

**MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE 'AUTHORITY') HELD ON THURSDAY, 21 MAY 2015 AT ROSS PARK HOTEL, KELLS AT 9.45 A.M.**

**Present:**

Bill Emery (Chairman), Bill Cargo, Teresa Perchard, David Strahan, Jenny Pyper (Chief Executive)

**In attendance:**

SMT: Donald Henry, Kevin Shiels, Brian McHugh, Tanya Hedley, Jo Aston, Greg Irwin

Colin Broomfield, Brian Mulhern and Kevin Baron (agenda item 4).

**1 APOLOGIES FOR ABSENCE**

1.1 Richard Rodgers.

**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 None.

**4 ANNUAL CAPACITY PAYMENT SUM**

4.1 Jo Aston introduced this item which provided related to two presentations. The first presentation, provided by Kevin Baron, focused on the calculation of the Annual Capacity Sum and the reasons for the proposed reduction. The second presentation, provided by Colin Broomfield, was an overview of the Capacity Remuneration Mechanism (CRM).

4.2 The board discussion on the Annual Capacity Sum focused on the following issues: clarifying the reasons for the reduction, risks faced by generators (for example around currency exchange rates) and the impact of large energy users. Board members queries on the consultation process were also addressed.

4.3 Much of the initial discussion on the CRM was around understanding the basis for its operation. Several queries on the difference between the CRM and current arrangements in the SEM were clarified.

4.4 The CRM item also prompted a discussion on the second north-south interconnector. The Board again expressed the criticality of the interconnector being delivered as soon as possible.

4.5 The Board concluded its discussion and noted the update provided.

## **5 ANNUAL REPORT 2014-15**

5.1 Greg Irwin introduced this item which presented a substantial draft of Annual Report 2014-15 for the board's comment. He outlined key elements of the draft and arrangements for the publication of the document.

5.2 Board members noted the progress that had been made on the drafting of the document. Comments from board members tended to focus on the extent of the narrative provided and layout. It was suggested that the draft would benefit from additional graphical and/or diagrammatic content to improve the overall presentation. A specific drafting point in respect of our work in supporting the NI Executive was noted.

5.3 Board members endorsed the progress on the Annual Report. Additionally, Board members were asked to provide specific drafting comments as soon as possible.

## **6 CONTESTABILITY IN CONNECTIONS UPDATE**

6.1 Tanya Hedley provided a briefing on ongoing work to introduce contestability in the provision of electricity connections in Northern Ireland.

6.2 The focus of the resulting board discussion was around delivering contestability as soon as possible. This included discussion on options for addressing any possible delays, benchmarking with other utility companies that have introduced contestability, and quality assurance measures. A query around the implementation of contestability of electricity in Great Britain was also addressed.

6.3 The Board noted the update.

## **7 PROPOSED MEETING SCHEDULE 2016**

7.1 The Board reviewed the proposed meeting schedule for 2016. The schedule, as presented, was agreed. It was agreed that the schedule would be circulated as soon as possible.

7.2 It was also agreed that a meeting between the board and the SEM Committee should be organised for September.

## **8 MINUTES**

8.1 The minutes of the previous meeting on 12 March 2015 were approved for publication. The minutes of the meeting on 22 April 2015 were approved for publication subject to a minor amendment.

## **9 ACTION POINTS**

9.1 The action points were reviewed and noted.

## **10 REPORT FROM THE EXECUTIVE TEAM**

10.1 Jenny Pyper provided an overview of the Executive Team report and highlighted the recent workshop on the Customer Protection Strategy.

- 10.2 The Board's attention was also drawn to changes to agent arrangements for accreditation under the Northern Ireland Renewables Obligation scheme.
- 10.3 Progress on key workstreams in respect of the I-SEM and the associated stakeholder engagement were also noted.
- 10.4 Board members discussed grid connection disputes and role of staff in dealing with these.
- 10.5 The issue of extending the natural gas network was also drawn to the board's attention. This included an update on Gas to the West and the potential for bringing gas to East Down.
- 10.6 An update was provided on the recent consultation on the Northern Ireland Sustainable Energy Programme (NISEP). Future options for NISEP, following the public consultation, were discussed.
- 10.7 There was agreement that the board would be provided with an update on progress in respect of the enforcement procedure and the organisational approach to price controls, at the next board meeting.
- 10.8 The board also approved the finance and performance summary which included the year to date budget position, staffing and absence figures, the corporate risk register and the assessment of progress against FWP targets. It was also noted that the Audit Committee had reviewed these items at its meeting the previous day.

## **11 ANY OTHER BUSINESS**

- 11.1 The board received an update on the review of NI Water's handling of water supply disruptions during December 2014/January 2015. Queries regarding the status of the dispute, next steps in the review process and the report action plan were addressed.

There being no other business the meeting concluded at 1.05 pm.