



# **Vision for the Regulation of Gas Installers with Respect to Safety**

***A Decision Document***

***CER/07/225***

***17<sup>th</sup> December 2007***

## **Purpose of Document**

Under the provisions of the *Energy (Miscellaneous Provisions) Act 2006* (the '2006 Act'), the Commission for Energy Regulation (the 'Commission') has responsibility for regulating the activities of natural gas undertakings and natural gas installers with respect to safety. In discharging its functions, the Commission must prepare a natural gas safety regulatory framework (the 'Framework') for the natural gas industry. The Commission outlined its approach for the establishment and operation of the Framework in the document '*A Natural Gas Regulatory Framework for Ireland*' (ref. 07/172) on October 24<sup>th</sup> 2007. A key part of the Framework is the establishment of a comprehensive system for the regulation of the activities of natural gas installers with respect to safety.

This document formally presents the Commission's decision on the high level approach to the regulation of gas installers with respect to safety. The purpose of this decision document is to set out the Commission's vision for the new regulatory system in order to:

- provide clarity and certainty to the natural gas industry and the general public on the high level design of the new regulatory system within the wider Framework; and
- confirm the objectives, scope, design and operation of the new regulatory system.

This decision document was completed by the Commission after giving due consideration to the many issues raised by respondents and the wider industry to the consultation paper '*The Regulation of Gas Installers with Respect to Safety – Proposed Vision*' (ref. 07/125) as published in August 2007. The Commission response to the issues raised during the consultation are outlined in a separate paper '*Vision for the Regulation of Gas Installers with Respect to Safety – Consultation Response Paper*' (ref. 07/221).

## **Table of Contents**

<b>1. Introduction, Background and Scope of Document .....</b>	<b>1</b>
1. Introduction and Background .....	1
1.2 Scope of Decision Document .....	3
<b>2. Legislative Context.....</b>	<b>4</b>
2.1 Energy (Miscellaneous Provisions) Act 2006 .....	4
2.2 Other Relevant Legislation .....	8
2.3 Scope of Regulatory Model .....	9
<b>3. Safety Risks Associated with the Safe Utilisation of Gas and Existing Arrangements .....</b>	<b>11</b>
3.1 Risks Associated with the Safe Utilisation of Gas.....	11
3.2 Existing Arrangements.....	11
<b>4. High Level Model for the Regulation of Natural Gas Installers with respect to Safety .....</b>	<b>14</b>
4.1 Context.....	14
4.2 High Level Regulatory Model - Approach .....	16
<b>5. The Criteria Document .....</b>	<b>18</b>
<b>6. The Designation, Operation, and Monitoring of a Gas Safety Supervisory Body.....</b>	<b>20</b>
6.1 Functions of Supervisory Body.....	20
6.2 Characteristics and Financial Structure of the Supervisory Body.....	22
6.3 Regulation of the Supervisory Body by the Commission.....	23
6.4 Designation of the Supervisory Body .....	24
<b>7. Designation of Gas Works and their Certification .....</b>	<b>26</b>
7.1 Designation of Gas Works .....	26
7.2 Certification of Gas Works .....	26
<b>8. Registered Natural Gas Installer Membership Categories &amp; Associated Rights and Responsibilities. ....</b>	<b>29</b>
8.1 Membership Categories.....	30
8.2 Ongoing Maintenance of Membership.....	32
<b>9. Public Awareness .....</b>	<b>34</b>
<b>10. Support Structures .....</b>	<b>35</b>
10.1 Standards.....	35
10.2 Training.....	35
10.3 Accreditation of Competency Assessment Bodies.....	35
<b>11. Governance Arrangements .....</b>	<b>37</b>
<b>12. Implementation Timetable.....</b>	<b>40</b>

# 1. Introduction, Background and Scope of Document

## 1. Introduction and Background

In 2004, the Department of Communications, Marine and Natural Resources (the ‘Department’)<sup>1</sup> published legislative proposals for a Gas Safety Bill. At the request of the Department, the Commission published a complementary discussion document entitled ‘*Vision for the Proposed Safety Framework for the Natural Gas Market in Ireland*’ (ref. 04/355). The aim of that paper was to inform the public of the proposed implementation of aspects of the framework set out in the draft legislation. In that discussion document the Commission proposed, amongst other things, that:

- it would assume responsibility for the regulation of natural gas safety following the enactment of enabling legislation establishing it as the natural gas safety regulator and granting it appropriate powers and authority to discharge its new responsibilities;
- it would be responsible for the establishment and delivery of the gas safety regulatory framework; and
- it would liaise with the Gas Technical Standards Committee (GTSC) of the National Standards Authority of Ireland (NSAI) in discharging its duties.

Of particular relevance to the regulation of gas installers was the Commission’s proposal that it would be responsible for the appointment and monitoring of a Supervisory Body with responsibility for the certification of gas installations and the development of a framework for the assessment, training and certification of competence of natural gas installers.

Responses to the Commission’s proposals at the time were supportive of the proposals.

The broad legislative proposals of the Gas Safety Bill have now been incorporated into Part 3 of the *Energy (Miscellaneous Provisions) Act 2006*. This gives the Commission new specific functions for the regulation of natural gas undertakings and gas installers with respect to safety within a natural gas safety regulatory framework.

The Commission published its proposed vision for the natural gas safety regulatory framework (the ‘Framework’) in the paper “*A Natural Gas Safety Regulatory Framework for Ireland*” in July 2007 (ref. 07/104). That paper set

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<sup>1</sup> Following the 2007 General Election, the Department of Communication, Marine and Natural Resources was reorganised. The Energy aspects of the original Department are now the remit of the Department of Communications, Energy and Natural Resources.

out the Commission's proposals in relation to the gas safety regulatory framework for natural gas undertakings including some references to the regulation of natural gas installers. In October, the Commission published its decision on the high level approach to the Framework in the paper '*A Natural Gas Safety Regulatory Framework for Ireland*' (ref. 07/172).

In August 2007, the Commission consulted separately on the system for the regulation of the gas installers within the Framework in the document '*The Regulation of Gas Installers with Respect to Safety – Proposed Vision*' (ref 07/125). The Commission received 12 responses to this consultation<sup>2</sup>. In addition to these submissions the Commission received further input at the Gas Installer Communication Forum<sup>3</sup> and from the general installer body at a number of gas installer information evenings which were hosted in October 2007<sup>4</sup>.

This decision document gives due consideration to the many issues raised by respondents and the wider industry in the consultation process and formally presents the Commission's high level approach to the regulation of gas installers with respect to safety including:

- the legislative context and scope of the regulatory regime (Section 2);
- the safety risks that must be managed and the existing arrangements in place (Section 3);
- the approach to the regulation of the natural gas installers with respect to safety (Section 4);
- the 5 key elements of the regulatory model (Section 5 to 9);
- an overview of the support structures necessary to underpin the regulatory system (Section 10);
- the governance arrangements to ensure the successful operation of the regulatory approach (Section 11); and
- the timetable for the successful implementation of the regulatory model (Section 12).

It should be noted that as part of the continual improvement philosophy of the wider Framework, the regulatory regime will be subject to ongoing review by the Commission.

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<sup>2</sup> The issues identified by respondents and the Commission response to the issues raised are outlined in a separate paper '*Vision for the Regulation of Gas Installers with Respect to Safety – Consultation Response Paper*' (ref -07/221)

<sup>3</sup> The Gas Installer Communication Forum was established by the Commission in 2007 and is broadly representative of the stakeholders from the gas installer industry. The forum has met on three occasions since April 2007.

<sup>4</sup> The information evenings were held in Dublin, Cork, Athlone and Kilkenny with the objective of presenting the Commission's proposals to the gas installer body directly and to receive comment.

## **1.2 Scope of Decision Document**

The scope of this decision document paper is strictly limited to the Commission's high level approach for the regulation of natural gas installers. As such it represents the first step in the implementation of the new regulatory system. It should be noted that each of the key elements of the regulatory model outlined above will be subject to separate consultation processes as outlined in Section 12. Therefore further clarity on the detailed operation of the regulatory regime will be provided as the implementation programme progresses.

## 2. Legislative Context

The *Energy (Miscellaneous Provisions) Act 2006* (the ‘2006 Act’) is the principal piece of legislation in the context of the Commission’s new responsibilities with regard to the regulation of natural gas installers (‘installers’). The 2006 Act sets out the scope of the Commission’s responsibilities in this area.

