

**MINUTES OF A MEETING OF THE NORTHERN IRELAND, AUTHORITY FOR UTILITY
REGULATION (THE 'BOARD') HELD ON THURSDAY, 12 DECEMBER 2024 AT QUEENS
HOUSE, AT 9.30 A.M.**

Present:

Rosamund Blomfield-Smith (Chair), John French (Chief Executive), Alex Wiseman, Claire Williams, Jon Carlton, David de Casseres, Isolde Goggin.

In attendance:

SLT - Kevin Shiels, Peter Russell, Colin Broomfield, Barbara Cantley, Elaine Cassidy, Roisin McLaughlin, John Mills, Brian Mulhern, Ciaran Mac Cann, Marie-Therese Campbell, Jillian Ferris, Paula McCann, Sinead Dynan, Barbara Stevenson, Sarah Teer, Jean-Pierre Miura, Sarah Maybin, Greg Irwin.

John Cooper (items 3 and 4), Clodagh Goodman (agenda item 3), Fiona Rooney and John Earwaker (agenda item 4), Jody O'Boyle (agenda items 7 and 10), Mabel Stevenson (agenda item 8), Susan Lavery (agenda item 10), Martina McKinley (agenda item 14).

1. APOLOGIES FOR ABSENCE

- 1.1 None.
- 1.2 Rosamund Blomfield-Smith welcomed Sarah Maybin as part of the ongoing initiative to provide staff members with an opportunity to attend board meetings.

2. DECLARATIONS OF INTEREST

- 2.1 None.

3. TI LIRIC LIMITED ELECTRICITY TRANSMISSION LICENCE

- 3.1 Marie-Therese Campbell introduced this item which sought the Board's approval for the granting of an Electricity Transmission Licence to TI LirIC Limited in respect of their 'LirIC' interconnector project. Clodagh Goodman provided an overview of the process to date, including the recent consultation. An extended discussion ensued.
- 3.2 Board members noted the consultation responses and Board members' clarifications were addressed.
- 3.3 John Cooper provided a legal briefing on the proposed decision.
- 3.4 UR's role and statutory powers in the granting of the licence and the development of the interconnector was explored. The regulatory regime in Great Britain for interconnectors was discussed. Engagement with the Department for the Economy (DfE) and DfE's role was also discussed.

- 3.5 The Board also considered key risks associated with the granting of the licence in respect of the UR approach and any potential legal challenges. Reputational risks associated with the delivery of the interconnector project were also discussed.
- 3.6 The impact of the proposed interconnector on wider energy strategy and policy was also covered in discussion.
- 3.7 Finally, the Board considered the process to date and the next steps. Board member comments and suggestions were noted.
- 3.8 At the conclusion of the discussion, the Board approved the granting of an electricity transmission licence to TI LirIC Limited as presented. The publication of a notice confirming the grant of the associated documents on the UR website was also approved.
- 4. REVIEW OF POWER NI SPC25 PRICE CONTROL OPEX ALLOWANCES AND MARGIN**
- 4.1 Elaine Cassidy introduced this paper which sought the Board's endorsement on a range of proposals relating to the Power NI price control. John Mills and Fiona Rooney provided a detailed overview of the proposals and John Earwaker briefed the Board on financeability aspects.
- 4.2 In discussion, the Board explored the basis for, and the analysis informing, proposals on operational expenditure (opex) allowances. This included consideration of an efficient level of opex for Power NI.
- 4.3 There was also a discussion around the proposed margin in the context of risks faced by Power NI. A further discussion also took place on the overall balance of the price control proposals.
- 4.4 The broader context around UR's regulation of Power NI and the retail market profile and dynamics was also discussed. The potential for challenge in respect of UR's price control proposals was also touched on.
- 4.5 The Board also considered the engagement with Power NI to date and the appropriate levels of communications with the company on the price control review. An update was provided on next steps in the price control review process.
- 4.6 The Board endorsed the proposals in respect of the opex allowances for the full year 2025, and the price control period 2026-2029, and the margin. There was also approval for delegating the approval of the draft price control determination for publication to the chief executive.
- 5. REVIEW OF FIRM ACCESS METHODOLOGY**
- 5.1 Jillian Ferris introduced this item which set out recommendations regarding work on firm access methodology.

- 5.2 The Board noted the wider background and context to the recommendations. Stakeholder commentary on firm access methodology, and comparisons with the situation in other jurisdictions, was also covered in discussion.
- 5.3 The rationale for, and scope of, the proposed work on a review of firm access methodology was explored.
- 5.4 The Board welcomed the work on firm access methodology, and it was agreed that this work should be reflected in UR's draft Forward Work Programme.

