

**MINUTES OF A MEETING OF THE NORTHERN IRELAND, AUTHORITY FOR UTILITY REGULATION (THE 'BOARD') HELD ON THURSDAY, 22 FEBRUARY 2024 VIA VIDEO CONFERENCE, AT 9.00 A.M.**

**Present:**

Bill Emery (Chair), John French (Chief Executive), Teresa Perchard, Alex Wiseman, Claire Williams, David de Casseres

**In attendance:**

SLT - Kevin Shiels, Colin Broomfield, Roisin McLaughlin, John Mills, Elaine Cassidy, Barbara Cantley, Brian Mulhern, Ciaran Mac Cann, Marie-Therese Campbell, Jillian Ferris, Leigh Greer, Sinead Dynan, Barbara Stevenson, Sarah Teer, Greg Irwin

Jamie MacDonald, Ciaran Breen.

Fiona Rooney (agenda item 3), Michael Campbell (agenda items 3 and 4), Angela Gracey-Roper (agenda item 4), Jody O'Boyle (agenda item 5 and 11), Kenny McPartland (agenda item 5), Clodagh Goodman and Simon O'Hare (agenda item 6), Rita Baillie (agenda item 8), Nicola Parker (agenda item 9), Mabel Stevenson and Rachel Strong (agenda item 10), Emma Todd and Tiernan Lyness (agenda item 11), Owen Kearns and Andy Mawhinney (agenda item 12), Paula McCann, Leanda Thompson and Debbie Quinn (agenda item 15).

**1. APOLOGIES FOR ABSENCE**

1.1 Jon Carlton.

1.2 Bill Emery welcomed Ciaran Breen as part of an ongoing initiative to provide staff members with an opportunity to attend board meetings.

**2. DECLARATIONS OF INTEREST**

2.1 None.

**3. POWER NI PRICE CONTROL 2025: FINAL APPROACH**

3.1 John Mills introduced this item which was a proposed approach to the Power NI price control review 2025.

3.2 The Board discussed the position of Power NI in the retail energy market, in terms of market share and competitiveness and the company's margin.

3.3 The timeline for the price control review was also clarified.

3.4 The Board approved the publication of the price control approach as presented, and the timings for the price control review were noted.

## **4 EXTENSION TO NISEP**

- 4.1 Michael Campbell introduced this item which sought the Board's approval for the extension of the Northern Ireland Sustainable Energy Programme (NISEP).
- 4.2 The potential to extend NISEP under existing arrangements, and the rationale for doing so in the context of public procurement rules, were explored by the Board.
- 4.3 The Board also considered the options for NISEP from 2027, should the extension be granted. Engagement with the Department for the Economy (DfE) on the future of NISEP, and the potential for a successor energy efficiency scheme, were also discussed.
- 4.4 In concluding the discussion, the Board approved the extension of NISEP under existing arrangements for a further two years from 2025/2026 onwards and noted the plans for further Board engagement on this issue prior to the conclusion of the two-year extension.

## **5 ELECTRICITY CONNECTIONS POLICY FRAMEWORK REVIEW**

- 5.1 Kenny McPartland introduced this paper, which provided the Board with an update on the joint review with DfE of the electricity connections policy framework.
- 5.2 The Board noted the progress of the review process to date. The consultation comments received to date were also considered. The importance of evidence-based information in informing the connections policy framework was emphasised.
- 5.3 Board members also discussed the impact of any changes to connections policy on consumers in relation to a shallower connection charging framework. The potential impact on consumers of the timing of network reinforcement works, and how this might affect the connection costs (depending on where they lived), was also considered.
- 5.4 The Board noted the progress on the electricity connections policy framework review being jointly undertaken with DfE and endorsed the next steps as presented in the paper.

## **6 LIRIC LICENCE**

- 6.1 Marie-Therese Campbell introduced this item which sought the Board's endorsement on the way forward to the licensing of Transmission Investment's (TI's) Lir Interconnector (known as 'LirIC'). Clodagh Goodman provided an overview of the two potential approaches to licensing.
- 6.2 An extensive Board discussion ensued on the benefits and risks associated with the two potential approaches to licensing. The Board considered: the wider policy context of the proposed interconnector, approaches to licensing elsewhere, engagement with - and the perspective of - the developer, the need for - and the impact of - the proposed interconnector, timing considerations of the different licensing approaches, licensing process issues and cost considerations.

- 6.3 On balance the Board was minded to support the two-step approach to licensing as presented. It was agreed that this would be the basis of a paper that would be provided to the Board for its approval.

