

NIE NETWORKS' RESPONSE TO CONSULTATION ON A NEW ELECTRICITY RETAIL MARKET PROCEDURE -MARKET CHANGE REQUEST 5005

July 2025

ABOUT NIE NETWORKS

NIE Networks is responsible for the safe, secure and reliable supply of electricity to 966,000 homes, farms and businesses across Northern Ireland.

With 1600 employees the company contributes approximately £200m to the Northern Ireland economy each year. NIE Networks maintains and develops the electricity infrastructure and connects thousands of properties to the electricity network each year. The company plays a vital role in enabling Northern Ireland to meet its Climate Change Act targets by facilitating decarbonisation and connecting renewable generation.

NIE Networks owns and operates the electricity network, consisting of approximately 2,300km of transmission network and 58,800km of distribution network.

It is a regulated company, owned by ESB but operating as an independent organisation with its own Board and management teams and separate regulation via the Utility Regulator for Northern Ireland.

NIE Networks does not supply electricity rather it installs electricity meters and provides metering data to Suppliers and market operators. Customers receive their electricity bill from their chosen electricity Supplier of which there are currently seven operating in Northern Ireland.

INTRODUCTION

NIE Networks submitted an Impact Assessment via the Central Design Authority (CDA) Board, alongside electricity Supplier submissions. NIE Networks agree with the proposal outlined in Market Change Request (MCR) 5005 to create new market procedure MP NI 40.

NIE Networks welcomes the opportunity to respond to the UR's consultation on MCR 5005. As the electricity distribution network operator for Northern Ireland, NIE Networks is responsible for delivering electricity to consumers' premises using the distribution system. We operate within the framework of the Market Registration Code (MRC) and collaborate closely with electricity Suppliers.

We recognise the importance of the NI Retail Market Procedures, which are in place to ensure the smooth operation of the electricity retail market in Northern Ireland and understand that these Market Procedures will require, (from time to time) amendments and/or updates to reflect changes through innovation or changes in market behaviour (amongst other attributes), within the electricity retail market.

MCR 5005

NIE Networks agree with the proposal outlined in MCR 5005 and the proposed creation of a new market procedure (MP NI 40). NIE Networks understand that this MCR has been raised due to the announcement made by Electric Ireland (electricity Supplier) in May 2024, to exit the domestic market, but continue to operate within the commercial market in Northern Ireland.

NIE Networks agree that to date, there have been no instances in which an electricity Supplier has chosen to voluntarily complete a partial market exit and whilst MP NI 4 Supplier of Last Resort (SoLR) is similar in nature to proposed MP NI 40, and a procedure which NIE Networks is well versed in, it cannot be enacted in this case, as MP NI 4 only supports a full market exit.

NIE Networks support the intention that MP NI 40 is introduced as a new optional NI Retail Market Procedure, which is transactional in nature and can be utilised by any electricity Supplier acting as the Exiting Supplier or the New Supplier. Additionally, NIE Networks recognises its role as a facilitator within MP NI 40, whilst also providing support to execute the procedure.

SUPPLIERS' ROLE

While NIE Networks support MCR 5005 and are of the understanding that the Commercial Agreement is exclusively between the Exiting Supplier and New Supplier, it is imperative that electricity Suppliers adhere to the proposed UR amendments to the MRC, comply with the UR's directions and provide any information that they deem necessary. Electricity Suppliers should remain mindful that they must comply with the MRC as outlined in their electricity supply licence. Collaboration between electricity Suppliers and other associated stakeholders, as documented within MP NI 40 (Annex A of the UR consultation paper), will be crucial in implementing this change effectively and maintaining clear communication throughout the process.

CUSTOMER EXPERIENCE

Whilst there will be no regulatory involvement in relation to the Commercial Agreement between the Exiting Supplier and the New Supplier, NIE Networks welcomes the decision by the UR to propose amendments to the MRC to ensure that consumers are protected before and after the initiation of MP NI 40. NIE Networks recognises the MRC as the appropriate platform to address consumer protection provision and is committed to working with the UR, Suppliers and associated stakeholders with the intention to balance efficiency with customer satisfaction. We will work closely with Suppliers to mitigate any adverse impact and will comply with any such directions from the UR, should it stop or suspend the execution of MP NI 40, at any stage prior to the Bulk Transfer Date, and until it confirms MP NI 40 can proceed.

