

Decision under Article 14(8) of the Electricity (Northern Ireland) Order 1992

Licence Modifications regarding
Digitalisation to NIE Networks
Transmission, Distribution and SONI
Electricity Licences

April 2025



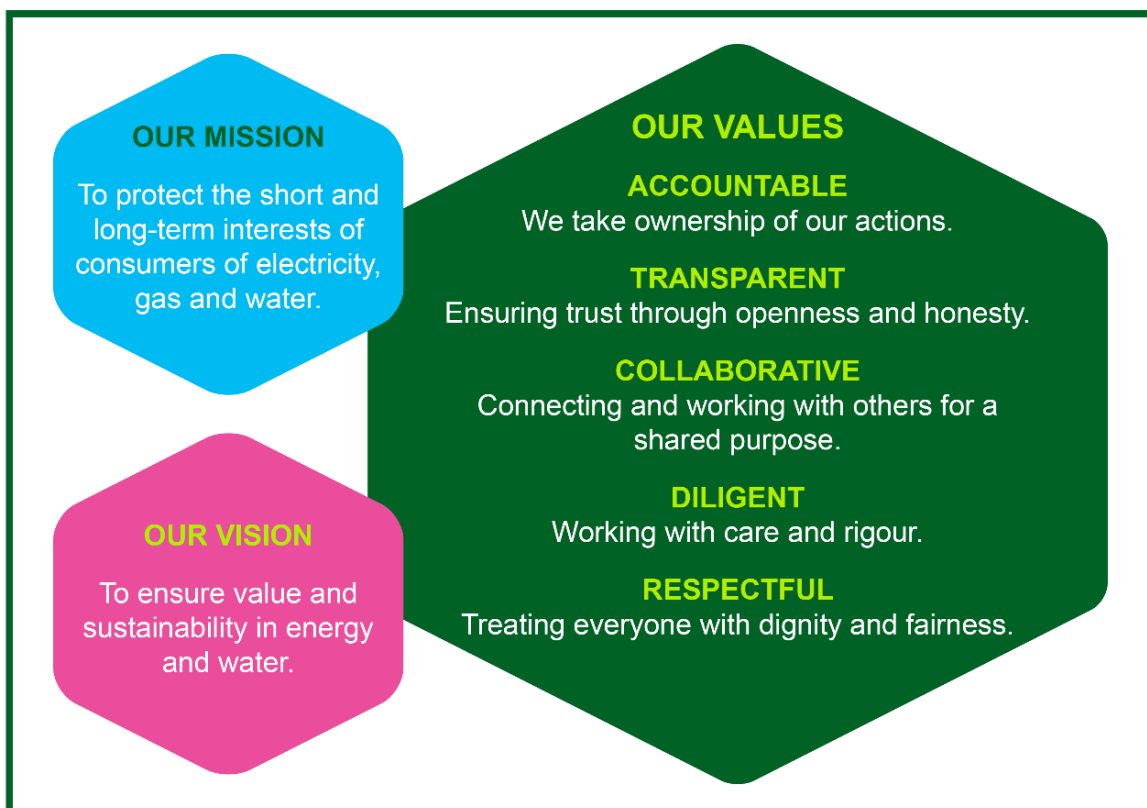
About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland’s electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls; Networks and Energy Futures; and Markets and Consumer Protection. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Abstract

We are publishing our decision requiring NIE Networks and SONI to jointly develop, publish and periodically update a digitalisation strategy and action plan. We are introducing these licence conditions to increase transparency on their plans to digitalise, share energy system data and support accountability to provide benefits for consumers in Northern Ireland. The modifications will be implemented largely unchanged from the consultation with some additional time allowed.

Audience

This document is likely to be of interest to SONI, NIE Networks, other stakeholders in the energy industry, government and other statutory bodies including consumer groups with an interest in the energy industry and digitalisation.

Consumer impact

Our overall aim is to improve the digitalisation of the energy system and ensure better use of data to create benefits for consumers such as:

- a more efficiently planned, maintained, and operated energy system;
- greater visibility of, access to and ease of use of information and insight about the energy system; and
- improved integration between the energy systems.

