

Power NI Woodchester House 50 Newforge Lane Belfast BT9 5NW

www.powerni.co.uk

Barbara Brown Utility Regulator Queens House 14 Queen Street Belfast BT1 6EB

26 February 2024

Dear Barbara,

Draft Forward Work Programme 2024 – 2025

Power NI welcomes the opportunity to respond to the recent draft Forward Work Programme (FWP) published by the Utility Regulator (UR). The FWP is set against another challenging year as we begin to address the impact of climate change and support delivery of net zero targets.

The 2024-2025 FWP is an ambitious programme for work, particularly given the current climate but contains no regulatory shocks and Power NI welcomes the focus placed on consumer service and protection, an area that Power NI are committed to proactively working in.

The 2024-25 FWP contains several strategic important projects which have a direct impact on Power NI:

• Supporting the Just Transition to net zero

Just Transition

Power NI welcomes the UR's commitment to net zero and working closely with the DfE to review policy and regulatory gaps that need to be addressed in order to deliver net zero. New regulatory approaches will be required, and innovation will come from electricity suppliers who have both the relationship with the customer and the inherent ability to offer aggregated routes to market. The immediate difficultly is that in many instances and in Power NI's specific case, the regulatory framework either restricts or prevents solutions being brought forward. Power NI would

encourage the UR to consider the changes Power NI will require to licencing provisions to enable the implementation of projects to support delivery of net zero and to progress changes to ensure policy and regulatory actions align.

• Enabling best in class energy and water companies

Licence Compliance and Reporting Framework

Power NI note the UR plan to design and implement a new licence compliance framework including introducing a new public compliance reporting regime. Whilst Power NI appreciate the need for reporting requirements to ensure licence compliance across all licensees, Power NI would remind that UR that with significant operational requirements that Power NI currently comply with, suppliers already demonstrate compliance of licence conditions and Codes of Practice through REMM and various reporting of consumer protection performance. Given the additional requirements suppliers will be required to implement under the new consumer protection strategy, Power NI would urge the UR to streamline where possible and ensure data requested is of benefit and for a specific purpose.

- Roll out of Smart Metering

Power NI believe that smart metering must be customer and service driven and welcome the UR's intention to focus the roll out with consumers at the core in terms of both consumer protection and cost. From Power NI's experience, other markets who have rushed towards smart metering at a significant cost to the consumer, have been preoccupied with getting data and become entangled in the various regulations surrounding it, rather than putting the consumer at the focus of the solution. Whilst the data element is important, if the consumer is not placed at the centre and engaged along the journey, then all other elements of smart metering become more challenging.

The UR should continue to look to other jurisdictions and lessons learnt when it comes to smart metering to ensure the NI rollout remains consumer focused especially given the specific characteristics of the Northern Ireland market.

• Providing the highest level of consumer service and protection

Consumer Protection Programme (CPP)

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

On non-domestic consumer protection Power NI look forward to working with the UR more in this area. The UR must recognise that whilst appropriate regulatory protection for non-domestic customers is welcome, non-domestic customers have a different level of commerciality than residential customers and therefore should be treated accordingly. Power NI therefore would urge the UR to consider suppliers valuable input into any follow-on work in this area.

Best Practice Framework

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Power NI has provided feedback to the UR on the Best Practice Framework and welcome publication of the finalised framework. Power NI did have concerns within the consultation about the lack of flexibility which appeared to be being given considering Licence Conditions will be implemented to ensure compliance.

As the UR is aware, Power NI is a customer centric supplier and goes to significant lengths to support customers who are in vulnerable circumstances. This is a commitment which is central to Power NI's ethos and culture. Practical support measures are something Power NI have been offering customers for many years, so feel confident in being able to deliver the majority of what the UR ask, however it is however important to highlight again the limitations Power NI has in its ability to help. Often a referral to other organisations is, despite best intentions, the most Power NI as an electricity supplier can do. In that context, Power NI strongly believes it is important to remind the UR that it must be realistic about the expectations as to the support which should, and could be, provided by suppliers and their staff under the Best Practice Framework.

Power NI already complies with the existing regulatory requirement regarding consumer protection and feel that the layering on of existing and potentially contradictory requirements is an example of over regulation when existing requirements already recognise and address the customer need. Implementing such prescriptive requirements, particularly the changes proposed for the Customer Care Register will involve significant effort in resources and cost to fully implement, costs which will ultimately be passed to consumers.

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

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

Yours sincerely

C. MCEVay

Claire McElroy Power NI