

Call for Evidence Response Template

In order to respond to this Call for Evidence, please complete the tables below.

You only need to answer the questions that are most relevant and important to you.

Respondent details	
Company / Organisation	SONI Ltd.
Type of organisation / Sector	Transmission System Operator
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Response to Call for Evidence

Drivers of change

Topic: Drivers of change

Question number: 1

Question: Which of the key drivers outlined present the largest impact for you or your organisation?

Response:

In the context of this review, it is essential to remember that the obligations set out in licence conditions for aggregators, the NI Grid Code and the SEM Trading and Settlement Code mandate service providers that aggregate more than 10MW of distributed generation or demand response to submit their full capability to the TSO for central dispatch. The NI Grid Code requires all generation with a maximum export capacity above 4MW to be controllable by the TSO.

Therefore, all of the drivers listed are relevant to SONI, because they increase the challenges associated with balancing supply & demand of electricity. This is already complex because more than 400MW of uncontrollable small scale generation is connected to the distribution system in Northern Ireland (compared to a minimum demand that is below 500MW).

The signals sent by the revised tariffs should encourage controllability by facilitating aggregators in the wholesale, system services and capacity markets. The connection and scheduling of batteries for energy and system services will also impact on SONI's day to day activities under the NI Grid Code, SEM Trading & Settlement Code and the system services framework.

The charging profile of Electric Vehicles (EVs) will increasingly influence the overall consumption profile and any contribution of that towards peak consumption will increase the volume of capacity that SONI will need to procure through the capacity auctions, increasing costs for all system users.

Topic: Drivers of change	Question number: 2	Question: In addition to the key drivers mentioned (distributed energy resources; increasing popularity of electric vehicles; development of battery technology; the emerging market for energy aggregators; and digitisation and data usage), are there any others that you consider to be a significant factor in affecting future electricity use?
<p>Response:</p> <p>The market signals changed by reform of distribution use of system tariffs have the potential to impact the current and future SEM energy, system service and capacity arrangements, and also influence the needs that Northern Ireland transmission system will have to meet in 2030 and beyond.</p> <p>The tariffs that customers are exposed to are designed to influence their consumption. There are already market signals from various aspects of the SEM that are factors to be cognisant of when proposing changes to the distribution tariffs. This is particularly relevant when analysing the more advanced tariff options such as time of use, dynamic, demand based and hybrid approaches. Considering these will ensure that any impact of distribution tariff reform on associated retail market mechanisms, and therefore consumer behaviours, works in synergy with existing wholesale market signals.</p> <p>Ensuring that any revised charging mechanisms compliment the signals sent by distribution connection charges and tariffs elsewhere in the supply chain will be vital, because any contradiction will create a potential for unintended outcomes. We would therefore encourage the UR to work across its functions to verify the proposals that it brings forward into the next stage of this process.</p> <p>It is therefore essential that the other signals in the market are considered as part of this review. SONI will be happy to provide information about the tariffs and markets that it is responsible for and to support this review in any way.</p>		

Topic: Drivers of change

Question number: 3

Question: Do you consider that economy and efficiency should continue to be key factors in the Utility Regulators role in the transition process?

Response:

The UR already has a broad range of factors that they need to balance when undertaking their duties. These are set out in Article 12 of the Energy Order (Northern Ireland) 2003. Therefore the UR should align their approach with their duties which already include having regard to the need to protect the interests of:

- individuals who are disabled or chronically sick;
- individuals of pensionable age;
- individuals with low incomes; and
- individuals residing in rural areas.”

The authority is also required to carry out their respective electricity functions in the manner which it considers is best calculated—

- to promote the efficient use of electricity and efficiency and economy in the generation, distribution, transmission and supply of electricity;
- to protect the public from dangers arising from the generation, transmission, distribution or supply of electricity;
- to secure a diverse, viable and environmentally sustainable long-term energy supply;
- to promote research into, and the development and use of, new techniques by or on behalf of persons authorised by a licence to generate, supply, distribute or participate in the transmission of electricity; and
- to secure the establishment and maintenance of machinery for promoting the health and safety of persons employed in the generation, transmission, distribution or supply of electricity;
- and shall have regard, in carrying out those functions, to the effect on the environment of activities connected with the generation, transmission, distribution or supply of electricity.”

