

**MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY
REGULATION (THE 'BOARD') HELD ON THURSDAY, 18 JUNE 2020 BY VIDEO
CONFERENCE AT 9.30 A.M.**

Present:

Bill Emery (Chairman), Jenny Pyper (Chief Executive), Teresa Perchard, Alex Wiseman, Jon Carlton, David de Casseres, Claire Williams.

In attendance:

SMT - Kevin Shiels, Donald Henry, Tanya Hedley, Colin Broomfield, Roisin McLaughlin, John Mills, Elaine Cassidy, Greg Irwin

Barbara Cantley and John Magill (agenda item 4), Leigh Greer (agenda item 5), Ursula O'Kane (agenda item 7), Alistair Green and Jonathan Ashcroft, ESP consultants

1. APOLOGIES FOR ABSENCE

1.1 None.

2. DECLARATIONS OF INTEREST

2.1 There were no declaration of interests.

3. PROPOSED CONNECTION TO GAS TRANSMISSION NETWORK

3.1 Roisin McLaughlin introduced this item which sought the board's approval for delegated authority to be given to the CEO to decide on a request from BGTL under Condition 2.3 to enable the company to provide an initial connection offer to EP Kilroot.

3.2 The board noted existing policy around granting connections requests in these circumstances as long as an exceptional case can be made. In this context the merits of the case, and any consequences that might arise, were considered by the board.

3.3 Having considered the information provided the board agreed that delegated authority be given to the CEO to decide on a request from BGTL under Condition 2.3 to enable the company to provide an initial connection offer to EP Kilroot.

4. PUBLICATION OF ENERGY SUPPLIER AUDITS 2019 – COMPLAINTS HANDLING

4.1 Kevin Shiels introduced this item which outlined the results from the second series of supplier audits on complaints handling (since they were first introduced in 2018). Barbara Cantley and John Magill briefed the board on the key aspects of audits and the findings.

4.2 Board members took the opportunity to clarify aspects of the audit findings. This included the application of audit gradings to suppliers, the list of suppliers, the complaints metrics presented and the interpretation of graphical data.

- 4.3 The board also discussed the messaging and broader considerations associated with the energy supplier audit findings. There was agreement that the drafting of the messaging in the final publication should be reviewed to more clearly reflect the supplier audit findings.
- 4.4 At the conclusion of the discussion the board welcomed the work that had been undertaken on the supplier audits. Subject to consideration of the board member comments, the board also endorsed both the publication of the audit findings and the proposed metrics which are planned to be published in the Annual Transparency Report

5. BATTERY STORAGE: LICENCE ARRANGEMENTS AND TARIFF CHARGING POLICY POSITION

- 5.1 Colin Broomfield introduced this item which set out the proposed approach to both the licensing for electricity storage (interim and enduring) and to developing an appropriate tariff/charging policy position for electricity storage. Leigh Greer briefed the board on the key aspects of the proposed approach.
- 5.2 Board members discussed the context for battery storage development and clarified battery storage licensing arrangements in other jurisdictions.
- 5.3 The approach to charging was also discussed. In particular, the board explored the issue of 'double-charging' battery storage for use of the network and the proposed interim arrangement which would not provide for two sets of charges of network use.
- 5.4 The board approved the proposed approach to the licensing. It was agreed that the board's comments on charging arrangements would be considered further. Finally, it was also noted that any changes to proposed charging arrangements for battery storage would only take place following a consultation.

6. SONI GOVERNANCE UPDATE

- 6.1 Roisin McLaughlin provided the board with a presentation by way of update on the SONI Governance review. The presentation provided context for the review, set out key themes and next steps.
- 6.2 The board explored several issues from the presentation. This included a discussion on how best to achieve the kind of independence and accountability that would enable SONI to exercise its role as an independent TSO for Northern Ireland. The question of the transparency of SONI's governance processes was raised. The potential for harm to NI consumers from existing arrangements, such as in respect of the recharge of costs between SONI and EirGrid, was also discussed.
- 6.3 A discussion also took place on the nature and extent of the engagement with SONI as part of the review.

