

## National Franchised Dealers Association (NFDA) - Northern Ireland Response:

### Utility Regulator's consultation on Transmission and Distribution 7th Price Control (RP7) Draft Determination

The National Franchised Dealers Association (NFDA) is the leading representative body for franchised vehicle retailers in the United Kingdom. In Northern Ireland (NI), we represent some of the biggest companies in the motor trade industry, including Donnelly Group, Agnew Group and Charles Hurst Group. Our members make up a critical part of the Northern Ireland economy with Automotive Retail employing approximately 16,000 men and women across the country.

#### Introduction

The UK government has set a legally binding target to achieve net zero by 2050, this will require a cross-economy decarbonisation effort underpinned by a net zero energy system. In addition, Northern Ireland has also passed a Climate Change Act (March 2022) which makes a legal commitment to net zero carbon emissions by 2050 and commits to 80% of electricity consumption coming from renewable sources by 2030.<sup>1</sup>

In 2021, Transport contributed 16.7% to overall emissions,<sup>2</sup> the second highest sector in Northern Ireland, and so the decarbonisation of transport is crucial to meeting these targets. This transition is the biggest challenge in the history of the automotive industry. Delivering a smooth, green and commercially viable transition will require significant volumes of private and public investment in infrastructure both at pace and scale.

The UK's goal of a net-zero carbon economy, and the private sector's role in achieving that goal, is of real significance to Franchised dealers. They are making substantial investments which are needed to help achieve net-zero targets and help support the decarbonisation of road transport.

NFDA-NI agree with the Utility Regulator's statement in the Draft Determination that: 'During this price control period, energy usage is forecast to increase in line with the Northern Ireland Executive's Energy Strategy as... businesses adapt to the use of decarbonized... transport options, which includes... electric vehicles.'

#### Our response

NFDA-NI members appreciate the opportunity to offer our insights and recommendations on the future funding of the regulatory framework for energy utility services. Our response is informed by our experience and expertise in the automotive retail sector, as well as our commitment to promoting the interests of automotive retail consumers and dealers. We believe that through collaborative engagement and thoughtful consideration of all perspectives, we can contribute to the development of a regulatory framework that supports innovation, sustainability, and the delivery of high-quality services to all stakeholders.

NFDA-NI dealer members still report lengthy waiting times when looking to connect to the grid. The lack of capacity on the network currently deters crucial investment in renewable generation as investors need to see a clear route to market for their projects. This issue is

---

<sup>1</sup> [https://www.daera-ni.gov.uk/articles/climate-change-act-northern-ireland-2022-key-elements#:~:text=The%20Climate%20Change%20Act%20\(Northern%20Ireland\)%202022%20\(Act\),\(GHG\)%20emissions%20by%202050.](https://www.daera-ni.gov.uk/articles/climate-change-act-northern-ireland-2022-key-elements#:~:text=The%20Climate%20Change%20Act%20(Northern%20Ireland)%202022%20(Act),(GHG)%20emissions%20by%202050.)

<sup>2</sup> [Northern Ireland greenhouse gas statistics 1990-2021 released | Department of Agriculture, Environment and Rural Affairs \(daera-ni.gov.uk\)](https://www.daera-ni.gov.uk/articles/northern-ireland-greenhouse-gas-statistics-1990-2021-released)

intensifying with the increased requirement of the number of chargepoints on-site at dealerships in NI. This increase in chargepoint, albeit currently behind schedule (see figure 1), is due to increase exponentially and we predict a huge growth to run in parallel with the uptake of electric vehicles. However, we understand that this issue is being prioritised and welcome the focused work from UR/NIE, as well as other industry stakeholders to improve the situation.