In addition to the 2006 Act, there are a number of other pieces of legislation which will influence the ongoing operation of the new regulatory system. These are outlined in Section 2.2.

### 2.1 Energy (Miscellaneous Provisions) Act 2006

On 24<sup>th</sup> December 2006 the 2006 Act was signed into law. This 2006 Act provides the statutory basis for the regulation of natural gas installers with respect to safety.

Part 3 of the 2006 Act deals specifically with the area of Natural Gas Safety<sup>5</sup>. Section 12 amends the Electricity Regulation Act 1999 (the ‘1999 Act’) to make it a function of the Commission to “*regulate the activities of natural gas undertakings and natural gas installers, with respect to safety*”. This section further requires the Commission to develop ‘*a system for the regulation, certification, ongoing inspection of the work and assessment of competence of individual trained natural gas installers*’ and “*procedures for the investigation of complaints regarding the competence of any particular natural gas installer*”.<sup>6</sup>

The way the Commission must set about the regulation of installers is detailed in Section 13 of the Act. In particular the Act covers:

- The requirement for a **Criteria Document**;
- The appointment of a **Gas Safety Supervisory Body** and its operation;
- The designation of **Gas Works** and their **Certification**;
- The rights and responsibilities placed upon **Natural Gas Installers**;
- **Responsibilities after the meter and the rights of customers**; and
- **Offences** associated with contravention of the Act.

These issues are discussed further below.

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<sup>5</sup> Note: This Part of the Act has not been commenced as yet.

<sup>6</sup> Section 12 (b) of the 2006 Act which inserts Section 9 (1G)(b)(ii) and (iii) of the 1999 Act.

### 2.1.1 *Criteria Document*<sup>7</sup>

The Criteria Document, which must be published by the Commission, is the key regulatory document which will set out how the natural gas installer safety regime will operate and be governed. The 2006 Act provides that the Criteria Document relates to gas safety supervision, safety standards to be achieved and maintained by gas installers and the procedures to be operated by the Gas Safety Supervisory Body (“Supervisory Body”).

The 2006 Act also sets out certain information which must be included in the Criteria Document including:

- the procedures to be adopted by the Supervisory Body for the registration of its members;
- the levels of training and competency that members of the Supervisory Body must achieve;
- the procedures to be followed by the Supervisory Body in inspecting the work of its members; and
- the procedures of the Supervisory Body in relation to its accounts and records.

The Act specially allows the Criteria Document to be a flexible regulatory document subject to ongoing review and amendment by the Commission as often as it considers necessary.

### 2.1.2 *The appointment of a Designated Body and its operation*

In order to fulfil its new responsibilities, the Commission may “*appoint a person to be the designated body for the purposes of this section*”<sup>8</sup> which will be known as a Gas Safety Supervisory Body and will undertake the regulation of installers. There is a clear prohibition on the Supervisory Body from acting as a representative body or a trade association<sup>9</sup>.

In designating a body the Commission must undertake a process which assesses whether any applicant is capable of fulfilling the requirements of the Criteria Document and will have the capability and entitlement to:

- inspect the work of registered natural gas installers,
- monitor the training and standards of registered natural gas installers; and
- suspend or revoke the membership of a registered natural gas installer in appropriate circumstances as outlined in the 2006 Act.<sup>10</sup>

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<sup>7</sup> See Section 9F(5) of the 1999 Act inserted by Section 13 of the 2006 Act.

<sup>8</sup> Section 9F(1)(a) of the 1999 Act inserted by Section 13 of the 2006 Act.

<sup>9</sup> Section 9F(3) of the 1999 Act inserted by Section 13 of the Act.

<sup>10</sup> Section 9F(6)(c) and (d) of the 1999 Act inserted by Section 13 of the 2006 Act.



In making its decision, the Commission is also required to consider the likely costs to be incurred by the Commission and by final customers in relation to the designation of an applicant.

Once designated, the Commission will oversee the day-to-day operation of the Supervisory Body. The Commission “*may conduct an inspection or audit of the designated body to verify compliance*”<sup>11</sup> with the requirements of Section 9F of the 1999 Act, the *Terms and Conditions of its Appointment* and the Criteria Document. The Commission has the power to terminate the designation of the Supervisory Body:

- In accordance with the *Terms and Conditions of its Appointment*;
- With immediate effect if the Commission believes that an act or default by the Supervisory Body is the cause of serious danger to the public, or
- Where the Commission believes it is in the interests of consumers that the appointment be terminated (for reasons other than serious danger to the public) on giving 3 months notice to the Supervisory Body or such period as is specified in the *Terms and Conditions of its Appointment*<sup>12</sup>.

The 2006 Act requires the Supervisory Body to be self-financing, in so far as all its costs must be covered from the revenues obtained from its fees and charges for registration, inspections, and other services. As a safeguard, the 2006 Act requires the fees and charges applied by the Supervisory Body to be subject to the approval of the Commission<sup>13</sup>.

### 2.1.3 Gas Works and their Certification

The 2006 Act provides that the Commission “*may by regulations designate a class or classes of works to be gas works.*”<sup>14</sup> These regulations will set out the classes of work that can only be completed by a registered natural gas installer. Once in place, it will be illegal for any person who is not registered to undertake *gas works*.<sup>15</sup> To ensure that any *gas work* is completed in accordance with the safety standard set by the Commission, the 2006 Act requires the Commission to “*specify a form of completion certificate*” to be used by natural gas installers to certify that work has been conducted in accordance with procedures in the criteria.<sup>16</sup> It is a requirement under the 2006 Act that registered installers must issue an appropriate completion certificate to the customer for any *gas work* carried out.<sup>17</sup>

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<sup>11</sup> Section 9F(18) of the 1999 Act inserted by Section 13 of the 2006 Act.

<sup>12</sup> Section 9F(19) of the 1999 Act inserted by Section 13 of the 2006 Act.

<sup>13</sup> Section 9F(10) of the 1999 Act inserted by Section 13 of the 2006 Act.

<sup>14</sup> Section 9G(1) of the 1999 Act inserted by Section 13 of the 2006 Act.

<sup>15</sup> There are certain limited exemptions for system operators, gas emergency officers and gas safety officers carrying out their functions.

<sup>16</sup> Section 9F(17) of the 1999 Act as inserted by Section 13 of the 2006 Act.

<sup>17</sup> Section 9F(12) of the 1999 Act as inserted by Section 13 of the 2006 Act.

#### 2.1.4 *The responsibilities and rights placed upon Natural Gas Installers*

Within the 2006 Act there are a number of responsibilities which registered natural gas installers must fulfil. These include carrying out any *gas works* in accordance with safety requirements set out in the Criteria Document and issuing a completion certificate to the person who requested the works to be carried out<sup>18</sup>. Registered installers and their employees and contractors must also give reasonable assistance to any authorised officer of the Commission in exercising his or her powers under the gas safety provisions.<sup>19</sup>

As a registered natural gas installer, a person may carry out *gas works*. The registered installer also has the right to appeal to the Commission a decision of the Supervisory Body to revoke or suspend his/her membership. Such an appeal must be brought within 28 days of being notified of the decision. To assist the Commission in making a decision on the appeal, the Commission must appoint an '*Appeals Officer*' to consider and report to it on the appeal. The Commission must have regard to this report in making its decision<sup>20</sup>.

#### 2.1.5 *Responsibilities after the meter and the rights of customers*

One of the areas covered by the 2006 Act is the issue of responsibility for ensuring that a natural gas fitting is safely maintained. The 2006 Act expressly provides that in the case of a landlord/tenant situation, or a situation where rent is being paid, with respect to a dwelling, it is the responsibility of the landlord or the person to whom rent is being paid to maintain the natural gas fitting. With respect to a dwelling where rent is not being paid it is the person to whom rent would be paid if the dwelling was to be rented that has this responsibility.<sup>21</sup>

The situation is slightly different with respect to premises used as a place of business as in these situations the landlord may include provision within the lease to make it the responsibility of the lessee to keep the premises in good repair<sup>22</sup>.

Finally, on a separate but related issue, the 2006 Act also provides a mechanism to allow customers to request the inspection of any *gas work* by the Supervisory Body.<sup>23</sup>

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<sup>18</sup> Section 9F(11) and (12) of the 1999 Act as inserted by Section 13 of the 2006 Act.

