**MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE ‘AUTHORITY’) HELD ON THURSDAY, 20 JANUARY 2022 BY VIDEO CONFERENCE AT 9.30 A.M.**

**Present:**

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

**In attendance:**

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

Ruairi McCann (agenda item 3), Alan Craig and Aidan Girvan (agenda item 5), Ian Campbell and Martina McKinley (agenda item 6), Louise Dunlop, Paul McNulty.

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. **ISLANDMAGEE STORAGE FACILITY – CONSENT TO CONSTRUCT PROCESS UPDATE**

3.1 Roisin McLaughlin introduced this paper which updated the Board on the Islandmagee gas storage facility and our proposed approach to the framework for processing an application for a consent to construct.

3.2 Board members noted that no such consent has ever been issued by UR, nor has an application for a consent been received by UR. In that context, board members explored the process for dealing with the consent to construct. There was also a discussion around our role - and that of the Board in decision-making - the limits to UR involvement and the management of expectations relating to the process.

3.3 A discussion also took place on the wider strategic impact of the gas storage facility. This included the development of the facility in the context of the Department for the Economy’s energy strategy. The wider significance of the facility for the island of Ireland and in respect of Great Britain was also considered. There was also some discussion on future regulatory oversight of such a facility.

3.4 Board member queries in respect of: consultation on the development of the storage facility, the capacity of the facility, the consent to construct decision criteria and planning issues, were addressed.

3.5 In endorsing the approach outlined in this paper for the gas storage facility consent to construct application it was recognised that this was only one stage in a process. The Board also noted the

intention to consult on changes to the licence fee methodology in relation to storage licence holders.

**4. ACER MoU**

4.1 Colin Broomfield introduced this item seeking the Board’s approval for a Memorandum of Understanding (MoU) between UR and the EU’s energy regulator, ACER, to re-establish access to the REMIT databases. The REMIT databases provide for information exchange on market transactions and investigations between national regulatory authorities and ACER.

4.2 The Board, in noting the step forward on engagement with ACER, were content to approve the MoU as presented.

**5. REPLACEMENT RATES FOR LIBOR**

5.1 Tanya Hedley introduced this item which sought the Board’s endorsement to replace the LIBOR, which is the rate used to calculate interest in some regulated licences, with the Bank of England base rate. Alan Craig provided some further context and detail on the rationale for the proposed change.

5.2 Board members discussed the appropriateness of the proposed change and the wider context for regulation and industry.

5.3 The Board endorsed the proposal to replace LIBOR with the Bank of England base rate in licences issued by UR and the proposal to issue a minded to letter to licensees which will then inform relevant decisions pending licence modifications which will be undertaken as other work is completed.

**6. OUTCOME OF MID YEAR REVIEW OF RISK**

6.1 Donald Henry introduced this item which presented an updated corporate risk register incorporating the outcome of the mid-year review.

6.2 In a wide-ranging discussion board members availed of the opportunity to consider the detail of the corporate risk register. Board members commented on the following: resourcing concerns in respect of the RP7 price control, the energy strategy in terms of UR’s contribution and the inclusion of additional information around the energy prices risk, to draw out actions being taken by UR.

6.3 There was also a consideration as to whether to include new and emerging risks such as around cybersecurity and staff retention and recruitment. There was also a consideration as to whether the joint procurement risk merited inclusion on the corporate risk register.

6.4 The Board endorsed the revised corporate risk register, subject to consideration of board member comments.

**7. CAPACITY MARKET AND TRADING AND SETTLEMENT CODE AUDITOR JOINT**

**PROCUREMENT**

7.1 Colin Broomfield introduced this item which sought the Board’s approval for a business case to secure market auditors on an all-island basis (which is covered by the recently agreed joint procurement agreement with the Commission for the Regulation of Utilities).

7.2 The Board approved the business case as presented.

**8 ANY OTHER BUSINESS**

8.1 None.

There being no other business, the Board meeting concluded at 11.05 a.m. to allow the Board Advisory Forum to proceed.