TIME AND EFFORT

NIE Networks recognises the time and effort required not only to introduce a new Market Procedure, but in addition, to facilitate and support. NIE Networks IT teams will be engaged alongside the third-party prepayment keypad provider, to accommodate MP NI 40 should this be initiated by an electricity Supplier. NIE Networks will also support assurance testing with the Exiting Supplier and the New Supplier in conjunction with the Market Entry Process Co-Ordination Team (MEPCT).

NI Retail Market Documentation will be updated for the inclusion of MP NI 40, including the MRC, to reflect the UR proposed amendments in relation to consumer protection.

COST & IMPLEMENTATION

To implement MP NI 40, NIE Networks and the third-party prepayment keypad provider, will need to make system changes to ensure that any Supplier can act as an Exiting Supplier or a New Supplier.

NIE Networks estimates that costs and time needed to implement MCR 5005 from an IT perspective will be minimal. NIE Networks will have ongoing operational costs associated with MP NI 40 should MCR 5005 be approved. These ongoing operational costs would be recovered through the existing price control cost-recovery mechanism.

CONCLUSION

NIE Networks welcome the opportunity to address the questions outlined in the UR's Consultation on Market Change Request 5005:

Do you agree with proposal outlined in MCR 5005 and the proposed creation of a new market procedure (MP NI 40)? Please provide rationale.

Yes, NIE Networks agree with proposal outlined in MCR 5005. To date, there have been no instances in which an electricity Supplier has chosen to voluntarily complete a partial market exit and whilst MP NI 4 Supplier of Last Resort (SoLR) is similar in nature to proposed MP NI 40, and a procedure which NIE Networks is well versed in, it cannot be enacted in this case, as MP NI 4 only supports a full market exit.

NIE Networks support the proposed creation of a new Market Procedure (MP NI 40), intended to be introduced as a new optional NI Retail Market Procedure, which is transactional in nature and can be utilised by any electricity Supplier acting as the Exiting Supplier or the New Supplier.

Are there any steps within MP NI 40 that require amendment or clarification? Please provide rationale for any changes.

No, NIE Networks are supportive of the MP NI 40 document included in Annex A of the UR consultation paper.

Are there any additional consumer protection provisions that should be added to MP NI 40, or considered alongside the procedure, to prevent customer consumer detriment and/or harm element in the event this procedure is implemented? Please provide rationale.

NIE Networks recognises the MRC as the appropriate platform to address consumer protection provisions. NIE Networks welcomes the decision by the UR to propose amendments to the MRC to ensure that consumers are protected before and after the initiation of MP NI 40. NIE Networks will work closely with Suppliers to mitigate any adverse impact and will comply with any such directions from the UR, should it stop or suspend the execution of MP NI 40, at any stage prior to the Bulk Transfer Date, and until it confirms MP NI 40 can proceed.

Are there any other factors in relation to this proposal that you think should be considered? Please provide rationale.

NIE Networks support MCR 5005 and are of the understanding that the Commercial Agreement is exclusively between the Exiting Supplier and New Supplier, it is imperative that electricity Suppliers adhere to the proposed UR amendments to the MRC, comply with the UR's directions and provide any information that they deem necessary. Electricity Suppliers should remain mindful that they must comply with the MRC as outlined in their electricity supply licence. Collaboration between electricity Suppliers and other associated stakeholders, as documented within MP NI 40 (Annex A of the UR consultation paper), will be crucial in implementing this change effectively and maintaining clear communication throughout the process.

Do you have any other comments in relation to the proposal?

NIE Networks are committed to working with the UR, electricity Suppliers and other stakeholders to implement MP NI 40 as outlined in MCR 5005. NIE Networks believe that MP NI 40 will facilitate Electric Ireland's exit from the domestic market whilst ensuring protection for consumers who would be impacted by the transfer, from Electric Ireland to a New Supplier. We agree that MP NI 40 should also be developed in such a way that it can be enacted by any electricity Supplier should they wish to partially exit the market; or participate as a New Supplier for any Exiting Supplier, in the future.



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