<sup>19</sup> Section 9F(22) of the 1999 Act as inserted by Section 13 of the 2006 Act.

<sup>20</sup> Section 9F(7) and (8) of the 1999 Act as inserted by Section 13 of the 2006 Act.

<sup>21</sup> Section 9H(6)(b)(i) of the 1999 Act as inserted by Section 13 of the 2006 Act.

<sup>22</sup> Section 9H(6)(b)(ii) of the 1999 Act as inserted by Section 13 of the 2006 Act.

<sup>23</sup> Section 9F(13) of the 1999 Act as inserted by Section 13 of the 2006 Act.

### 2.1.6 Offences

There are a number of offences provided for within the 2006 Act in relation to natural gas safety. On summary conviction, a person found guilty of one of these offences will be subject to a fine of up to €5,000 and/or a prison term of up to six months. The 2006 Act also allows for conviction on indictment which can have an associated fine of up to €15,000 and/or a prison sentence of up to three years. These offences<sup>24</sup> include the following:

- It is an offence for a person to describe or represent itself as a Gas Safety Supervisory Body if it is not appointed as such.
- It is an offence for a person not to comply with an ‘*authorised officer*’ of the Commission who is attempting to inspect the work of a registered installer or any work which has been subject to a completion certificate;
- It is an offence for a person to represent themselves as a registered installer if they are not;
- It is an offence for any person who is not a registered natural gas installer to carry out a *gas work*<sup>25</sup>;
- It is an offence if a person fails to comply with any regulation prescribed by the Commission in relation to gas safety (which may include conditions which must be fulfilled prior to connection or reconnection of gas at a premises or specifications or requirements regarding the installation or maintenance of natural gas fittings).
- It is an offence to impede or obstruct a gas safety officer or a gas emergency officer.

## 2.2 Other Relevant Legislation

In addition to the 2006 Act, there are other pieces of legislation which will influence the ongoing operation of the new regulatory system. These include:

- *Safety, Health and Welfare at Work Act 2005* and regulations made under that Act – which set out the primary role and responsibilities of the Health and Safety Authority (HSA) with respect to securing health and safety at work;
- *Qualifications (Education & Training) Act 1999* - provides the legislative basis for the establishment of the Further Education & Training Awards Council (FETAC) in June 2001. FETAC is the national body for further education & training in Ireland; and

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<sup>24</sup> Once relevant parts of Part 3 of the Act are commenced

<sup>25</sup> See footnote 15 for exceptions.

- *National Standards Authority of Ireland Act 1996* – which provides the legislative basis for the establishment of the National Standards Authority of Ireland (NSAI), as an independent statutory body, with responsibility for standard specifications and standard marks for commodities, processes and practices and other associated matters.

### **2.3 Scope of Regulatory Model**

In looking at the Commission's responsibility under the 2006 Act, it is clear that the function to regulate natural gas installers with respect to safety is quite wide ranging and requires a certain level of clarification.

The term 'natural gas installer' is not specifically defined in the 2006 Act. However, the provisions of Section 13 of the 2006 Act make it clear that an individual acts as a natural gas installer if he or she carries out works which are related to the installation, removal, repair or replacement of a natural gas fitting which the Commission by regulation designated as gas works. The definition of a natural gas fitting is set out in the 2006 Act as "*any appliance, apparatus or other thing including associated pipework and flueing which is used or designed to be used by (a) a domestic customer, or (b) such class or classes of industrial or commercial customer as the Commission may specify from time to time, in connection with the consumption or use of natural gas....*" As set out in Section 7, the Commission will be undertaking a comprehensive consultation into the area of gas works in 2008. This will include specifically considering whether or not it is appropriate to include all classes of commercial and industrial customer within the definition of a natural gas fitting in the first instance.

It is important to note that the regulation of installers by the Commission is solely with **respect to safety**. It does not extend to the economic regulation of installers or involvement of the Commission in commercial issues. It is also important to note that the 2006 Act is concerned with Public Safety as distinct from Occupational Health and Safety, which is the responsibility of the Health and Safety Authority.

As stated in the Commission's decision paper on the Framework (ref. 07/172), while there is provision in Section 14 of the 2006 Act for the extension of the Commission's natural gas safety responsibilities to cover Liquefied Petroleum Gas (LPG), the Commission does not propose to extend its gas safety responsibilities at this time. The Commission will focus its attention on the establishment of the natural gas safety regulatory framework and the system for the regulation of natural gas installers in the first instance. Notwithstanding this, the wider Framework and the system for the regulation of

natural gas installers will be developed in a manner which allows for its scope to be extended in a controlled and coordinated way to incorporate the regulation of LPG installers after a reasonable period of successful operation.

In anticipation of the Commission's natural gas safety responsibilities being extended to include LPG, the Commission will undertake an implementation study into the most appropriate approach for discharging any new responsibilities. It is expected that this work will be completed in Q1 2008. Based on the outcome of that study, the Commission will develop its proposals for the safety regulation of LPG and issue a consultation document requesting public comment.

### **3. Existing Arrangements for the Management of Safety Risks Associated with the Utilisation of Natural Gas**

#### **3.1 Safety Risks Associated with the Utilisation of Natural Gas**

The Commission identified “*Ensuring the safe utilisation of gas downstream of the meter, within all gas facilities and premises (domestic and non-domestic)*” as one of the five principal aspects of gas safety risks that need to be managed and controlled by the Commission through its natural gas safety regulatory framework.<sup>26</sup>

There are three broad safety risks associated with the utilisation of gas:

- the competence of gas installers;
- the use of approved gas fittings and appliances; and
- 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 flueing, 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 necessary to ensure that they understand the potential dangers of not employing registered natural gas installers and not servicing gas-burning appliances regularly.

#### **3.2 Existing Arrangements**

Prior to the 2006 Act, there was no specific legislation in place to require installations and maintenance work on gas appliances to be conducted by a registered and competent installer. However, the industry has developed standards and training courses to provide for increased safety in how this work is carried out and to mitigate the safety risks outlined above. In addition to this, a voluntary scheme for the registration of installers has been in operation to provide customers with a list of appropriately qualified installers to choose from when they wish to have work undertaken.

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<sup>26</sup> Section 5 of Commission Decision Paper on the Framework (ref. 07/171).

### 3.2.1 *Register of Gas Installers*

In anticipation of the 2006 Act, as a transitional measure, the Commission has required Bord Gáis Networks to maintain a voluntary 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. This requirement is imposed under Condition 10 of its Distribution Licence. This register is known as the Register of Gas Installers (RGI). All installers registered with the RGI commit to working to industry standards set down by the National Standards Authority of Ireland (NSAI).

In addition to operating the RGI, Bord Gáis Networks has run a number of publicity campaigns to promote the RGI. Customers are encouraged to choose a member of the RGI when getting work done to ensure that they have a person who is suitably qualified and operating to the industry standards.

### 3.2.2 *Standards*

All installers are required to work to the two key standards which cover the installation of natural gas. These standards, I.S. 813 (Domestic Gas Installation Standard) and I.S. 820 (Non-Domestic Gas Installation Standard), are governed by the NSAI. The Gas Technical Standards Committee (GTSC) is the working group within the NSAI, made up of gas industry experts, which considers revisions to these standards.

At this time the Declaration of Conformance Certificate, which is issued by installers in relation to new connections, is a statement that the installation being commissioned has been undertaken in accordance with these standards. Bord Gáis Networks require all new connections to have this certificate before gas is made available at the connection.

### 3.2.2 *Training*

Training for installers is conducted in two parts. Firstly an installer must obtain a relevant trade, usually a plumbing apprenticeship which contains a basic module on gas. Following successful completion of the apprenticeship a further course or courses must be completed to become a fully qualified installer.

The Gas Installer Domestic (GID) award is the recognised qualification required to become a full domestic member of the RGI, and is currently awarded by Fás<sup>27</sup>. At this time GID training is provided by two independent trainers<sup>28</sup> and Fás. The single syllabus used by these training providers has been developed

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<sup>27</sup> Fás is the Republic of Ireland's National Training and Employment Authority

<sup>28</sup> Currently the Midlands Energy Training and Assessment Centre (METAC) and European Energy Skills (EES) operate as independent training providers of the GID course.

through an industry working group made up of training providers and Bord Gáis Networks called the Gas Training Development Group (GTDG).

