Compliance and Enforcement – Consultation Response
Utility Regulator
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## GMO NI Response to Consultation on the Publication of Utility Regulator Compliance and Enforcement Annual Report

GMO NI welcomes the opportunity to respond to this consultation on the proposed Compliance and Enforcement Annual Report. We recognise the importance of effective regulatory oversight in maintaining confidence in energy markets and ensuring that licence holders comply with their regulatory obligations. While GMO NI is not itself a licence holder, it undertakes a range of compliance-related activities that support and inform the licence holders in meeting their regulatory obligations.

GMO NI supports transparency and accountability in regulatory activities. However, it is important that any new reporting arrangements are implemented in a manner that is proportionate, delivers measurable consumer benefits and doesn't create unintended consequences for licence holders where compliance concerns are ultimately found to be unfounded or immaterial.

### Demonstrable Benefits of Compliance Activity

Compliance and enforcement activities should deliver clear and measurable benefits for consumers and the wider market. Where additional reporting, monitoring or enforcement activity is proposed, it would be helpful to demonstrate how these activities have resulted in tangible improvements. In the absence of measurable outcomes, it may be appropriate to consider whether the scope and scale of the function remain proportionate.

### Treatment of Ongoing Investigations

GMO NI supports transparency regarding regulatory activities. However, ongoing investigations perhaps should not be included in the annual report, or alternatively, they should be presented in an anonymised or pseudonymised format.

Publication of information relating to open investigations may create reputational risks for licence holders before the facts have been fully established.. This approach would allow

the Utility Regulator to maintain transparency regarding its activities while avoiding potential reputational damage where investigations ultimately conclude that no significant breach or concern exists.

### Risk of Identification Through Licence Categories

Consideration should also be given to the level of detail provided regarding licence categories. Within the Northern Ireland energy sector, there are a relatively small number of licence holders operating within certain licence classes.

As a result, publication of compliance information linked to highly specific licence categories may allow stakeholders to infer the identity of individual licence holders, even where names are not explicitly stated. GMO NI therefore considers that licence categories should be reported at an appropriately aggregated level where issues are not significant, thereby reducing the risk of unintended identification while maintaining transparency regarding regulatory activity. As such, GMO NI proposes that the Utility Regulator introduces categories to distinguish the severity of compliance findings, for example:

- Immaterial
- Minor
- Major

The introduction of such categories would provide greater context regarding the nature of identified issues and would support a proportionate reporting framework. It would also help mitigate the risk of disproportionate reputational damage to licence holders by ensuring that minor or administrative issues are not perceived in the same manner as significant breaches.

## Engagement with Licence Holders

A key consideration is whether licence holders will be given an opportunity to review the report before publication and, where findings relate to potential compliance breaches, whether they will have a formal opportunity to provide comments or responses that can be considered.

GMO NI would expect the Utility Regulator to maintain active engagement with licence holders throughout the process, particularly in cases involving potential compliance breaches.

### Conclusion

GMO NI supports the objective of promoting compliance and transparency within regulated energy markets. However, it is important that any reporting framework remains proportionate, demonstrates clear consumer benefits, and appropriately balances transparency with fairness to licence holders.

GMO NI encourages the Utility Regulator to:

- Demonstrate measurable benefits arising from compliance and enforcement interventions.
- Use anonymised or pseudonymised reporting for matters that remain under investigation.
- Avoid publishing information at a level of detail that could identify licence holders where issues are not yet concluded.
- Provide licence holders with an opportunity to review and comment on relevant findings prior to publication, particularly where compliance breaches are identified, to ensure accuracy, context, and procedural fairness.
- Pro-actively engage with licence holders and Transporters about any compliance issues.

GMO NI would be pleased to discuss any aspect of this response further.

Yours sincerely,

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