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Glossary

NI	Northern Ireland
GB	Great Britain
NIE Networks	Northern Ireland Electricity Networks
SONI	System Operator for Northern Ireland
TSO	Transmission System Operator
DNO	Distribution Network Operator
TIA	Transmission Interface Arrangements
UR	Utility Regulator
DfE	Department for the Economy
Ofgem	Office of Gas and Electricity Markets
DSAP	Digitalisation Strategy Action Plan
FOIA	Freedom of Information Act 2000
Electricity Order	The Electricity (Northern Ireland) Order 1992
Energy Order	Energy (Northern Ireland) Order 2003
GDPR	General Data Protection Regulation (EU) 2016/679

Executive Summary

On 1 October 2024 we consulted¹ on the introduction of new licence modifications regarding Digitalisation to the Northern Ireland Electricity Networks (NIE Networks) Transmission, Northern Ireland Electricity Networks (NIE Networks) Distribution and System Operator for Northern Ireland (SONI) Electricity Licences. The new licence condition requires NIE Networks and SONI to jointly develop, publish and periodically update a joint digitalisation strategy and action plan.

This paper sets out our related decision, following due consideration of the consultation responses received.

The licences affected by the modifications are the electricity transmission and distribution licences of:

- NIE Networks Transmission and Distribution; and
- SONI.

Consultation responses were received from NIE Networks, SONI and the Consumer Council.

The individual consultation responses can be found in Annexes E, F and G, with a summary of the key points identified in all three in Annex H, complete with the Utility Regulator's (UR) response.

Our decision is to proceed with the modifications unchanged from those set out in the consultation document. The modifications shall take effect in June 2025.

We consider that the modifications will put a process in place which introduces transparency and accountability while helping NIE Networks and SONI ensure that consumers benefit from digitalisation.

¹ [Notice and consultation on new digitalisation licence conditions for SONI and NIE Networks | Utility Regulator](#)

1. Introduction

Background to and Purpose of this Document

- 1.1 Energy system data held by NIE Networks and SONI (and the digital systems which they own) is derived from a regulated asset and funded through consumer bills. Effective digitalisation is important to improve efficiency and resilience and to reduce the overall cost of decarbonising the system.
- 1.2 We want to support NIE Networks and SONI in developing their digitalisation energy transition plans in a way which ensures that benefits are identified, realised and flow down to consumers in a fair way. To aid this process we have developed an electricity network licence condition requiring NIE Networks and SONI to jointly develop, publish and periodically update a joint digitalisation strategy and action plan.
- 1.3 The strategy should set a joint framework to outline how increasing digitalisation of energy data will provide benefit to consumers, participants and suppliers. The action plan should set out what NIE Networks and SONI will do to ensure the strategy is delivered.
- 1.4 The work evolved from expectations in the NIE Networks and SONI price controls that the companies should ensure that increased digitalisation would provide benefit for consumers. It builds on licence work Ofgem has undertaken in GB. This work will assist the digital communication requirements to stakeholders of grid management, balancing and interfacing with new renewable energy sources, for the complex interactions of a more distributed energy market, and demand-side response services.
- 1.5 The licences affected by the modifications are the electricity transmission and distribution licences of:
 - NIE Networks Transmission and Distribution; and
 - SONI.
- 1.6 We welcomed feedback from stakeholders on 1 October 2024, when we published our Consultation on Proposed Licence Modifications regarding Digitalisation to NIE Networks Transmission, Distribution and SONI Electricity Licences. We sought views from respondents on the introduction of these new conditions.
- 1.7 Three consultation responses were received from NIE Networks, SONI and the Consumer Council. Our consultation on licence modifications closed on 26 November 2024.

- 1.8 This paper sets out our related decision, following due consideration of the consultation responses received.
- 1.9 The purpose of this decision document, and the related notices set out in Annex J to L to this document, is to follow-up on the licence modification proposal we had consulted on and enact the licence modifications to bring them into effect.

Document Structure

- 1.10 This decision document is structured in a number of chapters as follows:
- **Chapter 1- Introduction** – this chapter provides an overview of the purpose and structure of this decision document, the licence conditions impacted, as well as the consultation responses received.
 - **Chapter 2 - Consultation Responses** – this section contains the background to the consultation, as well as the representations made to the notice published by Utility Regulator pursuant to Article 14 (2) of the Electricity (Northern Ireland) Order 1992, on 1 October 2024. It also sets out our related considerations.
 - **Chapter 3 - Conclusion** – this final chapter sets out our decision on the licence modifications as well as the associated reasons and effects.

The document also includes annexes outlined in Table 1 below.