However, although the training course offered by independent training providers is similar to that provided by Fás, there is no current mechanism for these providers to award a GID (See Section 11). To overcome this, the independent training providers ensure that an independent competency assessment associated with the GID course is conducted. The competency assessment is designed to ensure that those completing a training course are capable of applying what they have learned in a practical environment. These assessments are accepted by Bord Gáis Networks instead of the GID award to become a member of the RGI.

Currently there are two competency assessment bodies operating in Ireland. To ensure that a high standard of assessment is maintained, assessors must meet accreditation requirements. Of the two assessment bodies operating in Ireland, one is accredited by the Irish National Accreditation Board (INAB). INAB is the national body with responsibility for accreditation in accordance with the relevant International Organisation for Standardisation ISO 17000 series of standards and guides and the harmonised EN 45000 series of European standards. INAB accreditation demonstrates that an assessor is compliant and capable of assessing to a set standard (for example I.S. 813 in the case of domestic gas installation). The other assessor operating in Ireland is accredited by the United Kingdom Accreditation Service (UKAS). Both of these organisations certify that those carrying out assessments are operating in accordance with ISO 17024<sup>29</sup>.

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<sup>29</sup> ISO 17024, *General requirements for bodies operating certification of persons*. This standard provides a benchmark for certification bodies offering certification of persons in any occupation and facilitates accreditation by national bodies.



## **4. High Level Model for the Regulation of Natural Gas Installers with Respect to Safety**

### **4.1 Context**

The Commission's decision paper on the natural gas safety regulatory framework (ref. 07/172) sets out the Commission's approach to discharging its new gas safety responsibilities under the 2006 Act. In that decision paper, the Commission outlined its approach to the establishment of a Framework based on (i) a number of key guiding principles; (ii) an approach based on risk, outcomes and securing compliance with the Framework; and (iii) achieving a number of key strategic and regulatory safety objectives.

As required under the 2006 Act, the establishment of a comprehensive system in relation to the regulation of gas installers will be a key part of the Framework. Therefore, the Commission's approach to the regulation of natural gas installers with respect to safety will operate under and be consistent with the principles, approach and objectives set out in that Framework. In summary, the key guiding principles outlined in that decision paper which are relevant to the regulation of installers are:

- the Framework should achieve safety outcomes for the gas industry, gas customers and the general public in Ireland that are, as a minimum, commensurate with the high level of gas safety currently being achieved in Ireland and best safety practice within other jurisdictions internationally;
- the degree of regulatory control should be at an appropriate level needed to establish effective and comprehensive control of risk and maintain the confidence of the public at large;
- in discharging its gas safety functions, the Commission will consult and interact with expert bodies who have certain responsibilities relating to gas safety<sup>30</sup>;
- the effectiveness of the Framework will be subject to continuous review and improvement based on the safety outcomes and overall safety performance of the Framework; and

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<sup>30</sup> e.g. the NSAI/GTSC has responsibility to ensure that its standards sufficiently address safety.

- the Framework will be developed in a manner that allows for its scope to be extended in a coordinated way as required.

The overall **strategic objective** of the Framework is:

*“To ensure that adequate measures are taken to **protect life and property from the dangers associated with natural gas** by ensuring that **gas related activities** within the scope of the Commission’s responsibilities **are carried out in a safe manner**, which takes account of **and mitigates against the risks associated with the** storage, transportation, supply and **use of gas”***

The Commission will achieve this strategic objective through targeting 6 key regulatory objectives for the Framework. The objectives relevant to regulation of installers are:

**Key Objective No. 5: Minimising the Safety Risks Associated with the Utilisation of Gas.**

*This objective sets out that the “The Framework provides for a comprehensive regime relating to the regulation of gas installers. The key aim of this regime is that all categories of ‘gas works’ designated by the Commission are only undertaken by competent gas installers who are registered, and subject to ongoing regulation and inspection, by the Gas Safety Supervisory Body appointed by the Commission. .The connection and re-connection of customers’ installations to the gas supply network and the servicing of such installations are important safety risk issues that will be addressed within the scope of this objective. Customer education and safety awareness is an important part of this gas safety objective as discussed in key objective 6.”*

**Key Objective No. 6: Promoting Public Awareness of Gas Safety**

*This objective sets out that “Increasing the level of gas safety awareness amongst gas customers and the public generally and, in particular, educating on the dangers of carbon monoxide is an important aspect of the Commission’s overall objective of promoting the safety of customers and the general public in respect of the use of gas. It will also be important that owners/occupiers of premises are aware of their responsibilities in respect to the maintenance of gas fittings downstream of the meter....”*

The above principles, strategic objective and regulatory objectives provide the overarching context for the high level model for the regulation of installers with respect to safety outlined in following section.

## 4.2 Approach

Having considered the requirements set out in the 2006 Act, the objectives and principles of the wider natural gas safety regulatory framework, the strengths and weaknesses of the existing regulatory regime, the nature of the gas safety risks that must be managed and finally industry responses to the consultation, the Commission will establish and enforce a comprehensive regime relating to the regulation of gas installers which will be operated in a way that is:

- transparent and inclusive;
- stable and robust;
- economically viable and sustainable; and
- consistent with the wider natural gas safety regulatory framework.

It will achieve its safety responsibilities with respect to gas installers through:

- *Designating categories of gas works which may only be undertaken by individually registered installers<sup>31</sup> who are competent, operating to the appropriate standard, using the appropriate materials, who will certify their work as safe and will be subject to ongoing regulation and inspection by the Gas Safety Supervisory Body;*
- *Providing for the effective operation of a Gas Safety Supervisory Body charged with the responsibility for the day-to-day activities of registration, audit and inspection of registered installers in line with the requirements of the 2006 Act, the Natural Gas Safety Framework and the Criteria Document;*
- *Providing regulatory oversight of the Gas Safety Supervisory Body; and*
- *Raising the awareness of gas customers and the wider public in relation to the choice of a registered installer and the regular maintenance of natural gas appliances and fittings through an appropriate level of gas safety promotion activity.*

The regulatory model will be founded on 5 key elements:

1. The **Criteria Document** which will prescribe the rules of operation of the new regulatory system and will specify the **Standard** to which a registered natural gas installer must work;

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<sup>31</sup> Gas works can only be undertaken by individually registered installers. This does not preclude company registration – i.e. individually registered installers operating under a registered company.

2. The designation, operation and monitoring of a **Gas Safety Supervisory Body**;
3. The designation of **Gas Works** and their **Certification**;
4. The **Membership Categories of Registered Natural Gas Installers** in the regulatory system, their rights and responsibilities as natural gas installers, and the requirements placed upon them to maintain that status; and
5. **Appropriate Promotion** to raise awareness of the importance in choosing a registered installer, getting gas works certified and the safety issues surrounding the use of natural gas and the maintenance of natural gas appliances and fittings.

These 5 key elements of the high level regulatory model are discussed in detail in Sections 5 to 9.

The regulatory model will be underpinned by a number of support structures in the areas of:

- Standards Development;
- Training; and
- Competency Assessment.

These are discussed in Section 10.

## 5. The Criteria Document

As stated earlier, under Section 13 of the 2006 Act the Commission is required to publish a Criteria Document. The 2006 Act requires the document to cover:

- 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 Supervisory Body.

The Criteria document will be the key regulatory document as it will detail how the regime will operate and be governed on a day-to-day basis. It will be an open and transparent means of setting out:

- the requirements for an installer to become registered;
- the rights, responsibilities and functions of the Supervisory Body, registered installers and other parties within the regulatory system;
- the training and formal competency requirements to be achieved and maintained by registered natural gas installers;
- the operation of the completion certificate system for all *gas works*;
- the basis for the assessment of the Supervisory Body and registered installers on an ongoing basis; and
- the overall governance arrangements for the industry.

The natural gas standards I.S. 813 and I.S. 820 are central to the effective operation of the regulatory system as they provide the foundation for training, qualification and competency assessment requirements for obtaining and maintaining membership of the Supervisory Body (as discussed in Section 9). Given the importance of these standards, the Criteria Document will specify that all *gas works* must be done in accordance with I.S. 813 or I.S. 820 (as appropriate).

As provided for in the Act, the Commission will publish the Criteria Document and “*may review or amend the criteria as often as it considers necessary*”. This allows the Criteria Document to be a flexible regulatory document and will be the mechanism through which changes to the operation of the regulatory system, be they corrective actions or improvements, will be managed by the Commission.

