Gas SSB is required to operate their core activities on a not-for-profit basis. As a result, the tariffs which it levies for the services it provides as the Gas SSB shall only provide for the recovery of the efficient costs it incurs (and such surplus as may be allowed by the CER in the interest of facilitating the liquidity and ongoing operations of the Gas SSB) and shall not allow for profits/surplus to be distributed to shareholders or other third parties (save as may otherwise be permitted by the CER).

On termination, in accordance with the Terms and Conditions of Appointment, any reserves relating to core activities will be paid to the CER. Information on the reserve to be paid to the CER at the end of the designation period is outlined in Section 2.3.7 of this document.

The reason why the net funds are at the level outlined and a reduction in fees or certificate prices has not been passed on to the RGIs at this point is the build-up of reserves acts as a 'safety net' to an organisation which must operate on a not-for-profit basis. This was of particular importance as the CER, at one point, had concerns for the financial viability of the corresponding electrical scheme and therefore was in favour of ensuring this situation would not arise on the gas side and thus the reserve was allowed to build up.

Reserves at the end of the current designation period will be paid to the CER at the end of the designation period. It is expected that the reserve will have reduced due to the fact that there is currently a system in place whereby RGIs who complete their five year assessment will be reimbursed with €230 each.

3.2.3 Proposed Decision

In the consultation paper, the CER invited comments regarding the financial structure of the Gas SSB from 2016 and the transfer of any reserve to the body designated from 2016.

Following consideration of all comments received to the consultation, most of who were in favour of retaining the not-for-profit model, the CER proposes to implement a not-for-profit model (with respect to core activities) for the Gas SSB to be in place from 2016 onwards. The CER will still regulate RGI's registration and certificate fees. This has

worked well to date and therefore there is no compelling reason for a change to a for-profit model. Furthermore, the CER is concerned that a for-profit model could result in the organisation focussing on the maximisation of profits to the detriment of safety.

Also from a public perception point of view, the CER's view is that regulation by a designated body(s) is far more palatable to the industry when that body(s) operate their core activities on a not-for-profit basis. It is easier to achieve buy in from the industry when it can be shown that the scheme is being ran on a not-for-profit basis purely for the purpose of increasing safety. If it was run on a for-profit basis it may leave the scheme open to assertions that the principal motivation was profit.

The CER proposes that any permitted activities could be carried out on a for-profit basis, for example the BESS scheme which Electrical SSBs undertook, but only after seeking prior approval from the CER which will be considered on a case-by-case basis.

With regard to the reserve held by the Gas SSB, the CER proposes to transfer the reserve (via the CER) to the new Gas SSB as it seems appropriate that money raised within the scheme remains in the scheme. The CER proposes that the reserve will be utilised by the Gas SSB for purposes approved by the CER.

3.3 Term of Designation

3.3.1 Current Arrangements

It was initially decided to appoint a body for a period of seven years to allow time for the new regulatory scheme and body to establish themselves. As part of that decision the CER stated that subsequent terms would be five years in duration and the CER sought views on this in the consultation paper (CER/14/131).

3.3.2 Proposed Decision

Following consideration of all comments received, the CER proposes to designate the Gas SSB for a fixed term of seven years. The designation period must be sufficiently long in order to allow the Gas SSB to make significant progress in its function, implement any necessary changes and enable some level of continuity in the scheme for both installers and customers. This is particularly important given the possibility of the future introduction of non-domestic gas works into the scope of Gas Works along with electronic certification

The CER intends to include the possibility within the Gas SSB's Terms and Conditions of Appointment of carrying out a mid-term review of the Gas SSB's performance towards the end of its third year of operation (2018). Where the Gas SSB's performance is to be

deemed not satisfactory, the CER would consider all options to improve the performance of the Gas SSB up to and including de-designation if appropriate.

This review would be in addition to the CER's regular audits and inspections and quarterly reports.

3.4 Staggered Terms for both Electrical and Gas SSBs

3.4.1 Current Arrangements

Currently, there are two Electrical SSBs and one Gas SSB. All three were designated in late 2008 and became operational in 2009 for a period of seven years. All three SSBs terms will terminate on 31st December 2015.

3.4.2 Proposed Decision

In the consultation paper the CER invited comments regarding whether the end dates for the Electrical SSB(s) and Gas SSB designation periods should be staggered in the future so that they do not terminate at the same time.

Following consideration of all comments received, as outlined in Section 3.3 of this paper, the CER proposes to designate the Gas SSB for a term of seven years. The proposed decision relating to the electrical scheme proposes to designate ESSB(s) for a term of seven years. This means that both the Gas SSB and Electrical SSB(s) will terminate at the same time. After consideration of comments received, the CER has determined that there would be no obvious benefits in terms of planning to have staggered end dates and the CER sees benefit in carrying out the processes simultaneously as it allows for efficient use of resources within the CER. Therefore, the CER is not proposing to introduce staggered terms resulting in staggered end dates for the SSBs.

3.5 Fees for Registered Individuals

3.5.1 Current Arrangements

The current Gas SSB receives revenue through a combination of fees received from registration fees and the purchasing of certificates by RGIs. One of the benefits of this model is that it ensures that there is some relationship between the fees paid and the level of work which a specific RGI carries out and consequently their income.

In the past, parties have queried whether the fee for certificates should be abolished, however, this would result in one set registration fee for all RGIs regardless of how much

work they carry out. This fee would be higher than would be the case if the Gas SSB was also allowed (as it currently is) to recover some of its costs through certificate sales.

3.5.2 Proposed Decision

In the consultation paper the CER invited comments regarding the split of cost recovery between registration fees and certificate fees.

Following consideration of all comments received, the CER proposes to continue the current system whereby the payments made by Gas Installers to the Gas SSB are reflective of the level of work which the RGI undertakes. Many respondents favoured a system whereby their total fee paid to the Gas SSB reflected the amount of work done by that RGI. The principles relating to this approach were first put in place in 2008 through the CER's decision on the economic regulation of SSBs²⁰ and the CER has included these principles²¹ in Appendix 1 of this proposed decision paper.

3.6 Permitted Activities

3.6.1 Background

The activities undertaken by the SSB can generally be described as either core activities or permitted activities. Core activities are those activities which the SSB is required to carry out under the Criteria Document such as compiling a register of RGIs. These are summarised within Section 3.1.2 of this document. Permitted activities are those activities which the CER does not require the Gas SSB to undertake, but which the CER has given the Gas SSB permission to carry out.

3.6.2 Training and Assessments

Current Arrangement and Background

The CER requires that the Gas SSB shall not engage in or have a vested interest in the provision of training or formal competency assessment procedures. This is in addition to the legislative restrictions outlined in Section 3.1.3.

Stakeholders have, in the past, stated that allowing these activities as permitted activities could mean that an SSB could develop an inappropriate and unfair advantage in promoting its own training or formal competency assessment over similar services provided by the market. There could be a potential conflict of interest for the SSB to direct installers to complete training or formal competency assessments for financial motives rather than safety reasons or in subsequently regulating installers who have undergone training provided by the SSB.

²⁰ This document is available [here](#).

²¹ These are legitimacy, Transparency, Proportionality, Necessity and Regulatory Certainty.

Proposed Decision

In the consultation paper the CER invited comments regarding permitted activities, with a specific reference to the exclusion of training and assessments as permitted activities.

The CER does not intend to allow the Gas SSB to participate in training or assessments of RGIs and therefore to retain the status quo for the existing reasons set out above. Furthermore, to ensure that there is no issue with respect to another separate organisation providing training or assessments, the CER also intends to put in place a requirement that the Gas SSB could only employ staff or contractors who were not involved in other activities such as training or assessments. This would refer to mandatory training or mandatory assessments.

Following consideration of all comments received, the CER proposes to allow the Gas SSB to provide permitted activities once these have been approved on a case-by-case basis. These could potentially be on a for-profit basis, however ring-fencing of accounts between core and permitted activities would be necessary along with, amongst other things, satisfying the CER that there is no conflict of interests between core and permitted activities. The CER is conscious that the obligation to carry out core activities on a not-for-profit basis may dissuade potential participants from participating in the competition process. However, it is hoped that by allowing certain permitted activities to be carried out on a for-profit basis, it may encourage these candidates to participate.

When considering whether to approve a permitted activity, the CER would consider matters such as, but not limited to, the ring-fencing arrangements (including financial accounts separation) that are in place to ensure separation from the core activities and any impact the permitted activities could have from a resource, public perception or conflict of interest (or any other) perspective.

