MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE 'BOARD') HELD ON THURSDAY, 21 MAY 2026 IN MILLENNIUM HOUSE, BELFAST AND ONLINE, AT 08:30 A.M.

Present:
Rosamund Blomfield-Smith (Chair), John French (Chief Executive), Isolde Goggin, Anthony Pygram, Paul McGowan.

In attendance:
Kevin Shiels, Peter Russell, Barbara Cantley, Elaine Cassidy, Colin Broomfield, Brian Mulhern, Jillian Ferris, Sarah Teer, Marie-Therese Campbell, Jean-Pierre Miura, Shauna McAuley, Paula McCann, Lisa Birt, Katrin Busch.

Tony Doherty, Ciaran MacCann, Dwayne Boyle, Conor McConnell, Jack Irwin (agenda item 3), Emma Todd, Donna Maye, Eimear Kerr (agenda item 5), Roisin McLaughlin, Nicola Parker, Debbie Hurson (agenda item 6), James Carson, Claire O'Kane, Daniel Squires (agenda item 9), Leigh Greer, Barbara Stevenson (agenda item 14), Debbie Quinn (agenda items 2, 8, and 12)

1. APOLOGIES FOR ABSENCE

1.1 None.

2. DECLARATIONS OF INTEREST

2.1 None.

3. SPC27 DRAFT DETERMINATION

3.1 Elaine Cassidy introduced this item which set out a draft determination for the first price control for Firmus Energy Supply (FES) under new ownership. Dwayne Boyle briefed the Board on the decisions relating to the Operational Expenditure (OpEx) allowances, the margin and proposed price control design.

3.2 The Board considered the details of the OpEx allowance with focus on the current business performance and the benchmarking exercise. The return on equity was discussed.

3.3 The Board endorsed the proposed SPC27 package for FES, comprising opex allowances of £22.43m and the application of the efficiency cost assessment approach in light of FES's business separation, a 2% margin, and the proposed price control design.

4. DRAFT ANNUAL REPORT AND ACCOUNTS 2025-26

4.1 Paula McCann introduced this item which presented a draft of the Utility Regulator's Annual Report and Accounts 2025-26 and outlined the process and next steps in finalising the document.

4.2 Anthony Pygram 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.

4.3 Board members made some comments on the length of the report and accounts.

4.4 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.

5. REGULATORY FINANCING MODELS FOR FUTURE INTERCONNECTION

5.1 Marie-Therese Campbell introduced this item which presented a draft information paper on the regulatory financing models for future interconnection and the summary of responses received to the December 2025 consultation. Eimear Kerr presented a summary of the responses received.

5.2 Emma Todd presented the information paper. Highlighting that there are a range of financial models under consideration. Donna Maye shared an overview of the project timeline. The Board discussed the characteristics of the different models. The importance of keeping the Department for the Economy (DfE) informed was agreed by the Board.

5.3 The Board approved the publication of both papers, subject to consideration of Board member comments. There was also endorsement of the delegation to the team to sign for sign off the information paper, subject to no material issues or adjustments being identified.

6. HEAT NETWORKS

6.1 Nicola Parker presented the paper and provided background on the recent development regarding heat networks, highlighting key risks and issues with the current approach.

6.2 The Board discussed the matter and agreed the operational teams should engage at a senior level with DfE. An update for the next Board meeting was requested.

7. NI RES REVENUE

7.1 Colin Broomfield introduced the presentation on consumer protection considerations around Northern Irish Renewable Energy Sources. Jean-Pierre Miura presented the data underlying the overall assessment.

7.2 The Board commended the analysis and recommended further engagement with DfE.

8. SEM GB RECOUPLING

8.1 Colin Broomfield introduced the presentation on cross border trading between the Single Electricity Market (SEM) and Great Britain (GB). Jean-Pierre Miura provided background to the SEM market design and concept of market coupling. He then presented an analysis of energy prices as a result of changing trading arrangements between the SEM and GB.

8.2 The Board recommended that the analysis was shared with the SEM Committee (SEMC) at the next meeting.

9. FLEXIBILITY NEEDS ASSESSMENT

9.1 James Carson introduced the presentation on the flexibility needs assessment. Claire O’Kane presented the timelines, scope and the current status.

9.2 The Board welcomes a progress update in June, where the approval arrangements for finalising the assessment will be discussed.

10. FINANCE REPORT

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

10.2 The Board approved the finance report summary.

11. CORPORATE RISK REGISTER

11.1 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.

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

11.3 The Board considered, and approved, the opening corporate risk register for 2026/27 subject to an amendment regarding the risk associated with biomethane.

12. MINUTES

12.1 The minutes of the Board meeting on 16 April 2026 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 highlighted his appearance at the NI Affairs Committee meeting at Westminster, the tariff reviews for Power NI and Firmus Supply, and the Utility Regulator’s stand at the Balmoral Show, which had been very successful.

14.2 Anthony Pygram 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.

14.3 Isolde Goggin provided an overview of the Annual Report of the Remuneration Committee. The Board approved the Annual Report of the Remuneration Committee.

15. UPDATES

15.1 Updates were provided on the following:

a) Single Electricity Market
Colin Broomfield briefed the Board on the Strategic Markets Programme, the draft SEMC strategy, and ongoing litigation. The Board noted the update.

b) Security of Supply
Leigh Greer provided an overview of ongoing developments, including awaited decisions from DofE on secondary fuel and run hours. She indicated that there were no ongoing issues. The Board noted the update.

c) Legal
Shauna McAuley provided an update on litigation issues and ongoing developments with the decarbonisation bill passing to committee stage. The Board noted the update.

d) Compliance and Enforcement
Barbara Stevenson provided a Compliance and Enforcement update, and briefed the Board on the annual statement of licence compliance (SoLC). The Board noted the update.

e) NI Water issues group
Elaine Cassidy provided an overview of the issues discussed by the NI Water issues group which included concerns raised by NI Water arising from extending PC21 by one year. The Board approved the proposed approach agreed by the NI Water issues group, including a 4 week consultation on the proposed additional allowances.

f) Smart meters group
Brian Mulhern briefed the Board on the recent publication of the design plan by DofE. The Board noted the update.

16. CORRESPONDENCE

16.1 None

17. ANY OTHER BUSINESS

17.1 The Chair acknowledged the absence of Board-only time and asked the Secretariat team to allocate time accordingly in the agenda for the June Board meeting.

17.2 On the invitation of the Chair, Rebekah Nevin provided her feedback as an attendee for the full Board meeting.

17.3 There being no other business, the meeting concluded at 13.00.