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John French  
Utility Regulator  
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11 February 2025

Dear John,

### **Draft Forward Work Programme 2025 – 2026**

Power NI welcomes the opportunity to respond to the recent draft Forward Work Programme (FWP) published by the Utility Regulator (UR). The 2025-2026 FWP is, as in previous years, an ambitious programme for work that contains several strategic important projects which will have a direct impact on Power NI:

- **Supporting the Just Transition to net zero**

- **Smart Meter rollout**

Power NI have engaged with the UR and the Department with regards to smart metering, stressing the importance of consumers being at the heart of the roll out and the need to ensure that a different approach is taken compared to other jurisdictions with a particular focus needed on the prepayment solution. Power NI welcome the UR intention to define arrangements and timescales to ensure consumers are considered and protected.

Smart meters are an enabler of many customer propositions which will support and facilitate the energy transition (tariffs and much more) and Suppliers will ultimately be the party who engages with the consumer on an ongoing basis. Suppliers will provide the customer facing innovation which will 'make or break' the success of the smart metering objectives both in terms of take up of smart metering and ultimately the behavioural shift required to meet net zero targets. This is over and above the practical role suppliers will have in supporting, informing and reassuring

customers once this roll out commences and as consumers begin to engage. Power NI is concerned that the role of the Supplier has not been fully understood in the planning to date and would urge the UR to address this when it assumes a full leadership role in the Smart Metering Programme.

Given the size of this project, work cannot be done piecemeal or in isolation, it needs to be a holistic approach with all parties working together to deliver. It is vitally important for any early priorities to be delivered upon as soon as possible in order to help deliver a smooth transition. Power NI would urge the UR to ensure that Suppliers remain a key stakeholder within any plan developed and remain committed to working with the UR to ensure the successful implementation and delivery of the Smart Metering Programme, given the significant impact on consumers in the future.

#### **- Electricity Time of Use (ToU) Tariffs and Dynamic Tariffs**

Power NI note the UR plan of taking a proactive approach in addressing TOU and dynamic tariffs in order to ensure they remain cost reflective. With the implementation of smart metering, the supplier role needs to focus on engaging consumers to maximise opportunities which can be done through the introduction of new tariffs to support smart metering. If 50 – 60% of the consumer bills are set by levies and Use of System costs, then the ability for suppliers to develop products is extremely limited.

An integral part of a successful smart meter programme is the ability for suppliers to innovate and offer consumers suitable products / services. This can only be done by allowing suppliers the freedom to develop a range of products that engage the customer while also taking into consideration consumer needs. Whilst we see significant uptake of dynamic tariffs in the Nordic countries (very different electricity pricing), elsewhere there appears to be an abundance of tariffs but very few consumers onboarded. ToU tariffs may be more viable for Northern Ireland in the first instance, looking to perhaps more appliance specific dynamic tariffs in the future. Being able to optimise demand and generation will be important to enable wind onto the network where there is currently 30% plus turn off of wind generators.

The UR however must carefully consider and clearly define the objective of ToU and Dynamic Tariffs. The high levels of wind alongside other factors mean that times of peak prices and peak load are not always correlated. A tariff led intention to reduce system load or strain at peak demand times may encourage customers to move demand to times of higher prices; something clearly not in customers interests. Power NI consider tariffs designed to move or reduce demand should be focussed on price signals whereas tariffs designed to encourage the reduction of load at peak demand or system stress should look to reward flexibility differently and be delivered through embedded assets such as batteries, EV's etc.

- **Providing the highest level of consumer service and protection**

- **Innovation in Energy Retail Markets**

The review of innovation within the Northern Ireland energy retail markets is welcomed and Power NI are encouraged to see the UR feel the need to adapt a more agile approach towards the new strategic landscape and path to net zero. Innovation within the retail market will no doubt require new regulatory approaches, and innovation will come from electricity suppliers who have both the relationship with the customer and the inherent ability to offer aggregated routes to market. The immediate difficulty is that in many instances and in Power NI's specific case, the regulatory framework either restricts or prevents solutions being brought forward. Power NI would encourage the UR to consider the changes Power NI will require to licencing provisions to enable the implementation of projects to support delivery of net zero and to progress changes to ensure policy and regulatory actions align.

It is important that the UR facilitate innovation by creating the appropriate framework; there is a danger than being overly prescriptive will limit innovation as market participants are forced to offer the same solutions rather than have the space to differentiate and deliver better customer outcomes.

- **Consumer Protection Programme (CPP) for 2024-2029**

Power NI has engaged with the UR throughout Consumer Protection Programme and is committed to continuing to proactively work in this area. Power NI were generally supportive of the themes identified for 2024-2029 CPP, particularly the proposed areas of work around energy literacy and feel strongly that improving energy literacy and helping a customer understand the full impact of energy usage in their home is key to success in moving forward with work under Just Transition.

With regards to debt and affordability, the introduction of the Debt and Affordability Working Group has been a positive step and whilst the group is aimed at addressing the ongoing problem of consumer debt and affordability. It would be worthwhile noting that energy suppliers (and indeed the UR/other bodies) are not just starting to think about debt and affordability at this point. Suppliers have already proactively put measures in place to help and support customers and indeed worked with the UR on initiatives like the Energy Charter. This has been particularly evident since the start of the COVID-19 Crisis, the Energy Crisis and subsequent Cost of Living Crisis, demonstrating a considered, progressive and responsible approach to the increasing sensitivities and challenging circumstances faced by many consumers over recent years. Raising awareness and understanding, coupled with the influence of the UR lobbying at Department for the Economy/Department for the Communities level (especially given the evidence contained within the Energy Hardship Report) for further government support for consumers in difficulty would give a clearer purpose to, and delivery of, more impactful outcomes from this working group with the focus not only on improvement of suppliers approach and response in dealing with customers in debt or with affordability issues but on the wider issue.

On non-domestic consumer protection Power NI has already begun to engage with the UR in this area and welcome the work being done to understand several areas of the non-domestic market including Third Party Intermediaries. Whilst Power NI support, and will work with the UR in this

area, it is important for the UR to recognise that whilst appropriate regulatory protection for non-domestic customers is welcome, non-domestic customers have a different level of commerciality than residential customers and therefore should be treated accordingly. Power NI therefore would urge the UR to continue engagement with suppliers as work continues in this area.

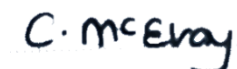
- **Best Practice Framework**

Since the publication of the Best Practice Framework Code of Practice for Customers in Vulnerable Circumstances, Power NI have had several cross functional teams across the Power NI business mobilised to deliver and enhance the customer offering to ensure compliance. Power NI has provided feedback to the UR previously regarding the requirement to establish and maintain a Customer Care Register (CCR) and was disappointed to learn that the UR have taken the decision to revert back to the original proposal of moving to one CCR at industry level before moving to one single cross utility level CCR. This will involve significant effort in resources and cost to fully implement, costs which will ultimately be passed to consumers. Power NI do believe that there does need to be a more holistic singular approach in order to ensure consistency across all suppliers and industries as part of the implementation process and to expedite delivery. It is important that before any incremental improvements are made, that the UR provide strategic regulatory clarity through their information paper as soon as possible in order to progress this work and maintain momentum to fully begin.

Power NI commends the UR's determination to improve support for customers and is committed to working constructively with the UR across the range of projects referenced in the FWP.

Should you wish to discuss the content of this response please do not hesitate to contact me.

Yours sincerely



Claire McElroy  
Power NI