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Finance & Network Assets

Queens House,

14 Queen St,

Belfast

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Transmitted Via Email only.

RE: Transmission & Distribution 7th Price Control (RP7)

Dear Alan,

Operating across the Island of Ireland since the year 2000, TLI Group have continued to expand our delivery for NIE Networks across, Renewables, Distribution, Transmission and Substation work programmes working collaboratively throughout the RP6 price control Period. As we approach RP7 which will create a foundation for Northern Ireland's journey to net zero, we wish to outline our support and the industry challenges that we foresee. Moreover, we wish to share our plans to overcome for the delivery challenges of RP7, which ultimately will facilitate a more efficient use of the electricity network for all.

From our initial review of the draft determination, we would observe that there is an unprecedented investment in the electricity network for low carbon technology connections, we would also observe that other drivers for investment are as follows:

- Delivery of the North South Interconnector scheduled to commence later in 2024, a project that we have been awarded a framework position on.
- Upgrade of low-capacity sections of the network, in particular the 11kV Network, we have recently commenced our first design & build scheme in Rathfriland for NIE Networks.
- Additional refurbishment of an aging existing network, we are supporting the refurbishment of all required upgrades across LV, 11kV & 33kV.

As a business, over the last year, TLI Group has doubled resources in response to the increased requirements of RP6. This provides an excellent foundation for TLI Group to build the resources required to meet the challenges of RP7. We are conscious that we need to build long term capacity and develop indigenous resources that facilitate RP7 and subsequent Price Control Periods. Accordingly, we have invested in and implemented the following measures to meet this challenge:

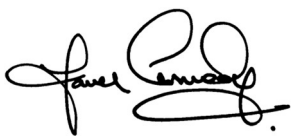
1. **Training Programme** – Since March 2023, TLI Group have been working with NIE Networks in the formation and delivery of a contractor specific training programme to develop new talent and new recruits every year. This initiative will serve to provide long term indigenous sustainable employment. Having delivered two programmes to date, we will be delivering a third by Q2 of this year and will continue to run this yearly to continue to build a future resource pool coming from within Northern Ireland.

2. **International Resource** – Since 2022 TLI Group have been working with international recruitment businesses and have onboarded industry trained overseas staff. These staff have undergone familiarisation training and are now fully integrated and productive within our teams. We have recently just confirmed another recruitment drive in the Philippines, where we will be recruiting further overseas staff to add to our resource pool.
3. **UK & ROI Resource Pool** – In response to the increasing requirements of RP6 and in anticipation of the launch of the RP7 works programme, we are working with known supply chain partners who have been operating in the UK and across Ireland to expand their resources to add to our overall resource pool here in Northern Ireland.

As outlined in the draft determination report, in the past NIE Networks and their associated supply chain has operated in a relatively stable environment with demand/cost forecasting. However, in the past number of years, the impacts of Brexit and the Ukraine War, have inflated costs beyond anything that could have been reasonably predicted. In the current economic environment, we are operating in an industry that has real price effect or inflationary challenges, as demand for skilled resource exceeds inflation allowances due to the industry labour and skills shortages. This necessitates the requirement for investment in training and recruitment of both local and foreign resource as detailed above. We would respectfully request that careful consideration is given to this when determining the final position on RP7.

We see this as a major challenge to the delivery of the required works programmes and are currently envisaging costs to continue to rise for both the recruitment and retention of the resources required for the delivery of RP7. As a business, we are happy to invest and are wholly committed to the delivery of RP7 and the required facilitation of the path to net zero energy in upgrading both the transmission and distribution networks which in turn will provide the required network capacity for all customers in line with National policy.

Yours Faithfully,



James Carmody

Operations Director UK