



The Consumer Council Response to the Utility Regulator Consultation on NIE Networks licence modifications for new IT requirements

1 April 2021

1 Introduction

1.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland. We also have specific statutory duties in relation to energy, postal services, transport, and water and sewerage. The Consumer Council uses eight consumer principles to set a consumer-focused framework within which we work. These eight principles are outlined below.



2 Response

2.1 The Consumer Council welcomes the opportunity to respond to the Utility Regulator (UR) Consultation on NIE Networks Licence Modifications for new IT Requirements.

2.2 The Consumer Council responded to the RP6 Draft Price Control Determination in 2017 for the (2017-24) period this was accompanied with a commissioned [high level review](#). The RP6 price control period is more than halfway through and since the final determination was implemented, the Climate Change Act 2008 (2050 Target Amendment) Order 2019 came into force placing highly specific 2050 targets throughout the UK.

2.3 Within our response to RP6 in 2017, we then noted that the innovation expenditure was higher in GB therefore it is right and appropriate that the UR are now consulting on the identified need for further IT infrastructure investment and the likelihood of upward pressure on electrification and digitisation of metering.

2.4 Given the simultaneous publication of the 'New Northern Ireland Energy Strategy' the largescale groundwork for decarbonisation will be commencing. The Consumer Council reiterates our previous point made in our response to RP6 for the UR to have sufficient regulatory oversight on subsequent submissions to ensure that any level of allowance is spent as intended and prudently. We trust the UR will carry out the same robust economic tests on IT investment plans and allowances when the submission is made.

2.5 These are inevitable infrastructure advancements as part of the preparations for decarbonisation. The costs will currently not be known until the full submission for monies allocated to the IT requirements are accepted; this will affect network costs on consumer bills albeit at a proportionate amount and as the document summary states impact on consumers is likely to be minimal. We are interested to know if these costs can be circulated once determined.

2.6 The consultation document references 'no regret' in this context recognises that while there is no determination yet on the level of electrification in heat long-term, there are definite areas that NIEN can invest in which hold relatively low policy risks – and there is a certainty of outcomes, with clear evidence of the need and benefit for consumers.

2.7 As with OFGEM [RIIO-ED2 Methodology Decision](#) networks are working towards factoring in the digitisation of systems and data.

2.8 We look forward to continued working with UR and NIEN as part of this process and elsewhere to help contribute to the further development of a strong and efficient electricity network that delivers for NI consumers.

Consumer Council Contact: Lucy Cochrane
Lucy.cochrane@consumercouncil.org.uk
Telephone: 02890251645
April 2021