

EP UK Investments Response to consultation on Draft Forward Work Programme 2025/2026

Executive Summary:

EP UK Investments (**EPUKI**) welcomes the opportunity to respond to this consultation on the Draft Forward Work Programme 2025/2026 published by UREGNI. EPUKI wishes to highlight concerns regarding the insufficient detail of the objectives outlined in the consultation. In its current form, the limited information makes it challenging to fully evaluate the potential implications for market participants, investment strategies, and the broader energy security of Northern Ireland, both in the short and long term.

Further, EPUKI notes that a workshop was originally scheduled to facilitate discussions on the Forward Work Plan. However, it is unfortunate that this workshop was cancelled and has not been rescheduled. This lack of engagement creates uncertainty and a general lack of transparency among stakeholders and market participants.

EPUKI believes that certain objectives mentioned in the consultation may fall outside the scope of UREGNI's regulatory remit. In addition to the lack of clarity and detail, these objectives do not fully articulate the rationale or justification behind their prioritisation and uptake. This lack of transparency may hinder the ability of industry participants to engage constructively and respond in an informed manner.

EPUKI respectfully urges UREGNI to provide further comprehensive details on the initiatives outlined, including clear timelines, consultation processes, and expected outcomes. The absence of this essential information creates regulatory uncertainty, which could undermine industry confidence, influence investment decisions, and impact market stability. This could also foster unnecessary speculation and concerns within the market.

EPUKI strongly recommends that UREGNI adopt a more transparent and collaborative approach to policy development. Ensuring that regulatory decisions are well-informed, evidence-based, and aligned with the evolving needs of the energy sector in Northern Ireland is crucial to maintaining a stable and predictable environment for industry participants.

Views on Individual Projects:

1. Strategic Objective 1 (Reference Number 1.4) Northern Ireland energy system model

The scope of this work mentioned in the consultations is to “*assess the desirability and feasibility of developing a Northern Ireland energy system model. This work will seek to enhance the Utility Regulator’s modelling capability and benefit the delivery of the energy transition.*” In Phase One UREGNI will work with DfE to consider the desirability and

feasibility of developing a ‘Whole System’ model for Northern Ireland (Quarter 2) and should the feasibility work lead to a decision to pursue the development of a ‘Whole system’ model, Phase Two will commence an exercise to develop the buildout of a model for Northern Ireland (Quarter 4).

EPUKI seeks clarity on the scope and objectives of this modelling work. Does it involve power system planning, including generation and transmission infrastructure? Or is it focused on market interactions to inform investment, operations, and policy decisions? Or alternatively, does it entail a fundamental restructuring of the market, moving away from the Single Electricity Market (**SEM**)? Greater transparency regarding this objective and the system modelling process is necessary.

The details of what a ‘Whole System’ model for Northern Ireland constitutes should be clearly communicated and any proposals must be sufficiently consulted on with industry participants at an early formative stage. It is also necessary to understand what the driver for this work is.

Further, EPUKI considers that delivering the energy transition is a matter for Government and not within the objectives of the UREGNI, as an economic regulator. The regulator is responsible for consumer interests, security of supply and competition amongst other matters as prescribed in their regulatory framework such as The Energy (Northern Ireland) Order 2003. Appropriate legislation may be required for implementing any whole system model which is for Government. Further, the market operators are best suited to carrying out whole system modelling as required.

EPUKI believes it to be out of the purview of UREGNI for “*benefitting the delivery of the energy transition*”. This objective does not align with its prescribed legislative duties in The Energy (Northern Ireland) Order 2003¹

It is impossible to provide a considered representation without sufficient details of the proposal. The lack of context and detail from the regulator is insufficient and does not provide stakeholders with a clear basis for meaningful engagement. Without greater clarity, it is unclear how participants can provide informed responses.

