



Utility Regulator
ELECTRICITY GAS WATER

Draft Forward Work Programme 2024/2025

Our draft business plan for the first year of our Corporate Strategy 2024-2029



About the Utility Regulator

The Utility Regulator is the economic regulator for electricity, gas, and water in Northern Ireland. We are the only multi-sectoral economic regulator in the UK covering both energy and water.

We are an independent non-ministerial government department, and our main duty is to promote and protect the short- and long-term interests of consumers.

Our role is to make sure that the energy and water utility industries in Northern Ireland are regulated, and developed within ministerial policy, as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly.

We are based at Queens House in Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls, Networks and Energy Futures; and Markets and Consumer Protection.



Our mission

To protect the short- and long-term interests of consumers of electricity, gas and water.



Our vision

To ensure value and sustainability in energy and water.



Our values

- Be a best practice regulator: transparent, consistent, proportionate, accountable and targeted.
- Be professional – listening, explaining and acting with integrity.
- Be a collaborative, co-operative and learning team.
- Be motivated and empowered to make a difference.



Abstract

This Forward Work Programme (FWP) sets out the non-routine projects that we plan to undertake during 2024/2025. The projects are organised under the four corporate strategy objectives that are outlined in our Draft Corporate Strategy 2024-2029. The consultation on the draft Strategy is due to conclude on 19 January 2024, and the final Corporate Strategy and FWP will be together approved by the Utility Regulator's Board in March 2024 prior to publication.

Audience

Given the strategic direction of this document it is likely that it will be of interest to a variety of audiences – such as statutory partners, industry, other regulators, government bodies, elected representatives, and consumer and business bodies.

Consumer impact

The range of projects will positively contribute to our overarching corporate strategy purpose of protecting and empowering consumers.



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1 About this Document

The Energy (Northern Ireland) Order 2003 and the Water and Sewerage Services (Northern Ireland) Order 2006 requires the Utility Regulator to publish a Forward Work Programme (FWP) (or business plan) each year. The plan should 'contain a general description of the projects, other than those routine activities in the exercise of its functions, which it plans to undertake during the year'.

This draft FWP lists the projects that we propose to do during 2024/2025 and is published for consultation. During the consultation, we would particularly welcome views on:

- (1) whether we have prioritised the right projects.
- (2) any objections to our proposed projects; and
- (3) any other comments.

Most of the projects span more than one business planning year. Comments or observations on the timing of projects are also welcome.

Comments should be sent to us **by 1 March 2024** at the latest to:

barbara.brown@uregni.gov.uk

As with last year, we intend to provide an opportunity to discuss our draft FWP, with an engagement session planned for **1 February 2024**. Please let us know if you would like to attend by emailing Barbara Brown (see details) **before 25 January 2024** and we will provide the meeting joining details.

A paper copy of the draft FWP can be obtained from:

Barbara Brown

The Utility Regulator

Queens House

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Belfast

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After reviewing consultation responses, we will publish a final FWP by 31 March 2024. Responses to this consultation may be made public by us. If you do not wish your response or name to be made public, please state this clearly by marking the response as confidential and outline your reasons as to why your response should be treated as confidential. Copies of the document will be made available in alternative formats on request. Key terms used in the plan are highlighted in **purple** and explained in a Glossary (at the end of the document).

The structure of this document

The rest of the document is structured as follows:

- Section 2 - sets out the context for developing the Business Plan.
- Section 3 - outlines how we decide on our Business Plan projects, our core business and the resourcing of our work; and
- Section 4 - provides a list of our Business Plan projects

3. The context for our business plan

In this section we briefly outline the key areas influencing the development of our business plan and set out our corporate planning framework.

External

Delivering on net zero targets

In June 2019, the UK Government passed legislation requiring the UK Government to reduce the UK's net emissions of greenhouse gases by 100% (relative to 1990 levels) by 2050. Last year, the Northern Ireland Assembly passed the Climate Change Act (Northern Ireland) 2022, which set out local statutory targets for reducing emissions. To achieve these targets, a very significant increase in renewables, and low carbon electricity, will be needed. Delivering enhanced energy efficiency will also be important. The energy system will have to adapt, to be able to accommodate low carbon technologies, whilst continuing to meet the needs of consumers through a reliable, efficient supply. The principle of a **Just Transition** is a core element of Climate Change Act (Northern Ireland) 2022 and underscores the need to promote fairness across all sections of society in the journey to **net zero**.