The Commission believes that, in developing the Criteria Document, it is appropriate and necessary to consult with interested parties prior to final approval of this document and during its ongoing management. To enable the appropriate level of industry involvement, the Commission will establish an industry forum, called the Criteria Review Panel for the Regulation of Natural Gas Installers (CRP). The CRP will act as the mechanism for the industry to

propose and discuss modifications to the Criteria Document to be presented to the Commission for decision. The Commission recognise the importance of having installer representation on the CRP and to this end installer representatives will be invited to participate on the CRP. This is discussed further in Section 12.

The CRP will be a small working group consisting of representatives from the Stakeholder groups and will be established in January 2008 In addition, the initial Criteria Document will be subject to a public consultation process by the end of March, 2008 prior to full approval by the Commission in Quarter 2, 2008.

## 6. The Designation, Operation, and Monitoring of a Gas Safety Supervisory Body

Section 13 of the 2006 Act<sup>32</sup> states that:

*“The Commission may appoint a person to be the designated body for the purposes of this section and such body may be referred to as a Gas Safety Supervisory Body.”*

The Commission recognises that the designation of the Gas Safety Supervisory Body (the ‘Supervisory Body’) is critical to the success of the regulatory system. As such the Commission will appoint a Supervisory Body with responsibility for the day-to-day activities of registration, audit and regulation of installers on its behalf. Given the critical nature of the role the Commission will set out at a high level:

- the functions of the Supervisory Body and how it should operate on a day- to-day basis;
- the appropriate characteristics and financial structure of the Supervisory Body;
- how the Supervisory Body will be monitored and regulated by the Commission; and
- the process for the designation of the Supervisory Body.

These are discussed in turn below.

### 6.1 Functions of Supervisory Body

As outlined in Section 5, the functions of the Supervisory Body will be clearly set out in the Criteria Document. The Supervisory Body will be required by the *Terms and Conditions of its Appointment* to comply with the Criteria Document.

However in advance of the development of the Criteria Document the Commission wishes to clarify that at a minimum the Supervisory Body will be required to:

#### **1. Operate a register of natural gas installers**

In operating the register, which includes initial registration and renewal of membership, the Supervisory Body will be required to ensure that:

- access to membership is open to all who reach the agreed membership requirements as outlined in the Criteria Document; and

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<sup>32</sup> Inserting Section 9F(1) into the 1999 Act.

- all members are appropriately qualified and competent to carry out *gas works* in accordance with their membership type.

## **2. Monitor, audit and inspect registered installers**

In regulating installers the Supervisory Body will be required to monitor:

- that the work of registered installers is carried out in compliance with either I.S. 813 or I.S. 820 (as appropriate) and inspected on an ongoing basis;
- the competence of an installer; and
- that the installer is working in accordance with the *Terms and Conditions of Registration* and the Criteria Document.

In line with the wider Framework, the Commission envisage the Supervisory Body developing a risk based approach to the ongoing monitoring, audit and inspection of installers. The Supervisory Body will also play an interventionist role in the event that a safety issue arises.

## **3. Manage the certification of gas works process**

The Supervisory Body will be responsible for the administration and monitoring of the new Completion Certificate system. This will include:

- issuing Completion Certificates to registered installers,
- validating and processing Completion Certificates (See Section 8.2.3) which are submitted by registered installers,
- carrying out inspections of *gas works* carried out by registered installers at the request of customers, and
- auditing and inspecting the work of installers based on their Completion Certificates (See Section 9).

## **4. Undertake promotional activities and deal with customer complaints and requests**

Included in the responsibilities of the Supervisory Body will be the need to interact with members of the public and gas customers. This interaction will take place in different ways.

- The Supervisory Body will be required to operate a public awareness regime as set out in Section 10.
- The Supervisory Body will be required to investigate a complaint or inspect any gas work at the request of a customer who has used a registered installer.
- The Supervisory Body will also have a role in relation to investigating customer complaints regarding non-registered installers as this will serve as an important information source for



identifying those non-registered installers who are undertaking gas works illegally<sup>33</sup>.

##### **5. Take disciplinary actions against registered installers.**

Where a registered installer is found not to have worked in compliance with the Criteria Document, the Supervisory Body will be required to take an appropriate sanction up to and including suspension and withdrawal of registered status.

In addition to operating within the Criteria Document, the Supervisory Body will be subject to the *Terms and Conditions of its Appointment* which will set out the terms and conditions of the Commission's designation of the Supervisory Body.

## **6.2 Characteristics and Financial Structure of the Supervisory Body**

The 2006 Act places certain restrictions on the characteristics of the Supervisory Body including:

- **the Supervisory 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 Supervisory Body in such circumstances. It is the intention of the 2006 Act that the purpose of the Supervisory Body is to regulate the safety aspects of the gas installer industry only;
- **the Supervisory Body must be self financing** through its registration fees and the services it provides to members; and
- **the Supervisory Body must submit its fees and charges** relating to the registration process and its support structure for approval by the Commission.

The Commission will also require as a condition of appointment that **the Supervisory Body shall not engage in or have a vested interest in the provision of training or formal competency assessment procedures** (as described in Section 9). The Commission believes that if the Supervisory Body is prohibited from participating in the provision of training or formal competency assessment, it cannot develop an inappropriate and unfair advantage in promoting its own training or formal competency assessment over similar services provided by the market. This would also avoid any potential

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<sup>33</sup> The Body, depending on the outcome of the safety inspection, may make recommendations to the Commission to take prosecution action against the un-registered installer who undertook the works.

conflict of interest for the Supervisory Body in directing 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 Supervisory Body.

In relation to the financial structure of the Supervisory Body, **the Commission is ‘minded’ to require that the Supervisory Body operate on a not for profit basis.** The detailed requirements with respect to the economic and financial aspects of the Body – both in terms of the financial structures to be imposed and the approach for the regulation of fees and charges applied by the Body - will be confirmed as part of the designation process in Quarter 1 and 2, 2008.

### **6.3 Regulation of the Supervisory Body by the Commission**

Given that the Commission has the overall responsibility for the regulation of installers with respect to safety, the Commission must assure itself that the Supervisory Body is discharging its functions in accordance with the Criteria Document and the *Terms and Conditions of Appointment*. The ultimate sanction by the Commission in instances where the Supervisory Body is found to be operating outside the Criteria Document and/or its *Terms and Conditions of its Appointment* is to terminate its designation.

The Commission will obtain assurance that the Supervisory Body is operating appropriately through two mechanisms:

- Conducting audits and inspections of the Supervisory Body on an ongoing basis against the provisions of the Criteria Document and the *Terms and Conditions of its Appointment*; and
- Requiring the Supervisory Body to report to the Commission on a quarterly basis on a number of key performance indicators<sup>34</sup>.

The outputs from the above processes will be used to: (i) inform the Commission on the safety performance of the Supervisory Body and industry generally, (ii) assist the process of continual improvement of the wider natural gas safety regulatory framework as a whole and the regime for the regulation of gas installers specifically, and (iii) build trust and confidence amongst the industry and the general public on the effectiveness of the regime.

The Commission will also regulate the Supervisory Body from an economic perspective given that its approval is required for its fees and charges. As

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<sup>34</sup> The relevant KPIs will be developed as part of the detailed implementation process but may include the number of inspections undertaken, the number of complaints received from customers etc.

stated earlier, the Supervisory Body must be self-financing. The Supervisory Body will primarily finance its activities through:

- Registration and membership fees;
- The issuance of Completion Certificates to natural gas installers; and
- Charges related to inspections of 'gas works' e.g. inspections requested by customers (including those by a non registered natural gas installer).

When approving such fees and charges the Commission will aim to balance the financial impact on gas installers and final customers with the need to ensure that the Supervisory Body can earn enough revenue to discharge its responsibilities in an effective manner.

#### **6.4 Designation of the Supervisory Body**

In designating the Supervisory Body to discharge the functions outlined in Section 7.1, the Commission is obliged under the 2006 Act to take into consideration certain matters, including:

- the costs likely to be incurred by the Commission and by final customers;
- a party acting as a trade association or performing representative functions cannot be appointed as the Supervisory Body;
- the Commission must be satisfied that the Supervisory Body is capable of complying with the Criteria Document; and
- the Supervisory Body has, or will have if appointed, the capability and entitlement to undertake certain functions with respect to registered installers.

