**MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE ‘AUTHORITY’) HELD ON THURSDAY, 22 and 23 APRIL 2021 BY VIDEO CONFERENCE AT 9.30 A.M.**

**Present:**

Bill Emery (Chairman), John French (Chief Executive), Alex Wiseman, Teresa Perchard, David de Casseres, Claire Williams

**In attendance:**

SLT – Tanya Hedley, Kevin Shiels, Donald Henry, Roisin McLaughlin, John Mills, Elaine Cassidy, Greg Irwin

Caspar Swales, Alan Craig, Paul Stewart and Paul Harland (agenda item 3), Leigh Greer (agenda item 5), John Cooper and Paul Rodgers (agenda item 6), Roisin Kelly

1. **APOLOGIES FOR ABSENCE**

1.1 The Board convened in advance of the Board Advisory Forum to consider several items.

1. **DECLARATIONS OF INTEREST**
	1. None.
2. **PC21 FINAL DETERMINATION**
	1. John Mills introduced this item which sought the Board’s approval on the overall approach and direction for the NI Water price control review (called PC21). He provided an overview of the process for the price control review and provided an update on developments since the Board’s last discussion on PC21. Other members of the Networks team briefed the Board on the key elements of the price control.
	2. There was a discussion on the proposed consumer metrics and outputs. Board members explored the purpose of metrics proposed and considered the data that was being changed, revised or set aside. The engagement with NI Water on the consumer metrics and data was also discussed.
	3. The Board also reviewed the proposed customer service and water quality outputs. The targets set for several of the outputs was clarified.
	4. Aspects of the proposed Operational Expenditure (Opex) allocation were considered. NI Water’s historic performance in the context of the proposed Opex allowance was discussed. The proposed position on pensions and the scope of PPP arrangements was clarified. The Board also discussed presentation of the proposed operational expenditure allowance in the context of NI Water’s public funding arrangements.
	5. There was a discussion on the proposed capital expenditure allowance. The Board discussion focused on delivery risks to the significant capital programme proposed. Given the potential level of uncertainty, the Board explored the potential to mitigate the delivery risks in the context of the length of the price control period. The purpose and scope of the Medium Term Review was considered and clarified.
	6. The finance and tariffs aspect of the proposed price control determination was also briefly considered. Board members commented on presentational aspects of the proposed tariffs and the impact of certain categories of customers.
	7. At the conclusion of the discussion, the Board approved the approach and direction for the PC21 final determination as presented. It was noted that a final update of the key decisions for the price determination in relation to outputs, levels of funding and price limits would be circulated to the Board for approval on 6 May.

**4. REINFORCEMENT OF GAS SUPPLY TO BUSHMILLS**

* 1. John Mills introduced this item, which related to a proposal for the reinforcement of the gas supply to Bushmills by firmus energy.
	2. The Board discussed the proposal against the wider strategic context and the future of the natural gas network in Northern Ireland. It was recognised that the Department for the Economy’s energy strategy would be significant in determining the future of natural gas in Northern Ireland.
	3. A board member query about the additional development plan, relating to the Benvardin ward, was clarified.
	4. The Board approved the proposal for the extension of the gas network to Bushmills as presented and the associated development plan for Benvardin.

**5. BATTERY STORAGE: NEXT STEPS**

5.1Leigh Greer briefed the Board on the next steps in relation to the regulatory approach to battery storage.

5.2 The Board considered the licensing arrangements, the regulatory approach to battery storage in Great Britain and the issue of charging for battery storage.

5.3 The Board noted the update and endorsed the approach to battery storage charging as outlined in the paper.

**6. NIEN CONSENTS APPLICATION – LAND BANK**

6.1 Roisin McLaughlin introduced this item which was an application from NIE Networks (NIEN) for a direction in respect of lease renewal for the Kilroot foreshore land bank site.

6.2 An extended discussion ensued on the NIEN application, with the Board having to re-convene briefly on the following day (22 January) to conclude its deliberations on this item.

6.3 The Board was briefed on, and clarified and discussed, the legal advice provided. The Board fully explored and considered the options available in respect of the decision on the NIEN application and the consequent current and future implications of each option. In considering the decision-making options, the Board was mindful of the need to protect the interests of consumers.

6.4 A series of board member queries were addressed, predominantly related to leasing arrangements, and further information was provided to the Board in respect of one of the options for a decision.

6.5 At the conclusion of the discussion, the Board agreed that consent be given to NIE under the General Direction (1993) to enter into new leases for the Kilroot foreshore in the general form outlined in the NIE Application.

6.6. The Board briefly discussed and agreed arrangements for the communication of the decision on the NIEN application.

**7 ANY OTHER BUSINESS**

7.1 Colin Broomfield provided an update on the development of a Memorandum of Understanding with the Ofgem and ACER.

7.2 The Board agreed to delegate the signing of the NISEP accedence agreement to relevant Directors and for the Chief Executive to sign the associated Heads of Agreement.

7.3 Tanya Hedley updated the Board on the proposed engineering consultancy requirements and noted that there was no longer a requirement for Board approval for this item.

7.4 The Board confirmed the appointment of Jon Carlton and Ciaran Mac Cann as decision makers on the Smugeldon dispute.

There being no other business, the Board meeting concluded on Friday 23 April at 10.15 a.m.