- 6.4 Finally, the board briefly reviewed the next steps in the Governance review. The board was apprised of next steps in the engagement with SONI and the current plans for consulting on the review. It was noted that the board would convene on 6 July for a further discussion on SONI Governance.
- 7. CONSUMER PROTECTION PROGRAMME UPDATE**
- 7.1 Kevin Shiels introduced an update on the Consumer Protection Programme (CPP) and focused on the wider context. Ursula O’Kane provided an overview of key developments with particular reference to the impact of the COVID-19 pandemic on new and existing workstreams.
- 7.2 Queries in respect of supplier debt and the impact of the pandemic on vulnerable consumers were addressed.
- 7.3 In noting the challenges associated with the additional work emerging from the pandemic and associated resource planning the board endorsed plans to update stakeholders on the CPP as soon as possible.
- 8 COVID-19 BUSINESS CONTINUITY UPDATE**
- 8.1 Jenny Pyper provided an overview of ongoing action being taken to mitigate the impact of the COVID-19 pandemic. She highlighted the efforts being made by staff to ensure that the organisation continued to progress its forward work programme projects and core business responsibilities. The board was apprised of ongoing work to keep staff informed while working remotely and plans for a staff wellbeing survey. Preparations for a future return to working from Queens House were also outlined.
- 8.2 Board members welcomed the update and were grateful for the continuing dedication and commitment of staff at this difficult time.
- 8.3 An update was also provided on the outcome of NI Water’s bid for further funding, due to the impact of the COVID-19 pandemic, from the public spending monitoring round.
- 8.4 The board noted the briefing.
- 9 NIREV AND UPDATE ON THE NI ENERGY STRATEGY**
- 9.1 Kevin Shiels introduced this paper on the NIREV programme, a joint initiative between the Utility Regulator and Ulster University, looking at key aspects of the energy transition with a specific focus on empowering consumers.
- 9.2 Board members endorsed the ongoing work on the NIREV programme and noted the challenges of engaging stakeholders on energy strategy development.

10 BREXIT UPDATE

10.1 Colin Broomfield provided the board with an update on current work priorities in respect of the UK's departure from the EU. He briefed the board on ongoing work in respect of future GB-SEM trading arrangements and representation at an EU level following the end of the transition period.

10.2 The board noted the briefing.

11 MINUTES

11.1 The minutes of the board meeting on 21 May 2020 were agreed for publication.

12 ACTION POINTS

12.1 The action points were reviewed by the board.

13 REPORT FROM THE EXECUTIVE TEAM

13.1 Jenny Pyper provided an overview of the Executive team report.

13.2 An update was provided on the Transportation Agreement and recent developments to progress this were noted.

13.3 Board members also briefly discussed ongoing litigation and the future progress of these was clarified.

13.4 A board member query in respect of new entrants into the retails energy market was also addressed. Another query in respect of Gas to the West was clarified and it was noted that a paper on this workstream would be presented to the board at a future date.

13.5 A further update was provided on the NIAO's report on the NIRO investigation.

13.6 The board agreed that it would consider a paper proposing the lifting of the suspension of our complaints and disputes policy and a separate paper on a new data subject access policy via correspondence.

13.7 The board approved the Audit and Risk Committee's Annual Report. Additionally, the board approved the Corporate Risk Register subject to provision being made for a separate risk workshop (with a date to be confirmed).

13.8 An overview was provided on the finance and performance report and the report was approved. The board noted the budget position and the status update on the Forward Work Programme.

14 ANY OTHER BUSINESS

- 14.1 The board conducted a meeting review. Board members discussed the provision of Remuneration Committee minutes as part of the board meeting pack.

There being no other business, the meeting concluded at 1.05 p.m.