3.7 Regulating the Operation of the Designated Body

3.7.1 *Current Arrangements*

The Gas SSB has been operational since 2009. Since that time the CER has monitored it through the performance reports which are submitted to the CER on a quarterly basis and through the completion of audits and inspections. This includes audits and inspections of how the Gas SSB carries out its role, covering, for example, the processes which are in place within each body and also the manner through which individual RGIs are inspected.

These steps are carried out to ensure that the Gas SSB carries out its activities in compliance with their Terms and Conditions of Appointment and the Criteria Document.

It is the role of the CER to monitor the Gas SSB to ensure that it is carrying out the function of regulating the day-to-day activities of gas installers correctly and in compliance with the Terms and Conditions of Appointment and the Criteria Document. Furthermore, the CER conducts audits of the Gas SSB and ensures that its inspectors carry out their inspections of RGIs correctly by accompanying inspectors on some of their inspections.

Currently, there are two options available to the CER where a Designated Body breaches the Criteria Document or the Terms and Conditions of Appointment. These are:

- a process through which a Remediation Plan is put in place; and
- Termination of Contract.

3.7.2 Proposed decision

In the consultation paper the CER invited comments regarding the introduction of any further measures to ensure ongoing and satisfactory compliance by the Gas SSB.

To ensure an appropriate level of gas safety, it is important that the CER can ensure that the Gas SSB is carrying out its role appropriately in line with the Terms and Conditions of Appointment and take action if it is not.

The CER proposes to continue requiring the Gas SSB to provide quarterly reports to the CER which will be linked to specific KPIs/SLAs. The CER currently reviews quarterly performance reports from the Gas SSB, which includes main KPIs monitoring areas such as RGI numbers, certificate sales and the number of inspections carried out on RGIs. The CER may develop more KPIs focused on the performance of the Gas SSB itself, possible KPIs could include the processing time of RGI registration applications and the time to respond to complaints.

The CER also proposes to continue to audit and inspect the Gas SSB's performance. The CER already carries out a number of audits and inspections on the Gas SSB each year. These audits any non-compliances with the requirements and processes as set out in the Criteria Document and the Terms and Conditions of Appointment with a view to addressing same. The current Gas SSB is also currently audited by a third party on behalf of the CER.

These audit and inspections help ensure the compliance of the current SSBs with the Criteria Document and the Terms and Conditions of Appointment through annual audits and inspections and monitoring of KPIs. The CER proposes to include relevant conditions to allow the CER to de-designate the Gas SSB in the event of non-compliance with the terms and conditions of appointment and the rules of the scheme.

The CER expects compliance with the Terms and Conditions of Appointment and the Criteria Document. Sanctions which the CER may impose on a Gas SSB for breaches of the above include implementing a remediation plan process and termination of its Terms and Conditions of Appointment.

The CER intends to include the possibility within the Gas SSB Terms and Conditions of Appointment of carrying out a mid-term review of the Gas SSB's performance towards the end of the third year of operation (2018). Where the Gas SSB's performance is to be deemed not satisfactory, the CER would consider all options to improve the performance of the Gas SSB up to and including de-designation if appropriate. This review would be in addition to CER's regular review through audits and inspections and quarterly reports.

The CER also intends to consider how any other non-performance controls (including, for example, related to management) could be included within the Terms and Conditions of Appointment or within other documentation utilised for the designation process.

3.8 Investigations of Gas Incidents

3.8.1 Current Arrangements

When a gas incident occurs on the customer side of the meter, the Gas SSB investigates the incident if there is an indication that the incident may have been caused by unsafe workmanship carried out by an RGI. This may result in disciplinary proceedings being taken against the RGI.

Separately, a CER Gas Safety Officer (GSO) would investigate the incident if there was an indication that it may have been caused by work carried out since mid-2009 by an unregistered individual. This may result in a prosecution of an unregistered individual.

Bord Gáis Networks also carry out investigations into specific incidents involving a death, injury requiring in-patient hospital treatment, damage above a certain monetary value and some other criteria.

3.8.2 Proposed Decision

In the consultation paper the CER invited comments regarding the Gas SSB's involvement in the investigation of gas incidents and the qualifications which the investigator within the Gas SSB should have in order to carry out these investigations.

Following consideration of all comments received the CER does not propose to make any changes whereby the Gas SSB generally investigates matters relating to RGI with a view to taking disciplinary action where appropriate and the CER investigates matters relating to unregistered individuals with a view to taking a prosecution where

appropriate. The current system which is in place appears to be working well in this regard and therefore no change would be justified.

Furthermore, the CER does not intend to change the current arrangements whereby Bord Gáis Networks provide assistance regarding the investigation of specific incidents involving a death, injury requiring in-patient hospital treatment, damage above a certain monetary value and some other criteria. The CER is not satisfied that any changes to the system would ensure that suitably qualified personnel would continue to be available to participate in these investigations.

The CER recognises that there is a need to ensure that appropriate parties are involved in the investigation as soon as possible and intends to work with all natural gas undertakings to ensure this is in place. Consideration will also be given to how and when there should be communication with boiler service providers (that is, RGIs employers) regarding any issues which arise

3.9 Gas SSB Inspectors

As noted in Section 2.3.2, all RGIs are subject to at least one annual inspection by a Gas SSB inspector. This is a resource provided by the Gas SSB to carry out inspections on RGIs registered with the Gas SSB as required under the Criteria Document.

3.9.1 Current Arrangements

Inspections of Gas Works which have been carried out by RGIs are undertaken by a person engaged by the Gas SSB as an Inspector who meets the following requirements:

- (i) Hold a GID award or equivalent;
- (ii) Experience of/Responsibility for gas work for not less than three years;
- (iii) Fully conversant with I.S. 813, I.S. EN 1949, the Building Regulations and Health and Safety legislation as appropriate;
- (iv) Hold a City and Guilds (7317 A1/A2) Certificate, or equivalent, in Assessing Candidates using a range of methods (previously D32/33).

3.9.2 Proposed Decision

In the consultation paper the CER invited comments regarding the qualifications of Gas SSB inspectors.

Following consideration of all comments received, the CER proposes to introduce a requirement that inspectors sit the formal competency assessment every five years which RGIs sit. The CER also proposes to introduce a requirement that inspectors meet

the minimum requirements for registration as an RGI (this would include a relevant craft certificate or equivalent). This is to reflect the CER's view that inspectors should at a minimum have met the same requirements as an RGI. It is proposed that these changes will be introduced through a modification to the Criteria Document outlining the requirements which an inspector working for the Gas SSB should have attained. This requirement will be in addition to the current existing requirements.

4.0 The Criteria Document

This section provides information regarding the Criteria Document.

4.1 Background

The Criteria Document is the key regulatory document which details how the scheme should operate and be governed on a day-to-day basis. It is required under section 9F (5) (a) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006* to publish the criteria relating to:

- Gas safety supervision;
- The safety standards to be achieved and maintained by installers; and
- The procedures to be operated by a person appointed as the designated Gas SSB.

The Criteria Document is an open and transparent document setting out:

1. the requirements for an installer to become registered;
2. the rights, responsibilities and functions of the Gas SSB, registered installers and other parties within the regulatory system;
3. the training and formal competency requirements to be achieved and maintained by registered gas installers;
4. the operation of the completion certificate system for all Gas Works; and,
5. the basis for the assessment of the Gas SSB and registered installers on an ongoing basis.

As provided for in the Act (outlined above), the CER publishes the Criteria Document and under section 9F (5) (c) of that Act “*may review or amend the criteria as often as it considers necessary*”. This allows the Criteria Document to be a flexible regulatory document and the mechanism through which changes to the operation of the regulatory system, be they corrective actions or improvements, are managed by the CER.

Following a consultation process the CER published the first version of the Criteria Document in July 2008. It has been updated since that time and the most recent version is available to view on the CER’s website²². The most recent modifications include a change to the entry requirements as outlined in Section 5.0 of this document.

²² At the time of publication the most recent versions of the Criteria Document is V 1.4. It can be viewed [here](#).

4.2 Modifications

As noted above, the legislation states that the CER “*may review or amend the criteria as often as it considers necessary*”. The CER believes that it is appropriate and necessary to consult with interested parties when making material modifications to the Criteria Document and has taken this approach to date.

It had been envisaged in the CER’s 2007 Vision Document that the CER would establish an industry forum, called the Criteria Review Panel which would act as the mechanism for the industry to propose and discuss modifications to the Criteria Document. It was envisaged that this would be a relatively small group with no greater than eight people.

In practice, however, the CER has deemed it more appropriate to involve a greater number of parties on its discussions than those comprising the Criteria Review Panel regarding modifications to the Criteria Document. This has included facilitating public²³ and industry wide consultations to date.

