

MINUTES OF A MEETING OF THE NORTHERN IRELAND, AUTHORITY FOR UTILITY REGULATION (THE 'BOARD') HELD ON THURSDAY 18 JANUARY 2024, VIA VIDEO CONFERENCE, AT 9.00 A.M.

Present:

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

In attendance:

SLT - Peter Russell, Colin Broomfield, Roisin McLaughlin, Elaine Cassidy, Barbara Cantley, John Mills, Brian Mulhern, Ciaran Mac Cann, Marie-Therese Campbell, Jillian Ferris, Barbara Stevenson, Paula McCann, Sarah Teer, Leigh Greer, Greg Irwin

Robert Bannon, Jamie MacDonald.

Ciara Brennan and Clodagh Goodman (agenda items 3 and 4), Owen Kearns (agenda item 6), Fiona Rooney (agenda item 7),

2. APOLOGIES FOR ABSENCE

2.1 The Board convened in advance of the Board Advisory Forum to consider five items.

2.2 Bill Emery welcomed Robert Bannon as part of an ongoing initiative to provide staff members with an opportunity to attend Board meetings.

3. DECLARATIONS OF INTEREST

3.1 None.

4. SONI FORWARD PLAN FINANCIAL INCENTIVE

4.1 John Mills introduced this item which set out a proposed decision on grading, with respect to SONI's Forward Work Plan (FWP) for 2023/2024.

4.2 The Board welcomed the clarity and thoroughness of the assessment that had been provided to grade SONI's performance on the company's Forward Work Plan.

4.3 There was a discussion about the overall grade identified and the presentation of this. Board members suggested that some further explanation on scoring outcomes would be beneficial. The Board also discussed the ambition and leadership aspects of the assessment.

4.4 The Board approved the overall weighted grade for the SONI Forward Work Plan 2023/2024 as recommended by the Evaluative Performance Framework (EPF) Panel and the initial incentive payment calculated in accordance with the EPF guidance. The Board also noted that the final incentive payment will be amended to reflect the evaluation of performance against the plan.

5. SONI SRP26 APPROACH

- 5.1 John Mills introduced this item which provided an outline of the proposed approach to the next SONI price control, or “SONI Review of Prices 2026” (SRP26).
- 5.2 The Board discussed elements of the price control including cost sharing, pensions, and operational expenditure costs (principally IT-related). The need for SONI’s costs to be as efficient as possible was emphasised.
- 5.3 There was also a discussion on the price control approach, in the context of the outcome of the SONI governance review. This review set out a derogation process (under Condition 42 of SONI’s licence) to realise potential synergies and efficiencies from SONI being part of the Eirgrid Group. The Board emphasised that any costs beyond the Condition 42 obligations would have to be met by the shareholder.
- 5.4 Given the relevance of the derogations process, the Board urged that derogation guidance be finalised as soon as possible.
- 5.5 The Board endorsed the publication of the approach document for consultation.

6. REVISION OF UR ENFORCEMENT POLICY APPROACH AND PROCEDURE

- 6.1 Brian Mulhern introduced this item which proposed amendments to the enforcement policy approach and procedure.
- 6.2 The focus of the Board discussion was around jurisdictional aspects of the application of the enforcement policy and procedure. There was also a consideration of process points around implementation.
- 6.3 Queries in respect of responses to the consultation on the proposed amendments to the policy approach and procedure and the drafting of the procedure were addressed.
- 6.4 The Board approved the amendments to the enforcement policy approach and procedure as presented.

7. MODIFICATION OF POWER NI ELECTRICITY SUPPLY LICENCE

- 7.1 John Mills introduced this item which sought the Board’s approval for a modification to Power NI’s electricity supply licence to allow for recovery of costs incurred in the administration of the energy bill support scheme.
- 7.2 The Board discussed the overall cost of the scheme, and it was agreed that a statement of the costs would be provided as part of the next Executive Team report. There was agreement that a review of the impact of, and learnings from, the energy bill support scheme would be beneficial.
- 7.3 The Board approved the modification to the Power NI Electricity Supply Licence as presented.

8. REVIEW OF UR ECONOMIC FRAMEWORK BUSINESS CASE

8.1 Paula McCann introduced this item which sought the Board's approval of a business case for a new economic framework for procuring contractors.

8.2 Board member queries in respect of skills transfer and the distinction made between the energy and water framework were addressed.

8.3 The Board approved the UR economic framework business case as presented.

9. ANY OTHER BUSINESS

There being no other business, the meeting concluded at 11.10 a.m.