Draft Forward Work Programme 2015-2016

Our Business Plan for year 2 of our Corporate Strategy 2014-2019

1 April 2015 – 31 March 2016



About the Utility Regulator

Our Mission:	Value and sustainability in energy and water
Our Vision:	We will make a difference for consumers by listening, innovating and leading

Our Values:

Be a best practice regulator: transparent, consistent, proportional, accountable and targeted

Be a united team

Be collaborative and cooperative

Be professional

Listen and explain

Make a difference

Act with integrity

Abstract

This paper presents our draft annual plan for the financial year 2015-2016 for consultation. It contains a general description of the non-routine projects we will carry out from 1 April 2015 to 31 March 2016 and sets out an outline budget.

Audience

The plan is likely to be of most interest to the regulated utilities, consumer associations, other regulators, politicians and researchers.

Consumer impact

The business plan sets out a range of projects that are expected to benefit consumers directly in both the short and long-term.

Contents

1. About this document

The Energy (Northern Ireland) Order 2003 and the Water and Sewerage Service (Northern Ireland) Order 2006 requires the Utility Regulator to publish a Forward Work Programme (FWP or business plan) each year. The plan should 'contain a general description of the projects, other than those routine activities in the exercise of its functions, which it plans to undertake during the year'.

This draft FWP lists the projects that we propose to do during 2015-2016 and is published for consultation. During the consultation, we would particularly welcome views on:

(1) whether we have identified the right projects;
(2) any objections to our proposed projects; and
(3) any other comments.

Comments should be sent to us **by 27 January 2015 at the latest** to briege.tyrie@uregni.gov.uk

We intend to hold a meeting during the consultation period, on **15 January 2015**, at our offices. This will provide an opportunity to discuss the draft FWP. Please let us know **before 8 January 2015** if you wish to attend.

A paper copy of the draft FWP can be obtained from:

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The Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED
E-mail: briege.tyrie@uregni.gov.uk
Telephone: 028 9031 6326

After reviewing consultation responses, we will publish a final FWP by 31 March 2015. Responses to this consultation may be made public by us. If you do not wish your response or name made public please state this clearly by marking the response as confidential.

Copies of the document will be made available in alternative formats on request.

Key terms used in the plan are highlighted in **purple** and explained in a Glossary (at the end of the document).

2. About us

Who we are

We are the independent non-ministerial government department responsible for regulating Northern Ireland's (NI's) electricity, gas, water and sewerage industries. We are governed by a board whose members are appointed by the Minister for Finance and Personnel. We are ultimately accountable to the NI Assembly and our work contributes to the overall Programme for Government (PfG) in NI.

What we do

Our work is based on the duties we have in law, which include the following:

Energy – electricity and gas	Water
protecting the interests of electricity consumers with regard to price and quality of service, where appropriate by promoting effective competition; and **promoting the development and maintenance of an efficient, economic and co-ordinated gas industry.**	**protecting the interest of water and sewerage consumers by promoting an efficient industry delivering high quality services.**

We have a wide statutory remit covering regulatory functions and competition powers. Our competition powers are held jointly with the UK Competition and Markets Authority (CMA).

Our work includes the following:

1. **issuing licences that allow gas, electricity and water companies to operate in NI;**
2. **making sure licensed companies meet relevant legislation and licence obligations;**
3. **setting the minimum standards of service which regulated companies must provide to consumers in NI;**
4. **making sure that consumers only pay what is necessary for the services they receive now and into the future;**
5. **challenging companies to ensure they operate ever more efficiently and deliver good value for consumers as well as shareholders;**

6 **working to provide greater choice and encourage competition in the gas and electricity markets;**

7 **making sure that regulated companies can finance their activities and innovate effectively;**

8 **acting as an adjudicator on individual complaints, disputes and appeals.**

Who we work with

We work with a wide range of stakeholders across several areas to help us protect the interests of consumers.

In carrying out our duties in energy we work within a policy framework set by the Department of Enterprise, Trade and Investment (DETI). Our statutory duties (the duties we have in law) are the same as the Department's. In water, we work within a policy framework set by the Department for Regional Development (DRD).

We also work closely with the statutory body responsible for representing consumers, the Consumer Council for Northern Ireland (CCNI) and other stakeholder groups across NI.

