MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE 'BOARD') HELD ON WEDNESDAY 12 AUGUST 2026 ONLINE, AT 09.00 A.M.

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

In attendance:
Peter Russell, Barbara Cantley, Elaine Cassidy, Colin Broomfield, Brian Mulhern, Jillian Ferris, Marie-Therese Campbell, Jean-Pierre Miura, Shauna McAuley, Barbara Stevenson, Paula McCann, Sinead Dynan, Ciaran Mac Cann, Tony Doherty, Rebekah Nevin, Aine Hughes, Evan Taylor, Greg Irwin.

Dwayne Boyle (agenda item 3), Colin Walker/Philip Weir (agenda items 4 and 5), Colin Magee (agenda item 6), Owen Kearns (agenda item 7), Chris Goodman (agenda item 9), Charlene Small/Lauren McMullan/ John Ewing (agenda item 10), Emma Todd/ Donna Maye (agenda item 11), Chris Magill (agenda item 12), Rachel Allister (agenda items 13 and 14), Lisa Tate/ Mary Farrelly (agenda item 18).

1. APOLOGIES FOR ABSENCE

1.1 Kevin Shiels.

1.2 Following their appointment to the Utility Regulator (UR) Board, the Chair welcomed Paul Smith and Sean Hogan to their first Board meeting.

2. DECLARATIONS OF INTEREST

2.1 None.

3. NI WATER PC21 PRICE CONTROL EXTENSION REVENUE

3.1 Elaine Cassidy introduced this paper which sought the Board's approval for allowed revenue for NI Water and the resulting tariff adjustment for the 2027/28 year.

3.2 There was a discussion on the proposed methodology for the extension year determination. Board members clarified items relating to the cost of debt, Public Private Partnership allowances, and the adjustment to the increased allowed revenues.

3.3 The Board also noted the responses received to the consultation.

3.4 The Board approved the allowed revenue for NI Water and the resulting tariff adjustment for the 2027/28 year as presented in the paper.

4. NIE NETWORKS PROPOSED INVESTMENT TO ENHANCE NETWORK RESILIENCE

4.1 Elaine Cassidy introduced this item relating to proposed licence modifications to NIE Networks' distribution and transmission licences in connection with network resilience. Colin Walker provided a detailed overview of the proposed licence modifications.

4.2 The rationale for the recovery of severe weather costs through tariffs, once a certain quantum has been reached, was explored. The wider context around the principle of severe weather payments was discussed. In that context it was agreed that a briefing for new Board members around Guaranteed Standards of Service should be organised.

4.3 Queries in respect of the impact of the storms on NIE Networks financial position, and the separate impact on consumer bills of the proposed modifications, were addressed.

4.4 The Board approved the implementation of licence modifications.

5. APPROVAL OF PRE-CONSTRUCTION FUNDING FOR THE SONI 'CONNECT WEST' PROJECT

5.1 Elaine Cassidy provided context and background on this item relating to a proposed allowance to enable SONI to develop the Connect West project. Colin Walker briefed the Board on items of detail.

5.2 The focus of the Board's discussion was on the specific funding request in the context of a much broader strategic funding programme. There was also a discussion around the level of uncertainty in delivering the broader funding programme and SONI's plans for phased submissions for additional funding. The merits of SONI's submission for the specific funding request were also touched on.

5.3 There was a wider discussion around SONI's role in delivering critical infrastructure. The Board supported further engagement and communication with SONI to ensure that the company was apprised of UR's expectations on infrastructure delivery.

5.4 The Board approved the initial allowance for SONI to continue to develop Connect West as presented and endorsed the proposal relating to the approach to phased submission projects.

6. THIRD PARTY INTERMEDIARIES IN THE ENERGY MARKET – DECISIONS

6.1 Barbara Cantley introduced this item which sought the Board's approval for the implementation of licence modifications relating to Third Party intermediaries in the energy market. Colin Magee provided an overview of the proposed modifications.

6.2 Board members discussed the outcomes for consumers, and the potential harm to consumers that would be addressed, by the proposed modifications. A query in relation to the role of the Northern Ireland Public Services Ombudsman was addressed.

6.3 There was also some discussion on the representations to the proposed modifications and the need to consider how the comments on these are presented.

6.4 The Board approved the implementation of the licence modifications as presented and detailed within the appended Article 14 Decisions.

7. BUSINESS CASE APPROVALS:

(a) Approval of Wholesale Market Modelling Software Contract Extension

7.1 Jean Pierre Miura provided background to this item which sought the Board's approval for a contract extension and associated costs for the wholesale market modelling software.

7.2 Board members discussed the procurement arrangements given the specialist nature of the software and the length of extension proposed.

7.3 The Board approved the contract extension as proposed and the associated costs.

(b) Provision of SEM support services 2026–2030

7.4 The Board also discussed the business case for the provision of SEM Support Services 2026–2030.

7.5 Board members clarified UR's involvement in relation to the procurement process undertaken by the through Construction and Procurement Delivery (CPD).

7.6 The Board approved the business case for the Provision of SEM Support Services 2026–2030 and authorise commencement of the CPD procurement process.