4.2.1 Current Arrangements

The current Criteria Document is available to view on the CER’s website²². When making changes to the Criteria Document, the CER currently either circulates proposed modifications to members of the Gas Installer Communication Forum (GICF)²⁴ and/or holds a public consultation on the modification prior to making a decision on the matter.

4.2.2 Proposed decision

In the consultation paper the CER invited comments regarding modifications to the Criteria Document.

The CER proposes, in future, to continue consulting in an appropriate manner on any proposed changes to the Criteria Document. Where the modification includes wide ranging or fundamental changes, the CER would intend to carry out a full public consultation in order to engage with the public. Otherwise, the CER may consult with industry through the Gas Installers Communication Forum (GICF) where, for example, a more technical modification is being pursued. The CER would reserve the right to modify the Criteria Document without consultation (either public or with industry) if this was important from a safety perspective, but the CER would not normally envisage such a scenario occurring.

²³ The original Criteria Document was subject to public consultation prior to being finalised.

²⁴ The membership of this group included installer representatives, Bord Gáis Networks, stakeholders involved in training, the NSAI and other interested parties.

5.0 Technical Standards, Training and Assessments

5.1 Background

This section provides information on technical standards, training and assessments.

In developing and overseeing a regulatory scheme for gas installers, the CER acknowledges that there are a number of competency structures which are necessary and of great importance to ensure its success. The main objective of the scheme is to ensure that only competent people carry out Gas Works relating to domestic appliances²⁵.

These competency structures include the continued development of an appropriate set of national standards, the continued provision of high quality training and the provision of competency assessments for installers.

These current arrangements and the CER's proposed decision for each are set out below.

5.2 Technical Standards to which Work must be Carried Out

5.2.1 Current Arrangements

All gas installers are required, by law²⁶, to work to the two key standards relating to domestic gas. These standards, I.S. 813 (Domestic Gas Installation Standard), and I.S. EN 1949 (Specification for the installation of LPG systems for habitation purposes in leisure accommodation vehicles and accommodation purposes in other vehicles), are published by the National Standards Authority of Ireland (NSAI).

The Gas Technical Standards Committee (GTSC) is the relevant working group within the NSAI which drafts, consults and advises on these standards.

These standards are critical to the successful operation of the scheme as they set the standard to which Gas Works must be carried out. This gives the customer confidence that their Gas Works are being carried out in a safe manner which underpins the fundamental objective of the overall scheme.

²⁵ Please note that this may be extended to non-domestic Gas Works as outlined in Section 7.0.

²⁶ Through the *Electricity Regulation Act 1999 (Gas Works) Regulations 2009* and *Electricity Regulation Act 1999 (Liquefied Petroleum Gas Works) Regulations 2011*.

I.S. 820 (Non-Domestic Gas Installation Standard) is also within the remit of the GTSC and is the relevant standard for non-domestic gas. As outlined in Section 7.2.4, non-domestic gas works may in future be introduced into the RGI scheme and this is currently subject to a separate consultation by the CER.

5.2.2 Proposed Decision

In the consultation paper, the CER invited comments regarding the technical standards to which Gas Works must be carried out.

Following consideration of all comments received, the CER proposes to continue its requirement that Gas Works are carried out in compliance with the relevant NSAI standard.

5.3 Training Prior to Registration

5.3.1 Current Arrangements

Training for installers is conducted in two parts. To join the scheme, an installer must first obtain one of four trade certificates. Following successful completion of that apprenticeship a further course or courses must be completed to become an RGI. The most common of these are the Gas Installer Safety (GIS) and the Gas Installer Domestic (GID) awards²⁷.

The provision of training plays a key role in the ongoing success of the regulatory regime. The CER has previously outlined that it believes it is important for the relevant gas related courses to gain recognition from the Further Education Training Awards Council (FETAC) within the scope of FETAC's common award system. The appropriate body is now Quality and Qualifications Ireland, QQI.²⁸ This will ensure consistency in the level of training received by members of the Gas SSB prior to registration.

The CER has worked with industry partners with the aim of achieving this. This process has involved the establishment of a Gas Standards Development Group, the purpose of which was to carry out works on standards for training and development relating to the gas industry. The group comprised of representatives from Bord Gáis Networks, the Gas SSB, the ILPGA, and other stakeholders including those involved in the training industry. It has provided its outputs to QQI, leading to the publication of relevant documentation on the QQI website²⁹ in December 2013. However, no course provider

²⁷ Depending on the provider these are accredited by Quality and Qualifications Ireland (QQI) or the United Kingdom Accreditation Service (UKAS).

²⁸ On 6 November 2012, FETAC completed its amalgamation with HETAC, NQAI and IUQB and a new integrated agency, Quality and Qualifications Ireland (QQI) was established.

²⁹ The award codes are as follows: 6N16017 Gas Safety Domestic and 6U16018 Domestic Gas Safety and are available [here](#).

has as of yet gained the required recognition although the CER expects that this will occur in the near future. The course which will be place is the Domestic Gas Safety (DGC) course.

5.3.2 Proposed Decision

In the consultation paper the CER invited comments regarding the training which individuals must complete prior to registering with the Gas SSB.

Following consideration of all comments received, the CER proposes to continue the current requirements on training prior to registration. Any RGI registered with RGII must be appropriately trained in gas safety to a certain standard. To date, the CER is satisfied that this is being achieved and therefore proposes to continue with the current requirement. Currently, the required courses have accreditation from different bodies. Once training providers have gained approval to provide the new course (DGS) under the FETAC umbrella, the CER intends that the acceptance of courses which are not accredited by FETAC will be phased out.

Requirements regarding craft certificates are covered in Section 6.2 of this document.

5.4 Assessments for RGIs

5.4.1 Background

Technical standards are continuously evolving in order to reflect developments within the industry. In order to ensure that installers are competent to work to these changing standards and that a consistent and appropriate level of gas safety is maintained, the CER, following a public consultation of both the Vision Document in 2007 and the Criteria Document in 2008, which included this assessment, introduced a requirement in 2009 that gas installers complete a formal competency assessment every 5 years.

A committee was established in 2011 to devise a system for the ongoing competency assessment of gas installers in line with the requirements of ISO IEC 17024³⁰. The committee consists of the Gas SSB, Bord Gáis Networks, the ILPGA, an installer representative, training providers/assessment centres and certification bodies. The committee agreed on and produced a set of competency assessment criteria for the practical and the written aspect of the ongoing assessment. Certification bodies wanting to offer the ongoing competency assessment to RGIs must conduct their assessments in line with these criteria. This helps to ensure that all certification bodies are operating to the same standard and a consistency in the competency of RGIs. The first round of assessments is currently being undertaken by RGIs.

³⁰ ISO/IEC 17024 Conformity Assessment – General requirements for bodies operating certification of persons.

5.4.2 Current Arrangements

The requirement that RGIs complete a competency assessment every five years to maintain their registered status is being implemented for the first time in 2014. The assessment is an open book exam consisting primarily of multiple choice and written questions together with a practical assessment. The assessment is typically less than two days in duration (although installers can get additional training if they desire). For assessments completed in 2014, in the year following completion of the assessment the Gas SSB account of the RGI will be credited with €230. This money will be taken from the reserve which the Gas SSB has, as noted in Section 2.3.7. Any private provider can carry out these assessments once they have the requisite approval in place.³¹

The CER is of the view that this assessment is a necessary and essential development in order to ensure a continuous high standard of competency amongst RGIs within the scheme and to ensure an appropriate level of gas safety in Ireland. The approach that has been taken ensures that the assessment is undertaken in a consistent and verifiable manner for all RGIs.

5.4.3 Proposed Decision

In the consultation paper, the CER invited comments regarding the requirement introduced in October 2013 whereby RGIs are assessed every five years by a certified assessment centre and the arrangement (for the initial five-year cycle of the assessments³²) whereby in the year following successful completion of the assessment, the Gas SSB account of the RGI is credited with €230.

The CER notes that there was general support for some method of ensuring that RGIs are competent and remain competent.

Although the annual inspection by RGII of RGIs is one means of ensuring RGIs competency, the CER notes that one of the limitations of the annual inspection is that it does not allow the RGI to be inspected on a range of appliances. The five year assessment enables for a broader examination of an RGI's skills. Therefore, the CER is satisfied that a combination of both the annual assessment and the five year assessment enables for the assessment of the RGI's overall competency.