We regulate the all-island single electricity market (SEM) which was established in 2007. We work in partnership with the energy regulator for the Republic of Ireland (the Commission for Energy Regulation – CER) as part of the SEM Committee.

Our work sits within a broader European Union (EU) and United Kingdom (UK) context and we liaise closely with other regulators. These include the energy and water regulators for Great Britain (Ofgem, Ofwat and the Water Industry Commission for Scotland (WICS)) and the EU energy regulatory body – the Agency for the Co-operation of Energy Regulators (ACER).

Following changes to the competition rules across the UK we also work with the Competition and Market Authority (CMA) and with other regulators across the UK, through the United Kingdom Competition Network (UKCN). This provides a co-ordinated approach to putting the new competition regime into practice.

We are also active members of the United Kingdom Regulators Network (UKRN). The UKRN includes representatives from economic regulators and is a forum for promoting efficiency and consistency in the UK system of economic regulation.

3. The context for our business plan

In this section we briefly identify the context at the time of developing our business plan.

Key external developments during 2014

Energy

The achievement of full energy market integration remains top of the EU agenda. ACER recently published a paper, called Bridge to 2025, which sets out the vision and objectives for achieving full energy market integration. Along with the CER we are advancing workstreams to deliver the Integrated Single Electricity Market (I-SEM) on the island of Ireland. Complying with EU Directives in respect of market liberalisation (IME3) and Energy Efficiency and Renewables continue to impact on our work.

Electricity Market Reform (EMR) in the UK will also impact on Northern Ireland. One of the main outcomes of EMR will be a new system of renewable subsidies that will replace the Northern Ireland Renewable Obligation (NIRO). Additionally, as part of an Energy Bill, it is intended that NI will introduce a new **Small Scale Feed in Tariff** from 2017 which is likely to be available for generation below 5 MW.

Energy prices and the effectiveness of retail energy markets remain high on both the regulatory and the political agenda in Great Britain. Ofgem referred the energy market in Great Britain to the CMA for a full competition investigation in June this year.

Work programmes being advanced by both the UKRN and UKCN will aim to promote greater consistency and the promotion of best practice by regulators across the UK.

Locally, DETI is also reviewing the cost and benefits of meeting the NI Executive's Strategic Energy Framework target of 40% electricity consumption from renewables by 2020. In March 2014 it was announced that 19% of that target had been achieved. The Enterprise, Trade and Investment Committee launched a third strand of its electricity policy review inquiry with a focus on electricity grid connections.

Developing the natural gas network in Northern Ireland is also key, particularly in respect to bringing Gas to the West.

Separately, there continued to be ongoing concern about the delay in constructing a second north-south electricity interconnector.

