

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

Present:

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

In attendance:

SLT - Peter Russell, Kevin Shiels, Colin Broomfield, Roisin McLaughlin, Elaine Cassidy, John Mills, Ciaran Mac Cann, Marie-Therese Campbell, Sinead Dynan, Barbara Stevenson, Sarah Teer, Greg Irwin

Lina Cendales, Jamie MacDonald.

Nadine Mercer (agenda item 5), Alan Craig/ Colin Walker/ Roy Colville (agenda item 7), Kenny McPartland (agenda item 7 and 8), Jody O'Boyle (agenda item 8).

2. APOLOGIES FOR ABSENCE

- 2.1 The Board convened in advance of the Board Advisory Forum to consider six items.
- 2.2 Bill Emery welcomed Lina Cendales as part of an ongoing initiative to provide staff members with an opportunity to attend Board meetings.

3. DECLARATIONS OF INTEREST

- 3.1 None.

4. BEST PRACTICE FRAMEWORK – LICENCE MODIFICATION DECISION

- 4.1 Sinead Dynan introduced this item which sought the Board's approval of the licence modifications required to introduce a new mandatory code of practice for consumers in vulnerable circumstances into electricity, gas and water supply and distribution licences.
- 4.2 Board member queries, around the definition of vulnerability, the diversity of consumers covered by the modifications and any intended consequences arising from the changes, were addressed.
- 4.3 There was a broader discussion around expectations that arise from the changes proposed. In particular, the level of ambition that was being set by the changes. The Board suggested that the drafting should be reviewed to bring clarity in this regard.
- 4.4 The Board welcomed, and approved, the modifications as proposed.

5. UR COMPLIANCE FRAMEWORK – LICENSEE INSTRUCTIONS AND GUIDANCE DOCUMENT

- 5.1 Barbara Stevenson introduced this item which sought the Board’s approval for the publication of external instructions and a guidance framework document that together mark the commencement of a new licence compliance framework.
- 5.2 Board members discussed consequences of failure to comply with the external instructions and the guidance framework. Further assurance requirements under the framework were noted.
- 5.3 The impact on licensees and consumers from the new regulatory requirements was explored. Board members discussed the reporting requirements under the new framework and how these could be implemented effectively.
- 5.4 Communications and engagement with licensees on the new framework was also discussed. Board members considered whether there was an opportunity to take any steps to assist in the transition to the new framework arrangements.
- 5.5 The Board approved the publication of the external instructions and guidance framework document.

6. SCHEME OF DELEGATION

- 6.1 Paula McCann introduced this paper which sought Board approval for revisions to the Scheme of Delegation that would align more appropriately with the new UR organisational structure, to enable efficient operations, whilst ensuring governance and controls are in place.
- 6.2 Board member queries about communication and training for staff in the context of Scheme of Delegation changes and the disposal of capital assets were addressed.
- 6.3 The Board approved the revised Scheme of Delegation as presented, save for a change to drafting on the disposal of capital asset, and noted that changes to the Scheme of Delegation would also require an update to the rules of procedure to ensure consistency across both documents.

7. NIE NETWORKS RP7 FINAL DETERMINATION UPDATES

- 7.1 John Mills briefed the Board on the Cost of Capital, Customer Measures, Real Price Effects and Frontier Shift and Information Technology element of the RP7 price control determination which is in development.
- 7.2 The Board discussed the proposed inflation adjustment mechanism, noting the consultation responses from stakeholders and the approach taken by other regulators on this issue. There was support for the recommended approach to the inflation adjustment mechanism.

- 7.3 There was also consideration of NIE's financeability. The company's ability to maintain debt and gearing at levels which are financeable during the RP7 price control period and beyond was explored, including consideration of new capital requirements that may emerge. The Board endorsed the approach as outlined.
- 7.4 The Board also discussed the update on proposed customer measures in the RP7 price control. The Board endorsed the necessity to improve customer data. There was also endorsement for the process to finalise the customer measures for the final RP7 determination.
- 7.5 The Board discussed real price effects. Given data limitations and cost uncertainties, the Board encouraged the team to undertake further analysis before finalising recommendations on this element of the price control.
- 7.6 Finally, the Board briefly considered the information technology element of the price control.
- 7.7 The Board welcomed the ongoing work and further progress towards producing a final price control determination.

8. ANTICIPATORY INVESTMENT IN CLUSTERS

- 8.1 Kenny McPartland introduced this item relating to proposals to amend the criteria for new cluster sub-stations and extensions to existing cluster sub-stations.
- 8.2 Board members queries on the cost, and the investment (in the context of the target of electricity consumption from renewables by 2030), were addressed. The Board was also apprised of the legal advice in respect of anticipatory investment.
- 8.3 The Board welcomed the proposals and approved the further engagement with NIE Networks as recommended.

9. GAS SYSTEM PLANNING

- 9.1 Roisin McLaughlin introduced this paper which sought the Board's endorsement of the need to enhance the gas planning framework and to coordinate that framework with the electricity planning framework.
- 9.2 The focus on collaboration on the gas planning framework was welcomed by the Board. The Board also emphasised the need to learn from the experience in Great Britain in this area.

10. ANY OTHER BUSINESS

- 10.1 There was no other business.

There being no other business, the meeting concluded at 11.50 a.m.