

Summary of Consultation Responses - Annex H

Number	Key Point	NIEN Comments	UR Response
1.	Guidance & Instructions	Are the documents referred to throughout the Digitalisation Strategy and Action Plan (DSAP) Guidance or will there be separate guidance and instructions? What will be included in the DSAP? The DSAP should be available prior to Licence Modifications taking effect otherwise there is a risk that the Joint Digitalisation Strategy does not meet the expected guiding principles and could lead to various iterations and delays. When will the DSAP be developed and circulated?	The references quoted (1.18, 2.18 and 38 from the original consultation) are only to the DSAP Instructions and Guidance. There won't be any separate guidance. UR is only putting a process in place at this stage and the expectation is that the companies themselves will take the lead in implementing the process introduced by this licence condition. However, UR has power to intervene when further guidance or direction is considered necessary. The DSAP Guidance and Instructions won't be available prior to the Licence Modifications taking effect. We have introduced this requirement to give us an option to introduce Guidance and Instructions if they are necessary but have not yet made this mandatory as we consider further engagement is required beforehand.
2.	Dispute Resolution Process	Timelines for the Dispute Resolution Process increase the risk of non-compliance. How does the Dispute Resolution Process impact on the Digitalisation Strategy and Action Plan publication in the event of a dispute? i.e. if UR steps in and directs, is a further consultation with the accompanying delays necessary? Further clarification on the circumstances where dates for the Digitalisation Strategy & Action Plan may change and how will alternative dates be communicated to all relevant stakeholders to ensure licence compliance?	NIE Networks considers that the timeline for the dispute resolution process will increase the risk of non-compliance through potentially missed publication dates. However, this process has been included by UR to alleviate concerns around non-compliance and to help facilitate progress. In circumstances where this is necessary, the time frame will flex to allow UR time to adjudicate and make a decision. To clarify in these instances, the outcome of any such process will be communicated to both parties at same time.
3.	Data Sharing	It may be complex for NIEN & SONI to agree what data sets can be shared publicly due to legal requirements, licence condition or commercial reasons. NIEN request further engagement to understand implications on the licence condition in a scenario where NIEN & SONI fail to agree on initiatives to provide specific data sets.	The licence condition is procedural. When the Condition is in force, the companies will make proposals on the substantive content of the documents. They will need to consider how best to accommodate any other legal obligations on the use of data. We are content to discuss the matter of which data can be shared during the strategy development stage.
4.	Consumer Benefits	The Digitalisation Strategy & Action Plan must identify and deliver tangible benefits to customers. It will be difficult to identify and quantify direct/tangible benefits from joint initiatives e.g. some may be for future energy system/ longer term benefits and could be removed during review stage prior to publication. The DSAP Instructions & Guidance should be in place and intangible benefits should also be considered.	As Above the companies as the drivers will make proposals as to the substantive content of the Strategy and the Action Plan and therefore, they will also be asked to identify and quantify the consumer benefits that flow from this process.
5.	Regulatory Funding	RP7 Digital & IT business Plan – Failure to secure funding for planned Phase 2 (Years 3-7) will impact delivery and customer benefits. Digitalisation Licence compliance must be considered in subsequent regulatory submissions and in the determination for Phase 2 allowances.	In terms of ensuring that adequate funding is available and in place for the planning and delivery of digitalisation workstreams, licensees will have to seek advice and consider any additional funding requests in line with their price control licence mechanisms.