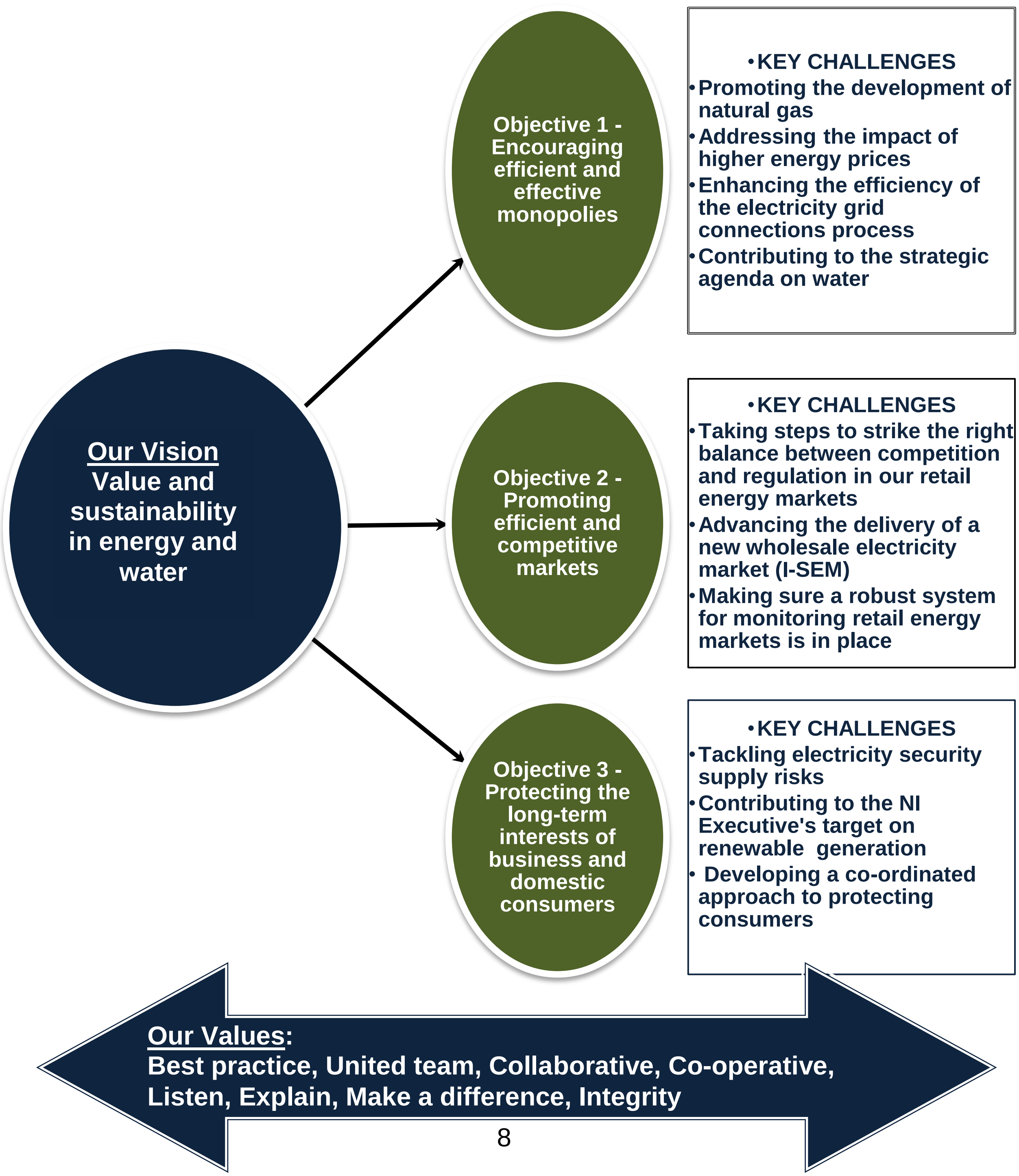
Water

The DRD has launched a consultation in June on a Water Bill. DRD has also recently consulted on the development of a Long Term Water Strategy for Northern Ireland.

Our Corporate Strategy

We published our Corporate Strategy 2014-2019 in May. It contains three objectives. These objectives form the basis for developing our annual plans. The projects in the annual plans are arranged under these objectives and are intended to contribute towards the achievement of the objectives. During 2015-2016 there are also several key challenges which are displayed below in the context of our vision, values and corporate strategy objectives.

Our vision, values, corporate strategy objectives and key challenges 2015-2016



4. Our business plan projects and resourcing

We have set out in our plan the most significant activities that will help us to meet our strategic objectives. Our proposed projects are set out in section 5.

Our flagship Business Plan projects

The projects we identify reflect our assessment of the work that needs to be done during 2015-2016. Some of these projects are major in scope and span more than one business planning year. Several of those that have greater significance (and, in some cases, have commenced during 2014-15):

1. Delivering the I-SEM in line with the project plan.
2. Implementing measures to address electricity security of supply.
3. Completing the implementation of a **retail energy market** monitoring framework.
4. Implementing a domestic Consumer Protection Strategy.
5. Completing the review of competition in the retail energy markets.
6. Extending the gas network to the west of Northern Ireland and to East Down.
7. Carrying out **price control** reviews (eg in respect in gas and electricity networks).
8. Developing an approach for the PC15 mid-term review.
9. Implementing network codes and progress a single gas Transmission System Operator (TSO).

These ‘flagship’ projects are significant because they variously meet legal/regulatory requirements, have a substantial impact on our strategy objectives or require a greater relative allocation of our resources to deliver.

Our routine regulatory activities

While our FWP programme provides a list of the key non-routine projects that we intend to undertake, these are only one part of our overall energy and water regulatory activities. We also undertake a broad range of routine regulatory activities which we term business as usual projects, and some of these areas are outlined below.

