

**MINUTES OF A MEETING OF THE NORTHERN IRELAND, AUTHORITY FOR UTILITY
REGULATION (THE 'BOARD') HELD ON THURSDAY, 20 MARCH 2025 IN DERRY-
LONDONDERRY, AT 8.30 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, Brian Mulhern, Roisin McLaughlin, John Mills, Ciaran Mac Cann, Paula McCann, Barbara Stevenson, Sarah Teer, Claire McMahon, Greg Irwin.

Alan Craig/Luke Matchett (items 3), Ruairi McCann (item 4), Caroline Winder (agenda item 5), Leanda Thompson/ Terry McMonigle (items 8 and 15), Naomi Lusty (agenda item 11).

1. APOLOGIES FOR ABSENCE

- 1.1 None.
- 1.2 Rosamund Blomfield-Smith welcomed Claire McMahon 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. ALLOWANCE FOR SYDENHAM 110/33KV SUBSTATION

- 3.1 John Mills introduced this item relating to a request by NIE Networks for approval of additional capital expenditure (capex) under the price control D5 mechanism to build, and energise, a new 110/33kV substation in the Belfast Harbour Estate. Alan Craig provided further information on the request.
- 3.2 Board member queries relating to the allocation amount, the process and timing for agreeing the additional capex allowance and the contingency provision were all addressed.
- 3.3 The Board approved the additional allowed capex as presented and the delegation to the CEO to sign-off any amendments to the final amount after a draft decision is sent to NIE Networks and consideration of any final comments.

4. OPTIONS FOR THE TREATMENT OF UR'S STATEMENT OF REGULATORY PRINCIPLES AND INTENT

- 4.1 Elaine Cassidy introduced this item which presented the Board with a recommendation on the treatment of the existing NI Water Statement of Regulatory Principles and Intent (SORPI).

- 4.2 The Board discussed the timing associated with the making of the recommendation and the likely position of other utility companies affected by a similar requirement. The broader context relating to NI Water was also briefly covered.
- 4.3 Board members also commented on the proposed public statement to reflect the decision on SORPI.
- 4.4 The Board approved the proposal to rescind the existing SORPI, remove it from the website, and publish an updated policy position statement in its place.
- 5. SEM TRADING AND SETTLEMENT CODE MARKET AUDITOR AND CAPACITY MARKET AUDITOR**
- 5.1 Colin Broomfield briefed the Board on the business case relating to a request for tender, to be issued for the Commission for the Regulation of Utilities (CRU) (on behalf of both UR and CRU) for a Single Electricity Market trading and settlement code market auditor for a three-year period and a capacity market auditor for a three-year period.
- 5.2 A Board member query in respect of the market for this type of service was addressed.
- 5.3 The Board approved the business case and approach as presented.
- 6. CADENT EMERGENCY CALL CENTRE CONTRACT COSTS**
- 6.1 Elaine Cassidy introduced this item, relating to the Cadent emergency call centre contract costs, and provided an update on this item following the Board's previous discussion. The Board noted further commentary from key stakeholders on the call centre since the Board's previous discussion.
- 6.2 An extended Board discussion explored the risks related to the emergency call centre service and the options for replacing Cadent as the call centre provider.
- 6.3 There was also a significant discussion around the additional costs being sought for the service and how this might be funded. In that context the rationale for some potential additional costs being borne by consumers was tested in discussion.
- 6.4 The Board in recognising the risks associated with ensuring that there was an emergency call centre endorsed the position that, on an exceptional basis, Phoenix Energy can recover the additional costs as presented for the Emergency Call Centre.
- 7. FORWARD WORK PROGRAMME 2025/2026**
- 7.1 John French introduced this item which sought the Board's approval for the Forward Work Programme (FWP) 2025/2026. Greg Irwin provided an overview of consultation responses and changes to the final FWP, in that context.