³¹ Bodies wishing to conduct formal competency assessments under the regime require certification from an appropriate certification body, which would in turn require appropriate accreditation from the national accreditation body where that certification body is located. Certification bodies located outside Ireland or the United Kingdom should also engage with the CER prior to seeking accreditation, as the Irish and UK's national accreditation bodies are already familiar with this assessment.

³² Approximately one fifth of installers will complete the assessment each year meaning that the initial five-year cycle will take place from 2014 to 2018 inclusive.

The CER notes that while it is proposed that RGIs will continue to be required to sit an assessment every five years (which would typically be less than two days in duration) there is no specific requirement to undertake training to prepare for the assessment. CER acknowledges, however, that certain training courses do provide such training in advance, if the RGI wishes to undertake training.

The CER's view is that, regardless of how RGIs keep their skills up to date (through any form of Continuous Professional Development (CPD) or otherwise), it is important that RGIs are subsequently assessed to ensure they are competent. Assessments should be consistent and verifiable to ensure there is a minimum requirement in place. Otherwise, providers could reduce the time or quality of the assessment or potentially not assess the candidate at all with attendance alone being sufficient. This is why it is important to continue to have accredited assessments in place.

There is an accreditation framework in place to enable consistent assessments and it is open to anyone (including appliance suppliers) to gain the necessary approvals to provide assessments through that process³¹. The CER is of the view that this framework continues to be appropriate and notes that no alternatives regarding how accredited assessments could be put in place have been put forward as part of this consultation process. The CER notes the specific points regarding some elements of the assessment being disproportionate and will discuss these points with the Scheme Committee³³ which led to the development of these requirements.

The CER also remain conscious of the cost of the assessment and therefore has put in place the arrangement whereby an RGI would be entitled to a rebate of €230 where they successfully complete the assessment.

The CER notes that the five year assessment also is similar to the arrangements in the UK whereby gas installers must sit accredited assessments every five years. That arrangement, like the current arrangement for RGIs in the Republic of Ireland, is also under the INAB/UKAS accreditation umbrella.

Following consideration of all comments received, the CER proposes to continue the current arrangements whereby RGIs are required to sit an accredited assessment (typically less than 2 days) every five years along with the annual inspections carried out by the Gas SSB. It is open to any body (including appliance suppliers) to gain the necessary accreditation to provide these assessments.

The CER's view is that this 5 year assessment, in combination with annual inspections, is the most effective means by which the overall competency of an RGI can be assessed at this time, thus providing safety for gas customers.

³³ The group which facilitated the development of the assessments was chaired by the CER and included representatives from industry and training providers.

While the CER supports and welcomes the principle of RGIs using other avenues to keep their skills up-to-date at more regular intervals, the CER does not intend to introduce a mandatory requirement regarding updates at more regular intervals in addition to the 5 year assessment at this time. It must be noted that the scheme sets a minimum standard for all RGIs to reach. The onus, however, remains on the Gas Installer to ensure that they acquire and maintain the requisite knowledge to carry out their work in a safe manner.

The CER, in conjunction with the working group who developed the assessment, intends to review the details of the assessment after 12 months of operation and will consider points raised through this consultation regarding the content of the assessment as part of that process.

6.0 Registered Gas Installer Membership

6.1 Background

This section provides information on registration with the Gas SSB.

In this regulatory scheme, any individual who wishes to undertake Gas Works must be registered with the Gas SSB. It is an offence under section 9G (3) and (4) of the *Electricity Regulation Act 1999*, as amended by the *Energy (Miscellaneous Provisions) Act 2006*, for any individual who is not a registered member of the Gas SSB to carry out Gas Works subject to limited exceptions.³⁴

This section provides information on the membership categories and the membership requirements for an RGI and sets out a proposed decision on these issues for the period commencing January 2016.

6.2 Requirements for Registration

6.2.1 Current Arrangements

In order to register as an RGI, a person must meet certain requirements. The current requirements are outlined within the Criteria Document and are summarised below.

Full Membership (Domestic) is open to individuals who hold either:

- (i) A Domestic Gas Safety Award (DGS); or,
- (ii) A Gas Installer Safety (GIS) and a Gas Installer Domestic (GID) award or equivalent

AND

A level 6 advanced craft certificate in Gas Fitting, Electrical, Plumbing, or Refrigeration³⁵

³⁴ Section 9G (3) of the *Electricity Regulation Act 2009* as amended by the *Energy (Miscellaneous Provisions) Act 2006* states:

A person shall not carry out works which are Gas Works unless that person is—

- (a) a registered gas installer,
- (b) a gas transmission system operator carrying out its functions in accordance with the terms and conditions of the relevant licence,
- (c) a gas distribution system operator carrying out its functions in accordance with the terms and conditions of the relevant licence,
- (d) a gas emergency officer appointed under section 9I performing his or her duties, or
- (e) a gas safety officer appointed under section 9J performing his or her functions under that section.

³⁵ This requirement was introduced relatively recently following concerns expressed by industry.

In some cases individuals may also have to sit the ongoing competency assessment prior to registration.

It should also be noted that individuals who have completed Domestic Gas Safety (DGS) or Gas Installer Safety (GIS)/Gas Installer Domestic (GID) as part of their craft certificate in plumbing do not need to have a separate DGS or GIS/GID certificate.

6.2.2 Proposed Decision

The CER proposes to continue with the current arrangements.

6.3 Craft Certificates as a Registration Requirement

6.3.1 Background

1. Craft Certificates

The requirement that new entrants must have one of the four craft certificates set out in Section 6.2.1 was introduced in 2013 on a phased basis.

The four craft certificates (i.e. Gas Fitting³⁶, Plumbing, Electrical and Refrigeration) were chosen by an industry working group chaired by the CER when developing relevant documentation for the new Domestic Gas Safety Course (which will effectively replace the GIS and GID). The working group had representatives from training providers, gas installers and other industry stakeholders.

It had been intended that these four would serve as the required entry requirements for the Domestic Gas Safety (DGS) course. However, in the interim, the CER has, through a modification to the Criteria Document, introduced these four craft certificates as a requirement (in addition to gas specific courses) for registration with the RGII.

When introducing the requirement into the Criteria Document, it was questioned as to whether it was appropriate to include the electrical craft certificate as one of the accepted craft certificates. The CER committed to consulting on this matter. This is discussed further below.

2. Electrical Craft Certificates

As outlined above the concept of the electrical craft certificate essentially acting as a route through which individuals could progress to become registered with the Gas SSB, in conjunction with a DGS or GIS/GID, was originally brought about through an industry working group which worked on the development of courses for registration for the scheme.

³⁶ Gas Fitting refers to the training certificate previously provided by Bord Gáis Networks.

When looking at the relevance of this craft certificate, it is worth noting that if an individual is using tools to remove the cover from a boiler and then works on the wiring associated with that boiler, they must be registered with the Gas SSB. From this perspective, it is useful to allow individuals with these craft certificates to register with the Gas SSB as they will have completed relevant gas related courses and will also have electrical experience. On the other hand, this craft certificate may not be as relevant to the other aspects of Gas Works, such as the installation of pipework.

6.3.2 *Current Arrangements*

A level 6 advanced craft certificate in Gas Fitting, Electrical, Plumbing, or Refrigeration is required for registration with the Gas SSB.

6.3.3 *Proposed Decision*

In the consultation the CER requested comments as to whether the level 6 electrical craft certificate should remain as one of the four craft certificates acceptable in order to register with the Gas SSB.

Following consideration of all comments received, the CER proposes to continue to retain the current craft certificates as entry requirements. The CER, however, proposes to require the Gas SSB to record the type of craft certificates which are presented for registration and monitor the levels of non-conformances that are recorded against each (during annual inspections). This may enable the Gas SSB to identify if any particular trade certificates are posing issues for the scheme.

Regarding additional craft certificates (in addition to the current four), the CER does not intend to change this at this time, but will continue to monitor whether the existing requirements are appropriate.

The CER is also considering how mutual recognition can be put in place with the United Kingdom and Northern Ireland. This is intended to facilitate better movement of qualified gas installers between Ireland and the United Kingdom and Northern Ireland.

6.4 Different Categories

6.4.1 *Current Arrangements*

There is currently one category of RGI (including full and trainee members).

6.4.2 *Proposed Decision*

In the consultation, the CER invited comments regarding whether there should be more categories of RGIs, such that certain RGI categories would only be able to carry out

certain types of work depending on what category they were in (for example, servicing or leisure accommodation vehicles).

Following consideration of all comments received, the CER proposes to review the system which is currently in place with the aim of introducing a limited number of categories. However, any changes in this regard would require a lot of thought and careful consideration and therefore, this review would need to be carried out separately.

