MINUTES OF A MEETING OF THE NORTHERN IRELAND, AUTHORITY FOR UTILITY REGULATION (THE 'BOARD') HELD ON THURSDAY, 22 MAY 2025 IN QUEENS HOUSE, BELFAST, AT 09.00 A.M.

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

In attendance:
Kevin Shiels, Peter Russell, Barbara Cantley, Elaine Cassidy, Brian Mulhern, Roisin McLaughlin, John Mills, Ciaran Mac Cann, Paula McCann, Barbara Stevenson, Sarah Teer, Leigh Greer, Marie-Therese Campbell, Jean-Pierre Miura, Michelle Flanagan, Greg Irwin.

Fiona Rooney (item 3), Ciara Brennan (items 4), Fiona Gallen/ Angela Gracey-Roper/ John Cooper (item 5), Ciaran McSherry/ Ciaran Kerr/ Daniel Barnes (agenda item 7), Aidan Thornbury (agenda item 9), Colin Magee/Mabel Stevenson (agenda item 10), Martina McKinley (agenda item 17).

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1. APOLOGIES FOR ABSENCE

1.1 None.

1.2 Rosamund Blomfield-Smith welcomed Michelle Flanagan 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. NIE NETWORKS 2025/26 TARIFFS

3.1 Elaine Cassidy introduced this item relating to NIE Networks' charges for 2025/2026. John Mills provided more information on the proposed approach to the charges for 2025/2026.

3.2 The Board considered the merits of different approaches to charges in the context of NIEN's forecast of the combined transmission and maximum regulated revenue. There was also consideration of tariff volatility more generally and the opportunity for the Board to consider this issue at a future meeting.

3.3 The Board approved the recommendation to implement a reduction in NIE Networks charges in 2025/26.

4. SONI REVIEW OF PRICES (SRP20): TWO YEAR EXTENSION ALLOWANCES

4.1 John Mills introduced this item relating to proposed licence modification to give effect to a delay to the start of the next price control.

4.2 The Board approved the proposed licence modifications which delay the start of the next SONI price control by two years, determine allowances for the extension years, and other licence modifications.

5. NORTHERN IRELAND SUSTAINABLE ENERGY PROGRAMME (NISEP) - BUSINESS CASE FOR PROGRAMME ADMINISTRATION

5.1 Brian Mulhern introduced this item relating to a business case proposal for the administration of the Northern Ireland Sustainable Energy programme (NISEP). Roisin McLaughlin provided further context and background on NISEP.

5.2 The Board explored the rationale for existing arrangements for administering NISEP and the procurement of the programme administrator. Board members clarified the reasons for the proposal relating to the administration of NISEP being presented now. There was a discussion on a few areas where the business case could be strengthened, including benchmarking programme administration costs.

5.3 There was a consideration of the short-term decision on the programme administration versus the longer-term future of NISEP. The question of public communications on NISEP was also touched on.

5.4 The Board asked that the business case be strengthened as discussed, and provided delegated authority for the CEO to approve any further changes as required to the business case prior to submission to the Central Procurement Directorate.

6. DRAFT ANNUAL REPORT AND ACCOUNTS 2024-25

6.1 Paula McCann introduced this item which presented a draft of the Utility Regulator's Annual Report and Accounts 2024-25 and outlined the process and next steps in finalising the document.

6.2 Alex Wiseman noted that the Audit and Risk Committee (ARC) had reviewed the draft annual report and accounts on the day prior to the Board meeting and provided an overview of the comments made by ARC members.

6.3 Board members made some comments on the drafting of the report and accounts, including on the styling of the document, commentary on organisational performance, the recording of Board attendance information and declarations of interest and cash balance information.

6.4 The Board endorsed the draft annual report and accounts as presented, subject to consideration of Board member comments. There was also endorsement of the delegation, to the Chief Executive, to sign the annual report and accounts subject to no material issues or adjustments being identified.

7. CALL FOR INFORMATION ON THE FUTURE OF GAS DISTRIBUTION AND TRANSMISSION PRICE CONTROLS

7.1 Elaine Cassidy introduced this item on a call for information on a range of strategic issues affecting future gas network price controls: GT27 for gas transmission and GD29 for gas distribution. Ciaran Mac Cann briefed the Board on key issues in the proposed call for information.

7.2 The Board discussed the broader strategic and policy context for the gas network in Northern Ireland. Engagement with the Department for the Economy (DfE) on key strategic issues relating to gas was touched on. Developments in other jurisdictions regarding natural gas were also noted.

7.3 In noting the wider decarbonisation context, the Board discussed potential alternatives to natural gas. The benefits and costs of moving to less carbon intensive fuels for consumers were discussed. The opportunity for the consumer voice to be part of the discussion on the future of gas was also identified.

7.4 In welcoming the document, the Board endorsed the publication of the call for evidence, and some drafting comments were also suggested for consideration.

8. NI WATER PC28 PRICE CONTROL APPROACH

8.1 Elaine Cassidy and Ciaran Mac Cann introduced this item and provided an overview of this paper which set out the latest thinking on the development of the PC28 NI Water price control.