- 7.2 Board members noted, and commented briefly on, consultation responses on the draft FWP and the intention to provide feedback directly to consultees.
- 7.3 There was a brief discussion around key messages in the published document, particularly relating to key developments since the launch of the consultation on the draft FWP.
- 7.4 The Board approved the final draft of the FWP as presented, subject to consideration of Board member comments, and a final drafting review by the Executive team before publication.
- 8. BUDGET 2025/2026**
- 8.1 Leanda Thompson introduced, and briefed the Board on key elements of, the proposed UR budget for 2025/2026.
- 8.2 Board members sought further information in respect of UR's operating costs, potential litigation costs and the mechanism for reviewing in-year budgetary pressures and easements.
- 8.3 The Board approved the Budget for 2025/2026 as presented.
- 9. RENEWABLE ENERGY SUPPORT SCHEME**
- 9.1 Brian Mulhern introduced this briefing on developments in relation to a Renewable Energy Support Scheme (RESS) for Northern Ireland to support the 80% renewable target by 2030.
- 9.2 Rosamund Blomfield-Smith briefed the Board on her recent meeting with the Minister for the Economy which included a discussion on RESS. Board members discussed ongoing engagement with the Minister's officials and UR's roles relating to RESS.
- 9.3 The Board noted the update and supported the positive engagement approach with DfE on RESS.
- 10. RESPONSE TO SPC25 PRICE CONTROL DRAFT DETERMINATION**
- 10.1 John Mills introduced this update on the Power NI price control. Following the Power NI's response to the draft determination he provided a summary of the key issues raised by the company.
- 10.2 The Board discussed the margin proposal as outlined in the draft determination. In the context of Power NI's response on the margin proposal, the Board explored the approach for basing price control proposals – from a standalone company operating in a competitive environment as opposed to an approach which considers the individual circumstances of the regulated company.
- 10.3 The Board also considered the parent company guarantee element of the price control proposals and discussed the justification, and any precedent, for this provision.

- 10.4 In the context of Power NI's response to the draft determination, the Board considered the potential for challenge to the final regulatory determination.
- 10.5 In a discussion on next steps the Board considered the timetable for the conclusion of the price control review and sought further information on the issues raised in discussion. It was agreed that a further update would be provided at the April Board meeting. The Board also agreed that the final price control decision could be circulated to Board members for decision via correspondence.
- 10.6 The Board noted the key issues raised in Power NI's response to the draft determination and the approach and timelines for the development of the final determination.

11. NATIONAL RESOURCE ADEQUACY ASSESSMENT

- 11.1 Naomi Lusty provided a presentation which provided a high-level overview of the approved and published National Resource Adequacy Assessment (NRAA).
- 11.2 The Board commented on the scenarios underpinning the adequacy position. The position on demand projections was also touched on. There was also a query regarding how the NRAA informs the planning of SEM capacity auctions. Queries on the timing of, and confidence limits around the data were also addressed.
- 11.3 The Board welcomed the presentation and noted the update provided.

12. MINUTES

- 12.1 The minutes of the Board meeting on 20 February 2025 were approved for publication.

13. ACTION POINTS

- 13.1 The action points were reviewed by the Board and an update on the outstanding action was provided.

14. OFFICE REPORT

- 14.1 John French introduced the Office report. He briefed the Board on ongoing Storm Eowyn developments, and the Board discussed this issue. He also drew the Board's attention to tariff reviews and security of supply issues. The Board also noted that the lease on new office accommodation had been signed.
- 14.2 Board members also considered a further update on developments relating to the implementation of the SONI governance review.
- 14.3 Alex Wiseman noted the proposed changes to the Audit and Risk Committee's Terms of Reference, and the changes were approved by the Board.

14.4 Elaine Cassidy briefed the Board on changes to the UR's GDPR notice, and this was approved by the Board.

15. FINANCE REPORT SUMMARY

15.1 Leanda Thompson provided an overview of the latest financial position.

15.2 The Board approved the finance report summary.

16. CORPORATE RISK REGISTER

16.1 Paula McCann introduced this item which presented the corporate risk register as at end of February.

16.2 The Board discussed developments in respect of a specific risk and its assessment.

16.3 There was also a brief discussion around the ongoing review of risks as a basis for promoting (and demoting) risks from the corporate risk register.

16.4 The Board considered, and approved, the corporate risk register (February 2025) as presented.

17. UPDATES

17.1 Colin Broomfield reported on the Single Electricity Market. He provided an update on ongoing litigation and potential litigation. The Board noted the update.

17.2 An update was also provided on security of supply, and there was a brief discussion on run hour limits restrictions at Kilroot power station. The Board noted the update.

17.3 The litigation update was noted by the Board.

17.4 Barbara Stevenson provided an overview of the Compliance and Enforcement update. She noted the statement of licence compliance process and the positive response to this from licensees so far. The Board noted the update.

17.5 Correspondence to UR was noted.

18. ANY OTHER BUSINESS

18.1 Board members were reminded of year end declarations.

18.2 The efforts being taken to reduce the length of Board papers was acknowledged. It was agreed that most of the time taken at the meeting were on those issues that needed extended Board discussion.

18.3 Claire McMahon provided some feedback on her attendance at the Board meeting.

There being no other business, the meeting concluded at 12.40 p.m.