8. REGULATION OF NETWORK REINFORCEMENT PAID FOR BY PRODUCER

8.1 Brian Mulhern introduced this item about the potential for a producer to enter into a connection agreement with a network operator to allow network reinforcement to accommodate anticipated biomethane injection quantities. Roisin McLaughlin provided further briefing.

8.2 The Board discussed the nature of the proposed connection, the process for facilitating, and any associated risks. There was also consideration of the proposed contract terms and the transfer value of the infrastructure and the consumer interest.

8.3 In approving the recommendations set out in the paper the Board recommendation that consideration be given to a more flexible position on contractual terms.

9. NI WHOLE ENERGY SYSTEM (WES) MODELLING PHASE 1 (PLANNING AND SCOPING) COMMENCEMENT

9.1 Brian Mulhern introduced this paper which sought Board endorsement of the proposed approach and approval to commence a Northern Ireland Whole Energy System (WES) modelling workstream.

9.2 The Board welcomed the work being progressed. Board members discussed the scope and definition of the work, the potential impact of the modelling, resourcing needs, engagement with stakeholders and how to make a success of the expanded capability and capacity.

9.3 In approving the development of Whole Energy System modelling capability including an upper limit budget as presented, the Board asked to be apprised of developments in this area.

10. SUPPLIER INVESTIGATION AND ALTERNATIVE RESOLUTION - PRESENTATION

10.1 Barbara Cantley introduced this item which provided a presentation by the Compliance and Enforcement team on an investigation involving a supplier and the use of the alternative resolution approach.

10.2 The Board congratulated the team on progress, clarified aspects of the investigation and discussed learning from the work that had been undertaken.

11. UPDATE ON THE PROJECT ON REULATORY FRAMEWORKS FOR INTERCONNECTORS IN NORTHERN IRELAND

11.1 Marie-Therese Campbell introduced this item which updated the Board on progress on the project to establish the regulatory frameworks required for interconnectors, with a particular focus on the LirIC interconnector. Emma Todd and Lina Cendales provided further briefing to the Board.

11.2 Board members sought further information on, and discussed, the reasons for delay in the provision of data required to decide on the operating revenue regime. The importance of having objective data to enable a decision on the operating revenue regime was emphasised. The importance of UR's communications in that context was also underlined.

11.3 The Board also noted and discussed the Department for the Economy's (DfE's) recently published Interconnection Policy Statement

11.4 The Board noted the update.

12. FWP Q1 2026/27 PROGRESS

12.1 Chris Magill provided an overview of the quarter 1 progress on 2026/27 Forward Work Programme (FWP) projects and previous years' FWP projects that were either partially or not achieved.

12.2 The Board noted the status of the FWP progress which has been reported by exception.

13. FINANCE REPORT

13.1 Rachel Allister provided an overview of the latest financial position. The Board discussed the current expenditure position against the budgeted position and the impact of any significant variances for licence fees.

13.2 The Board approved the financial outturn position as of 31 July 2026.

14. CORPORATE RISK REGISTER

14.1 Rachel Allister presented the corporate risk register to the end of July 2026.

14.2 The Board approved the corporate risk register to the end of July 2026.

15. MINUTES

15.1 The minutes of the Board meeting on 18 June 2026 were approved for publication.

16. ACTION POINTS

16.1 The action points were reviewed by the Board.

17. OFFICE REPORT

17.1 John French introduced the Office report, noting that many of the key issues had been covered elsewhere on the Board meeting agenda. He drew the Board's attention to energy tariff reviews, and the Board was briefed on potential tariff changes.

17.2 The Board received an update on the Office for Environmental Protection's investigation. It was also noted that a Board meeting to discuss the SONI price control would be organised before the next Board meeting.

17.3 A query relating to an Article 51 Information Request was addressed.

18. UPDATES

18.1 Updates were provided on the following:

a) SEM

Colin Broomfield briefed the Board on a range of SEM Committee items including: annual tariffs, network imperfections, capacity market development and the SEMC's strategy. The Board noted the update.

b) Security of Supply

Lisa Tate provided a short update and highlighted that there were presently no significant issues. A query in respect of fuel security was addressed. The Board noted the update.

c) Legal

Shauna McAuley provided an update on litigation issues and also noted a briefing to the Assembly's Economy Committee in September on the Decarbonisation Bill. The Board noted the update.

d) Compliance and Enforcement

Barbara Stevenson provided a Compliance and Enforcement update and briefed the Board on latest position on the annual statement of licence compliance (SoLC) and the intention to produce an Annual Compliance and Enforcement report. The Board noted the update.

e) NI Water issues group

There was no recent meeting of this group.

f) Smart meters group

Brian Mulhern updated the Board on latest developments in this area and engagement with DfE. The Board noted the update.

g) UK-EU Co-ordination update

Mary Farrelly introduced this first report on UK-EU coordination on energy. The Board welcomed the update.

19. CORRESPONDENCE

19.1 None

20. ANY OTHER BUSINESS

20.1 On the invitation of the Chair, Aine Hughes and Evan Taylor provided their feedback as attendees for the full Board meeting. New Board members also welcomed the overall quality of the Board papers.

20.2 The meeting concluded at 13.55.