8.2 The Board discussed key messages in the paper relating to aspirations for NI Water performance versus that of comparators, and how to measure the company's performance.

8.3 The active engagement of the NI Water's Board in key aspects of the price control process, specifically in respect of oversight and endorsement of the company's business plan, was discussed.

8.4 Wider considerations around the setting of the price control determination, the funding of NI Water and the broad stakeholder environment were also considered. The Board was briefed on feedback from recent stakeholder meetings relating to NI Water.

8.5 At the conclusion of the discussion the Board endorsed the 'direction of travel' on the PC28 price control approach as presented.

9. SMART METERS – PROCUREMENT OF A PROGRAMME MANAGEMENT OFFICE (PMO)

9.1 Brian Mulhern and Jillian Ferris introduce this information item which outlined proposals to procure a programme management office to support the smart meter rollout in Northern Ireland while Aidan Thornbury provided further detail.

9.2 Board members discussed several aspects of the paper, including: the scope of the work to be carried out by the PMO, UR's role and appropriate governance and management arrangements of the PMO, experience and learning from smart meter programmes in other jurisdictions, and engagement with DfE on the smart meter programme. The Board specified that any extension to the membership of the Oversight Group beyond DfE and UR must be agreed by Board.

9.3 In noting the proposal to procure external PMO support, the Board requested regular updates on the progress of the smart meter programme and discussed the possibility of convening a sub-group in due course.

10. REVIEW OF CONSUMER ENERGY CHARTERS FOR WINTER 2024/2025

10.1 Barbara Cantley introduced this item which provided an overview of feedback from suppliers on the consumer energy charters for winter 2024/25. Mabel Stevenson and Colin Magee provided further detail on the feedback on the energy charters.

10.2 There was a discussion on engagement with consumers and the opportunities to engage consumers on the supports and protections provided by the energy charters. A specific query on support to housing associations was addressed.

10.3 Opportunities to further raise the profile of the energy charters and the public communication around the charters was also briefly covered.

10.4 The Board noted the summary of feedback from the consumer energy charters for winter 2024/2025.

11. FORWARD LOOK 2025/2026

11.1 Greg Irwin introduced this item which provided an opportunity for the Board to discuss its forward agenda.

11.2 In discussion, Board members identified a range of possible future Board agenda items.

11.3 There was a broader consideration around the need to manage the time available to deal with busy Board meeting agenda items while also providing focused time for the Board to consider more strategic items. There was also some commentary about the length of some Board papers.

11.4 In noting the discussion, it was agreed, as a practical step, that a Board session should be organised to consider more strategic items, as soon as possible.

12. MINUTES

12.1 The minutes of the Board meeting on 10 April 2025 were approved for publication.

13. ACTION POINTS

13.1 The action points were reviewed by the Board.

14. OFFICE REPORT

14.1 John French introduced the Office report. He briefed the Board on compliance and enforcement work, the Carbon Border Adjustment Mechanism, a recent UK Regulator's Network event, the office accommodation move, UR re-branding and the Best Companies survey.

14.2 Board member queries on generation procurement and cybersecurity were addressed.

14.3 The Board was also apprised of developments in relation to the Power NI and SEMO price controls.

14.4 Alex Wiseman provided an overview of the Annual Report of the Audit and Risk Committee. The Board approved the Annual Report of the Audit and Risk Committee.

14.5 Jon Carlton provided an overview of the Annual Report of the Remuneration Committee. The Board approved the Annual Report of the Remuneration Committee.

15. FINANCE REPORT SUMMARY

15.1 Paula McCann provided an overview of the latest financial position, noting key movements in expenditure.

15.2 The Board approved the finance report summary.

16. CORPORATE RISK REGISTER

16.1 Paula McCann introduced this item which presented the opening corporate risk register for 2025/2026. She noted that the register had also been reviewed at the ARC meeting on the previous day.

16.2 The Board commented on developments in relation to several risks, and the associated assessment of these risks.

16.3 The Board considered, and approved, the opening corporate risk register for 2025/2026 as presented.

17. UPDATES

17.1 Jean-Pierre Miura reported on the Single Electricity Market. He provided an update on capacity auctions, market enforcement activity and wholesale market prices. The Board noted the update.

17.2 Martina McKinley provided an update on security of supply noting developments including those relating to Ballylumford, annual run hours limitations at Kilroot, the National

Resource Adequacy Assessment methodology and the recent electricity outages in Spain and Portugal. The Board noted the update.

17.3 Elaine Cassidy provided a litigation update. A Board member query on timing considerations of ongoing litigation was addressed. The Board noted the update.

17.4 Barbara Stevenson introduced the Compliance and Enforcement update, noting the latest position on the statement of licence compliance. The Board noted the update.

17.5 There was no correspondence to UR for noting.

18. ANY OTHER BUSINESS

18.1 Michelle Flanagan provided some feedback on her attendance at the Board meeting.

There being no other business, the meeting concluded at 13.15 p.m.