The designation decision will be underpinned by *Terms and Conditions of Appointment* issued by the Commission which will include amongst other things:

- a requirement to adhere to the obligations set out in the Criteria Document;
- the functions/activities of the Supervisory Body that are permitted and those expressly prohibited;
- the term for which designation applies;
- reporting requirements; and
- procedures and obligations in the event of termination of designation.

The Commission will develop a fair, open and transparent process to enable the appointment of the Supervisory Body. The details of the designation process will be set out separately in Quarter 1 and Quarter 2 of 2008. A draft high level process is outlined in Appendix 1.

In relation to the duration of appointment of the Supervisory Body, in the first instance the **designation term will be for a period of 7 years** to allow a sufficient amount of time for the new regulatory system to establish itself. It is proposed that subsequent appointment terms will be **for a period of 5 years**.

## **7. Designation of Gas Works and their Certification**

### **7.1 Designation of Gas Works**

The 2006 Act provides that the Commission “*may by regulations designate a class or classes of works to be gas works.*” In this instance ‘works’ mean works which is related to the installation, removal, repair or replacement of a natural gas fitting (see Section 3 for definition of natural gas fitting). These regulations will set out the classes of work that can only be completed by a registered installer under the categories of domestic and non-domestic work. Once in place it will be illegal for any person who is not a registered installer to undertake these classes of work subject to certain limited exceptions.<sup>35</sup> In essence by designating the classes of *gas works*, the Commission will set the scope of the regulatory regime.

To assist the Commission in this process, it requested the NSAI (GTSC) to advise the Commission on the classes of works that the NSAI (GTSC) considers would be appropriate to designate as *gas works*. The Commission have received this advice and intend to undertake a specific detailed consultation on the definition of gas works in early 2008 using the GTSC submission as a basis for the consultation. Given the importance of this issue, this consultation will be followed by a draft decision, which also will be published for comment. Finally the Commission will issue a decision paper on the matter of gas works and this will subsequently be translated into regulations as required under the 2006 Act. This will occur throughout 2008.

### **7.2 Certification of Gas Works**

The 2006 Act allows the Commission to set out “*matters to be covered by a completion certificate in respect of different categories or classes of gas works...*”. The Act also states that “*where a registered gas installer carries out any gas works, the registered gas installer shall issue the appropriate completion certificate to the person who requested that the works be carried out*’.

The Commission views the Completion Certificate as essential to the effective operation and integrity of the new regulatory system. The Completion Certificate will act as the thread that links the work of a registered installer for a customer to the Supervisory Body, and ultimately the objectives of the overall regulatory regime, as the issuance of a Completion Certificate will be mandatory

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<sup>35</sup> See footnote 15.

for all *gas works*, including installation, appliance exchanges, appliance installation and servicing. However there is a degree of flexibility in relation to the form of completion certificate and the certification process itself. The broad principles, scope and objectives of the certification process and the completion certificates will be initially addressed in the Criteria Document with the detailed procedures confirmed post the designation of the Body. Notwithstanding this detail being developed, the broad principles for the Certification process will include the following:

1. It will only be permissible for a registered natural gas installer to undertake and self-certify *gas works* and to issue a Completion Certificate for those works and:
  - to ensure that this is the case the Supervisory Body will restrict the sale of Completion Certificates to registered installers only;
  - it will be a serious disciplinary matter under the *Terms and Conditions of Registration* if a registered installer has been found to have “sold on” its Completion Certificates.
2. Following completion of *gas works*, the registered installer will, in most instances, be required to:
  - retain a copy of the Completion Certificate;
  - issue a copy of the Completion Certificate to the customer; and
  - issue a copy to the Supervisory Body – this will provide the paper trail for the work of the installer to be subsequently audited/inspected by the Supervisory Body.

Failure to submit a Completion Certificate for any *gas work* will lead to disciplinary procedures being taken against a registered installer and may ultimately lead to suspension or revocation of membership.

4. The Completion Certificate will act as a form of confirmation to the customer that the *gas work* has been carried out:
  - in accordance with the appropriate standard (I.S. 813 for domestic work, I.S. 820 for non-domestic work), the *Terms and Conditions of Registration* and the Criteria Document;
  - by an individual with the requisite competency and insurance to undertake such work.
5. It will be a requirement of the new regime 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 at the dwelling or premises.

As stated earlier, the detail underpinning the Completion Certificate process will be set out in the Criteria Document including the detail of the various forms of Certificates, their format and the process by which they will be sold, completed and verified. However it is likely that there will be different Completion Certificates associated with different categories of *gas work*, (e.g. domestic/non-domestic, and new connections/ appliance fittings/servicing) with varying costs associated with each form of Certificate.

## **8. Registered Natural Gas Installer Membership Categories & Associated Rights and Responsibilities.**

In the new regulatory system, any individual who wishes to undertake *gas works* must be registered with the Supervisory Body. It will be an offence for any individual who is not a registered member of the Supervisory Body to carry out gas works.<sup>36</sup>

A registered installer will have certain responsibilities under the new regulatory system:

- to undertake *gas works* in accordance with the appropriate standard;
- to issue a Completion Certificate to customers for all *gas works* undertaken;
- to adhere to the provisions of the *Terms & Conditions of Registration* and the Criteria Document; and
- to submit to audit and inspection by the Supervisory Body and to participate in any disciplinary proceedings against them where they are alleged to have acted in contravention of the requirements of membership.

A registered installer will also have certain important rights including:

- the right to undertake classes of *gas works* as allowed for under their membership; and
- the right to self-certify their work.

The Commission will ensure that a registered installer's rights relating to their interaction with the Supervisory Body are protected through:

- the right to appeal to the Commission regarding decisions of the Supervisory Body suspending or revoking membership; and
- ensuring the right to a fair, consistent and timely service from the Supervisory Body.

The Criteria Document will specify the detailed requirements for obtaining and maintaining membership of the Supervisory Body. However for clarity the Commission has set out its key proposals in relation to membership of the Supervisory Body on the following page.

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<sup>36</sup> Subject to limited exceptions as set out in footnote 15.



## 8.1 Membership Categories

In the new regulatory model it is proposed that there will be two types of membership category:

- **Full membership** – for those who fulfil the requirements set out in the Criteria Document; and
- **Trainee membership** – for those who are learning the gas trade and are working under the supervision of a full member.

During the transition period to full regulation of the industry there will be a temporary category of membership known as **provisional membership**.

These categories are discussed further below.

### 8.1.1 Full Membership

#### Domestic

An installer can apply to be a full member under one or more of the following categories:

- Domestic – Installation and commissioning
- Domestic – Servicing

In order to become a full member of the Supervisory Body under one or more of these categories an installer must be able to at least fulfil the following **membership criteria**:

1. Hold an appropriate craft certificate<sup>37</sup>, and a GID award or equivalent or hold GI1, GI2 and/or GI3 award<sup>38</sup> or equivalent.
2. Hold appropriate commercial insurance.
3. Pay the appropriate membership fee to the regulatory Supervisory Body.
4. Sign and accept the Terms and Conditions of Registration.

The detail underpinning this area will be outlined in the Criteria Document.

#### Non Domestic.

With respect to the non-domestic membership categories, and specifically the training and qualification criteria, the Commission is not in a position to confirm requirements at this time given that there is not a consensus view in the industry on what is appropriate. The absence of a recognised GIND course

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<sup>37</sup> Following completion of an appropriate apprenticeship

<sup>38</sup> <sup>38</sup> The Commission notes that a GI3 course is no longer available. As such there may be individuals with a GI2 but cannot complete a GI3 course. As part of the initial registration of gas installers such applicants with a GI2 will be considered as an equivalent to the GID. This may be subject to review in the future.

further complicates this issue. Therefore, the Commission intends to consult specifically on non-domestic membership categories and requirements as part of the consultation on gas works in Quarter 1, 2008.

#### 8.1.2 *Trainee Membership*

Trainee membership will be open to individuals who are undertaking or have completed a plumbing apprenticeship (or equivalent) and are working towards full membership. While holding trainee membership the member's work must be supervised by a full member of the Supervisory Body. A trainee member will not be allowed to self certify their own work.

