

**MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY  
REGULATION (THE 'AUTHORITY') HELD ON THURSDAY, 23 AUGUST 2018 IN LIMA VADY  
AT 10.00 A.M.**

**Present:**

Bill Emery (Chairman), Jenny Pyper (Chief Executive), Teresa Perchard, Alex Wiseman, Jon Carlton, Richard Rodgers, Bill Cargo

**In attendance:**

SMT - Kevin Shiels, Donald Henry, Tanya Hedley, Roisin McLaughlin, Jo Aston, Elaine Cassidy, Meadhbh Patterson (agenda items 4 and 5), Jody O'Boyle (agenda items 6 and 7), Colin Broomfield (agenda item 9), Greg Irwin.

**1. APOLOGIES FOR ABSENCE**

1.1 None.

**2. FIRE DRILL**

2.1 The board members were informed of the evacuation procedures which apply in the event of a fire.

**3. DECLARATIONS OF INTEREST**

3.1 There were no declaration of interests.

**4. MEASURES TO ENHANCE THE OPERATION OF THE SMALL BUSINESS ENERGY MARKET**

4.1 Kevin Shiels introduced this paper which sought the board's approval of proposed measures to enhance the operation of the small business energy market.

4.2 Board members raised queries relating to: customer numbers, average bills, the impact of various measures on certain customers and comparisons with regard to customer protection arrangements in Great Britain.

4.3 The board discussed several aspects of the measures proposed and the points they raised in the consultation. It was agreed that the potential to mandate tariff transparency should be reviewed in 12 months. The proposal on the rollover of contracts was also explored in the situation where the supplier does not engage with the customer at the end of the contract period.

4.4 The board approved the measures as presented, subject to consideration of comments. Additionally, the board approved the publication of the licence modifications required to implement the measures.

**5. CONSUMER PROTECTION STRATEGY REVIEW AND PROPOSED CONSUMER PROTECTION PROGRAMME**

5.1 Meadhbh Patterson introduced this item and provided an overview of the Consumer Protection Strategy (CPS) review and proposed priority projects for the Consumer Protection Programme (CPP).

- 5.2 Board members discussed opportunities to be innovative in protecting vulnerable consumers, comparisons with similar programmes in Great Britain, the impact of the EU's Clean Energy Package requirements and the relationship between the CPP and the UR's new corporate strategy. On the latter it was agreed that the CPP needs to be embedded as part of the new corporate strategy. Finally, there was a discussion on the presentation of the CPP to stakeholders.
- 5.3 The board approved the objectives of the new CPP and endorsed the proposed projects for inclusion. Board approval was also provided for the Executive team to consult on and continue to develop the proposed CPP projects.
- 6. NORTH-SOUTH INTERCONNECTOR – PRECONSTRUCTION BUDGET APPROVAL**
- 6.1 Tanya Hedley introduced this item which sought the board's approval for Transmission Network Pre-Construction Project (TNPP) costs for the North-South interconnector. An update was also provided on the timeline for the North-South interconnector.
- 6.2 The board reviewed the costs sought for TNPP by SONI. A query in respect of expenditure committed to date was addressed.
- 6.3 There was a discussion on the allocation of stakeholder engagement costs and the extent to which certain expenditure items contributed positively to the delivery of the North-South interconnector. The branding of stakeholder communications, in the context of NIE Networks being responsible for the construction phase of the project, was also discussed. The board noted that some category of costs would not be considered appropriate and agreed a total allowance in that context. Furthermore, it was agreed that SONI and NIE Networks be required to provide a joint communications plan for stakeholder engagement on the North-South interconnector project.
- 7. SONI GOVERNANCE**
- 7.1 Tanya Hedley provided a presentation on this item. The presentation provided largely factual information in respect of SONI's licence, its relationship to EirGrid and the organisational structure of both organisations.
- 7.2 Board members took the opportunity to seek clarification on the information provided in the presentation.
- 7.3 The board conducted a broader discussion on the consideration on why a review of SONI governance was required. The implications of ISEM go live and Brexit were discussed in relation to SONI.
- 7.4 In endorsing the governance review of SONI the board agreed that a policy consultation on future governance arrangements was necessary.
- 8. REGULATED TARIFFS - UPDATE**
- 8.1 Kevin Shiels provided a briefing for board members on recent regulated energy tariff changes.
- 8.2 Board member queries on the impact on consumers and the comparison of prices in other jurisdictions were addressed. An update was also provided on the regulated gas tariff reviews.
- 8.3 The board noted the update as provided.

## **9. AES DEROGATION - UPDATE**

- 9.1 Jo ston provided the board with an update on the timing and process relating to derogation requests by AES.
- 9.2 Board members sought further information in respect of engagement with AES, the longer-term T-4 ISEM capacity auction and the next steps in the process.
- 9.3 It was agreed that board would be updated at the September board (or earlier by correspondence if necessary).

## **10. BREXIT BRIEFING**

- 10.1 Jo Aston introduced a briefing for board members which provided an outline of Wholesale involvement in Brexit-related workstreams and set out the various options for the SEM arising from the UK's departure from the EU.
- 10.2 Elaine Cassidy and Roisin McLaughlin also briefed the board on key legislative and regulatory work required by the UR on Brexit. An assessment of risks and mitigation measures in respect of the work required was also provided.
- 10.3 The potential impact of Brexit on the ISEM was explored by board members. Board members discussed the resourcing and timing challenges of the Brexit work and emphasised the importance of taking steps to mitigate these. Finally, the board discussed the need for the UR to engage pro-actively with key stakeholders, such as the Department for the Economy, on Brexit planning and implementation.

There being no other business, the meeting concluded at 1.20 p.m.