- **Annex A** sets out the procedure required by the licence condition with dates.
- **Annexes B to D** set out the modifications for each licence.
- **Annexes E to G** provide the three consultation responses.
- **Annex H** provides a summary of the three responses to the key questions complete with UR's response.
- **Annex I** summarises responses on the general Data and Digitalisation questions posed which did not form part of the consultation.
- **Annexes J to L** are copies of the Article 14(8) of the Electricity (Northern Ireland) Order 1992.

Table 1: Overview of Annexes

Annex Reference	Annex Name
Annex A	Proposed Licence Condition Procedure and Timetable
Annex B	SONI Transmission Licence Modifications
Annex C	NIE Networks Transmission Licence Modifications
Annex D	NIE Networks Distribution Licence Modifications
Annex E	SONI Consultation Response
Annex F	NIE Networks Consultation Response
Annex G	The Consumer Council Consultation Response
Annex H	Summary of Consultation Responses to Licence Modification Questions
Annex I	Summary of Consultation Responses – Additional Information on Data and Digitalisation Questions
Annex J	Article 14(8) of the Electricity (Northern Ireland) Order 1992 - SONI Transmission Licence
Annex K	Article 14(8) of the Electricity (Northern Ireland) Order 1992 - NIE Networks Transmission Licence
Annex L	Article 14(8) of the Electricity (Northern Ireland) Order 1992 - NIE Networks Distribution Licence

2. Consultation Responses

Background to Consultation on Licence Modifications

- 2.1 The licence modification aims to support NIE Networks and SONI to digitalise and open up access to their energy system data (i.e. note that this is distinct from consumer data) in a way which creates benefits for consumers following these principles:
- more efficiently planned, maintained and operated energy system;
 - greater visibility of, access to, and ease of use of information and insight about the energy system; and
 - improved integration across the electricity system (and beyond).
- 2.2 The work evolved from the SONI 2020 to 2025 price control and the NIE Networks RP7 price control. It also supports the Department for the Economy's work to develop a Smart System Flexibility Plan. The work is originally based on the GB digitalisation agenda, through for example, the GB Government/Regulator sponsored Energy System Catapult work². The work also sits within the European agenda via the Clean Energy Package proposals which will assist the digital communication requirements of grid management, balancing and interfacing with new renewable energy sources, as well as for the complex interactions of a more distributed energy market, with demand-side response services. Consumers and all market players are affected by the digitalisation of the energy system and the Clean Energy Package took a first step to provide them with a sound legal framework to reap the benefits of energy digitalisation and open up new business opportunities.
- 2.3 We held a kick-off stakeholder workshop in Autumn 2022 after the UR Board noted and discussed our scoping plans to develop an electricity networks licence condition building on learnings from Ofgem's experience.
- 2.4 We met with NIE Networks and SONI in Spring 2023 to receive feedback on the draft licence condition. NIE Networks and SONI raised a concern that the licence condition may require them to work together in a way which fetters their independence.
- 2.5 The draft licence condition was presented as part of the December 2023 Board and was further updated to include legal drafting on a Dispute Resolution Process to offer further comfort to both companies.

² [Delivering a Digitalised Energy System - Energy Systems Catapult](#)

Accountability and transparency for consumers and stakeholders

- 2.6 We wish to ensure that, as the data and digitalisation in question are derived from a regulated asset which NI consumers have paid for, consumers should benefit and be protected from any inappropriate use as the data becomes commercialised. We also wanted SONI and NIE Networks to prioritise the meeting of those stakeholder needs which will benefit energy consumers in Northern Ireland.
- 2.7 We consider that the needs of stakeholder being aligned to consumers receiving a fair share of the benefits is an important principle to test both NIE Networks' and SONI's digitalisation investment.
- 2.8 We also considered that there should be a means within the licence for both UR and stakeholders to challenge and provide feedback to SONI and NIE Networks on their plans, to add further accountability. We have introduced publication and accessibility requirements.

System coordination

- 2.9 Given that energy transition will require effective coordination, of data between system operators, participants and consumers digitalisation is a key element to ensure transparency and engagement. This licence modification requires NIE Networks and SONI to jointly work and develop a strategy. We see this as a key principle which can add value towards this transparency and engagement with all stakeholders.
- 2.10 However, we also recognise that NIE Networks and SONI are independent of each other and play different roles within the NI electricity system. We have recognised this in the licence modifications and it is reflected through 'best endeavours' drafting within the Principal Obligations of the Digitalisation Strategy and Action plan. The expectation is that each company should take all steps within its power to implement the Plan. The structural breakdown of the Digitalisation Strategy, in Part A, also recognises that the Digitalisation Strategy should essentially be a single 'joint' document but with different parts to reflect that not all the content will necessarily apply to both companies. A dispute resolution process has also been included to provide further clarity.
- 2.11 We considered that our proposal brought a reasonable balance between encouraging our coordination principle ("improved integration across the electricity system") which stakeholders support and is a key energy transition concept while also maintaining company independence.