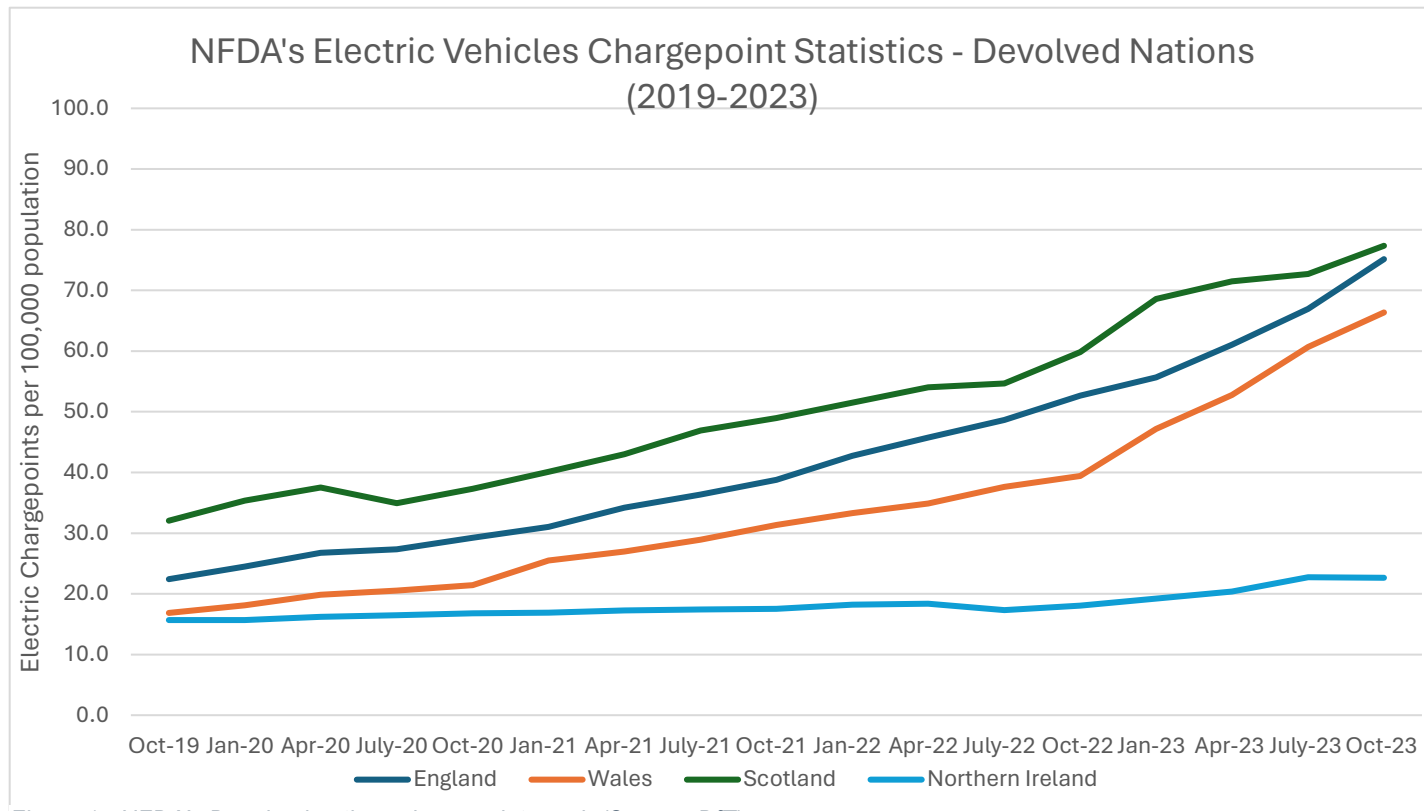


Figure 1 - NFDA's Devolved nations chargepoint graph (Source: DfT)

NFDA-NI firmly agrees that there must be an investment into the network to assure investors that the projected increase in demand for electricity can be catered for. Proactive and pre-emptive investment in this area is required to help alleviate the upfront costs that all businesses need to pay to connect. This cost serves to significantly disincentivise investment in the grid as we argued in our response to the UR's *Electricity Connection Policy Framework Review*. To support investment, there needs to be parity between the charging regimes across the board. NFDA NI recommends adopting a shallow charging regime, which aligns with the charging regime of GB and ROI. To reiterate our stance:

*“NFDA-NI strongly believes a shift towards a shallow charging regime is the right move in Northern Ireland, it would benefit all users of the electricity grid and engender investment into the network.”<sup>3</sup>*

NFDI NI also strongly supports the digitalisation of the energy system, which allows for a much more effective running of the system and is more user-friendly for consumers, enabling more informed choices. We also agree with the proposed idea to refresh the distribution of information for consumers and develop a more interactive and accessible management of the system.

<sup>3</sup> Please find our full response to the UR's *Electricity Connection Policy Framework Review* [here](#)

## Price control design and supporting customers with the energy transition: Electric Vehicles

NIE Networks have aimed to ensure that the network is developed to facilitate 300,000 electric vehicles by 2030.

NFDA NI members believe that the demand for electrification in transport will rise drastically, but only if the proper investment into the charging infrastructure network is available to support this. In recent times – as previously mentioned – CPOs and DNOs in Northern Ireland have to face steep initial investment costs and therefore private investment to connect to the grid has been an unattractive financial decision, therefore restricting chargepoints being installed, which in turn makes purchasing an EV less appealing.

The current market share of electric vehicles in Northern Ireland stands at approximately 12% (February 2024).<sup>4</sup> Additionally, Northern Ireland has still yet to pass the ZEV mandate, which is the primary policy lever that the Government is using to increase EV uptake. In the UK where this is law, the market share for January was EVs was 14.7%, and 17.7% for February<sup>5</sup>; both are below the current goal of 22% for 2024. In fact, private EV uptake has declined.

We are slightly concerned that the longer the ZEV mandate is not introduced, the longer Northern Ireland will exist as a ‘dumping ground’ for older, more pollutant vehicles. NFDA-NI along with several other industry stakeholders have consistently applied pressure directed towards government around this topic and we hope to hear a resolution very soon with Stormont now sitting and legislation now able to be passed.

There is overwhelming consensus from NFDA-NI members that electrical energy demand will continue to increase into future Regulatory Price Controls. Electric vehicles will become increasingly prevalent, generating increased pressure on the grid. We strongly believe that we are still a year away from the rapid acceleration of BEV uptake on NI roads, which would give the UR and NIE time to prepare for such a situation.

---

<sup>4</sup> <https://twitter.com/nievowners/status/1765303332078342353/photo/1>

<sup>5</sup> [UK reaches million EV milestone as new car market grows - SMMT](#)