In terms of our monopoly regulation a key ongoing part of our work is the regulated electricity and gas tariff reviews which impact on consumer bills. We also ensure compliance with any EU obligations regarding electricity, gas or water infrastructure. Our work to ensure the development of this infrastructure includes approving network code modifications and gas network extensions. The monitoring and cost reporting exercises, in respect of regulated companies, is also a significant ongoing commitment. During 2014-2015 in particular we will be implementing a new and extensive cost reporting regime for the electricity network company, NIE, called Regulatory Instructions and Guidance (RIGs).

A key aspect of our ongoing work in respect of energy markets relates to the wholesale electricity market. This includes the ongoing work programme for the SEM. This ongoing SEM work relates to: market monitoring and modeling, the rules and procedures for the market (the **Trading and Settlement Code)** via the Market Monitoring Unit (MMU), the **capacity payment mechanism** and generator licences. Further information on our SEM work is published at www.allislandproject.org/). We also carry out the ongoing regulation of the market operator, the SEMO, and support the SEM Committee.

The extensive preparations required for the new I-SEM market are also being advanced. These workstreams, which involve a series of stages and actions jointly delivered with CER, relate to: energy trading arrangements, capacity remuneration mechanism, market power, forward markets and liquidity and governance and licensing.

More generally, across our Markets Group, we also monitor the functioning of both the wholesale and retail markets.

Our ongoing work to protect consumers includes the issue and monitoring of licences that allow gas, electricity and water companies to operate in NI. We have also put in place in recent years substantial new Codes of Practice requirements on Suppliers in relation to various elements of consumer protection. Linked to that, we also determine on regulatory appeals, complaints and disputes. This is an area that is expanding with several determinations made to date in 2014 and we foresee that compliance and enforcement matters will continue to be a growing focus for regulation in the coming period. We also manage and provide oversight on the Northern Ireland Renewables Obligation (NIRO) playing a role in supporting the delivery of other renewables subsidy mechanisms.

Given that we work within policy frameworks established by DETI (for energy) and DRD (for water) we also assist these departments by providing regulatory support and carrying out analysis. Additionally, we also support, as required, the Assembly's Regional Development and Enterprise, Trade and Investment committees and frequently provide evidence to meetings of these committees not least given our accountability to the NI Assembly.

As a non-ministerial government department we also are focused on ongoing communications and engagement with industry and the voluntary and statutory sectors (eg in respect of statutory consultation exercises). This engagement also includes regular meetings with these stakeholders and the hosting of ongoing stakeholder fora (e.g. the Renewables Grid Liaison Group and Gas Market Open Group). Finally, we also regularly respond to correspondence and requests for information from individuals and organisations (including statutory requests such as those relating to Freedom of Information).