Flexibility and adaptability

- 2.12 Stakeholders have noted that flexibility will be required for NIE Networks and SONI to deliver in this area as digitalisation may be uncertain and fast paced, and that any burden on NIE Networks, SONI and stakeholders should be minimised as far as is necessary.
- 2.13 We have attempted to ensure that the licence requirements and drafting are instructive but give NIE Networks and SONI sufficient space to develop their plans. We have also considered and tailored some of the timelines for completing requirements for proportionality purposes. For example, we are requiring that the Action Plan is updated every 12 months (rather than for example every 6 months like in GB).
- 2.14 We have also introduced a requirement which gives us an option to introduce Guidance and instructions if they are necessary but have not yet made this mandatory as we consider further work and engagement is required, including with DfE on the future Smart Systems and Flexibility Plan policy, to set out further expectations on this. We will continue to engage with the Licensee on the development of any Guidance and instructions should they be necessary.
- 2.15 With this background and in our consultation, we posed questions that provided stakeholders with the opportunity to provide views on the new data and digitalisation licence condition on 1 October 2024.
- Do you agree with the proposed licence conditions?
 - Do you have any recommendations for improvement? Please provide your rationale as to why.
- 2.16 The consultation closed on 26 November 2024.

Summary of Consultation Responses

2.16 We received consultation responses from:

- System Operator Northern Ireland (SONI) – **Annex E**
- Northern Ireland Electricity Networks (NIE Networks) – **Annex F**
- The Consumer Council – **Annex G**

2.17 All three consultations addressed the key questions posed and an overview can be found in Annex H. All respondents also provided some additional information in relation to questions included to further our understanding of energy system data and digitalisation in Northern Ireland, these have been included in Annex I.

SONI

2.18 The SONI response outlined seven key areas and sought some clarification to help them assess the impact of the proposed licence condition on SONI and their ability to discharge their responsibilities. These included:

- Network Code Obligations
- Governance
- Condition only applies to SONI's TSO Licence
- Scope of TSO data is not defined
- Absence of clear allocation of responsibilities
- Legal Advisors and Data/IT specialists will be required
- Timeframe for implementation of licence condition

2.19 Furthermore, SONI included comments on the key themes and objectives. A full copy of SONI's consultation response can be found at Annex E and an overview including UR responses is included in the overview in Annex H.

2.20 The response highlights contradictions with various obligations under network codes and Licence Condition 42, queries in relation to the scope of the data to be included, absence of further clarification on each company's responsibilities and issues around financial resourcing and timeframes.

2.21 On pages 23-25 of Annex E, SONI has also provided responses to the additional questions which are not a direct part of the consultation. These can also be found in Annex I.

NIE Networks

- 2.22 The NIE Networks response recognised the intended approach through the licence modifications but outlined five areas for clarification. These included:
- Guidance and Instructions
 - Dispute Resolution process
 - Data Sharing
 - Consumer Benefits
 - Regulatory Funding
- 2.23 NIE Networks requested further information on the Digitalisation Strategy and Action Plan Guidance and Instructions, the timelines and communication associated with the Dispute Resolution Process, data sharing, difficulties particularly surrounding the quantification of longer-term consumer benefits and funding requirements for implementation and compliance. A full copy of NIE Network's consultation response can be found at Annex F and an overview including UR response is included in the overview in Annex H.
- 2.24 In section 3 of Annex F, NIE Networks also provided responses to the additional questions which are not a direct part of the consultation. These can also be found in Annex I which summarises all three responses received to the consultation.

The Consumer Council

- 2.25 The Consumer Council recognised the pivotal role the Transmission System Operator (TSO) and Distribution Network Operator (DNO) for Northern Ireland, i.e. SONI and NIE Networks play in the development to digitalise and share energy system data and support accountability to provide benefits for consumers in Northern Ireland. They welcomed the approach taken by UR within the licence modifications requiring the production of a joint Digitalisation Strategy and Action Plan to increase transparency, accessibility and accountability while providing benefits to consumers in Northern Ireland. A full copy of the Consumer Council's response can be found at Annex G and an overview including UR responses is included in the overview in Annex H.
- 2.26 The Consumer Council has also provided responses to the additional questions which are not a direct part of the consultation. These can also be found in Annex I.