It is the balance between these (sometimes contradictory) factors that is important and the legislation does not identify any particular factor to be of higher importance than any other. There is also a question around the time horizon that economy and efficiency are considered over.

In order to arrive at the most economic and efficient approaches necessitates looking at the bigger picture in terms of system wide implications and interactions between distribution, transmission, scheduling and dispatch across the full value chain from the wholesale markets through to retail. The achievement of government policy to decarbonise the energy system will also have to be factored in to any decision. This may not always be the least cost from a narrow assessment of the electricity system, but will

contribute to wider sustainability and overall best outcomes for society.

The UR should ensure that it considers the full implications of the options for distribution tariff reform across all of the duties set out in statute, not only economy and efficiency.

Topic: Drivers of change

Question number: 4

Question: Which of the key drivers outlined do you think present the largest impact for Northern Ireland specifically – and why?

Response:

Some of these drivers influence costs and services across the wholesale market and the entire power system and will therefore have a bigger impact than those that only affect the cost of the distribution network itself. Furthermore, some of these are already delivering benefits, e.g. the current participation of aggregators in the capacity, system services and wholesale energy market, while others have potential that is still to be unlocked such as EVs and digitalisation. It is important to remember that with increased consumption the fixed costs of the transmission and distribution system will be shared across a greater base, which should reduce costs for those consumers who do not increase their consumption. Therefore, care should be taken to ensure that the impacts of all drivers are assessed in a way that unlocks the benefits while mitigating against potential pitfalls. In this regard, consideration should be given to the risk that a volumetric tariff could favour those that can afford on site generation, with the network costs being passed on to other customers who are less able to afford it.

Topic: Drivers of change	Question number: 5	Question: How important and valuable do you consider energy aggregators to be?
<p>Response:</p> <p>Aggregators are already playing a very significant role in the electricity market in Northern Ireland. In the SEM they actively participate in the capacity, system services and wholesale electricity markets. Their licences oblige them to participate in the wholesale market and comply with the NI Grid Code. This in turn creates an obligation to provide their capacity to the TSO for central dispatch. The SEM does not permit self-dispatch for units above 10MW, with forward trading limited to financial contracts without any obligation or right associated with physical delivery. The Grid Code specifies that all units >4MW are to be controllable by the TSO.</p> <p>The importance of the products provided by aggregators to system operators will increase in the decarbonised decentralised system in the future. This will be particularly valuable in the balancing and system service markets where SNSP is pushed up to 90% or beyond and traditional thermal plant which would previously have provided these retire and are replaced by intermittent sources. SONI expects to procure increasing amounts of system services from non-traditional thermal generation and demand response aggregators.</p> <p>The incentive provided by aggregation and the associated revenue streams for the participants will assist in minimising the impact of otherwise uncontrollable demand & generation, improving overall system controllability and therefore stability and security, This will benefit all consumers.</p>		
Topic: Drivers of change	Question number: 6	Question: In what ways could the electricity market in Northern Ireland be changed to make better use of energy aggregators?
<p>Response:</p> <p>SONI notes that the CfE paper does not mention the current role of aggregators in the wholesale, capacity and system services markets, therefore the role is substantially understated in the paper. It will be important to include an accurate starting point from which to measure the changes within the consultation paper and SONI will be happy to engage with the UR team to ensure they have the most up to date information.</p> <p>AGUs and DSUs currently participate actively in the SEM and are already contracted to provide system services via the DS3 framework. Any changes will need to be cognisant of the potential impact on SEM. The chosen approach should ensure that delivery signals from the capacity market during periods of tight capacity margins are not diluted and, if possible, that the capability of</p>		

demand response aggregators to contribute to ensuring the efficient delivery of resource adequacy is enhanced.

