**MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE ‘BOARD’) HELD ON THURSDAY, 17 FEBRUARY 2022 BY VIDEO CONFERENCE AT 9.30 A.M.**

**Present:**

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

**In attendance:**

SLT - Kevin Shiels, Donald Henry, Tanya Hedley, John Mills, Elaine Cassidy, Greg Irwin

Albert Shaw (agenda item 3), Nicola Parker (agenda item 4), Sean Lyons, Paul

Harland, Alan Craig and Paul Stewart (agenda item 5), Sinead Dynan and Janet Diffin (agenda item 6), Sarah Brady and Patricia Stewart (agenda item 7), Jody O’Boyle and Kenny McPartland (agenda item 8), Jean-Pierre Miura (agenda item 11), Louise Dunlop, Liam Gault.

1. **APOLOGIES FOR ABSENCE**

1.1 None.

1.2 Bill Emery welcomed Liam Gault from the Retail directorate, as part of the initiative to provide the opportunity for a staff member to sit in on board meetings.

1. **DECLARATIONS OF INTEREST**
	1. Alex Wiseman identified a potential interest in respect of the EV Managed Charging trial and voluntarily absented himself from discussion on this item.
2. **MICRO GENERATION**

3.1 Albert Shaw introduced this item, which sought the Board’s approval for a proposal for relating to those micro-generators that generate their own renewable electricity and the assignment of the correct level of units (when they sell units that are not consumed on the premises into the grid).

3.2 Board members clarified aspects of the proposal in respect of consultation responses, the revenue allocated to micro-generators and the profile of those micro-generators impacted. The position regarding previous legal action relating to micro-generation was also clarified.

3.3 The Board approved the implementation of the DR1202 proposal (the requirement for suppliers to be settled in the wholesale market on actual meter reads and removing the ‘deemed’ solution) for the new settlement period coming into effect on 1 October 2022.

1. **ENERGY STRATEGY ACTION PLAN**
	1. Kevin Shiels introduced this item, which provided an overview of the Department for the Economy’s (DfE) energy strategy action plan. Nicola Parker spoke to a presentation which focused on the six energy strategy action plan themes, delivering the actions and the Utility Regulator’s (UR) engagement with DfE.
	2. Board members availed of the opportunity to clarify aspects of the detail. A discussion took place on various issues, including: the future of natural gas in the context of decarbonisation, the delivery of the energy strategy actions and project management arrangements.
	3. There was also a discussion on potential changes to UR’s role and its vires (and the scope and timing of this). The resourcing required to enable UR to deliver on relevant actions was also briefly discussed.
	4. In noting the overview provided, it was agreed that it would be useful to convene a joint session with DfE on the energy strategy action plan.
2. **GD23 DRAFT DETERMINATION**
	1. John Mills introduced this item, which sought the Board’s endorsement of the proposed draft determination for the gas distribution price control, GD23. He outlined the process for getting to this stage and previous Board discussions. An overview was provided on the proposed draft determination, drawing out significant aspects of the price control.
	2. Board members discussed the cost of capital proposal in the draft determination. The assumptions, methodology and comparative aspects of the cost of capital proposal was explored in discussion.
	3. A discussion also took place on the proposals in respect of the future development of the natural gas network. Board members discussed the draft determination in the longer-term context and DE’s energy strategy and decarbonisation.
	4. Board member queries in respect of the capital programme and gas connections were also addressed.
	5. The Board endorsed the approach and decisions on key elements of the draft determination and the level of challenge to the gas distribution network operators’ business plans. It was also noted that any further amendments to the draft determination would be subject to approval by the Chief Executive.
3. **DOMESTIC INSIGHT TRACKER RESULTS**
	1. Sinead Dynan introduced this item which provided an overview of the results of the domestic insight tracker research. Janet Diffin spoke to a presentation which outlined the background to the research, key findings and issues, and next steps.
	2. In discussion, board members touched on topics relating to the research and the impact of price rises, data on satisfaction and trust, and the usefulness of the research for revealing consumer views on short-term and more strategic issues.
	3. At the conclusion of the discussion, the Board welcomed the research findings and the continued usefulness of the work being undertaken in this area to enhance understanding of consumer views.
4. **NISEP UPDATE**
	1. Sarah Brady introduced this paper which provided on update on the Northern Ireland Sustainable Energy Programme (NISEP). She briefed the Board on current issues relating to NISEP in the context of energy efficiency, the programme’s strategic objectives (and the balance between vulnerability and energy efficiency), and sought views on a potential cap on initial bids to the programme.

