



ELECTRICITY
ASSOCIATION
OF IRELAND

6 Merrion Square North,
Dublin,
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25/02/2025

Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

RE: EAI Response to UR Draft Forward Work Programme 25/26.

Dear UR Team,

EAI welcomes the opportunity to respond to the Utility Regulator's consultation on the Draft Forward Work Programme 25-26. We commend the UR's commitment to advancing key areas in the energy sector. EAI reiterates our support for several aspects of the programme, particularly those that aim to enhance engagement with suppliers on critical issues such as the development and deployment of smart services, as well as improving customer protection. As such we make the following perspectives.

A decarbonised future powered by electricity.

Electricity Association of Ireland

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Smart Tariffs

The EAI highlights the importance of developing the Smart Data Access Code as a prerequisite for implementing smart tariffs. Regarding the introduction of time of use (TOU) and dynamic tariffs, EAI believes that the UR should prioritise the development of regulatory frameworks for TOU tariffs as a foundational step before introducing dynamic tariffs. Once customers become familiar with TOU tariffs, the transition to dynamic tariffs would then be a logical and manageable next step for regulators, suppliers and customers.

Time-of-use tariffs involve paying different prices for energy depending on the time of day, with lower rates during specific, pre-determined hours. In contrast, dynamic tariffs feature a more flexible pricing structure that changes in real time based on factors like supply, demand, and market conditions. While time-of-use tariffs are relatively straightforward and predictable, dynamic tariffs are more complex because they require constant monitoring of market variables and offer less certainty about pricing, making it harder for consumers to anticipate costs. Essentially, consumers need to be much more proactive and informed with dynamic tariffs. They may need to monitor real-time prices and adjust their energy consumption accordingly, which is more complex than merely understanding the designated peak and off-peak periods under TOU tariffs. Therefore, we recommend that UR prioritises the development of TOU tariffs first allowing customers to understand smart tariff concepts before developing a more complex tariff structure like dynamic tariffs.



Customer Protection

EAI emphasises the central role that electricity and gas suppliers in Northern Ireland play in delivering the voluntary commitments outlined in the energy charters. A revised approach to engaging with suppliers in the development of the Charters for 2025/26 would be beneficial to all stakeholders involved. This approach should include more frequent engagement with all suppliers throughout the development of these Charters. Furthermore, earlier engagement with suppliers would support the effective delivery of these Charters. To foster greater collaboration, EAI recommends that the UR facilitates stakeholder workshops where the UR could meet with all Suppliers and relevant stakeholders in one group to discuss drafting the Energy Charter for the next Winter period. We believe this process would be an efficient platform for all suppliers to engage with the UR in the development of these Charters, ensuring that their input is considered in the early stages of the Charter’s development.

Firm Access Policy Review

The timeline of 2026/2027 for a Firm Access policy review is of concern. Increasing and unsustainable levels of dispatch down in Northern Ireland pose a challenge to renewable buildout and consumers feeling the benefit of clean indigenous power. SONI recently recognised this challenge and made a positive step with the implementation of their Dispatch Down Action Plan. EAI recommends that the UR should further demonstrate a positive regulatory commitment to renewable build out in NI by accelerating and prioritising a review of firm access policy.



We believe that implementation of deemed firm access granted within a timeframe of anticipated ATR completion and irrespective of delays would provide investor certainty and promote investment in NI renewables.

Interconnection

EAI notes that the UR has not previously evaluated a Cap and Floor regime for an interconnector. We believe that it would be appropriate for and request that the UR conducts a consultation on the methodology to determine if a Cap and Floor is granted. As Ofgem and CRU have both consulted on their methodologies for Cap and Floor regime EAI believes that it would be appropriate for the UR to do the same.

Other Relevant Workstreams

EAI would like to highlight that this draft Forward Work Programme omits the gas meter replacement project. We view this as a large and relevant workstream that UR should be mindful of when it comes to planning its workplan for the upcoming year. EAI would also like further clarity on strategic objective 1.4 “Northern Ireland Energy System Model” and strategic objective 4.1 “ex-ante market outcomes and price formation evolution in the SEM”.



In conclusion, EAI acknowledges that there is a significant amount of work which needs to be done to progress our aims for a low carbon future. We welcome the opportunity to respond to this consultation and industry is always available to provide feedback on any future areas. If you have any questions or require any further information, please do not hesitate to contact this office.

Yours sincerely,

Emma O'Leary

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