The provision of additional aggregation will be based on a foundation of data and digitalisation. Improved and potentially more sophisticated incentives will be needed to influence potential participants. Digitalisation will be key to measuring and monitoring demand response aggregation to ensure that payments are only made for services that providers are actually able to deliver. This will require investments by both system operators and the third party aggregators. Technology companies will not only unlock demand side participation, but will also create jobs within Northern Ireland. Developments in this space will need to align with the new Energy Strategy and will need to dovetail into the wholesale market arrangements.

It will be of paramount importance throughout all of these developments, that situations are not created where system stability and security could be compromised.

Topic: Drivers of change

Question number: 7

Question: Do you think that digital technology, which offers customers live information on consumption and bills, is necessary for tariffs to provide adequate pricing signals?

Response:

There are two aspects to consumption data that need to be considered. Any data that will be used for billing and payment must be collected to the standard specified in the metering code, but data that are used to facilitate demand response such as aggregation of smart appliances, home controllers etc. in future to assist with management of intermittent generation.

Therefore the UR should consider the impacts and benefits of decisions made around on digital technology on the broader system and wholesale market arrangements. The importance of digital technology (particularly when it comes to utilisation of demand through aggregation at a residential level) is in the ability to discriminate between the utility from a consumer perspective (e.g. electric shower versus life support system). Without the ability to discriminate from a consumer utility perspective, it is difficult, if not impossible, to realise the potential of demand side management at residential level.

Visibility of consumption and export patterns will become increasingly important for system operators as they seek to ensure the stability and security of the increasingly complex systems without incurring avoidable costs. Investment in the necessary IT systems will be essential and short term cost savings should not be prioritised ahead of the long term opportunities that well designed and integrated systems can provide.

Topic: Drivers of change	Question number: 8	Question: Is there existing technology in NI that could be used enable more efficient transition?
<p>Response:</p> <p>SONI is considering further developments in this sphere as part of its work on "Shaping our Electricity Future", which we will be engaging with the UR on over the coming weeks.</p> <p>In the meantime, we would like to direct the UR to the SONI Smart Grid Dashboard to provide an indication of the type of information that will be available. This can be found here.</p>		
Topic: Drivers of change	Question number: 9	Question: If changes were made to tariffs, should this wait until all customers have access to up-to-date technology that allows the change to have maximum impact?
<p>Response:</p> <p>Any carbon that is not emitted is a benefit and reductions in the carbon intensity of electricity supply should not be delayed unnecessarily. It would be counter to UR objectives set out in Energy Order to defer decarbonisation. Behaviour change takes time and incremental roll out may be more sustainable. Therefore, depending on the changes proposed, there may be merit in rolling these out to homes as soon as possible after the necessary technology is installed to avoid it sitting there not delivering benefits.</p> <p>Some changes may require more of a "big-bang" approach to attract the necessary customer buy-in, so therefore SONI would urge the UR to remain open minded and to review the approach in the context of individual changes being proposed at the next stage in this process.</p>		

Tariff reform options

Topic: Tariff reform options

Question number: 10

Question: Different tariff structures place emphasis on different factors such as cost-reflectivity, managing peak demand, simplicity, reducing price volatility, and providing more information to customers. Which objectives do you think tariffs should be designed to prioritise?

Response:

When considering tariff principles, it's important to remember that some principles often compete with one another, for example tariff arrangements which are perfectly cost reflective would be highly complex and are unlikely to be stable. Therefore SONI would suggest the use of a weighting on these priorities in the review to ensure that the assessment reflects the range of competing factors that are set out in Article 12 of the Energy order.

At present, Use of System charges in Northern Ireland are levied on suppliers, who then choose how to pass these on to their customers through the design of their retail tariff offering. This is an area where suppliers compete to attract customers and the UR will need to balance the need to ensure efficient development of the system with their duty to promote competition in the supply of electricity. One example of how a signal can be diluted is where SONI currently charges all supplies for their use of the transmission system on a seasonal time of use basis that reflects the costs that their aggregate usage pattern creates. However, this signal is not currently passed on to smaller business and domestic customers in a way that they can react to.