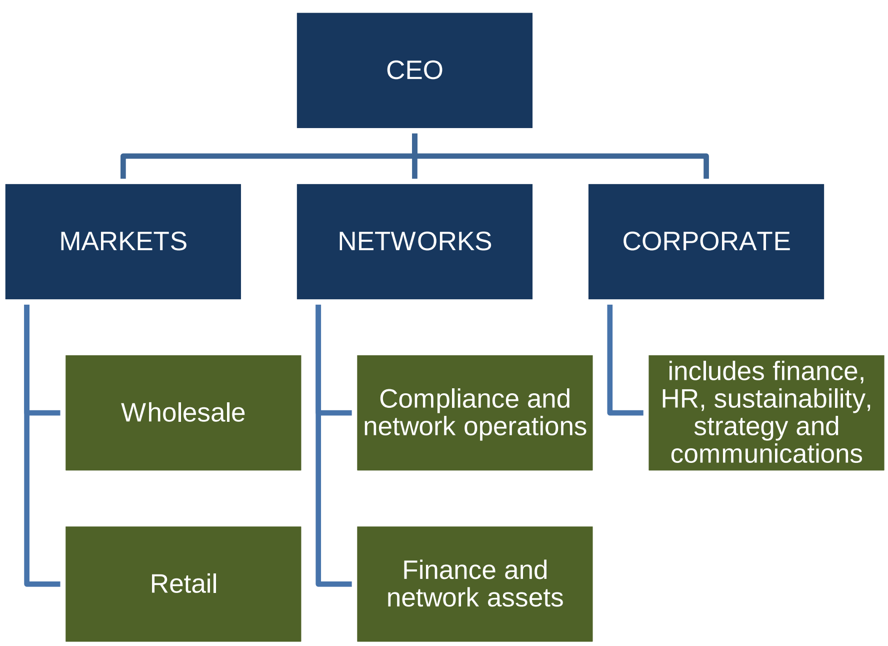
Delivering our business plan: resources

Given the scope and scale of our ongoing business as usual work and the non-routine projects to which we are committing in this Business Plan, and which are listed in section 5, we frequently have to make choices about using our resources. Indeed, Annex 1 identifies several significant workstreams which are important and which we would like to do, but we can only progress these in the 2015-2016 year if resources became available. They remain priorities nonetheless.

We recognise that supporting our staff is critical for delivering the projects and outcomes we have set out in our Corporate Strategy and FWP.

We have also started the development of a new Human Resources Strategy. This is focused on supporting the development of our people, promoting the benefits of working for us and recruiting and retaining high calibre staff.

A new organisational structure was also put in place during 2014 (see below) to help us deliver our corporate strategy, emphasise our cross utility focus and work better with stakeholders. It aligns more closely to our three strategic objectives.



As a non-ministerial government department we adhere to relevant policies, processes and controls. In support of our aim to be a best practice regulator, we will be taking steps to enhance our regulatory processes and our communications with stakeholders.

We have also developed a new communications strategy and plan to draw on involvement with UKRN and UKCN to promote best practice regulation.

We aim to manage our financial resources in an ever more efficient manner. This is important given ongoing public sector spending pressures and constrained budgets.

The 2015-2016 budget will however need to include provision for the additional exceptional costs required to facilitate the design and implementation of the I-SEM (the market is valued at around £2.7 billion). I-SEM costs will impact significantly on resources and our spending plans between now and 2017-2018. The 2015-2016 I-SEM costs are being assessed as part of our budget preparation process. We will finalise the budget over the coming months and the final budget will be included in the final FWP which will be published before the end of March 2015. Our budget has typically been in the region of £7- £8 million per annum in recent years and we will be aiming to keep the final budget for 2015-2016 to around £8 million.

Our focus is on ensuring that we apply our resources efficiently and our business plan will be challenging to resource and deliver. Flagship projects are priority projects for us and we indicatively estimate that they will use around a third of our resources. These projects are legislatively driven and/or major policy priorities and we intend to commit resources and aim to deliver most of the remaining (non-flagship) projects.

Where new priorities emerge in-year we will take steps to ensure that these are met. This may mean deferring or reducing our commitment to, or extending the time allowed for, other projects to enable the new priorities to be addressed. In these situations we will, as far as possible, seek to communicate effectively with external stakeholders.

The Business Plan is based on a complement of around 75 permanent full-time equivalent and several additional temporary staff currently organised across three organisational groupings. In recent years we have focused on developing our staff resources and that has enabled us to constrain the extent of our reliance on external support. The recent organisational restructuring programme will also further enhance our effectiveness.

Almost all of our funding is received through licence fees. Corporate and shared costs (such as finance, HR, accommodation and IT) are included in other costs and are, along with the Chief Executive’s office, recharged across the utilities for the purpose of calculating the fees payable by each utility licensee.