UR Consideration of Consultation Responses

SONI

- 2.27 **Network Codes** - SONI is concerned that the licence conditions may be inconsistent with Network Code obligations and that this has not been fully considered in the consultation. SONI have also 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 (EGBL) 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.
- 2.28 **Governance** – 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).
- 2.29 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 the 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.

- 2.30 **Condition only applies to SONI's TSO Licence** - 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.
- 2.31 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.
- 2.32 **Scope of data not defined** - 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.
- 2.33 **Absence of a clear allocation of responsibilities** – 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.

- 2.34 **Legal advisors will be required** - 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.
- 2.35 **Timeframes for implementation of licence condition** – 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).
- 2.36 A full overview including a summary of UR responses can be found in Annex H.

NIE Networks

- 2.37 **Guidance and Instructions** - NIE Networks sought clarification on the guidance and instructions, what format this will take and what will be included in these documents. 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.

- 2.38 **Dispute Resolution Process** – 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.
- 2.39 **Data Sharing** – NIE Networks is concerned that not all energy system data can be shared publicly. When the Condition is in force, the companies are required to make proposals on the substantive content of the documents during the implementation phase. They will need to consider how best to accommodate any other legal obligations on the use of data including any GDPR considerations. UR is content to further discuss which data can be shared during the strategy development stage. At all times the operators are expected to exchange sufficient information to ensure the secure and efficient operation, co-ordinated development and interoperability of, the transmission system and such other system.
- 2.40 **Consumer Benefits** – NIE Networks highlighted difficulties associated with quantifying consumer benefits from direct and immediate through to longer-term benefits from joint initiatives between NIE Networks and SONI. As drivers of the Digitalisation strategy and Action Plan the companies should make proposals as to the substantive content of these documents. They will therefore also be asked to identify and quantify the consumer benefits as part of this process.
- 2.41 **Regulatory Funding** – NIE networks have highlighted that failure to secure funding for planned Phase 2 Digital and IT activities in the RP7 Digital and IT business plan will impact on their ability to prioritise and deliver Digital and DSO initiatives designed to support digitalisation and this could make it difficult or impossible to meet the requirements of the licence condition. 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.
- 2.42 A full overview including UR responses can be found in Annex H.

The Consumer Council

- 2.43 **Data Protection Legislation** – The Consumer Council response noted that the consultation refers to energy system data and not consumer data but highlighted the need to comply with Data Protection legislation. UR expects that the market operators will consider how best to accommodate all legal obligations on the use of data including any GDPR considerations when developing their strategy and action plan.
- 2.44 **Consumer Protection and Accessibility** – The Consumer Council welcomes UR's approach of incentivising both companies to work together to find digital solutions that provide greater efficiency, accessibility and ultimately should lead to benefits for customers. They agree with the principle that consumers should benefit from digitalisation and be protected from any inappropriate use as the data becomes commercialised. The Consumer Council is also supportive of the key theme of accountability where all documents must be published and are accessible and that both companies need to explain how feedback from these consultations have been taken into account.
- 2.45 **Consumer Benefits** – The Consumer Council noted that no detail has been provided. This licence condition is primarily procedural, in relation to the scope of digitalisation and the data to be included, the companies are responsible for determining the substantive content and the customer benefits that flow from this process. UR is content to discuss these areas further during the strategy development stage.
- 2.46 A full overview including UR responses can be found in Annex H.
- 2.47 We welcome the feedback from the three responses received and consider that we have struck a good balance between accountability, transparency, adaptability and coordination. Furthermore, in some circumstances we have offered further clarifications and consequently we do not consider a requirement to amend, or not to proceed with the proposed modifications as outlined in the original consultation and in Annexes B – D to this paper.

Summary of Additional Information - Consultation Responses

2.48 The consultation also sought additional information which was not directly part of the consultation. We posed questions to further our understanding of energy system data and digitalisation as outlined below:

- What digitalisation consumer benefits (including energy system data sharing) should and can be delivered over the following time frames a) today b) over the next 6 years and c) longer term to deliver net zero and related targets?
- Are there best practice initiatives being delivered in other jurisdictions and industries which may be suitable for NI and if so, why?
- How should consumers receive their fair share of the benefits?
- How can we ensure that digitalisation delivers benefits for consumers as opposed to solely for market participants and shareholders?
- How should NIE Networks and SONI be coordinating over these time frames to deliver these benefits?
- What data do NIE Networks and SONI need to share with different stakeholder types to support consumer benefits over these time frames? How should the data be shared to benefit consumers?
- What barriers prevent delivery for stakeholders and consumers?
- Are there any existing or developing standards in other parts of NI government or other NI industries with which the electricity network companies should harmonise or adopt?