7.0 Definition of Gas Works and Certification

7.1 Introduction

This section provides information on the definition of Gas Works as defined by the scheme and the certification thereof which is at the very centre of the regulatory scheme. This section begins by explaining what are considered to be designated Gas Works. It then goes on to explain the certification system. A proposed decision to the questions raised in the consultation paper is also set out.

7.2 Background on Designation of Gas Works

7.2.1 Background

Under section 9G (1) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*, the CER “*may by regulations designate a class or classes of works to be gas works*” following consultation. It is illegal for any person who is not a registered installer to undertake these classes of work subject to certain limited exceptions.³⁷ In essence by designating the classes of *Gas Works* the CER can set the scope of the regulatory regime.

7.2.2 Domestic Natural Gas

In May 2009, the CER published a decision paper on the Scope of Gas Works with regard to Natural Gas (ref. CER/09/083). This decision was subsequently translated into regulations (S.I. No. 225 of 2009) on the 26th June 2009.

Section 4 (1) of these Regulations define works that are considered to be Gas Works as:

...the installation, removal, repair, servicing, maintenance or replacement (or any combination of the foregoing) of a Natural Gas Fitting covered by I.S. 813 which is (a) used or designed to be used by a Domestic Customer; or (b) which is designed to be used by a Domestic Customer but which is installed in a Commercial or an industrial Premises.

³⁷ Section 9G (3) of the *Electricity Regulation Act 2009* states:

A person shall not carry out works which are Gas Works unless that person is—

- (a) a registered gas installer,
- (b) a gas transmission system operator carrying out its functions in accordance with the terms and conditions of the relevant licence,
- (c) a gas distribution system operator carrying out its functions in accordance with the terms and conditions of the relevant licence,
- (d) a gas emergency officer appointed under section 9I performing his or her duties, or
- (e) a gas safety officer appointed under section 9J performing his or her functions under that section.

7.2.3 Domestic LPG

In April 2011, the CER published its final decision on the Scope of Gas Works with regard to LPG (ref. CER/11/074). This decision was subsequently transposed into regulations by means of secondary legislation, S.I. No. 299 of 2011, on 27th June 2011.

Section 4 (1) of these Regulations amended the definition of Gas Works with the inclusion of LPG appliances, as follows:

works which are gas works means the installation, removal, repair servicing, maintenance or replacement (or any combination of the foregoing) of a LPG fitting covered by I.S. 813 and or I.S E.N. 1949 which is (a) used or designed to be used by a Domestic Customer; or (b) which is designed to be used by a Domestic Customer in a Commercial or Industrial premises.

7.2.4 Non-Domestic Gas

In May 2009, the CER published its final decision paper on the Scope of Gas Works with regard to Natural Gas (ref. CER/09/083).

The paper stated that the CER intended to extend the regulatory model and designate those works on natural gas fittings designed to be used by non-domestic gas customers in the medium term when certain conditions exist:

- the new regulatory system has operated successfully in the domestic sphere for a reasonable period of time;
- appropriate training course/courses and award(s) which relate directly to non-domestic gas works is/are widely available in the 'non-domestic' arena for a reasonable period of time; and
- A competency assessment process is in place which enables the competence of an individual to be formally assessed against the provisions of the standard applicable to the non-domestic gas work (I.S. 820). For further information please refer to that decision paper.

Separately to this consultation process, the CER is currently consulting on the extension of the registered installer scheme to include non-domestic gas works. The consultation paper was published on 1st August 2014.³⁸

³⁸ Extension of the Registered Gas Installer Scheme to include Non-domestic Gas Works Consultation Paper (ref. CER/14/125) available [here](#).

7.2.5 Industrial Gas

In May 2009, the CER published its final decision paper on the Scope of Gas Works with regard to Natural Gas (ref. CER/09/083).

That paper stated that the CER will not extend the regulatory model and the definition of Gas Works to include those works on natural gas fittings designed to be used by Industrial Gas Customers at that time and outlined the reasons for that decision. For further information please refer to that decision paper.

7.3 Gas Works and RGIs

7.3.1 Current Arrangements

By law, only individuals who are registered with the Gas SSB may carry out Gas Works related to natural gas or LPG appliances which are used or have been designed for use by a domestic customer.³⁹

7.3.2 Proposed Decision

In the consultation paper, the CER outlined the current requirements to become registered with the Gas SSB when carrying out certain types of work.

The CER does not propose to change the above requirements relating to domestic gas appliances. Regarding non-domestic gas, however, the CER published a consultation paper on 1st August 2014³⁸ and a separate decision will be published on that matter in due course.

7.4 Certification of Gas Works

7.4.1 Background

Section 9F (5) (b) (vii) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006* states that the CER is to set out in the Criteria Document “*matters to be covered by a completion certificate in respect of different categories or classes of gas works...*” Section 9F (12) of that Act also states that ‘*where a registered gas installer carries out any gas works, the registered gas installer concerned shall issue the appropriate completion certificate to the person who requested that the works be carried out*’.

³⁹ Subject to certain exceptions as per section 9G (3) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*.

Completion Certificates are essential to the effective operation and integrity of the regulatory scheme as they act as the thread that links the work of a registered installer for a customer to the Gas SSB. They further provide assurance to the customer that Gas Works, carried out in their home, are done so to a sufficient and safe standard. The issuance of a Completion Certificate is mandatory for all Gas Works, including installation, appliance exchanges, appliance installation and servicing.

7.4.2 Current Arrangements

Details relating to the certification process are outlined within the Criteria Document.

The broad principles are outlined below:

- the Gas SSB restricts the sale of completion certificates to registered installers only;
- it is a serious disciplinary matter if a registered installer has been found to have “sold on” their completion certificates or to have “signed off” on the work of another installer;
- following completion of Gas Works, the registered installer is required to:
 - retain a copy of the completion certificate;
 - issue a copy of the completion certificate to the customer; and,
 - return a copy to the Gas SSB.
- The completion certificate acts as confirmation to the customer that the gas work has been carried out in accordance with the appropriate standard.

It is a requirement that new connections (or re-connections) to the gas system will require an appropriate completion certificate prior to Bord Gáis Networks making gas supply available to the dwelling or premises. Similarly, operators of LPG networks also have this arrangement in place.

The current certification system is paper based and there is no option for an RGI to return completed Completion Certificates electronically.

Under the current system, RGIs must first purchase a blank Completion Certificate from the Gas SSB who creates and prints the certificates, with two carbon copies. The original is issued to the customer while one copy is sent to the Gas SSB and one remains with the gas installer.

Since the beginning of the scheme, the return of completion certificates by RGIs has not been in line with the amount which have been sold. This has been demonstrated in the graph provided in Section 2.0 of this paper. There are a number of reasons why this could be the case, including:

- RGIs purchasing certificates and then stopping work for any reason;
- Certificates lost or destroyed etc; or
- RGIs ensuring they have a stockpile to allow them to carry out work efficiently.

Alternatively, it may be the case that work has been carried out and the completion certificate have been used, but the copy has not been returned to the Gas SSB as they are not sufficiently conscious of this important step.

The current Gas SSB has taken steps to resolve the issue of unreturned certificates, with limited success to date. This has included the Gas SSB following up with RGIs who have purchased certificates but not yet returned them. The Gas SSB will ask the RGI to sign a declaration stating that certificates have either been returned or not yet used. This has resulted in RGIs being asked to come into the RGII building to provide explanations regarding outstanding certificates. There is the possibility that RGIs who have used certificates but not yet returned them will face disciplinary proceedings, however, this has not been utilised to date. This issue is currently being discussed with the Gas SSB and the Installer Representative Panel (IRP)

There may also be an issue with RGIs carrying out works but not certifying same. The CER is aware that these certificates and the return thereof are fundamental to the successful operation of the scheme and the CER is committed to addressing this issue.

7.4.3 *Proposed Decision*

In the consultation paper the CER invited comments regarding certificates (including an electronic certification system).

First, it should be noted that the CER intends to continue the requirement that certificates be returned to the Gas SSB as the returning of certificates remains important to the functioning of the scheme as it improves traceability by recording where RGIs have worked and it also serves as confirmation by the RGI that the relevant Gas Works have been carried out in compliance with the required standard. It further has the potential to allow the Gas SSB to record all premises where a specific RGI has worked. This could facilitate the Gas SSB to inspect all premises where an RGI has worked in the past, if an issue is identified with that RGIs work. It also has the potential to facilitate spot inspections. Furthermore, certification could facilitate identification of the RGIs that have carried out work in premises if an issue is identified at that premises.