## **7 DRAFT CORPORATE STRATEGY CONSULTATION RESPONSES**

- 7.1 John French introduced this item which presented the responses to the consultation on the draft Corporate Strategy. Greg Irwin provided an overview on the responses.
- 7.2 The Board welcomed the overall endorsement of UR's proposed strategy by consultees. Some Board members made comments in respect to the specific consultee comments.
- 7.3 In noting the comments received, and the proposed next steps, the Board endorsed the preparation of the final strategy for presentation at its March meeting.

## **8. DFI CONSULTATION ON DOMESTIC WATER CHARGING**

- 8.1 Ciaran Mac Cann introduced this item relating to the Department for Infrastructure's (DfI's) consultation on domestic water charging. Rita Baille covered the background and context to the consultation.
- 8.2 The Board discussed the key aspects of the consultation and the wider context. Examples of water and sewerage services elsewhere were discussed. Engagement with customers by NI Water was also discussed.
- 8.3 The Board endorsed engagement with DfI on the consultation as presented in the paper.

## **9. ENERGY SUPPLIER CUSTOMER SERVICE LEVELS**

- 9.1 Barbara Cantley introduced this item which provided an update to the Board on the project to improve supplier customer service levels. Nicola Parker annotated the key aspects of the paper.
- 9.2 The Board briefly discussed the presentation of the proposed mandatory requirements for customer service levels and the reporting of compliance.
- 9.3 In welcoming the paper, the Board endorsed the consultation on the proposed mandatory requirements for customer service levels.

## **10. BEST PRACTICE FRAMEWORK IMPLEMENTATION**

- 10.1 Barbara Cantley made some introductory comments on this paper on the Best Practice Framework to establish best practice principles and measures for electricity, gas, and water companies in Northern Ireland. Mabel Stevenson and Rachel Strong covered the context for, and the key aspects of, the proposed approach to implementation.
- 10.2 Board member queries on the timing for a single customer care register, compliance reporting and monitoring, and licence modifications for NI Water, were addressed.

10.3 The Board welcomed the progress made and endorsed separating the core deliverables of the Best Practice Framework into separate workstreams.

## **11. CLUSTER METHODOLOGY**

11.1 Emma Todd introduced this information paper on the cluster methodology for charging for groups of generators connecting to the electricity network.

11.2 There was a brief discussion on the impact of this approach on the future development of renewables generation.

11.3 The Board noted the update as provided.

## **12. MARKET MONITORING REPORTS**

12.1 Brian Mulhern introduced these market monitoring reports. Owen Kearns provided an overview of the Single Electricity Market (SEM) monitoring report and Andy Mawhinney annotated key aspects of the quarterly retail energy market monitoring report.

12.2 Board member queries on comparative energy prices and customer switching levels were addressed.

12.3 The Board noted the market monitoring reports as presented.

## **13. MINUTES**

13.1 The minutes of the Board meetings on 14 December 2023 and 18 January 2024 were approved for publication.

## **14. ACTION POINTS**

14.1 The action points were reviewed by the Board.

## **15. REPORT FROM THE EXECUTIVE TEAM**

15.1 John French spoke to the key issues in the Executive Team report including energy tariff reviews, UR's Corporate Strategy and Forward Work Programme and the return of devolved government.

15.2 The Board welcomed the outcome of the recent Investors in People assessment, which awarded UR a Silver accreditation.

15.3 There was a discussion on the implementation of the SONI governance review.

15.4 Board members clarified several items including on public access to market data, the NI Water judicial review, joint work with Ofgem and grid derogation request. There was a brief discussion on the progress around the second north-south electricity interconnector.

- 15.5 Elaine Cassidy provided an overview of recent litigation and disputes issues. An update was also provided on the Article 12/13 litigation in the Irish courts and the judicial review relating to Aught.
- 15.6 Colin Broomfield reported on the SEM, noting that the SEM Committee's Annual Report had been provided to the Board and was due to be published shortly. The Board noted the update.
- 15.7 Kevin Shiels reported on energy strategy implementation. The Board was provided with the latest updated on UR vires.
- 15.8 John French updated the Board on the implementation of the transformation programme, Shaping UR for the Future, noting ongoing recruitment activity.
- 15.9 Leanda Thompson provided an overview of the Finance and Performance report. Debbie Quinn annotated the key aspects of the FWP progress report. It was agreed that the presentation of the risk register would be reviewed. The Board approved the Finance and Performance report.

**16. ANY OTHER BUSINESS**

- 16.1 None.
- 16.2 As part of the Board meeting review, Ciaran Breen and Jamie McDonald provided their feedback on the Board meeting.

There being no other business, the meeting concluded at 1.15 p.m.