6. DRAFT FORWARD WORK PROGRAMME

- 6.1 John French introduced the draft Forward Work Programme (FWP) for the Board's comment. Greg Irwin set out the process for developing the FWP to date, and next steps.
- 6.2 Board members welcomed the overall focus of work outlined in the draft FWP. Several queries around the scope of proposed projects and timings were addressed. The status of some other projects was clarified, and Board members also made a small number of drafting suggestions.
- 6.3 Subject to considering the Board's comments and a final drafting review, the draft FWP was endorsed for publication.

7. ELECTRICITY CONNECTIONS POLICY FRAMEWORK REVIEW UPDATE

- 7.1 Jody O'Boyle briefed the Board on this item which provided an update on the electricity connections policy framework review.
- 7.2 The focus of Board discussion was around the options that DfE were due to consult on. Specifically, the issue of costs and the impact on consumers' bills of the options were discussed. Timing risks associated with the implementation of the preferred option were also considered.
- 7.3 There was also a brief discussion around engagement on the Options consultation and the opportunity to provide a contribution.
- 7.4 The Board noted the update.

8. BEST PRACTICE FRAMEWORK CUSTOMER CARE REGISTERS PROJECT

- 8.1 Barbara Cantley introduced this paper which provided an update on the Best Practice Framework (BPF) Customer Care Register (CCR) project. Mabel Stevenson provided an overview of progress to date.

8.2 In welcoming the progress made, the Board briefly discussed timelines for implementation of the CCRs and reporting updates. The question of the costs relating to the CCRs was touched on. Progress across each of the three utility areas was considered.

8.3 The Board noted the update.

9. ELECTRICITY TRANSMISSION CLUSTER POLICY

9.1 Jody O'Boyle introduced this item which updated the Board on proposals by SONI about anticipatory investment for new transmission infrastructure.

9.2 There was a brief discussion around the type of anticipatory investment required under the proposals set out by SONI. A discussion also took place on the proposed approach to costs associated with the construction of new clusters and the mitigations in that regard.

9.3 The Board noted the update.

10. EQUALITY, DIVERSITY AND INCLUSION

10.1 Kevin Shiels introduced this paper that provided an update on UR's Equality, Diversity and Inclusion (EDI) agenda linked to the Diversity Mark accreditation and related workstreams. Susan Lavery provided an overview of key aspects of the paper.

10.2 The Board discussed the scope of the work outlined in the paper and the outcomes being pursued. Board members emphasised the importance of the EDI agenda being as inclusive as possible and making a positive impact in the workplace.

10.3 In noting the update, and Board members' comments, it was agreed that the EDI paper would be discussed by the Remuneration Committee at a future meeting.

11. MINUTES

11.1 The minutes of the Board meetings on 16 October 2024 and 14 November 2024 were approved for publication.

12. ACTION POINTS

12.1 The action points were reviewed by the Board.

13. OFFICE REPORT

13.1 John French introduced the Office report. He drew the Board's attention to the recent SEM litigation, the Northern Ireland Assembly and the Democratic Consent mechanism, engagement on the PC21 price control, UR's move to new office accommodation and the staff away day.

13.2 Paula McCann also provided an overview on updates to the Corporate Risk Register following the Board's risk workshop in October.

14. FINANCE SUMMARY

- 14.1 Martina McKinley provided an overview of the Finance summary.
- 14.2 Board member queries in respect of provision made for SEMC litigation costs and the NI Renewable Obligation were addressed.
- 14.3 The Board approved the financial position to 31 August 2024.

15. UPDATES

- 15.1 Colin Broomfield reported on the Single Electricity Market. Along with Elaine Cassidy he provided an extensive update on the current situation regarding the T-4 capacity auction litigation. The Board noted that this litigation had placed considerable demands on UR staff. In that regard, John French updated the Board on plans to enhance resourcing for SEM-related work. Board member queries around process and timing issues were addressed.
- 15.2 An update was also provided on security of supply in the context of Storm Darragh. The Board noted the update.
- 15.3 There was no further update on litigation issues.
- 15.4 Barbara Cantley introduced a Compliance and Enforcement update. Barbara Stevenson provided an overview of the types of compliance and enforcement issues being addressed by the team. The Board noted the update.
- 15.5 Alex Wiseman provided a report on the most recent Audit and Risk Committee meeting, noting key issues around UR vires, the SEM and finance, the internal audit programme and lessons learned work.
- 15.6 Jon Carlton provided a report on the most recent Remuneration Committee meeting, noting the focus on restructuring and recruitment process, the induction process and performance management and the resourcing request in relation to SEM-related work.

16. ANY OTHER BUSINESS

- 16.1 John Mills briefed the Board on proposals to acquire land rights for new transmission projects. It was agreed that updated information on this issue would be provided to the Board via correspondence to enable the Board to confirm its position on the approach to acquiring land rights for new transmission projects.
- 16.2 A review of the meeting took place with all those at the meeting provided with an opportunity to comment on the conduct of the meeting. The extent of the issues covered during the meeting was commented on.

There being no other business, the meeting concluded at 15.10 p.m.