The operation of these functions is hampered to some extent by the current paper format, as the recording of relevant details in a searchable database is time consuming, especially if certificates have not been completed clearly.

Following consideration of all comments received, the CER proposes to introduce a requirement that an electronic certification system be put in place.

Subject to a review of the costs, the CER intends to require that such a system be introduced. This would either be developed by the current Gas SSB (and transferred to any new Gas SSB) or the Gas SSB that is in place from 2016 onwards will be required to

put such a system in place. This would be implemented through a modification to the Criteria Document. It will increase the level of accountability within the system and ensure that issues can be tracked and followed up on.

The electronic certification system will operate alongside paper certificates initially and therefore the RGI themselves will be able to choose how to return their certificates. The CER will consider ways in which the use of electronic certificates can be incentivised.

Comments regarding the incorporation of an invoice section into the certificates are covered with the CER's response to comments paper, however it is the CER's view that this would not be feasible.

8.0 Gas Works by Unregistered Individuals

8.1 Background

This section provides information regarding unregistered individuals.

As outlined in Section 7.0 the CER has introduced requirements which prescribe that, by law, only RGIs may carry out certain Gas Works.

The penalties for carrying out these works whilst not being registered are:

- on conviction on indictment to a fine not exceeding €15,000 or a term of imprisonment not exceeding 3 years or to both; or
- on summary conviction, to a fine not exceeding €5,000 or a term of imprisonment not exceeding 6 months or to both.⁴⁰

It is also an offence for a person to describe oneself as an RGI or to act in a manner likely to suggest that they are an RGI and this offence carries the same penalties.⁴¹

There have been ten successful prosecutions in this area to date, as outlined in Section 2.3.5 of this document.

8.2 Detection and Investigation

8.2.1 Current Arrangements Regarding Detection and Investigation

To allow detection of these offences a reporting mechanism has been put in place through which any individual can report any instance where they suspect that an unregistered individual has carried out Gas Works. These reports can be made (anonymously if preferred) through www.rgii.ie or by phone to 1850 454454 or 01-4997998 or by post to:

Register of Gas Installers of Ireland,
Unit 9,
KCR Industrial Estate,
Kimmage,
Dublin 12

⁴⁰ Under sections 9G (3) and (4) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*.

⁴¹ Under sections 9F (24) and (25) of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006*.

All reports are investigated by a CER Gas Safety Officer⁴². Not all investigations have led to the CER initiating prosecutions for various reasons. In the past, these reasons have included lack of evidence or reports relating to gas installers who are actually registered or complaints made where the gas work has not been carried out within the jurisdiction. The investigations are carried out as required by the CER, in line with CER's internal procedures which have been benchmarked against other state agencies with similar powers and have been legally reviewed to ensure robustness.

Reports have also been made in the past directly to the CER and these have also been investigated by a CER Gas Safety Officer. Where requested these have been treated anonymously.

Bord Gáis Networks also provide leaflets to customers where they have attended a reported gas escape. This allows customers to make reports if they have had either a registered or unregistered individual carry out Gas Works recently which may have been the cause of the escape⁴³. Where Bord Gáis Networks are of the opinion that unsafe work has been carried out by a registered individual or any gas work has been carried out by an unregistered individual, they also report these cases directly to the Gas SSB or the CER.

The current Gas SSB has monitored advertisements relating to Gas Works and has monitored the activities of individuals who have recently become deregistered with a view to identifying any illegal activities relating to Gas Works.

A public awareness campaign is also run each year to inform the public that, by law, only RGIs may carry out Gas Works. This is outlined further in Section 10.0 of this document

To date, the CER has successfully taken prosecutions against a number of parties, specifically for committing the following offences under the *Electricity Regulation Act 1999*, as amended by the *Energy (Miscellaneous Provisions) Act 2006*:

- carrying out Gas Works while not registered as a gas installer; and
- describing oneself as an RGI or acting in a manner likely to suggest that one is registered as an RGI whilst not being registered.

A number of other investigations are currently in progress by the CER which may result in the taking of prosecutions. However, there is a finite level of resources which can be applied to this area and it is important to ensure that this is balanced against other work which can be carried out to ensure an adequate level of gas safety.

⁴² As appointed under section 9J of the Electricity Regulation Act 1999.

⁴³ Please note that there are a number of reasons for reported gas escapes and not all reported gas escape relate to work that was carried out recently.

8.2.2 Proposed Decision

In the consultation paper, the CER invited comments regarding enforcement against individuals who carry out illegal Gas Works or describe themselves as an RGI whilst not being registered or act in a manner likely to suggest that they are an RGI but are not registered.

Following consideration of all comments received the CER intends to consider all of the points raised and assess their suitability for implementation. The CER intends to continue its public awareness campaigns in this area. While noting that the CER has no legal remit to regulate the activities of other stakeholders, such as suppliers, the CER intends to engage with stakeholders to determine if any voluntary initiative can be introduced. Some work has already been carried out in this area. Further information is available in the CER's response to comments paper.

8.2.3 Current Arrangements regarding Gas Safety Officers

Section 9J of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006* confers on the CER the power to appoint Gas Safety Officers who undertake the above investigations. The Gas Safety Officers, who carry out the above investigations, have, to date, been employees/contractors of the Gas SSB. The CER then takes the decision on whether to initiate a prosecution⁴⁴. The investigations are carried out as required by the CER, in line with CER's internal procedures which have been benchmarked against other state agencies with similar powers and have been legally reviewed to ensure robustness.

The provision of the above resource by the Gas SSB is not required under the Criteria Document or their Terms and Conditions of Appointment.

8.2.4 Proposed Decision

In the consultation paper, the CER invited comments regarding the appointment of Gas Safety Officers (GSO) to carry out investigations regarding unregistered individuals.

The current system has worked well to date and has resulted in a number of successful prosecutions, with a number being progressed relatively recently. The investigations are carried out by the CER GSO in compliance with the CER's internal processes and the final decision on whether to prosecute is taken by the CER. However, the CER notes the points raised regarding ensuring there is no question regarding the independence of the GSO.

⁴⁴ For summary prosecutions through the District Court.

Following consideration of all comments received the CER is of the view that it would be preferable to appoint a GSO for the investigation of Gas Works by unregistered individuals (and other related illegal activities) from within its own resources from 2016 onwards. The CER will discuss this request to sanction this extra staff member and alternatively would intend to appoint a contractor to carry out his role. If this is not possible the CER could continue with the current arrangement.

The current system whereby reports can be made via RGII will be continued.

9.0 Communication

9.1 Introduction

This section describes the relevant working groups which the CER chairs or participates in with regard to information regarding communication with stakeholders.

9.2 Background and Current Arrangements

The CER chairs and participates in numerous groups which relate to the regulation of gas installers. In addition, the CER communicates through consultations regarding significant changes to the scheme and meets with stakeholders (from groups to individuals) regarding the development of the scheme. These meetings are discussed in turn below.

9.2.1 *Gas Safety Promotion and Public Awareness Group*

The CER, as part of the wider safety framework, chairs a group which develops coordinated customer safety promotion and public awareness strategies with regard to gas safety. Customer safety promotion and awareness advertising is undertaken at two levels:

- First, at the industry level whereby co-ordinated TV, radio and press adverts for gas installation and safe use of gas are targeted both at specific customer groups and the public generally; and
- Secondly, at an undertaking level whereby gas transporters and shippers and suppliers will undertake safety promotion and awareness activities that are specific to their respective undertakings.

The Gas SSB participates in this group. Specific activities relating to the gas installer industry are organised through this group. These include:

- TV and radio advertising informing the public that, by law, only RGIs can carry out Gas Works relating to domestic appliances;
- the provision of an annual safety booklet to customers within their gas bill which outlines information relating to RGIs; and
- the organisation of, in co-operation with stakeholders, a Carbon Monoxide Awareness Week which provides information relating to servicing appliances and RGIs.

These current and proposed future arrangements for promotion and public awareness are discussed further in Section 10.0.

9.2.2 Criteria Document Modification Discussions

The CER acts as controller and manager of the Criteria Document. This document and the manner in which modifications are communicated to stakeholders and made to this document are discussed in Section 4.2 of this document.

9.2.3 Group for Training

The CER has chaired a Gas Standards Development Group, the purpose of which was to carry out works on standards for training and development relating to the gas industry. The group comprised of representatives from Bord Gáis Networks, the Gas SSB, the ILPGA and other stakeholders involved in the training industry. It has provided its outputs to QQI, leading to the publication of relevant documentation on the QQI website⁴⁵ in December 2013. This group is no longer in operation as the required material has been provided to QQI.