Number	Key Point	SONI Comments	UR Response
1.	Network Code Obligations	The licence Modification needs to align with obligations under codes including the Demand Response Network Code (DRNC) and the Electricity Balancing Guideline (EBGL) and that there is an overlap and an apparent contradiction which is not considered in the reasons and effects of the consultation paper. SONI raised the following points: Stakeholder Consultation will duplicate those required by DRNC and may cause confusion. UR has the power to direct changes to the Strategy & Action Plan during development phase but the DRNC will define what UR can and cannot do. Timelines for the Strategy & Action Plan cannot take precedence over those established by the DRNC. UR can develop non-binding guidance and binding instructions, but this is only applicable to areas not covered by DRNC – see Article 3 (2) (d). Voting Rights and mechanisms in Network Codes will take precedence over the dispute resolution process. Clarifications * UR cross check any directions issued against the existing network codes prior to issuance. * Regulatory guidance & instruction align with network codes to avoid potential conflicts, inconsistencies and duplications of responsibilities. This will help maintain regulatory clarity, ensure compliance with legal frameworks and smooth integration of the new licence condition into SONI's operations. * how will the new licence condition accommodate separate data flows between companies in line with Network Code obligations.	SONI have highlighted the legal hierarchy and that EU Network Codes will take precedence over any perceived inconsistent provisions of the licence conditions. UR agree that any document, such as the Strategy or the Action Plan that is prepared in compliance with a licence condition, will also need to ensure that it operates within the requirements of the relevant network codes. While UR monitors requirements of the System Operator Guidelines (SOGL), the Requirements for Generators (RFG), the Demand Connection Code (DCC), the Demand Response Network Code (DRNC), the Emergency and Restoration Code (E&R), the Electricity Balancing Guideline (EBGL) and the Network Code on Cybersecurity (NCCS) and will consider any regulatory changes when new versions of the EU Network codes are being implemented, we would expect the licensees to inform us if these changes mean that licence compliance is no longer possible.
2	Governance	SONI considers that introducing this licence condition while still in the process of finalising SONI Governance arrangements following the implementation of Licence Condition 42, could have several potential implications. SONI believe the move to introduce this new licence condition directly contradicts the intent of licence condition 42, which was designed to enhance SONI's independence and strengthen SONI's decision making capacity. The introduction of a joint strategy with NIE Networks could undermine the SONI board's ability to operate autonomously. This risks compromising the SONI boards' ability to fulfil its strategic role and exercise judgement in SONI's best interest. The timing may lead to misalignment between the new requirements and the new SONI governance structure, creating uncertainty around roles and responsibilities. The overlap is likely to put pressure on SONI's internal resources, as efforts are simultaneously required to integrate the new licence condition and complete the governance framework. Clarifications * How the new licence condition is expected to interact with SONI's existing governance framework, particularly in relation to roles and responsibilities of SONI's new independent Board and how this aligns with objectives of Licence Condition 42 which emphasises board independence. Guidance is required on where any adjustments or additional measures will be necessary to ensure compliance without compromising the autonomy of the Board.* The benefits of a joint strategy document need to be further considered. SONI considers it more pragmatic to have separate strategies per company and have a joint action plan for areas of common interest or where there are obligations from the EU network codes.	SONI's response raised concerns about the introduction of the licence condition and how it aligns with the principles of independence embedded in their governance framework and with the objectives of Licence Condition 42. UR's expectation is that a joint Digitalisation Strategy will be developed in compliance with each operator's licence, and be adopted in good faith and on an arm's length basis, between SONI and NIE Networks. Therefore, there is no contradiction or loss of independence. UR also considers that the principle of cooperation has already been well established elsewhere. SONI is already obliged to have arrangements in place that facilitate joint decision-making on matters of public importance with NIE Networks, for example the Transmission Interface Arrangements (Condition 18), Distribution Interface Arrangements (Condition 18A) and System Operator Agreement (Condition 24) (in regard to Transmission Asset Owner interactions and Relevant Agreements). SONI indicated that it considers it more pragmatic to have separate strategies for each company and to have a joint action plan for areas of common interest or where there are obligations from the EU network codes. However, UR sees a single joint strategy as a fundamental principle of the new Digitalisation licence condition. Following earlier engagement with SONI and NIE Networks, and to further facilitate compliance, allowances have been made for those elements of the Strategy which relate to the companies and their individual responsibilities. They have been placed in a section of the document which is only binding on the relevant company and not on both. The joint elements of the Strategy will be those: (i) on which the two companies take the same approach (the 'common' elements); and (ii) which require them to work together (the 'co-operation and joint working' elements). UR considers that sufficient clarity has now been included in the drafting of this provision.