The review should consider changes to distribution tariffs in the context of the full impact of peak demand on cost; this should explicitly include the incremental impact on the volume of capacity to be procured, the network build and costs in the wholesale market. Some customers are able to accept and mitigate against price volatility, while those who are unable to respond to price signals will need to be protected in line with the UR's duties.

There is a potential that a one-size fits all approach will be sub-optimal for everybody and sufficient options should be included to allow suppliers to continue to compete against each other via the structure of their tariff offerings.

Topic: Tariff reform options

Question number: 11

Question: With regard to non-discrimination and cost reflectivity, are there deficiencies in the current tariff system which could be remediated?

Response:

At present, small generators exporting onto the distribution system cause flows and trigger investment without contributing through either connection or Use of System charges. Currently more than 400MW of small scale generation is connected, some of which is exporting to the grid. There appears to be distortion where they are able to use the grid without contributing towards the costs they cause.

Connection charges for both demand and generation should also be reviewed to ensure that the charging regimes work together. Use of system is only one part of the whole and it would be contrary to good regulatory practice to consider it on a stand-alone basis. Substantial amounts of new generation will be required to connect to achieve the new targets, and In this context it's important to highlight that connection charges should be designed to ensure that NI remains a competitive place to invest in renewable generation. Without this the DfE green growth objectives will be more difficult to achieve.

It is the capacity required at individual connections that will drive the need for future network investment more than utilisation. Looking towards the future, consideration should be given to ensuring that customers' charges also reflect the peak network capacity relied upon. This is an area where cost reflectivity will decline over the short to medium term and a focus on capacity rather than energy, based tariffs, even for smaller consumers, will help remove this distortion. Allowing smaller households to secure only the capacity they need may also help protect vulnerable customers.

Topic: Tariff reform options	Question number: 12	Question: Do you think there are factors other than price that effectively incentivise consumers to change their behaviour? Which of these (including price) would you expect to be the most powerful incentive?
Response: For some customers price will drive behaviour, but not for all. Behaviour driven by altruism and ethics should not be ignored and information should be provided to those who will voluntarily change their discretionary consumption to times of high renewables to support the wider benefits of society. An education campaign on tariffs, choices and information may be beneficial for all consumers. Northern Ireland is striving to decarbonise its electricity system and any tools that can be used to unlock residential response to help with managing the power system at or above 90% SNSP should be considered.		
Topic: Tariff reform options	Question number: 13	Question: Do you think that tariffs should be more tailored to individuals' energy usage, or be more a reflection of overall demand?
Response: Choice of tariff structure should reflect both the needs of customer groups (price certainty for some/variable for others) and their ability to flex the time and volume of consumption (variable prices for EV households to incentivise off-peak charging/respecting the more fixed consumption profile for homes with less technology). Ideally a tariff structure should encourage the behaviour that allows the most efficient use of the entire network at all times while supporting competition in the supply market. This can leverage opportunities that can reduce overall costs while protecting those who are less able to manage variability. Discretionary use (e.g. timing of EV charging) should be strongly incentivised to off-peak to avoid those customers pushing up prices for everyone through marginal prices in the wholesale and capacity markets. This can be achieved through a range of mechanisms, and are not limited to tariff signals.		