2. Strategic Objective 1 (Reference Number 1.5) Preparation work for potential firm access review in 2026-2027

The scope of this work mentioned in the consultations is to “*scope out, set principles, and consider potential customer impacts, ahead of consulting on any amendments to the process for awarding firm access to large renewable generators. Should the scoping*

¹ <https://www.legislation.gov.uk/nisi/2003/419/contents>

exercise demonstrate that changes could be considered, a Firm Access Review would be undertaken in 2026/2027 (Quarter 4)”.

EPUKI would like to recommend UREGNI to broaden the scope of this objective to capture not only firm access, but the entirety of the connection process in Northern Ireland. EPUKI understands that SONI has undertaken work on the design and structure of an updated Connection Policy² and notes that the successful design and implementation of this project is of equal importance to a robust firm access policy.

This recommendation arises from the fact that delivery of the second North-South Interconnector has been delayed for a further three years with an updated commencement of construction to 2031. This delay highlights the necessity to deliver new indigenous conventional generation to ensure Security of Supply in Northern Ireland. Failure to ensure that critical projects can obtain firm access in a timely manner exposes Northern Ireland demand customers to significant Security of Supply risks.

EPUKI has previously raised concerns regarding the challenges associated with obtaining timely connection offers for conventional generation in Northern Ireland, as well as the connection offer validity periods frequently requiring extensions. The delays caused in processing such extensions impacts project timelines and reduces returns on investment, thereby weakening the business case for participants. A recent example includes the extensions to connection offer validity periods granted to EP Kilroot Limited for the GT West³ and ST2⁴ projects by SONI under Condition 25 of their TSO licence. The unnecessarily protracted timelines for processing extension requests impact the feasibility of new projects, undermining security of supply.

Additionally, EPUKI highlights a notable disparity in the treatment of firm access between Ireland and Northern Ireland. The 2023 SEMC consultation, titled ‘*SEM-23-004 Firm Access Methodology in Ireland Decision*’, emphasised the necessity of earlier firm access to encourage investment in generation. However, the decision paper explicitly applied only to Ireland, stating that ‘*Any possible changes to this policy in Northern Ireland in the future would be a separate decision.*’ This divergence in policy creates an imbalance between the two jurisdictions, undermining the consistency and harmonisation of the SEM.

3. Strategic Objective 2 (Reference Number 2.2) Interconnection regulation

² [SONI Connections Policy | SONI Consultation Portal](#)

³ <https://www.uregni.gov.uk/publications/soni-condition-25-extension-connection-offer-ep-kilroot-limited-gt-west>

⁴ <https://www.uregni.gov.uk/publications/soni-condition-25-extension-connection-offer-ep-kilroot-st2-project>

The scope of this work mentioned in the consultations is “*robust regulatory process to facilitate interconnection that promotes further market competition.*” There is a two-step approach proposed to assess the need for interconnection and associated subsequent need for a Cap and Floor regime (Quarter 1). Then to progress work on the TSO Certification via the opening of an application window to potential interconnectors for certification (Quarter 4).

It is essential to take a strategic approach and assess whether investment in an interconnector is necessary and what specific benefits it would deliver. It is important to know by participants what objectives are being met by this specific objective.

EPUKI requests greater clarity and transparency around the progress on any proposals for a new economic regulatory framework for interconnectors. This is a significant proposed new regulatory regime in Northern Ireland which will fundamentally impact market participants. Any such regime requires public consultation on proposals and the involvement of the wider industry group including at the earliest stage when considering the needs case for interconnection and how much, if any, additional interconnection is required in Northern Ireland, the impact of further interconnection in and the appropriateness of a Cap and Floor regime in Northern Ireland. This would be in line with Great Britain where a Cap and Floor regime was implemented for interconnectors following a detailed public consultation and stakeholder working groups.

Using interconnectors to import energy is only possible when system conditions in both jurisdictions are correct. In certain conditions, such as during a *dunkelflaute*, it will not be possible to import electricity. This means that from a Security of Supply perspective, interconnectors are not a like-for-like replacement for conventional generation.