3.	Scope of data limited to SONI's TSO licence	SONI is concerned that data from their Market Operator licence is excluded and it is less valuable and comprehensive than the Transmission System Operator Licence. The Limited scope is an oversight as the Market Operator licence covers areas such as price signals, demand response opportunities and market competitiveness which impact on customer benefits. Any changes to the Market Operator Licence would require engagement with CRU and EirGrid in Ireland. Clarifications * Why is key market data not included? *Is there an opportunity to extend the scope? or can UR provide an explanation on how this limited scope will deliver value to customers?	SONI has queried the scope of the licence condition and why key market data has not been included. We would confirm that the scope is not as limited as has been possibly understood as the definition sets out that the objectives of the Digitalisation Strategy should align with the interests of energy consumers in Northern Ireland. We would expect that engagement with the Market Operator will be necessary. With regard to key Data, licensees should provide relevant information to each other required for the purpose of performing any of their functions as well as sufficient information to ensure the secure and efficient operation, co-ordinated development and interoperability of, the transmission system and other systems. That being said should the strategy, that is to be developed by NIE Networks and SONI, identify additional parties that are required to feed into the work we are happy to consider inserting digitalisation strategy and action plan requirements into the licences of these parties.
4.	Scope of TSO data not defined	The new licence condition does not clearly define the scope of the data and not all data is suitable for public sharing. This could lead to a violation of for example of Condition 11. There are also other categories of data subject to confidentiality for example in European/local Codes or contracts that must be explicitly excluded. It is also essential to clarify the role of the Moyle Interconnector regarding data ownership and responsibilities. Clarifications *Which data is included/excluded from public sharing? * Confirmation is requested of explicitly excluded data due to legal constraints * Guidance is sought on how new condition will interact with existing confidentiality obligations * Clarification of Data ownership responsibilities related to the Moyle interconnector and UR to specify how this data will be managed.	SONI's response sought clarification on the scope of the new licence condition and which data is included or excluded from public sharing. The purpose of the licence condition is to outline the process but it has not attempted to define the scope of the process. This procedure was followed to enable SONI and NIE Networks to take responsibility and drive the scope of data to be included or defined. We expect that the companies will need to consider how best to accommodate any other legal obligations on the use of data. UR cannot provide the clarifications sought at this stage but are open to engage in discussions during the development stage.
5	Absence of clear allocation of responsibilities	SONI has concerns regarding the lack of clarity related to the allocation of responsibilities. Without a clear allocation of responsibilities, there is an increased risk of disputes between parties regarding accountability for operational failures or compliance issues. This ambiguity may also hinder effective collaboration, as parties may be uncertain about their roles in the decision-making process. Delays in establishing necessary governance structures could impact our ability to respond swiftly to regulatory changes or operational challenges. Clarifications *Clear definition of roles and responsibilities between SONI & NIE Networks to avoid potential misunderstandings and ensure compliance. Do conditions 18 and 18a (Transmission & Distribution Interface Arrangements) need to be updated to include digitalisation?	SONI's response highlighted that the licence condition does not establish a framework for governance with a defined allocation of responsibilities. UR considers that governance will form part of the strategy, and expects that both parties will engage with each other and determine if any changes are required to the Transmission and Distribution Interface Arrangements. In doing so, we would expect both parties to follow the terms and procedures established for modifying the Transmission Interface Arrangements (TIA). While UR is unable to provide a clear definition of roles and responsibilities, we will be happy to engage with system operators on any potential changes to the TIA where these are deemed necessary.
