

To Electricity: Consumers, Generators,
DNO, Independent Regulatory Expert;
Suppliers; NI Interconnector; NI TSO

03 August 2018

Dear Colleagues,

SONI TSO Price Control Stakeholder Expert Challenge Group – details and invitation to apply

We have commenced work on the next SONI TSO Price Control. To inform this work, we are establishing an expert challenge group of stakeholders concerning the SONI TSO price control.

This letter sets out the role of the group and invites applications from stakeholders who wish to be considered for membership.

Why we are setting up this group

SONI is the independent Transmission System Operator (TSO) for Northern Ireland (NI). SONI performs a number of crucial functions but its core roles are to ensure the transmission system is operated securely, balanced efficiently, and the transmission network is planned effectively. It also carries out other important roles, for example, collecting tariffs on behalf of itself and other parties (e.g. Suppliers, DNO and Moyle Interconnector).

We periodically undertake TSO price controls which give SONI, as a monopoly provider, enough revenue to carry out its functions efficiently for the benefit of NI consumers. The existing price control runs from 2015 to 2020. This was appealed by SONI to Competition Market Authority (CMA), who made its determination and remedies last year.¹

We would like to bring more certainty, accountability and transparency in setting the next TSO price control which will begin in October 2020. One way of doing this is by strengthening the use of stakeholder engagement. We feel that a group of experts who can exercise a sufficient level of independent challenge can help.

Enhanced engagement is a well-recognised feature used by other sectoral regulators, and we have used various other forms of enhanced engagement in other sectors we regulate.² This type of partnership approach has a track record in bringing benefits.

¹ <https://assets.publishing.service.gov.uk/media/5a05b2f2ed915d0adcdf469b/soni-niaur-summary-of-final-determination.pdf>

² For example, Consumer Engagement Advisory Panel approach used in RP6 and stakeholder groups in water regulation.

Role of the Group

We see a role for the group to scrutinise and challenge SONI's TSO price control business plan to promote alignment with the interests of consumers, and take account of the views of those parties who use SONI's services.

We do not, however, view the group as a forum for SONI to develop and test its business plan during development.

We will not have a role in challenging or scrutinsing SONI's TSO business plan at this forum as we want this to be an activity led by other members in the forum who are independent of UR and SONI. Evidence the group provides us will be considered alongside other relevant considerations in our separate assessment of SONI's business plan.

We would like the group to also inform and help us develop our policy. As well as leading on regulatory policy issues, we will chair the group. In the role of chair we will help and facilitate effective stakeholder engagement.

The group does not have a decision making role on our regulatory framework or SONI's business plan. It will be used, along with other evidence, to inform our assessment of SONI's plan and our regulatory framework.

Who we are seeking expressions of interest from

We consider that the group should represent the following interests:

- NI TSO (SONI)
- Consumer (non-domestic)
- Consumer (domestic)
- Generator (traditional)
- Generator (renewable)
- DNO
- Supplier
- Independent regulatory expert
- NI Interconnector

What we seek from group members

We, with input SONI, will select individuals who we consider are best placed to carry out the role. We set more detail in our Terms of Reference of the role of the group which should help clarify what we expect. We expect members to be independent from both SONI and the UR.

We would like members to be committed to this group and so we would expect them to make the time to attend every meeting, and to contribute constructively and proactively.

As we are seeking the expertise and knowledge of the individuals we do not expect that they represent the views of their company when inputting in the forum.³ Companies and other interested parties will have the opportunity to provide their comments through other means, such as our approach consultation and draft determination.

We plan to hold 4 meetings between now and January 2019, and will propose further meetings throughout the remainder of the price control review, and potentially beyond.

We currently plan to publish an approach consultation in December 2018 and approach decision in Q1 2019. We will also take account of the groups input in these.

Expressions of interest

We invite those interested in joining our expert group to submit applications, in the form of an email or word document to Ciaran.maccann@uregni.gov.uk by **15 August 2018**.

Please be aware that expressions of interest are limited to one person per organisation. Interested parties should set out your case for membership based on the role of the group, and who we seek, and what we seek from them, as set out in this letter and the draft ToR which accompanies it.

The first meeting of the expert group will be scheduled for 25 September 2018.

Should you require further information please email Ciaran.maccann@uregni.gov.uk

Yours faithfully,



Tanya Hedley
Director, Compliance and Networks Operations

³ We recognise that SONI as group participant is an exception to this.