#### 8.1.3 *Provisional Membership*

The Commission recognises that the transition to the new regulatory system will present some challenges for those currently working in the industry. Many working in the industry may be experienced but may not currently fulfil the membership criteria outlined above. **The Commission would strongly encourage all those wishing to work in the industry to use the period between now and the commencement of the new regulatory system to obtain the required qualifications.**

However, to assist the smooth transition to the new regulatory system, the Commission will allow provisional membership of the Supervisory Body with different entry requirements for **a strictly limited time period** at the commencement of the new regime. This membership category is for people who meet most of the requirements for full membership but do not hold the required qualifications. Such membership will be determined on a case by case basis and will only be made available for a very short period of time.

It is proposed that the Supervisory Body will have the authority to grant provisional membership to installers who do not fulfil the requirements of full membership subject to the following conditions:

- Any installer wishing to apply for provisional membership must be able to demonstrate that they are active and have experience within the industry for a sufficiently long period of time. Any installer who cannot demonstrate this must follow the stepped route to full membership by completing their training under supervision prior to application;
- Any installer who applies for provisional membership will have to complete an on site assessment of their work (conducted by the Supervisory Body) before their membership will be approved. This assessment is to establish that the individual has the competence to

undertake work in a safe fashion in line with I.S. 813 or I.S. 820 (as appropriate);

- Any installer who applies for provisional membership must hold appropriate commercial insurance; and
- Any installer who applies for provisional membership will only be allowed to remain on provisional membership for a strictly limited time period as determined by the Supervisory Body. Within that time period the installer must obtain the necessary requirements for full membership, such as completing a GID course (or equivalent for non-domestic work) or fulfilling the training requirements set out for non-domestic membership. If an installer fails to achieve the required training within this timeframe they will be removed from the register.

## **8.2 Ongoing Maintenance of Membership**

Once an installer is registered with the Supervisory Body they will be subject to conditions of membership including being subject to ongoing audit and inspection and the requirements to undergo formal competency assessment. These are discussed further below.

### *8.2.1 Ongoing Audit & Inspection*

Registered natural gas installers will be subject to ongoing inspection by the Supervisory Body to ensure the installer is operating in accordance with the Criteria Document. The Completion Certificate system will be used as the primary mechanism by the Supervisory Body to identify installers' work and conduct these inspections.

The Supervisory Body may conduct audits of a registered installer's paperwork to ensure that completion certificates are being appropriately completed and that all work is being conducted in accordance with the Criteria Document.

If the Supervisory Body finds that the registered natural gas installer is not operating in accordance with the Criteria Document it may direct the installer to undertake further training, complete a formal competency assessment or take other disciplinary action regarding the installer.

### *8.2.2 Formal Competency Assessment*

Installation Standards are subject to continual change. In order to ensure that installers are competent to work to these changing standards the Commission

proposes that gas installers would complete a formal competency assessment against I.S. 813 and/or I.S. 820 at least every 5 years.

To this end the following arrangements will be put in place in relation to competency assessment:

- formal competency assessment should be conducted on a five year cycle<sup>39</sup>;
- formal competency assessment will be conducted using centralised criteria for either I.S. 813 or I.S. 820;
- an industry working group will be established to develop centralised assessment criteria for both I.S. 813 and I.S. 820;
- the assessment criteria will remain under the control of the Commission;
- any assessor wishing to provide competency assessments against the centralised criteria must be INAB accredited (or equivalent) to certify competency against the centralised criteria;
- assessment criteria will be reviewed as changes are made to the standards; and
- only competency assessments conducted against the centralised criteria by appropriately accredited assessors will be acceptable for retention of membership.

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<sup>39</sup> Where an installer has completed an independent assessment at the end of a GID course the five year cycle associated with this will be used to schedule their next assessment.

## 9. Public Awareness

Section 12 of the 2006 Act places a responsibility on the Commission to:

*“promote the safety of natural gas customers and the public generally as respects the supply, storage, transmission, distribution and use of natural gas.....”.*

The Commission is of the view that whilst natural gas undertakings and the Supervisory Body will have responsibilities for the promotion of gas safety, a coordinated approach is also required to ensure that consistent and targeted gas safety messages are conveyed to the public. This is set out in Section 6.4 of the Framework decision paper (ref. 07/172).

While the promotion of gas safety is of vital importance for the safe use of natural gas, it is also of importance to the operation of the new regulatory regime for installers. It is important that emphasis is placed on:

- responsibility for the maintenance of natural gas appliances and fittings downstream of the meter;
- the customer choosing a registered installer for work they have undertaken;
- publicising the Completion Certificate process so that customers know that they should always receive a certificate; and
- encouraging customers (and registered installers) to report any person who fails to issue a certificate or is undertaking gas works while not being registered.

By increasing the level of public awareness on these issues, customers will in essence act as ‘the police on the ground’ thereby strengthening the impact of the new regulatory regime.

## **10. Support Structures**

In developing a regulatory regime for natural gas installers, the Commission acknowledges that there are a number of support structures that are necessary to ensure its success. These include the continued development of an appropriate set of national standards and the continued provision of high quality training and the use of competency assessment bodies who hold the relevant scope of accreditation.

### **10.1 Standards**

The Commission looks forward to continuing to work closely with the NSAI (GTSC) in relation to their critical work in the development of standards for the natural gas industry, particularly I.S 813 and I.S 820.

### **10.2 Training**

The provision of training will play a key role in the ongoing success of the regulatory regime. The Commission believes it is important for the Gas Installer Domestic course, and, when it is developed, the Gas Installer Non-Domestic course, to gain recognition from the Further Education Training Awards Council (FETAC) within the scope of FETAC's common award system. This will lead to consistency in the level of training received by all members of the Supervisory Body and a single recognised award in the area of gas installation for both domestic and non domestic courses being available. The Commission is committed to working with industry partners to achieve this.

Once FETAC recognise the installer courses as part of their common award system the Commission will require that only training courses which have been provided by FETAC quality assured training centres will be recognised by the Supervisory Body. In advance of this system being in place the Commission will require any training provider wishing to provide the GID course to be independently approved prior to recognition of its training courses.

The Commission would envisage that the work of the Gas Training Development Group in developing training syllabi for the industry would also continue.

### **10.3 Accreditation of Competency Assessment Bodies**

As set out in Section 9, formal competency assessment is a key element to the ongoing success of the regime. In order to ensure that all assessments carried out are done to the same standards and criteria the Commission will be setting up an industry group to develop centralised assessment criteria. Once this is in place the Commission will work with the Irish National Accreditation Board to ensure that the criteria are appropriate for them to use when accrediting assessment bodies against ISO 17024. On an ongoing basis assessment bodies

wishing to conduct formal competency assessments under the regime will require accreditation from INAB or a signatory to the EA multilateral agreement.

## 11. Governance Arrangements

The Commission will be responsible for the enforcement of the new regulatory regime. The legal instruments that will be employed to enforce compliance with the provisions of the Act and the Criteria Document will be:

- the *Terms and Conditions of Appointment* in the case of the Supervisory Body; and
- the *Terms and Conditions of Registration* in the case of the natural gas installers;

An individual who undertakes *gas works* who is not a registered natural gas installer will be guilty of an offence under Section 9G of the 1999 Act. These individuals may be subject to criminal proceedings. It is the Commission's responsibility to proceed with such prosecutions under the 2006 Act if it deems it appropriate.

As part of the ongoing operation of the regulatory regime and in line with good governance, the Commission will schedule regular meetings with:

- the Supervisory Body <sup>40</sup>;
- representatives of natural gas installers;
- other relevant wider industry stakeholders (e.g. training providers);
- other relevant organisations with significant interaction/interest in the regime; and
- consumer groups/associations.

Notwithstanding the above ongoing arrangements, it is proposed that the Commission will be supported by a number of safety governance groups that will be used to support the ongoing regulation of installers and to ensure continued industry input to the continuous development and improvement of the regulatory model. It is proposed that these will **at least** include the following groups.

### 11.1 Criteria Review Panel for the Regulation of Natural Gas Installers (CRP)

As previously stated, the Commission shall act as controller and manager of the Criteria Document and “*may review or amend the criteria as often as it considers necessary*”<sup>41</sup>. To enable the appropriate level of industry involvement in the development of that document, the Commission intends to establish an industry forum, called the Criteria Review Panel for the Regulation of Natural Gas Installers (CRP). The CRP will act as the mechanism for the industry to

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<sup>40</sup> The Commission will meet with the designated body on a quarterly basis. The purpose of this meeting will be to discuss reports, as required by the Commission, in relation to the ongoing regulation of installers; to discuss the audit programme for the designated body; and to discuss ongoing issues as they arise etc.

