iPower Comments on

Utility Regulator : Proposed Modifications to NIE Networks Transmission and Distribution Licences

Additional allowances for network resilience

dated **28.05.2026**

iPower participates in both the Aggregated Generator Unit and Demand Side Unit response sectors of the electricity industry and perform a significant role in supporting the operation of the I-SEM balancing market and facilitating the continuous introduction of renewables.
iPower currently have a capacity of 100 MW, which carries a significant contribution to system support and stability and have considerable experience in working with SONI and EirGrid to provide stability and balance to system operations. iPower are a member of FERA who together have a registered capacity of circa 200 MW.

iPower is broadly supportive of the proposed modifications and recognises the urgency and importance of the regulatory changes being proposed in the aftermath of Storm Éowyn in January 2025. We offer the following comments.

Chapter 2 – Additional Allowances for Network Resilience

iPower supports the proposal to modify Annex 2 of both the distribution and transmission licences to enable UR to determine additional expenditure allowances for network resilience projects. The scale of disruption caused by Storm Éowyn – with over 320,000 properties losing power and repair costs of £22m – demonstrates clearly that the current framework does not provide adequate mechanisms to fund targeted resilience investment in response to emerging evidence.
iPower supports the accelerated 11kV main line resilience tree cutting programme as a well evidenced and cost-effective example of the type of project that should be funded under the new licence provisions. The finding that a completed resilience cut could have reduced customer interruptions by 35% during Storm Éowyn is compelling. The estimated cost to a typical domestic consumer of £1.50 by end of 2031 represents proportionate and good value investment.

Chapter 3 – Limiting NIE Networks' Financial Exposure to Severe Weather Recovery Costs

iPower supports the principle of introducing a cap on the amount of severe weather recovery costs subject to the standard 50/50 cost sharing mechanism, with excess costs recovered as pass-through expenditure. The unprecedented level of recovery costs arising from Storm Éowyn (£22m, against a six-year RP7 allowance of £4.824m) poses a genuine threat to NIE Networks' ability to finance its activities, which is a relevant consideration under Article 12 of the Energy Order.

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Distribution licence: £3.5m annual threshold

iPower supports the proposed annual threshold of £3.5m (in 2021/22 prices) for distribution severe weather recovery costs. The analysis presented in the consultation, showing this to represent approximately a 1-in-20-year event based on the historical distribution of costs (excluding 2024/25), provides a defensible and proportionate basis for the threshold. We note that a threshold at this level would have substantially reduced NIE Networks' exposure during Storm Éowyn itself, reducing its net liability from £9.8m to £1.75m (in 2021/22 prices) after application of the 50/50 mechanism.

We note the acknowledgement that consumers will bear more of the costs in the immediate aftermath of a severe event, but that this is counterbalanced by a reduction in ex-ante allowances in future price controls. iPower supports this approach as more efficient and equitable over the long term.

Transmission licence: £5.0m annual threshold

iPower supports the introduction of a separate annual threshold of £5.0m (in 2021/22 prices) for transmission severe weather recovery costs. We recognise that, unlike the distribution threshold, this figure cannot be derived from historical data given the absence of any recorded severe weather events affecting the transmission network. In this context, we consider UR's judgement-based approach to be pragmatic and appropriate. We would encourage UR to keep this threshold under review as operational experience develops, and to engage with stakeholders if material revision is proposed in future price control determinations.

Across both licences, iPower strongly supports the requirement that Severe Weather Recovery Costs must be approved by UR following submission by NIE Networks, with provision for further investigation or audit. Given that pass-through costs are recovered in full from consumers, robust regulatory oversight is essential.

<u>Chapter 4. Modification of Condition 32(17): Non-locational Charging</u>

iPower supports the proposed modification to Condition 32(17) of the distribution licence. The current drafting appears to have created a scenario whereby large energy users who reduce their maximum demand (MD) below the 1MW threshold – thereby freeing up network capacity – may face higher tariffs as a result. This outcome is clearly counterproductive from both a network efficiency and consumer fairness perspective.

The proposed redrafting, which bases tariff determination on contracted Maximum Import Capacity (MIC) rather than actual peak demands, simplifies the condition, removes the anomaly and provides greater tariff stability for affected customers.

<u>Chapter 5 Deferral of IT Investment Determination</u>

iPower has no objection to the proposed licence modifications to remove the time-bound constraint on the determination of additional IT allowances. We understand that NIE Networks requires greater flexibility in the timing of its Phase 2 IT submission in light of uncertainty around the smart metering programme. Removing the specific reference to the Annex W timeline while preserving UR's discretion to determine allowances at an appropriate time is a sensible and proportionate adjustment.

iPower would note the importance of timely determination of IT allowances to ensure that NIE Networks is appropriately resourced to deliver its digital and operational obligations, including those that support market operations.

Finally, iPower supports the correction of drafting inconsistencies in the licences.

Yours sincerely,

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