

**MINUTES OF THE EIGHTEENTH MEETING OF THE NORTHERN IRELAND
AUTHORITY FOR ENERGY REGULATION HELD ON FRIDAY 11 FEBRUARY 2005**

IN ATTENDANCE:

AUTHORITY:	Mr. Douglas McIlldoon - Chairman
	Mr. Peter Lehmann
	Mr. John Gilliland
	Mrs. Joan Whiteside
OFREG:	Mr. Dermot MacCann
	Mr. Eddie Gaw
	Mr. James Hutchinson
	Miss Fiona Gallen

1 TOUR OF Balcas Plant

The meeting commenced with a tour of the Balcas plant.

2 APOLOGIES FOR ABSENCE

John Fitzgerald.

3 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were not formally agreed.

4 MATTERS ARISING

Institute of Energy Dinner

The Chairman asked if any of the NEDs wanted to attend the Institute dinner at The Culloden Hotel on 9 March. The Secretary agreed to email the Authority members and ask them to confirm attendance as soon as possible.

5 ACTION POINTS FROM JANUARY MEETING

The Chairman said that a meeting had been provisionally arranged with David Crothers, DSD for 22 March to discuss fuel poverty but that it had yet to be confirmed.

6 CHAIRMAN'S BUSINESS

A copy of the Chairman's Business since the last meeting was copied to the Authority.

7 ELECTRICITY MARKET: PROSPECTS FOR 2005/6

The Chairman reported that a price increase in 05/06 looked likely. He told the meeting that he had no definite figures yet and that the allocations for the emissions trading scheme were still unknown as DEFRA had deferred the decision again.

Market Opening

A number of papers updating the Authority on the Non-domestic Market Opening project had been circulated in advance of today's meeting.

8 SNIP MUTUALISATION

Dermot MacCann told the meeting that the proposed mutualisation was on schedule and if all went to plan the completion dates were 7-9 March.

9 BGE LICENCE APPLICATION – GREATER BELFAST AREA

A paper detailing the current status of the BGE licence application for supplying gas to the Greater Belfast area had been copied to the Authority. Dermot MacCann told the meeting that BGE's application had been considered by Ofreg and that a licence had been drafted and forwarded to BGE for comment.

10 DTI DOUBLE INTERCONNECTOR DOUBLE LICENSING

James Hutchinson told the meeting that Ofreg had met with Ofgem and DTI to discuss double licensing and that DTI were awaiting a formal response from Ofreg.

11 BGE TOWNS DISTRIBUTION LICENCE

A paper on the proposed licences and the key issues involved had been copied to the Authority. Dermot MacCann told the meeting that Ofreg was close to concluding their negotiations with BGE in respect of the Towns Distribution licenses. He said that the draft licences would be published for consultation on Tuesday.

12 LTI3 UPDATE

The Chairman told the meeting that PPL were still paying the full postalised tariff and they are currently moving towards litigation. The Authority agreed that they should not get involved at this stage as it was a commercial dispute on contract terms and it was up to the parties to resolve it.

13 KILROOT POWER STATION UPDATE

It was noted that the FGD planning application had been to Carrickfergus Borough Council with Planning Service recommendation to approve and that the Council had accepted this recommendation.

14 GENERATION SECURITY PAPER

The Chairman told the meeting that the lawyers had examined the generation security paper and that a further lawyers' conference would take place on 16 March.

15 DETI £30M & EUETS: NAP UPDATE

The Chairman told the Authority that he had not received the NAP figures. He said that he found the lack of this information frustrating as it could potentially cost customers.

16 BEYOND CCGTS – THE NEXT CARBON REDUCTION STRATEGY (2ND DRAFT)

A copy of this document had been forwarded to the Authority in advance of today's meeting. The Chairman commented that this document was still in draft format and that Lisa Mullan was developing the concept of looking at both actual and target CO₂ emissions against the growth in renewables.

17 REVIEW OF THE UK CLIMATE CHANGE PROGRAMME

The Chairman said that Gerry Donnelly's response to Lisa Stortford, DTI on the Review of the UK Climate Change Programme had been amended as per the last meeting, issued and circulated to the NIAER members.

18 ALL ISLAND ELECTRICITY MARKET UPDATE

At this point, Mr. MacCann gave a presentation to the meeting to update the Authority on the Single Electricity Market (SEM) followed by a short question and answer session.

19 RENEWABLE OBLIGATION CONSULTATION

The Chairman informed the meeting that the DTI were going ahead with the Renewables Obligation.

20 POWER STATION DECOMMISSIONING

A number of papers on Power Station Decommissioning had been circulated to the Authority.

21 WATER REFORM UPDATE

It was recorded that no resources had been received from DRD for water regulation. The Chairman said that a meeting to discuss the water reform issue had been arranged with Stephen Quinn (Permanent Secretary, DRD) at noon on Thursday 24 February at Clarence Court.

22 ANY OTHER BUSINESS

New Accommodation

Eddie Gaw reported that the move to Queen's House was on schedule for July 2005.

Corporate Risk Register

Manus McGinty from Helm will be contacting the HOB's individually to discuss the Risk Register.

Forward Work Plan

Mr. Gaw told the meeting that the Forward Work Plan had been received back from internal consultation and circulated to the NEDs for review and comments. The FWP was due out for public consultation mid-February.

DARD – Forest Challenge

Mr. Gilliland explained that the Forest Challenge scheme had been set up by DARD to promote energy crops. He told the meeting that the first round had been extremely successful with 86% of bids accepted and it was expected that the acreage involved would be expanded six-fold within the next year.

23 ARRANGEMENTS FOR THE NEXT MEETING

It was noted that the next Authority meeting would be held In Brookmount Buildings at 9.30am on Wednesday 23 March 2005. The Chairman proposed that Sean Wyse would be invited to attend. Peter Lehmann requested a briefing paper on ESBI before the meeting.

Signed _____
Chairman