7.2 In noting the update, the Board endorsed the progress on NISEP, the advice in respect of the programme’s strategic objectives and the cap on initial bids from a single organisation remaining unchanged.

1. **EV MANAGED CHARGING TRIAL**
	1. Kenny McPartland introduced this information item which related to a trial of electric vehicle (EV) managed charging in Northern Ireland.
	2. Board members briefly discussed, and clarified aspects of, the trial and also considered similar EV developments elsewhere.
	3. The Board noted the information provided and also that the Chief Executive would be asked to approve the capital expenditure requested to facilitate the managed trial, under the scheme of delegation.
2. **HEAT REGULATION**
	1. Roisin McLaughlin briefed the Board, by way of a presentation, on proposed legislation to introduce a new regulatory regime for heat networks and the implications for UR.
	2. In noting that the legislation would be UK-wide and the ongoing engagement with DfE on Northern Ireland provisions, the Board endorsed the need for further clarification to address any UR issues
	3. The Board noted the presentation.

**10. UPDATES**

**(a) BREXIT UPDATE**

10.1 Jean-Pierre Miura provided a further update on Brexit issues with a focus on the Trading and Co-operation agreement.

10.2 The Board noted the update.

**(b) SEM UPDATE**

10.3 Jean-Pierre Miura also briefed the Board on SEM issues. He provided a further update on the situation regarding wholesale energy prices.

10.4 The Board noted the update.

**11. MINUTES**

11.1 The minutes of the Board meetings on 16 December and 20 January were approved for publication.

**12. ACTION POINTS**

12.1 The action points were reviewed by the board. Elaine Cassidy indicated that a proposal would be sent to the Board members, in respect of the Aught judicial review, for consideration and approval by correspondence.

**13. REPORT FROM THE EXECUTIVE TEAM**

13.1 John French introduced the Executive team report. He noted the announcement of further energy price increases and also briefed the Board on a recent stakeholder workshop on the Forward Work Programme. Internally, he updated the Board on recruitment process for new analysts and the one-year review of the IiP re-accreditation assessment.

13.2 Directors then identified key highlights from their part of the organisation. Key issues identified included: the outlook for further energy tariff increases, the GT22 price control, and, the recruitment of the panel chair for the SONI price control evaluative framework panel. A query in respect of suppliers exiting the market was addressed.

13.3 Board members commented approvingly on the change to the format and length of the Executive team report.

13.4 Donald Henry provided an overview of revised governance documents for the Board’s approval. The Board approved, subject to amending some typographical errors, the Rules of Procedure, Scheme of Delegation and Interests Statements (both Board and Staff), as presented.

13.5 Elaine Cassidy updated the Board on current litigation and developments.

13.6 Donald Henry provided an overview of the finance and performance report. Progress against FWP projects was noted. He confirmed that the risk register had been updated to reflect the outcome of the Board’s risk discussion in January. The finance and performance report was approved.

**14. ANY OTHER BUSINESS**

14.1 The Board conducted a meeting review focusing on the content of papers and the agenda timing. The changes to the Executive team report were again noted as a positive development. Comments from external attendees on their experience of attending the UR Board meeting were also noted.

There being no other business, the meeting concluded at 1.10 p.m. to enable the Board to meet with external stakeholders.