<sup>41</sup> Section 9F(5)(c) of the 1999 Act as inserted by Section 13 of the 2006 Act.



propose and discuss modifications to the Criteria Document to be presented to the Commission for decision.

The role and responsibilities of the Commission in relation to the Criteria Document shall be:

- to be the controller and manager of the Criteria Document;
- to make decisions relating to the Criteria Document in line with its statutory authority and responsibilities;
- to manage the process whereby the CRP and other parties may propose modifications;
- to be the final decision maker in relation to any modifications that are made to the document; and
- to communicate matters in relation to the Criteria Document to all stakeholders through the CRP in the first instance and provide for wider communication as appropriate.

The Commission intends for the CRP to meet on a quarterly basis (or more frequently, as may be decided by the Commission). It is proposed that this group will be made up of appropriate industry participants. The Commission recognise the importance of having installer representation on the CRP to ensure that installer issues are addressed and, as such, stakeholder representatives will be invited to participate on the CRP.

### **11.2 Competency Assessment Working Group**

The Commission will establish an industry working group which will examine and recommend the appropriate criteria for the competency assessment of natural gas installers against both I.S. 813 an/or I.S. 820 (as appropriate). This group will make recommendations to the Commission which it will review and approve as required. It is intended that the competency assessment criteria will adapt and evolve as the standards change.

This group will be made up of appropriate industry participants at the discretion of the Commission.

### **11.3 Gas Installer Communication Forum**

The Commission will continue with the Gas Installer Communication Forum as a discussion forum for the industry after the establishment of the Supervisory Body.

Membership of this forum will be at the discretion of the Commission.

#### **11.4 Gas Safety Promotion and Public Awareness Group**

The Commission, as part of the wider safety framework, will establish a group which will develop proposals for coordinated customer safety promotion and awareness strategies. Customer safety promotion and awareness advertising will be undertaken at two levels:

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

The Commission proposes that the Supervisory Body would participate in this group.

## **12. Implementation Timetable**

### **12.1 Implementation Steps**

Key to the success of the regulatory model will be the timeline for implementation and ensuring that all aspects of the model are developed within this timeframe.

In order to avoid confusion and to give guidance to those who are working towards achieving qualifications and training the Commission proposes that the new regulatory model will be operational from **1<sup>st</sup> January 2009**.

To achieve this date the Commission must complete a number of steps. The high level steps are summarised below:

#### **1. Develop and publish the Criteria Document.**

It is proposed that work will commence on the Criteria Document in Quarter 1 2008. At that time a working group will be established to support this process. The Commission intends to publish the Criteria Document for public consultation once it is drafted. This consultation will take place at the end of March 2008 with the final Criteria Document in place by June 2008.

#### **2. Designate the Gas Safety Supervisory Body**

Once the Criteria Document has been developed the Commission will be in a position to set out the conditions of designation of the Supervisory Body. These conditions will be subject to public consultation in Quarter 1, 2008. It is expected that the designation competition will occur in Quarter 2 and 3 of 2008.

#### **3. Determine Gas Works.**

The Commission intend to undertake a specific detailed consultation on the definition of gas works in early 2008. The GTSC submission will form the basis for the consultation. The issue of non-domestic membership categories and requirements will also be addressed in this consultation paper. Given the importance of this issue, this consultation will be followed by a draft decision, which also will be published for comment. Finally the Commission will issue a decision paper on the area of gas works and this will subsequently be translated into regulations as required under the 2006 Act. This will occur throughout 2008. It is likely that the regulations will be enacted following the transition period at the commencement of the new regime in 2009.

## **12.2 Transition Issues**

In moving to a new regulatory regime the Commission acknowledges that there will be a period of transition before the regulatory regime is fully established and operational. The Commission recognises that it must put in place proposals which will support the industry and assist in strengthening the new regime during the transition period before the new regulatory regime is fully established and operational. Detailed proposals will be outlined in Quarter 2, 2008. Notwithstanding the above, the Commission strongly encourages installers to become members of the Bord Gáis Register of Gas Installers (RGI) given that the current training/qualification membership requirements are equivalent to the domestic membership requirements of the new system. This will mean that members of the Bord Gáis RGI will be easily able to transfer across to the new Supervisory Body once operational in 2009.

The Commission also recognises that there is a need to make provisions for people who are currently working in the industry but do not hold the required qualifications for full membership of the Supervisory Body. This is the intent of the provisional membership category – however it should be noted that this will be only made available for a strictly time limited period.

## **Appendix 1 – Proposed Designation Process**

This Appendix sets out the Commission’s proposed Designation Process (high-level) and is further to the details on designation and a Designated Body as set out in Section 6 of this document.

The process as described in this Appendix may be subject to further change. The Commission will publish its decision on the various elements of the process through embarking on the two stages (as set out hereunder) and through the release of the relevant documentation to the appropriate parties at each stage.

The process will include opportunity for interested parties to raise queries and seek clarifications on the detailed process with the Commission prior to the formal commencement of each stage.

The Commission has decided to pursue a procurement-style process similar to the “Restricted” Procurement Procedure.

### **Outline of Restricted Procedure:**

- The restricted procedure involves two stages.
  1. Stage One involves issuing a Request for Expressions of Interest (“EOI”), which will contain certain requirements which a tendering party must conform to.
  2. Stage Two is the issue of an Invitation to tender (“ITT”) to those parties who have been successful in the selection process in Stage One.;
- Full tendering (Stage 2) is made by only those parties invited to do so by the Commission through the ITT. This allows the Commission to use a pre-qualification stage, limiting the range of tenderers to those meeting the criteria specified by the Commission.
- The restricted procedure is generally used for procurements which are not simple and have some element of complexity.
- The contents of the EOI and ITT will contain all of the necessary requirements to be provided by the entity and the necessary requirements to which it must adhere (e.g. its constitution, the conduct of its business etc.). The proposed Designation Conditions would be included in the ITT documentation.
- The EOI will be advertised in the Official Journal of the European Union and/or other media.
- The Gas Safety Team and its Technical Advisor will draft the contract notice and tender documentation. These will be subject to legal review.
- An independent Process Auditor will be appointed by the Commission. The role of the Process Auditor shall be to monitor the evaluations at the two

stages to ensure that there is due process and that the evaluations take place in accordance with the principles set out in the tendering documentation and that they are fair and non-discriminatory.

### **Detailed Stage 1 Process**

1. This will involve the drafting and release of EOI. The EOI will set out the outline specifications for what is being procured and the general rules applicable to the process. The EOI may contain a pre-qualification questionnaire (“PQQ”).
2. The EOI will be advertised in the OJ, other media and through the Commission’s website and mailing list.
3. The contract notice will state that the Commission has elected to limit the number of candidates to be invited to tender.
4. This Stage is intended to launch immediately after the Commission has published its consultation on the Criteria Document.
5. Persons who wish to be invited to tender must respond to the EOI. The Commission will then evaluate the responses (which, in the main, comprise the completed PQQ or response to the EOI and relevant supporting documents) to establish if a respondent meets the minimum criteria.
6. The responses to the EOI are then evaluated by reference to published selection criteria to determine which candidates will be invited to submit a tender. The Commission will then confirm “invited bidders”, who will be invited to participate in Stage 2. The Commission will invite to tender those candidates whose responses satisfy the minimum criteria.

### **Detailed Stage 2 Process**

7. Stage 2 involve the drafting of detailed ITT documentation (further questionnaires and statements of requirements with respect to bids etc.), Designation Conditions and Guidance Notes on Designation and the evaluation process for tenders received.
8. Stage 2 will launch after the Commission publishes its decision on the Criteria Document.
9. Stage 2 will involve the initial release of documentation at the commencement of Stage 2 for invited bidders followed by a period for the receipt of written clarification requests on the documentation.
10. The Commission will subsequently release a clarification memo (to all invited bidders) on any requests received.
11. The process will subsequently conclude with receipt of tenders and their evaluation.
12. Following that confirmation, Notice/advertisement of the Commission’s decision will take place, and finally, formal designation.
13. Prior to this last stage of Designation taking place, there may be a need, further to the review of the bids/proposals of the preferred bidders and discussions with same, to make some amendments to the Designation Conditions as would have been released at the outset of Stage 2.

It should be noted that the Stage 2 documentation would not be released until after Stage 1 is concluded.