2.49 The summary of responses can be found at Annex I.

3. Conclusion

Decision

3.1 Our decision is to modify the licences of:

- NIE Networks Transmission and Distribution; and
- SONI.

3.2 The final text is unchanged from that proposed in the consultation issued on 1 October 2024 and provided in Annexes B to D to this decision paper. The modifications shall take effect in June 2025.

Reasons and Effects

3.3 In this decision paper we have outlined the three responses to the consultation and how further considerations have led to the conclusion that the proposed data and digitalisation licence conditions will be introduced as originally proposed.

3.4 The reasons and effects for the modifications have remained the same as those set out in the section 2 of the [consultation on new digitalisation licence conditions for SONI and NIE Networks published on 1 October 2024](#). The following section sets out our reasons and effects for the new licence condition that will give effect to our decision for digitalisation.

Preparation of the Digitalisation Strategy

3.5 This segment of Part A of the proposed condition makes provision for the licensees to prepare a single, joint Digitalisation Strategy.

3.6 The **effect** of these provisions will be that the licensees will have taken all reasonable steps to prepare a single, joint Digitalisation Strategy which:

- a. allows for separate sections so that not all parts of the strategy will necessarily apply to both NIE Networks and SONI thus recognising company independence.
- b. ensures that the strategy content complies with, and takes account of, the Authority's Digitalisation Strategy and the Digitalisation Action Plan (DSAP) Instructions and Guidance respectively.
- c. enables interested stakeholders to effectively input into the draft strategy

within a period of not less than 42 days (3rd Requirement) from the publication of the draft; and ensures that the licensees will have taken account of stakeholder views in a careful and conscientious way.

d. provides an updated draft strategy with summarised stakeholder views and explained changes, publishes this in an accessible way to interested stakeholders, and gives the Authority a copy.

e. seeks the views of Authority on a version of the strategy (after d.) and updates this strategy to include changes that the Authority has considered necessary, should the Authority have any, within 28 days of giving the version to Authority (5th Requirement).

3.7 The **reasons** for proposing that the licensees prepare the Digitalisation strategy in this way is to:

a. support the content of the strategy being structured so as to recognise company independence whilst supporting our system coordination objective.

b. bring accountability by clearly taking account of stakeholder views and UR considerations within appropriate time periods and meeting the Authority views and expectations (in form of guidance and instructions)

c. ensure the elements of the procedure are sufficiently transparent and accessible to stakeholders (including the Authority).

Adoption of the Digitalisation Strategy

3.8 This segment of Part A of the new condition proposes that the licensees shall adopt and publish the joint Digitalisation Strategy.

3.9 The **effect** of these provisions, as proposed, will be that the licensees will adopt and publish a single joint Digitalisation Strategy which:

a. ensures that the strategy is adopted by no later than 30 September 2026 or an alternative date set by the Authority.

b. publishes the strategy in a manner accessible to interested parties.

3.10 The **reasons** for proposing that the licensees adopt and publish the Digitalisation Strategy in this way are:

a. that licensees are held accountable for delivering within a set timeframe but with flexibility to adopt and publish on an alternative date by the Authority.

b. that publication of the adopted strategy increases transparency and accessibility for stakeholders.