5. List of Business Plan projects

STRATEGY OBJECTIVE 1: ENCOURAGE EFFICIENT AND EFFECTIVE MONOPOLIES

Ref	Project description[1]	Anticipated project outcome/s	Lead Team	Timing[2]
1	Develop and deliver a network implementation plan for Gas to the West and to East Down*	This will put in place a practical delivery plan for the new gas network therefore offering consumers in the west of Northern Ireland and East Down the choice of natural gas.	Networks	Full year
2	Implement **network codes** in compliance with EU legislation and progress a single gas transmission system operator (TSO)*	This will ensure we comply with the EU network code and enhance cross border gas operations and the increased efficiency of the operation of the transmission network.	Networks	Full year
3	Develop and consult on the process for a mid-term review of the water price control (PC15)*	Will provide detailed and transparent arrangements for any mid-term review of PC15.	Networks	Full year
4	Produce proposals for the gas distribution price control (GD17) and consider link to the Gas to West network*	Our proposals will facilitate the further growth of an efficient gas industry.	Networks	Full year
5	Produce proposals for electricity cost reporting and the network price control (RP6)*	This will allow us to put in place RIGs and a robust structure for setting revenue controls.	Networks	Full year
6	Complete the SONI price control review and publish final determination*	Will facilitate the efficient operation of the electricity system operator Licence modifications to give effect to price control (including ring-fencing provisions) in place.	Networks	Q2
7	Review and finalise SEMO price control licence modifications*	Will give effect to price control (including ring-fencing provisions).	Wholesale Markets	Q2

[1] * Signifies projects that are flagships.
[2] In relation to timing when we specify that a project is full year, this means that the duration of the project spans the whole year. Otherwise the projects will complete by the end of the quarter identified

Ref	Project description[1]	Anticipated project outcome/s	Lead Team	Timing[2]
8	Commence the SSE Airtricity, Power NI and firmus Supply* price controls (as a single project)*	Ensures that the company can finance its activities while ensuring costs to consumers are efficient.	Retail Markets	Q3
9	Publish next steps on the **contestability of connections** to electricity networks	This will allow choice in connecting to **networks**, promote a decrease in prices and reduce connection times.	Networks	Q2
10	Work with NIE to deliver a new approach to electricity connections	This will ensure both the protection of consumers and promotion of renewable generation in line with Government targets. It will also enable consideration of NIE's **Project 40** programme.	Networks	Full year
11	Implement new information requirements to monitor NI Water's performance	Assist in monitoring NI Water's performance and decrease the burden on the company by aligning annual information requirements with company and regulatory processes.	Networks	Full year
12	Contribute to the development of sustainable water strategies by DRD	This includes: the Long Term Water Strategy (LTWS), the Water Bill and the Sustainable Urban Drainage Systems (SUDS) and will provide direction on sustainable investment in water and sewerage services.	Networks	Full year

STRATEGY OBJECTIVE 2: PROMOTING EFFICIENT AND COMPETITIVE MARKETS

Ref	Project description	Anticipated project outcome/s	Lead Team	Timing
13	Deliver the I-SEM in line with the overall project plan (see www.allislandproject.org/en/wholesale_overview.aspx)*	Will deliver workstream outcomes relating to: energy trading arrangements, capacity remuneration mechanism, market power, forward markets and liquidity and governance and licensing. Ensures compliance with the **European Target Model** and aim to deliver a more competitive and efficient wholesale electricity market, while protecting security of supply for consumers.	Wholesale Markets	Full year
14	Complete the review of the effectiveness of competition in retail electricity and gas markets and implement required regulatory policy changes*	Will allow us to assess the effectiveness of competition in energy markets and the implications for our regulatory framework.	Retail Markets	Full year
15	Complete the implementation of the retail market monitoring framework (REMM) to monitor retail markets, inform policy and protect consumers*	Ensures that we have sufficient information to effectively monitor and regulate the energy retail markets and protect consumers.	Retail Markets	Full year
16	Identify and undertake required workstreams to allow retail competition in gas distribution areas	Will ensure consumers in the firmus and “gas to the west” market areas can avail of natural gas and a choice of supplier.	Retail Markets	Full year
17	Continue to develop new **ancillary services** to facilitate renewable generation under **DS3** initiative	This will enable an increasing penetration of renewable generation sources required to deliver the NI Executive’s 40% renewable target.	Wholesale Markets	Full year
18	Review the metrics for setting the **Annual Capacity Payment Sum** for effect in 2016	Provides the potential to deliver substantial saving for consumers by reducing the size of the Capacity Payment Sum.	Wholesale Markets	Q2