6	Legal/ Data/ IT Advisors will be required	SONI is concerned that the time needed and costs associated with legal, data and IT support has not been considered in the consultation. Clarifications * clear timeline for when the licence modification decision will be published to allow SONI to plan and meet regulatory requirements* Detailed clarification of roles / responsibilities (legal, data & IT – drafting agreements & updating the TIA)	SONI is concerned that the timeline and costs associated with legal, data and IT support have not been considered in the consultation. The issue of clarity around roles and responsibilities in relation to the TIA is also raised. UR considers that a proposed and amended timeline has been provided with a strategy adoption date of 30 September 2026. These details relate to the implementation phase and if any unexpected delays occur UR is open to discuss these as they arise. The licence modification also incorporates the "best endeavours" standard where the expectation is that each company will take all steps within its power to put the strategy and action plan in place. To further help facilitate progress and compliance, we have also included a dispute resolution process where UR can adjudicate when necessary and extends the timeframe in order to do so. Licensees will have to engage, seek advice and where appropriate consider any additional expertise and funding requests that are required in line with their price control licence mechanisms.
7	Timeframes for implementation of licence condition	The Timeframe is not feasible as there is no flexibility to allow for unforeseen challenges or delays and we have not received the final determination of SRP26 and do not know what funding is available to support this work. Clarifications *Flexibility – SONI will not have received final determination for SRP26 by time UR propose SONI adopt strategy.* Reconsider timelines to allow SONI to meet regulatory expectations in a realistic and structured manner.	The SONI response highlighted that the implementation date is March/April 2025 and is concerned that this timeframe is not feasible. However, it's important to note that the proposed date when the licence condition takes effect is in June 2025, a draft strategy is not required until six months later with strategy adoption falling into September 2026 over twelve months later and the Action Plan due a further six months later in March 2027. UR is prepared to discuss any issues that may cause delays as they arise in light of SRP26 and the implementation of SONI Governance arrangements. Please see Annex A for a revised timetable. UR will consider any future changes when new versions of the EU Network codes are being implemented and when they are reviewed including the Demand Response Network Code (DRNC).
Number	Key Point	The Consumer Council	UR Response
1.	Data Protection	The Digitalisation Strategy and Action Plan refers to energy system data and not consumer data but highlights the need to comply with Data Protection legislation.	We would expect that the market operators will consider how best to accommodate all legal obligations on the use of the data including any GDPR considerations.
2.	Publication	NIE Networks and SONI must publish their strategy and action plan in an accessible way.	UR welcome CCNI's feedback, the licence requires both parties to arrange for publication following adoption of the strategy and action plan in such a manner as to ensure that it will be reasonably accessible to all those who may have an interest in it.
3.	Consumer Benefits	NIE Networks and SONI are required to take account of the consumer interest, deliver consumer benefits aligned with stakeholder needs, and ensure digitalisation benefits are shared fairly with consumers, but no details are provided.*The Utility Regulator sees the data and digitalisation as a regulated asset which consumers pay for and so they should benefit and be protected from any inappropriate use as the data becomes commercialised. This underpins the principle of alignment of stakeholder needs to consumers receiving a fair share of the benefits. *We support the Utility Regulator's approach that NIE Networks and SONI should be incentivised to work together to determine digitalisation solutions that lead to a more efficient energy system, that provides accessible access to energy system data and insights and that lead to benefits for consumers.	It's beyond the scope of the current licence condition to provide details of consumer benefits as UR's new licence condition is procedural. When the condition is in force, the companies will make proposals on the substantive content of the documents. UR has built the principle of taking account of the consumers' interests and sharing the benefits fairly with them while at the same time meeting the needs of stakeholders into key definitions in the Licence Condition. * UR has a role to ensure that Northern Ireland consumers are protected and receive a fair share of benefits from digitalisation. Our objective is to further increase transparency and accessibility of NIE Networks and SONI's digitalisation initiatives, in a way which will provide demonstrable and deliverable benefits for consumers * UR welcomes this feedback and the fact that NIE Networks and SONI are already developing their plans and working together to digitalise. We incentivise SONI as part of its Evaluative Performance Framework and NIE Networks as part of the RP7 determination. This new condition will further support and build on our existing regulatory approach including increased accessibility and seek improvements that benefit consumers.
4.	Consultation	We welcome the requirements for NIE Networks and SONI to consult at each stage on the strategy, action plan and updates, and to explain how they have taken feedback into account.	Accountability is a key feature of this new licence condition. NIE Networks and SONI must consult with stakeholders at each stage and take account of their views in developing the strategy.