9.2.4 Competency Assessment

Installation Standards are subject to continual change. In order to ensure that installers are competent to work to these changing standards and that a consistent and appropriate level of gas safety is maintained. The CER, following a public consultation process, introduced a requirement in 2009 that gas installers complete a formal competency assessment every 5 years.

A Scheme Committee, comprising of the Gas SSB, Bord Gáis Networks, the ILPGA, an installer representative, training providers/assessment centres and certification bodies, was established in 2012 to devise a scheme for the ongoing competency assessment of gas installers; this is discussed further in Section 5.0 of this document. The scheme committee is committed to ensuring any update or modification to the relevant technical standards is reflected in the details of the ongoing competency assessment.

9.2.5 Gas Installer Communication Forum (GICF)

The CER has also put in place a Gas Installer Communication Forum (GICF) as a discussion forum for the industry. The membership of this group included installer representatives, Bord Gáis Networks, stakeholders involved in training, the NSAI and other interested parties.

This forum met regularly during the initial period of the scheme, usually on a quarterly basis. More recently the CER has chaired meetings between the Gas SSB and the Installers Representatives Panel (IRP).

⁴⁵ The award codes are as follows: 6N16017 Gas Safety Domestic and 6U16018 Domestic Gas Safety and are available [here](#).

9.2.6 Communication with Parties who make Complaints and Reports

A complaint in this context refers to a customer or other person complaining about an RGI.

It is currently the case that where a complaint is made against a registered gas installer, the complainant is not entitled to a report informing them of the outcome of their complaint. For further information regarding the current process please refer to the Criteria Document⁷.

The CER proposes to include KPIs in relation to how customer complaints are dealt with in a timely manner. This will ensure that the complainant receives an acknowledgement of the complaint made or confirmation that the complaint has been investigated and an unspecified conclusion reached. However, no disciplinary report will be issued to the complainant for legal and data protection reasons. For more information on KPIs please see Section 3.7 above.

Regarding illegal Gas Work's investigations, the CER will evaluate how further information can be provided while remaining conscious that it is important that confidential information is not released and that parties who make reports would normally be interviewed during the investigation process.

9.3 Communication Arrangements – Proposed Decision

In the consultation paper, the CER invited comments regarding its communication with industry. The proposed decision below relates to comments made by respondents

Following consideration of all comments received, the CER proposes to continue to operate the Gas Safety Promotion and Public Awareness Group and the scheme committee relating to competency assessments.

The CER further intends to continue to chair meetings between the IRP and the Gas SSB. The CER also intends to continue to chair the GICF which is held on an *ad hoc* basis as the scheme demands (for example, in the event that non-domestic Gas Works are being introduced).

The CER will also continue to hold open consultations where appropriate and intends to continue to meet with stakeholders on an *ad hoc* basis as issues arise.

Finally, the CER is currently of the view that it should be permissible for an RGI to be involved in the governance of the Gas SSB. The manner in which this is to be implemented will be agreed once the Gas SSB for the period commencing January 2016 has been designated.

The CER proposes to require the Gas SSB which is in place from 2016 onwards to continue to run elections to appoint IRP members. The CER proposes to formalise this requirement within the Criteria Document and to introduce a requirement whereby It Registered Gas Installers (RGIs) may put themselves forward as candidates for such elections. This is to reinforce the view that those elected to the IRP understand and can represent the views and opinions of the RGIs properly. It is further proposed that the Gas SSB would be required to to display clearly on their website the names and contact details of the IRP Representatives (subject to their agreement). This will allow RGIs to contact their representatives if required.

In order for the scheme to remain effective, it is important that the CER and industry communicate effectively. This is because it is important that industry remain aware of the development of the scheme and similarly the CER remain aware of the development of industry and thus the scheme and industry reflect each other. Therefore, it is important that the above arrangements are effective.

10.0 Public Awareness

10.1 Introduction

The Criteria Document sets out the requirements of the Gas SSB to promote the scheme to members of the public. The promotion of gas safety is of vital importance for the safe use of gas and thus the success of the overall scheme. It is also of importance to the operation of the regulatory scheme for installers. It is important that emphasis is placed on:

- responsibility for the **maintenance** of natural gas and LPG appliances and fittings downstream of the meter;
- the customer to choose a **registered gas installer** for every piece of work they have completed;
- the customer's option to make a **complaint** against a gas installer;
- publicising the **Completion Certificate Process** so that customers know that they should always receive a certificate;
- encouraging customers (and registered installers) to **report** any person who fails to issue a certificate or is undertaking Gas Works while not being registered; and
- to have appliances **serviced** annually.

By increasing the level of public awareness on these issues, customers are equipped to act as 'the police on the ground' thereby strengthening the overall regulatory scheme. However, if this is to be successful, it must be certain that the public are adequately informed of the scheme and the benefits and consequences for them as a consumer.

In the CER's consultation paper published in June (CER/14/131), the CER posed a number of questions with regard to public awareness. The CER's proposed decision, after considering responses to the consultation paper, is set out below.

10.2 Activities Undertaken

10.2.1 Current Arrangements

A number of the promotional activities which are undertaken relate to the promotion of the Registered Gas Installer scheme, including:

- provision of a safety booklet to gas customers annually which provides information on who they should hire for carrying out Gas Works in their home and information relating to the overall RGI scheme; and
- other activities such as Carbon Monoxide Awareness Weeks, which have been run since 2012 by CER, in co-operation with many stakeholders, also increase public awareness relating to gas installers.

These are co-ordinated through a Promotion and Public Awareness Group (PAPA) which is chaired by the CER and supported by numerous industry stakeholders.

Surveys carried out by Bord Gáis Networks indicate that awareness of RGIs has increased from 17% in 2007 to 51% in 2013. For natural gas users the figures went from 25% in 2007 to 68% in 2012, but down to 62% in 2013. This shows a major overall increase in awareness of the scheme over the current designation period which is extremely significant given the scheme's overall dependency on public awareness. However, it is noted that there is further room for improving awareness in this area.

10.2.2 Proposed decision

In the consultation paper the CER outlined the current arrangements regarding promotion and public awareness activities

The CER proposes to continue the activities which have been undertaken to date as the CER deem them to be working satisfactorily. The activities will be monitored through the Promotion and Public Awareness Group and improvements to these activities will be made continuously.

10.3 The RGI Logo

The RGI logo, which is displayed below, allows the public to recognise that an individual is an RGI and is, therefore, important from a public awareness perspective.



Figure 4 RGI Logo

10.3.1 Current Arrangements

Currently, an RGI is not required to display this logo on their vehicle (where they have one), but an RGI is entitled to use the logo of the body and the brand on business documentation and/or vehicles. Currently the logo does not include a reference to the current year or a unique identifier number of the RGI.

10.3.2 Proposed Decision

In the consultation paper, the CER invited comments on whether or not to make it a mandatory requirement for an RGI to display the logo on their vehicle (where they have one).

Following consideration of all comments received, the CER proposes to have a requirement in place to ensure that where an RGI displays their details on their vehicle, the RGI logo must also be displayed. The CER is of the view that where an RGI chooses to display their details on their vehicle, then they should also display the RGI logo. Where an RGI chooses not to display their details on their vehicle, they will not be required to display the RGI logo.

10.3.3 Proposed Decision Regarding inclusion of Current Year of Registration

In the consultation paper, the CER invited comments regarding the inclusion of the year of registration either as part of or in addition to the logo

Following consideration of all comments received, the CER does not propose to introduce this requirement at this time as it is considered that the administrative burden and cost of introducing such a requirement would outweigh the benefits of allowing a customer to ensure that the person they have hired is registered. In particular, this is because there is an alternative and relatively easy way in which the customer can establish if the RGI is registered by consulting www.rgii.ie or contacting RGII directly where one does not have access to the internet.

10.3.4 Proposed Decision regarding Unique Reference

In the consultation paper, the CER invited comments regarding having a unique reference (for each RGI) on the RGI logo (either as part of or in addition to the logo).

Following consideration of all comments received, the CER does not propose to introduce this requirement at this time as it is considered that the administrative burden and cost of introducing such a requirement would outweigh the benefits of allowing a customer to ensure that the person they have hired is registered.

11.0 Interaction with the Electrical Scheme

11.1 Introduction

This section provides information on interaction with the electrical scheme.

Along with responsibility for regulating the activities of gas installers, section 9C of the *Electricity Regulation Act 1999* as amended by the *Energy (Miscellaneous Provisions) Act 2006* also gives the CER the power to regulate the activities of electrical contractors with respect to safety and under section 9D (1) of that Act, the authority to appoint one or more bodies to carry out this function on a day-to-day basis.