STRATEGY OBJECTIVE 3: PROTECTING THE LONG-TERM INTERESTS OF BUSINESS AND DOMESTIC CONSUMERS

Ref	Project description	Anticipated project outcome/s	Lead Team	Timing
19	Complete new Consumer Protection Strategy (CPS) and produce implementation plan*	Provides an overarching strategy for delivering projects to protect vulnerable consumers.	Retail Markets	Q2
20	Work with DETI and SONI to implement measures to address electricity security of supply*	This will address the risk to security of supply and monitor delivery of key infrastructure to ensure risk from 2021 is addressed.	Wholesale Markets	Full year
21	Develop and consult on mandatory billing guidance for energy suppliers	Will ensure that billing information is transparent to benefit consumers and will also fully implement the Energy Efficiency Directive. The guidance will also provide clarity for suppliers (ensure consistent licence compliance) and help ensure bills are of a high standard and easily understood.	Retail Markets	Q3
22	Implement new Supply Codes of Practice	The project will deliver transparency and consistency of approach to energy Supplier Codes of Practice to the benefit of customers. Code compliance will be closely monitored.	Retail Markets	Q1
23	Determine and implement UR approach to Supplier Direct debits policy and treatment of "closed accounts"	Will ensure consistency and regulatory control over direct debit formulation and treatment of consumers' closed accounts.	Retail Markets	Q1
24	Work with DETI and DECC to facilitate the implementation of the NI relevant aspects of **Electricity Market Reform**	Implementation of arrangements to facilitate key aspects of EMR in NI.	UR-wide	Full year

25	Implement arrangements to ensure compliance in relation to Energy Efficiency Directive (EED)	Will ensure that licence holders understand and implement the licence modifications developed in response to the EED.	UR-wide	Full year
26	Progress arrangements to close Northern Ireland Sustainable Energy Programme (NISEP) and work with Government Departments in relation to alternative energy saving schemes	Efficient completion of the final year NISEP schemes and contribute effectively to any proposals for other energy efficiency schemes.	Corporate Affairs	Full year
27	Participate effectively in UKRN and UKCN and other regulatory bodies including the Network of European Water Regulators (WAREG) and the Centre on Regulation in Europe (CERRE)	Will allow us to develop and share best practice regulation and approaches to promoting effective competition.	Corporate Affairs	Full year
28	Deliver a new UR website and intranet	New website provides more accessible resource for stakeholders with improved functionality. Improved internal information sharing through enhanced intranet.	Corporate Affairs	Q2

Annex 1: Additional Projects (not in priority order and not in our draft FWP) which we would only start to progress in 2015-2016 if additional resources become available.

Ref	Project name	Anticipated project outcome	Lead team
1	Continue to develop and progress measures to improve the competitiveness of the SEM[3]	Allows us to review a number of areas where there is potential to enhance competition and reduce costs for consumers.	Wholesale Markets
2	Implement and test supplier of last resort (SOLR) arrangements for both electricity and gas	Ensure effective arrangements are in place to protect consumers in the event of a supplier leaving the market.	Retail Markets
3	Review of licence compliance and enforcement	Will ensure licence compliance and implementation of the new UR enforcement policy.	Retail Markets
4	Assist DETI with the development of plans for **smart meters** in Northern Ireland	That any smart metering programme will be cost effective.	Retail Markets and Networks
5	Define and consult on regulatory protections required for small I&C consumers, including review of GB arrangements.	Review regulatory protection arrangements for small industrial and commercial consumers.	Retail Markets
6	Develop Codes of Practice on Energy theft (to include meter tampering)	Ensures that supply and network companies will take steps to detect and deter energy theft.	Retail markets

[3] The vast majority of the work carried out by the Wholesale markets team relates to the all-island Single Electricity Market and its successor, the I-SEM. Further information about this work, delivered jointly with CER, can be found at www.allislandproject.org/ .