<p>Topic: Tariff reform options</p>	<p>Question number: 14</p>	<p>Question: Because there are fixed costs to using the grid, costs are not exactly proportionate to consumption. Do you think that tariffs should be more reflective of the service that is being provided through the network connection?</p>
<p>Response:</p> <p>Because there are currently no charges for generators using the distribution system, small scale generators spilling on to the distribution system in Northern Ireland currently cause costs that are charged to other users. They benefit from the grid being there through the ability to spill their excess power onto the system and import charges are unlikely to reflect the security of supply that the grid provides.</p> <p>Where these small scale users are aggregated and participating in the various markets, they are also receiving additional income. Therefore it is important that other customer groups, especially vulnerable households, are not subsidising those users who are currently using the network in a way that exceeds the utility that they obtain from it.</p> <p>As stated elsewhere, SONI believes that the tariff structures should be reviewed holistically because it is essential that the signals across the markets are consistent and avoid unintended consequences.</p>		
<p>Topic: Tariff reform options</p>	<p>Question number: 15</p>	<p>Question: To what extent do you think tariff structures should rely on new modern technology and data capabilities?</p>
<p>Response:</p> <p>Any data that is used for billing should be collected from a robust and reliable source, with adequate security from tampering. The standard of data collection and integrity is more important than the specific technologies adopted. The metering code should allow a range of solutions, so long as they meet the high standards required for data that affect the allocation of substantial costs across the entire population.</p> <p>We would also refer you to our answer to Question 7, where we highlight the importance of digital technology (particularly when it comes to utilisation of demand through aggregation at a residential level) is in the ability to discriminate between the utility from a consumer perspective (e.g. electric shower versus life support system). Without the ability to discriminate from a consumer utility perspective, it is difficult, if not impossible, to realise the potential of demand side management at residential level.</p> <p>Visibility of consumption and export patterns will become increasingly important for system operators as they seek to ensure the</p>		

stability and security of the increasingly complex systems without incurring avoidable costs. Investment in the necessary IT systems will be essential and short term cost savings should not be prioritised ahead of the long term opportunities that well designed and integrated systems can provide.

Approaches to managing the transition

Topic: Approaches to managing the transition

Question number: 16

Question: Would you expect tariff reforms to be introduced quickly over a short time period, or to be eased in gradually?

Response:

We refer you to our answer to Question 9:

Any carbon that is not emitted is a benefit and this should not be delayed due to roll-outs. It would be counter to UR objectives set out in Energy Order to defer decarbonisation. Behaviour change takes time and incremental roll out may be more sustainable. Therefore, depending on the changes proposed, there may be merit in rolling these out to homes as soon as possible after the necessary technology is installed to avoid it sitting there not delivering benefits.

Some changes may require more of a "big-bang" approach to attract the necessary customer buy-in, so therefore SONI would urge the UR to remain open minded and to review the approach in the context of individual changes being proposed at the next stage in this process.

Topic: Approaches to managing the transition	Question number: 17	Question: Would you expect tariff reforms to be applied to all consumers, or only certain subgroups or a certain proportion?
<p>Response:</p> <p>The impact and benefit of reforms will be different for each customer group. Some groups (e.g. EV households) can make changes very simply that will benefit all customers (reducing their contribution to the peak) and so could therefore be targeted first.</p> <p>SMEs and households with small scale generation behind the meter can also be identified and ensuring their tariffs reflect the uses and benefits they obtain from the network will also improve the equity of charging for the other users.</p> <p>The journey to net zero is a marathon not a sprint, and the learning from each group can be applied to subsequent areas in a sustainable and incremental manner.</p>		
Topic: Approaches to managing the transition	Question number: 18	Question: Do you have views on whether new tariff structures should be opt-in, opt-out, or mandatory?
<p>Response:</p> <p>This will depend on the options under consideration and SONI is not in a position to comment ahead of the consultation on more defined solutions. In this context, it is important to remember that both SONI and NIE Networks are obliged by Article 12 of the Electricity Order to facilitate competition in the generation and supply of electricity and any opinion we would offer would be in that context.</p> <p>We would also highlight the fact that changes are currently levied on suppliers who then pass them on the way that best suits their commercial strategy. This is a key element of a competitive market in the supply of electricity and the UR will need to assure itself that the approach chosen is consistent with the legal framework in place in Northern Ireland at the time the decision is made.</p>		