In 2007, the CER published its Vision for the Regulation of Electrical Contractors with Respect to Safety (ref. CER/07/203). Since that time the CER has implemented certain tasks outlined in that vision document as required under the legislation including the designation of the Electrical Contractors Safety and Standards Association of Ireland (ECSSAI) and the Register of Electrical Contractors of Ireland (RECI) to be the designated bodies in respect of electrical contractors with their roles commencing under this scheme in 2009 for a period of seven years.

The functions of the bodies are outlined in the electrical Criteria Document and can be summarised as follows. The Electrical SSBs must:

- **Operate a register** of RECs – This includes initial registration and renewal of membership in line with the requirements of the Criteria Document.
- **Monitor, audit and inspect** RECs – This includes ensuring that the work of RECs is carried out in compliance with the relevant standard. It also includes ensuring that the REC is working in accordance with the Terms and Conditions of their registration and the Criteria Document.
- **Manage the certification of electrical works process** – This includes the administration and monitoring of the completion certificate system by issuing completion certificates to RECs, validating and processing completion certificates which are submitted by RECs, and carrying out inspections of works carried out by RECs at the request of customers. It should be noted that while the Electrical SSBs administer the certificate system, the certificates that are used are produced by the ETCI.
- **Undertake promotional activities** – Examples of this work include highlighting the legal requirement to use a REC where appropriate.
- **Dealing with customer complaints and requests** – This includes investigating a safety related complaint or inspecting electrical work at the request of a customer who has used a REC.
- **Take disciplinary actions against** RECs – This includes where a REC is found not to have worked in compliance with the Criteria Document, the body taking an appropriate sanction up to and including suspension and withdrawal of registered status.

All of the above are designed to improve the overall safety relating to electrical contractors which consequently gives customers confidence in the RECs they are hiring to carry out electrical works.

11.2 A Joint SSB for Gas and Electrical

11.2.1 *Position outlined in Consultation Paper*

Given the similarities of the two schemes, the CER considered the option of conducting the designation process in a manner which would lead to one body being appointed as both the Gas and Electrical SSB.

Under that approach, the CER would, when completing this process, include a requirement that bodies which apply to become the Gas SSB would also have to include an application to become an Electrical SSB. This approach would involve the CER running one competitive process through which a party would be designated to be the Gas SSB and also designated to be the Electrical SSB.

There are a number of advantages to this approach including:

- Potential efficiencies or economies of scale which could lead to reduced costs. This could be reflected either through savings by one SSB that would be in place under this approach⁴⁶ or through efficiencies in the monitoring (by the CER) of one organisation relative to a number of organisations⁴⁷.
- Potential improvements in the safety of customers. There are a number of synergies between the gas and electrical schemes, such as the processes for disciplinary actions and the close out of non-compliances observed during inspections, etc. Having one body in place to cover both gas installers and electrical contractors could lead to a more consistent approach across these areas which could mean an improved safety outcome for the customer. However, when assessing this benefit it is also recognised that for a body to effectively cover both gas installers and electrical contractors, personnel with gas qualifications and personnel with electrical qualifications would be required and these would not always be the same individuals.

However, there would also be some disadvantages associated with this approach if it were to be taken:

- If the Electrical SSB was to be de-designated due to an issue on the electrical side, this could lead to the organisation being unable to continue to operate as a Gas SSB also. This could be either due to:

⁴⁶ This would lead to registration fees and/or certificate prices being lower than would otherwise be the case.

⁴⁷ This would lead to the CER levy on undertakings being lower than would otherwise be the case.

- the issue also being present on the gas side (due a similar function being run in the same manner) leading to the body also being de-designated as an Gas SSB; or,
- due to the Gas SSB simply being unable to continue from a financial perspective without having the Gas SSB in place to share certain costs.

11.2.2 Proposed Decision

The CER notes that there may be cost saving efficiencies from having one body acting as both the Gas SSB and Electrical SSB. However, having a joint designation process, whereby parties would be required to 'bid in' for both functions, may reduce the pool of candidates interested in engaging in the competitive process.

This is especially important given that the CER's proposed decision to ensure that core activities will be carried out on a not-for-profit basis which may already reduce the pool of candidates interested in engaging in the competitive process.

Another concern to the CER would be that if the gas or electrical designated body was to be de-designated due to an issue in that respective scheme, this could lead to the other scheme (be it gas or electrical) being unable to continue to operate due to financial constraints (no longer having certain costs shared with the now de-designated body).

The CER proposes to undertake one competitive process to designate a Gas SSB and a separate competitive process regarding the electrical scheme. For the avoidance of doubt, these two separate processes could still potentially result in the same organisation being designated as a Gas SSB and an Electrical SSB.

12.0 Conclusion and Next Steps

This proposed decision (CER/14/759) should be read in conjunction with the CER's response-to comments-paper (CER/14/760), which summarises and responds to all responses received to the consultation on this matter.

Comments are invited on this proposed decision as outlined in Section 1.6 of this paper.

This paper has outlined details and observations on the operation of the regulatory scheme which the CER developed and has implemented, in co-operation with stakeholders and the public, since it was granted the powers to regulate the day-to-day activities of gas installers with respect to safety under the *Energy (Miscellaneous Provisions) Act 2006*. Furthermore, in relation to the questions posed in the consultation paper (CER/14/131), the CER has provided a proposed decision to these questions above.

The CER is committed to ensuring that its approach to regulation evolves over time to ensure an appropriate level of gas safety in Ireland. Therefore, to align with the end of the current designation period⁴⁸, the CER is, through this consultation process, reviewed how the gas installer industry is regulated.

It is intended that elements of the final decision on this matter will:

- feed into the process of designating a Gas SSB to carry out the day-to-day regulation of gas installers from 2016 onwards; or,
- feed into the overall approach through which the CER regulates this industry.

This paper provides the proposed decision to the questions raised in the consultation paper (CER/14/131) after consideration of the responses submitted thereto.

A further consultation period is now open and following consideration of all responses received to this proposed decision, the CER expects to publish a Final Decision during December 2014.

It is intended that the designation process will be carried out in 2015, with one Gas SSB being designated during 2015 and becoming operational in January 2016.

A similar consultation process is taking place with regard to the corresponding regulatory scheme for electrical contractors⁴.

Comments are requested by 27th November 2014 as outlined in Section 1.6 of this paper.

⁴⁸ The designation period for the current Gas SSB is due to expire in January 2016.

Appendix I

In 2008, the CER published a paper on the Economic Regulation of the Safety Supervisory Bodies. Below is a summary of objective and principles from that paper which are also relevant for the designation period commencing January 2016.

OBJECTIVES AND PRINCIPLES FOR ECONOMIC REGULATION

The CER's strategic objective for the economic framework is to maintain a method of regulating the Gas SSB which leads to the greatest level of benefit with respect to safety, in line with the requirements specified by the CER, and the most cost-efficient delivery of that benefit.

The CER's operational objectives for the economic framework will continue to be:

- *Effectiveness* - The economic framework should support the maximisation of the benefits associated with the regulatory systems whilst ensuring that service quality is maintained at all times;
- *Robustness and ability to self-finance* - The economic framework should provide for the Gas SSB to recover the costs of it undertaking its designated functions and therefore, provide for a sustainable model for the operation of the regulatory systems which does not require subsidy or support from external sources and provides for the direct recovery by the Gas SSB of the costs of the regulatory systems from the system users over the term of designation; and,
- *Efficiency* – the Gas SSB should face incentives to deliver reasonable cost savings and to operate as efficiently as possible, whilst delivering on the specified requirements of the CER, and, in achieving this, to consequently deliver reasonable levels of costs to customers.

The economic framework shall adhere to the following principles to ensure good practice:

- *Legitimacy* – consumers (including the public, gas installers and electrical contractors) should have confidence that the regulatory system will protect them;
- *Transparency* – the Gas SSB and consumers should know “the terms of the deal”;

- *Proportionality* – Any method of regulation should be proportionate – i.e. it should seek to minimise the costs of regulation while ensuring the full benefits of the scheme are realised;
- *Necessity* – the degree of regulation should be driven by necessity and by the desire to reduce the burden of red tape where possible; and,
- *Regulatory Certainty* – the approach employed should be consistent, credible and must make clear the responsibilities, and entitlements, of the various parties involved in the operation of the economic framework.

The Gas SSB shall be required to design a Charging Methodology to convert Approved Costs into customer tariffs. This Charging Methodology must facilitate the achievement of the following objectives:

- Cost reflectivity;
- Transparency; and,
- Stability.