7	Electricity GSS/SoP	Update and review coverage of electricity (network and supply) standards of performance.	Retail markets and networks
8	Tariff comparison website/accreditation	Investigate and implement optimum arrangements for regulatory oversight of a new switching/tariff consumer-focused website.	Retail markets
9	Energy consumer education programmes	Deliver key consumer information to improve understanding and engagement in the energy markets.	Retail markets
10	Amend switching practices for domestic customers in debt	Review and improve arrangements for consumers in debt seeking to switch energy supplier.	Retail markets
11	Review of supplier communications to consumers	Review need for regulatory oversight of form and content of key Supplier communications to consumers (eg in relation to debt; disconnection; billing).	Retail markets
12	Energy brokers and their roles in relation to energy suppliers and customers	Investigate and define need for regulatory intervention and control of activities of energy brokers in NI's regulated energy sectors.	Retail markets
13	Review of Conditions and consistency of drafting in energy supplier licences	To update and amend energy supply licences to improve clarity and alignment between gas and electricity.	Retail markets
14	Develop new Electricity Network Codes of Practice	Provides clarity of roles between suppliers and network companies in respect of their services to customers.	Networks
15	Review licence-required supplier deemed contract schemes	Review to ensure all suppliers are operating to licence requirements in this area.	Retail markets
16	Develop new approaches to operational and capital efficiencies for the regulated companies	Ensures that our approach to efficiency is informed by best practice.	Networks
17	Review our approach to gas network connections	Allows us to ensure that our approach to gas network connections is in the consumer interest.	Networks

18	Continue to review arrangements in relation to PPB and GUAs	Ensures that there is ongoing monitoring of the GUAs so that consumers are protected.	Wholesale markets
19	Review regulatory accounts and the impact of new accounting regulations	Will ensure that the regulated utilities take into account the impact of new accounting regulations.	Networks
20	Develop and consult upon minimum standard guidance for suppliers in relation to Code of Practice on the efficient use of electricity/gas	This will be completed following the implementation of licence modifications in respect of the Energy Efficiency Directive (EED). The guidance will benefit customers and suppliers by ensuring consistency of interpretation in relation to the licence condition.	Retail markets
21	Review of standard licence conditions in gas	Will ensure licences are updated for consistency.	Networks

Glossary

Annual capacity payment sum	A pre-determined amount of money collected, via a capacity payment mechanism from suppliers, and is paid to available generation capacity in accordance with market rules.
Ancillary services	Services necessary for the secure operation and restoration of the electricity system.
Capacity payment mechanism	This is a method of remunerating generators for providing their generation capacity to the market.
Codes of practice	Documents that provide information on the standards of a range of services those consumers can expect from energy and water companies.
Contestability of connections	Relates to the opening up the regime for providing all electricity connection offers and constructing all elements of electricity infrastructure in Northern Ireland.
Cost reporting	A process of collecting information from regulated companies to enable us to assess, monitor and benchmark costs.
DS3	Delivering a secure, sustainable electricity system. A project involving both regulatory authorities (the UR and CER) and the Transmission System Operators (TSOs) on the island of Ireland aimed at ensuring continued security of supply and assist in the delivery of renewable targets in respect of electricity. The three main work areas relate to: (1) system performance, (2) system policies and (3) system tools.
Electricity market reform	A UK-government initiative which aims to deliver greener energy and more reliable electricity supply while minimising costs for consumers in the long term.
European target model	This defines a number of market design elements for creating an EU internal energy market.
IME3	This is the two directives and three regulations aimed at liberalizing gas and electricity markets across Europe. It focuses on developing internal markets but also adds new customer protection and information aspects.
Networks	Systems of wires or pipelines that convey electricity, gas or water.

Network codes	Contractual arrangements between the network system operator and network users.
Project 40	NIE programme to ensure that network can meet NI Executive's 40% renewables target.
Price control/s	Price controls are one of the key regulatory tools used to protect consumers. This involves the regulator scrutinising the business plans of monopoly utility companies and determining the revenue required to finance its activities while providing incentives to invest in the business.
Retail energy market	Describes the activities of the electricity and gas supply companies and their interactions with consumers.
Small scale feed in tariffs	Small scale feed-in tariffs are a government programme designed to promote the uptake of a range of small-scale renewable and low-carbon electricity generation technologies. The scheme is available through licensed electricity suppliers. It requires some of them to make tariff payments on both generation and export of renewable and low carbon electricity. Generation and export tariff rates are index-linked which means that they will increase or decrease with inflation.
Smart meters	Is a meter that makes it possible for two-way communication between the electricity, gas or water customer and the supplier. Smart meters can include a number of functions such as allowing the utility company to take a meter reading without visiting the property, providing detailed information about usage, providing tariffs that allow different rates depending on the time of day the electricity is used and so on.
Trading and Settlement Code	Sets out the detailed rules and procedures concerning the sale and purchase of wholesale electricity on the island on Ireland.