<p>Topic: Approaches to managing the transition</p>	<p>Question number: 19</p>	<p>Question: In addition to (i) opt-in / opt-out, (ii) offering a choice from a range, or (iii) gradually phasing in a new system, are there other methods of offering new tariffs to customers that should be considered?</p>
<p>Response:</p> <p>Any options under consideration should be consistent with the legal and licencing framework in Northern Ireland. Changes to either the competitive framework or obligations on the system operators who are levying the charges would need to be carefully considered and consulted upon. Cognisance would also need to be given to the fact that some EU legislation continues to apply to matters related to the wholesale market.</p> <p>Any approach should also ensure that signals created work holistically with all the other components of the final price charged to consumers.</p>		
<p>Topic: Approaches to managing the transition</p>	<p>Question number: 20</p>	<p>Question: Do you think consumers would respond positively, if offered a range of options, or should one type of tariff be used for everyone?</p>
<p>Response:</p> <p>SONI levies its charges on suppliers based on the aggregate volume purchased in the SEM in each half hour. Suppliers then pass this on to their customers in line with their commercial strategy. SONI has no direct involvement with individual consumers. However we are reviewing these matters as they relate to our TSO role within our Shaping Our Electricity Future programme and will be happy to share our learning with the UR as it emerges.</p>		

<p>Topic: Approaches to managing the transition</p>	<p>Question number: 21</p>	<p>Question: Do you have views on whether consumers could modify their behaviour, if the incentive to do so was right? Or are usage patterns largely fixed by factors outside of their control?</p>
<p>Response: SONI has no direct involvement with individual consumers and therefore has no response to provide here.</p>		
<p>Topic: Approaches to managing the transition</p>	<p>Question number: 22</p>	<p>Question: There are a range of options for monitoring the impact of reforms, such as surveys, analysis of complaints, billing questions, and usage monitoring analysis. Which do you think would be most effective?</p>
<p>Response: SONI suggests that a range of solutions should be adopted to ensure that the various impacts across diverse consumer groups are included. Focus on any one method for obtaining feedback might exclude some groups. It is important that robust and reliable feedback is obtained to support the decision making process, tailored to suit the needs of each stakeholder segment.</p>		

Topic: Approaches to managing the transition	Question number: 23	Question: Should consumers be protected from large bill increases caused by the reforms even if this needs to be funded by a cost elsewhere? If so, how long should the protections be in place for?
<p>Response: An improvement in price signals should be made in a way that encourages and enables changes in network usage in response and should work in concert with the other signals within the energy supply chain. If customer groups are not able to respond to a signal then the appropriateness of the signal should be reconsidered. Any funding from elsewhere should be underpinned and supported by policy decisions by the Department for the Economy.</p>		
Customer engagement and market understanding		
Topic: Customer engagement	Question number: 24	Question: How engaged do you think consumers currently are on their energy usage and tariffs? For example, are they more, less, or adequately engaged relative to what would be expected?
<p>Response: SONI has no direct interaction with demand customers connected to the distribution system.</p>		

Topic: Customer engagement	Question number: 25	Question: Would you identify particular demographics as having lower engagement? If so, why is this the case? Is it more due their own unwillingness to engage, or that the market is not very accessible?
Response: SONI has no direct interaction with demand customers connected to the distribution system.		
Topic: Customer engagement	Question number: 26	Question: Do you have views on best method to engage customers more?
Response: SONI has no direct interaction with demand customers connected to the distribution system.		

Topic: Customer engagement	Question number: 27	Question: Should unengaged customers be encouraged to increase their understanding of the market, or can they be trusted to opt-in?
Response: SONI has experience of engaging with stakeholders impacted by transmission network projects. Based on this, we see considerable value in encouraging understanding of the market and the societal drivers for change. Through our engagement strategies we seek to educate and inform key stakeholder groups so that they can make empowered decisions based on fact. From our experience we know that informed and empowered stakeholders are more open to 2-way information flows and collaboration. There will be many aspects of the energy transition that will intersect with these “unengaged” customer groups and it is vital that all of the relevant organisations, including SONI, NIE Networks, the UR and relevant government Departments all work together to increase consumer awareness.		
Topic: Customer engagement	Question number: 28	Question: At what stage in the reform process would it be optimal to engage consumers and (how) should this vary over time?
Response: In SONI’s experience, early, transparent and accessible engagement is vital to ensure that stakeholders and their representatives feel included within the any process, this delivers buy-in and trust. The format of the engagement should be appropriate for the stage within the reform process and that engagement is consistent with transparent decision making. Where stakeholders feedback has been taken on this should be identified at each stage; where feedback has not been taken on an explanation should be given as to why. SONI would be happy to meet with the UR team to share our learning and experiences of similar engagement related to obtaining stakeholder acceptance for new transmission assets.		