Maintenance of the Digitalisation Strategy

- 3.11 This segment of Part A of the proposed condition requires the licensees to carry out transparent and periodic reviews of the strategy to ensure that it remains fit for purpose and is updated in line with changes in the electricity network and digitalisation environment, the Authority's instructions/ guidance and relevant stakeholder feedback.
- 3.12 The **effect** of these proposed provisions is to introduce a process for licensees to review, update and maintain an archive of the strategies. This requires the licensees to:
- a. complete a review no later than two years following the adoption of the original strategy and carry out subsequent reviews every two years after completion of the preceding review.
 - b. prepare and publish a Review Paper that summarises progress and proposes changes with reasoned explanations where these are deemed appropriate.
 - c. allow interested parties to feed into the content of the Review Paper within a period of not less than 42 days from draft publication and ensure that the licensees have taken account of stakeholder views in a careful and conscientious way.
 - d. comply with and take account of DSAP Instructions and Guidance respectively.
 - e. prepare a summary of stakeholder representations to the Review Paper, explain proposed changes, publish this in an accessible way and give the Authority a copy.
 - f. provide the Authority with an additional statement that identifies proposed changes or explains why no change to the strategy is appropriate at this time.
 - g. update the strategy as directed by Authority and following a of 28-day review period (after receipt of both documents in e and f).
 - h. publish an updated, post-review version of the strategy in an accessible manner after seeking both the Authority and stakeholder views.
 - i. set up and maintain an accessible archive of all previously published versions of the strategy following the first review.
- 3.13 The **reasons** for proposing that the licensees maintain, review and archive the strategy are to:

- a. build accountability by monitoring progress at regular intervals. (every two years) and to ensure that the strategy content remains accurate, up to date and fit for purpose.
- b. bring accountability by clearly taking account of stakeholder views and UR considerations within appropriate time periods and meeting the Authority's views and expectations (in form of guidance and instructions)
- c. ensure the elements of the procedure are sufficiently transparent and accessible to stakeholders (including the Authority).

Disputes – Resolution by the Authority

- 3.14 This section of Part A requires the Authority to adjudicate where the licensees have been unable to establish a common position.
- 3.15 The **effect** of this proposed condition is to introduce a process to help agree a single joint strategy by:
 - a. resolving disputes in a timely manner following consideration of the proposals and the explanations submitted by both licensees to the Authority.
 - b. directing licensees on strategy content by determining whether to accept one of their preferred proposals or by identifying an alternative and appropriate approach.
 - c. ensuring that licensees work together when required and are in compliance with licensing requirements.
 - d. allowing additional time for the Authority to consider the relevant proposals and explanations in the case of a dispute. 28 days for an undisputed draft is increased to 56 days prior to Strategy adoption and following a review. If further additional time is required, the Authority will engage with the Licensee.
- 3.16 The **reasons** for this proposed condition are to introduce a process to deal with disputes and to:
 - a. offer each licensee the opportunity to put forward their preferred proposal. The Authority will require statements from each licensee on both non-contentious and contentious matters. Additionally, a reasoned explanation will be required from both licensees to justify their preferred proposals and to allow the Authority to consider all the available evidence before making a decision.
 - b. increase accountability to stakeholders by ensuring that a fair process is in place to resolve disputes in both a timely and transparent manner.

c. provide clarity for licensees by outlining a dispute resolution process in the event that agreement cannot be reached on the Strategy.

Key Definition – Digitalisation Strategy

- 3.17 This segment of Part A of the proposed licence condition provides a definition of the Digitalisation Strategy.
- 3.18 The **effect** of these provisions is to outline the overarching Digitalisation Strategy requirements for inclusion.
- 3.19 The **reason** is to clarify the intended purpose of the Digitalisation Strategy.

Preparation of the Digitalisation Action Plan

- 3.20 This segment of Part B of the proposed condition makes provision for the licensees to prepare a single, joint Digitalisation Action Plan
- 3.21 The **effect** of these provisions will be that the licensees will have taken all reasonable steps to prepare, and so will have prepared, a joint Action Plan which:
- a. allows for separate sections so that not all sections will necessarily apply to both NIE Networks and SONI and thus recognising company independence.
 - b. ensures that the action plan content complies with and takes account of Authority's DSAP Instructions and Guidance respectively.
 - c. includes providing a draft of the plan and all the relevant supporting materials to the Authority and that any further explanations are made available on request.
 - d. further updates the draft plan within 42 days of having provided the draft copy to the Authority and includes any further instructions before finalising.
- 3.22 The **reasons** for proposing that the licensees prepare the Digitalisation Action Plan in this way is to:
- a. ensure that the content of the action plan is structured to recognise company independence whilst supporting our system coordination objective.
 - b. bring accountability by enabling the Authority to input, and then allow the licensees to take account, of the Authority's considerations within appropriate time periods and meeting the Authority's views and expectations (in form of guidance and instructions).