Addressing affordability concerns for consumers

In recent years, Northern Ireland households and business, like those in the rest of the UK and the rest of Europe, have experienced significant increases in energy costs. The impact of these rises has seen subsequent increases in food and other costs, which has resulted in UK inflation rates being the highest for 40 years.

The cost-of-living pressures faced by consumers saw the UK Government directly intervening to mitigate the impact of higher energy bills. While the headline rate of inflation has decreased recently, and the energy prices have fallen from their peak, current prices remain at above trend levels. The need for regulators to support consumers to mitigate affordability concerns remains a key issue.

Energy and water policy and strategy

We operate within a statutory remit to support the Northern Ireland Government's energy and water strategies.

In December 2021, the Northern Ireland Executive published its Energy Strategy for Northern Ireland, called "The Path to Net Zero". The Strategy sets out a pathway for energy to 2030 and sets out a vision of net zero

carbon and affordable energy by 2050.

Following the publication of the Strategy, the Climate Change Act (Northern Ireland) 2022 sets a target of an at least 100% reduction in net zero greenhouse gas emissions by 2050. The Act also sets carbon budgets (the maximum total amount of emissions permitted for a budgetary period) and other sectoral targets (including at least 80% of electricity consumption from renewable sources by 2030).

Northern Ireland departments are also required to produce and publish various sectoral plans setting out how specific sectors will contribute to meeting the emissions reduction targets. In water, the Department for Infrastructure is working within its long-term strategy, “*Sustainable Water - A Long-Term Water Strategy for Northern Ireland (2015-2040)*”, to help achieve a vision of a sustainable water sector in Northern Ireland. Stakeholders at our pre-consultation events were clear that they expected the Utility Regulator to fully support these strategies, and the delivery of the Climate Change Act.

Securing energy and water supply

The need for a secure and reliable supply remains a key statutory and strategic priority for us. It is one of the key principles of the Northern Ireland Executive’s Energy Strategy, which has a focus on making Northern Ireland more self-sufficient in generating and supplying its own energy and reducing our reliance on others.

Decarbonisation presents a further challenge, as we will seek to facilitate the right mix of technologies to meet business and household demand, as older forms of generation are replaced by new technologies. The need to attract investment in new types of energy generation will also be important.

Running together with this, is the need to modernise energy networks to ensure that they can accommodate new technologies, while meeting customer demand. In electricity, the capacity arrangements in the **Single Electricity Market** (SEM) provide a basis for managing long-term security of supply risks. In gas, continuing to ensure there is a reliable supply will be essential, and in water, the Long-Term Water Strategy’s high-level aims are to provide sustainable, reliable water and sewerage services that meet customers’ needs.

Protecting consumers in energy markets

We continue to keep under review the effectiveness of our energy markets to ensure that businesses and households get a fair deal. As well as putting in place robust market monitoring regimes to protect consumers, we also act when required to address any market abuse.

Protecting consumers also means that we take action to protect the most vulnerable when required. For instance, in November 2022, we worked in partnership with the Consumer Council for Northern Ireland and energy suppliers to introduce the Consumer Energy Charter, which provided nine commitments from energy suppliers to support consumers through the winter period. We have continued with this initiative into the winter of 2023/2024 and further enhanced these commitments which are now live.

Internal

Our Regulation

Given the amount of change that is underway to meet the net zero targets, we recognise that as a regulator we need to adapt and become more agile.

The challenge will be to stay ahead of consumer expectations, and more generally anticipate the changes that are required. In practice, this will mean that we need to be more pragmatic, and focused, on achieving the best possible outcomes for Northern Ireland.

We need to support the development of world-class efficient electricity, gas and water companies, which are focussed on providing the best levels of service to households and businesses and are fully compliant with their licence conditions and codes of practice.

We want to optimise this opportunity to make a real and positive difference, whilst enabling the delivery of statutory and strategic targets. Protecting consumers and providing a long-term direction for the energy and water sectors, is an important responsibility for us. We aim to be fully transparent, and accountable for our work and we will look to constantly improve our own performance, to maximise the benefits to energy and water consumers.