Furthermore, EPUKI would welcome further analysis on the appropriateness of a Large Energy User (**LEU**) policy in Northern Ireland. 2025 saw unacceptably high levels of wind dispatch down in Northern Ireland during the summer months. While further interconnection may help to reduce dispatch down, increased demand through the connection of data centres is also a potential tool to support this. We strongly recommend that UREGNI review policy to optimise the utilisation of existing renewable energy resources and compare the impacts on both renewable generation and Security of Supply before proceeding with plans for additional interconnection infrastructure.

4. Strategic Objective 2 (Reference Number 2.3) Security of supply regulatory tools

The scope of this work mentioned in the consultations is to “*monitor adequacy and engage with key stakeholders on any issues relating to the electricity and gas transmission systems to ensure that they are mitigated appropriately.*” This will involve developing or modifying regulatory tools relating to fuel security across the electricity

and gas industries (in Quarter 1) and to develop/approve modifications to industry rules to implement any SEM related initiatives (in Quarter 4)

Again, it is impossible to provide considered representations without sufficient, or indeed any, details of the proposal. EPUKI seeks additional information on this project, as the scope, anticipated outcomes, and key milestones provided are vague and overly high-level. It is not clear what "fuel security" means in this context and the specific steps, measures, and direction this project intends to pursue, particularly given the Q1 2025 timeline. Such clarification is both urgent and critical, as the project may have significant implications for generators.

Additionally, the term "SEM Related Initiatives" remains undefined, further contributing to the lack of transparency. EPUKI emphasises that vague project descriptions in the forward work plan create unnecessary speculation and potential misdirection within the industry. Clearer communication and detailed explanations are essential to ensure informed stakeholder engagement and alignment. Therefore, any proposals should be clearly communicated, and any proposals must be sufficiently consulted on with industry participants at an early formative stage.

5. Strategic Objective 2 (Reference Number 2.4) Governance arrangements for SEM All-Island Programmes

The scope of this work mentioned in the consultations is to “*review requests for funding of All-Island Programmes from Q1-Q4 within tailored governance structures in order to issue approvals for work to proceed and verify costs incurred on All-Island Programmes*”. This will involve the establishment of a Programme Management Office to coordinate and facilitate programme inputs and progress/expenditure reporting (Quarter 1) and to facilitate consultative stakeholder workshops in Quarter 1 to assess a multi-year plan for All-Island workstreams with a public consultation on the proposed plan to follow in Quarter 2.

EPUKI requests further information regarding this project as there is not sufficient detail on this proposal. Specifically, which all-island programmes will be involved, what governance structures are being proposed for the Programme Management Office function and type of approvals that will be issued by this Office. Additionally, EPUKI recommends conducting a public consultation on the establishment of a Programme Management Office and its proposed governance and accountability, to ensure transparency and stakeholder input regarding the functions in the project description.

6. Strategic Objective 4 (Reference Number 4.1) Ex-ante market outcomes and price formation evolution in the SEM

EPUKI understand that this work is to “*conduct an analysis of ex-ante market outcomes with a focus on trends in market participant bidding behaviour and changes in supply and demand dynamics.*”

It would be helpful to understand which “*ex-ante market outcomes*” will be considered, as well as the trends in bidding behaviour and supply/demand dynamics that will be analysed. Additionally, further insight into the purpose of this analysis, its intended conclusions, and how these findings will be utilised would support a more informed discussion.

Further, EPUKI seeks to understand whether this analysis could lead to changes in the capacity mechanism or the rules applicable to market participants. Additionally, clarification on any potential impacts on market participants, including their operations or dispatch mechanisms, would be appreciated.

Additionally, EPUKI believes that the nature of such analyses – being ex-ante market outcomes of the capacity market - are typically within the remit of the Market Monitoring Unit and to a little extent, SEMO. Such analysis could result in overlapping roles and responsibilities within the SEM, potentially leading to inconsistent outcomes and increased confusion for participants and potentially resource drain on participants depending on the use of such analysis.