Other challenges and risks

Topic: Other challenges and risks

Question number: 29

Question: Are there any unique features of the Northern Ireland electricity distribution market that are particularly important to account for in the transition?

Response:

The volume of small scale uncontrollable generation in proportion to system demand is very high (approx. 400MW of generation below the controllable threshold of 4MW receiving ROCs). The need to ensure system security and stability is vital while also ensuring that the benefits from these sources of renewable generation are maximised.

Topic: Other challenges and risks

Question number: 30

Question: There are a number of examples of tariff reform that have taken place in other countries. Are there specific examples that can be closely compared to the market in Northern Ireland? How important is it that the adopted reform approach is one that has been tried and tested elsewhere?

Response:

While it is often useful to understand the lessons learned from other countries and power systems the solution for Northern Ireland and indeed the SEM will almost certainly have to be a unique one. Northern Ireland and SONI are world leading both in terms of current asynchronous generation volumes on the power system and managing the system at high levels of SNSP. The volume of small scale uncontrollable generation is also proportionally large.

Northern Ireland has limited interconnection and is centrally dispatched so there are not too many examples that we can draw upon for direct comparators and the solution for NI will need to include issues across the entire power system holistically, including those that stem from our wholesale market design.

Any other comments

Please provide any other comments:

SONI is very happy to support this process. Obviously price signals on the distribution network impact flows on the transmission system, behaviours in the wholesale market and quantum of demand to be satisfied. Therefore it is vital that we continue to be involved to ensure that unintended consequences on the transmission system or markets that we operate are avoided.

We have raised many issues related to the wholesale electricity market, the all-island system services market and the capacity market. We would every happy to meet with you and any advisors that may be supporting this process to ensure that the signals work holistically for the benefit of all consumers in Northern Ireland.

We would highlight that the mechanism that would be used to mandate suppliers to pass specified tariff structures on to customers is not considered in this paper. The costs and complexities of changes to billing and market systems have not been considered here either.

The paper also appears to suggest some consideration may be given to locational charges for using the distribution system. We note the UR's obligation to consider the impact of their decisions on rural dwellers and suggest the consultation paper includes a Section 75 assessment given the potential for impacts on protected categories of consumer.

How to respond

Representations may be made on or before 5pm on 16 August 2021. Responses can be sent in writing to or by emailing:

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Our preference is for responses to be submitted by e-mail.

Confidentiality

Please note that we intend to publish all responses unless marked confidential. While respondents may wish to identify some aspects of their responses as confidential, we request that non-confidential versions are also provided, or that the confidential information is provided in a separate annex.

As a public body and non-ministerial government department, the Utility Regulator is required to comply with the Freedom of Information Act ("FOIA"). The effect of FOIA may be that certain recorded information contained in consultation responses is required to be put into the public domain. Hence it is now possible that all responses made to consultations will be discoverable under FOIA, even if respondents ask us to treat responses as confidential. It is therefore important that respondents take account of this. In particular, if asking the Utility Regulator to treat responses as confidential, respondents should specify why they consider the information in question should be treated as such.

The Utility Regulator has published a privacy notice for consumers and stakeholders which sets out the approach to data retention in respect of consultations. This can be found at <https://www.uregni.gov.uk/privacy-notice> or, alternatively, a copy can be obtained by calling 028 9031 1575 or by email at info@uregni.gov.uk.

This paper is available in alternative formats such as audio, Braille etc. If an alternative format is required, please contact the office of the Utility Regulator to request.