Adoption of the Digitalisation Action Plan

- 3.23 This segment of Part B requires the licensees to adopt and publish a final version of the action plan.
- 3.24 The **effect** of these provisions will be that the licensees will adopt and publish a joint Digitalisation Action Plan which:
- a. is adopted by 31 March 2027 or a later date specified by the Authority within a reasonable and an agreed timescale.
 - b. is published in a manner accessible to interested parties.
- 3.25 The **reasons** for proposing that the licensees adopt and publish the Digitalisation Action Plan in this way are:
- a. that licensees are held accountable for adoption within a set timeframe but with flexibility to be held to an alternative date by the Authority.
 - b. that publication of the adopted strategy increases transparency and accessibility for stakeholders.

Maintenance of the Digitalisation Action Plan

- 3.26 This segment of Part B requires the licensees to carry out periodic reviews of the action plan to ensure that it remains fit for purpose and is updated in line with the Authority's Instructions and Guidance.
- 3.27 The **effect** of these provisions is to introduce a process for licensees to review, update and maintain an archive of the action plans. This requires licensees to:
- a. undertake a review no later than one year following the adoption of the original action plan and carry out subsequent reviews every year after completion of the preceding review.
 - b. ensure that the plan takes account of and complies with DSAP instructions and guidance respectively.
 - c. prepare a paper for the Authority which comments on progress and sets out and explains any proposed changes.
 - d. update the plan as directed by the Authority following a 28-day review period (after receipt of the document in c). If further additional time is required, the Authority will engage with the Licensee.

- e. publish an updated, post-review version of the action plan in an accessible manner after seeking the Authority's views.
- f. set up and maintain an accessible archive of all previously published versions of the action plans following the first review.

3.28 The **reasons** for proposing that licensees review, maintain and archive the Digitalisation Action Plans are to:

- a. build accountability into the process by monitoring progress at regular intervals (every year) and ensure that the strategy content remains accurate, up to date and fit for purpose.
- b. bring accountability by clearly taking account of Authority considerations within appropriate time periods and meeting Authority views and expectations (in form of guidance and instructions).
- c. further transparency by ensuring documentation is accessible and transparent to interested parties.

Disputes – Resolution by the Authority

3.29 The provisions in paragraphs 34 to 36 of Part B require the Authority to adjudicate where the licensees have been unable to establish a common position on the action plan.

3.30 The **effect** of this proposed condition is to introduce a process to help agree a single joint action plan by:

- a. resolving disputes following careful consideration of the proposals and the explanations submitted by both licensees to the Authority.
- b. directing licensees on action plan content by determining whether to accept one of their preferred proposals or by identifying an alternative appropriate approach.
- c. ensuring that licensees work together when required and are in compliance with the licensing requirements.
- d. allowing additional time for the Authority to consider the relevant proposals and explanations in the case of a dispute. 42 days for an undisputed draft is increased to 84 days prior to action plan adoption while 28 days is increased to 56 days following a disputed review. If further additional time is required, the Authority will engage with the Licensee.

- 3.31 The **reasons** for this proposed condition are to introduce a process to deal with disputes and to:
- a. offer each licensee the opportunity to put forward their preferred proposal. The Authority will require statements from each licensee on both non-contentious and contentious matters. Additionally, a reasoned explanation will be required from both licensees to justify their preferred proposals and to allow the Authority to carefully consider all the available evidence before making a decision.
 - b. increase accountability to stakeholders by ensuring that a fair process is in place to resolve disputes in both a timely and transparent manner.
 - c. provide clarity for licensees by outlining a dispute resolution process in the event that agreement cannot be reached on the action plan.

Key Definition – Digitalisation Action Plan

- 3.32 This provides a definition of the Digitalisation Action Plan.
- 3.33 The **effect** of this provision is to outline the overarching requirements of the Digitalisation Action Plan which gives practical effect to the Digitalisation Strategy.
- 3.34 The **reason** is to clarify the intended purpose of the Digitalisation Action Plan.

The DSAP Instructions and Guidance

- 3.35 This segment of Part C makes provision for the Authority to develop, consult on and amend guidance and instructions concerning the Digitalisation Strategy and the Digitalisation Action Plan (DSAP).
- 3.36 The **reason** for this is to allow the Authority flexibility to provide requirements and expectations concerning the Digitalisation and Action Plans over time.
- 3.37 The **effect** of this is to provide guidance to the companies over time.

Definitions

- 3.38 This segment of Part D provides definitions of the key terms outlined in the licence modification.
- 3.39 The **effect** is to define the concepts which are particular and relevant to the licence modification.
- 3.40 The **reasons** for including key definitions are to provide clarity to licensees and stakeholders and to support licensees compliance with the condition.