Organisational transformation

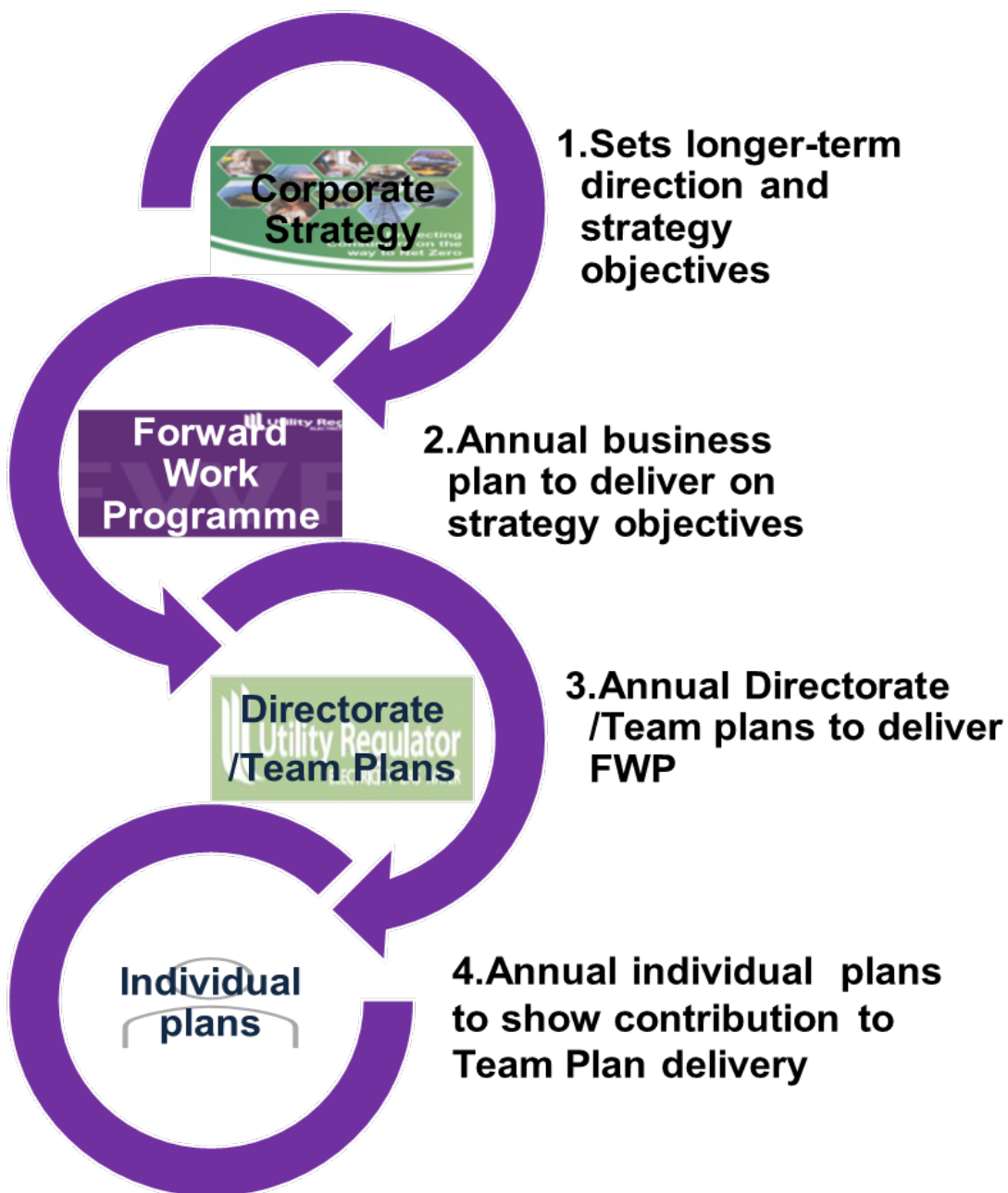
Our draft Corporate Strategy identifies key enablers which are critical to the kind of organisation we will aim to be. We have been implementing an organisational transformation programme, "*Shaping UR for the Future*". This will see the size of our organisation grow, re-structure our organisation and better promote matrix working.

These changes will help us deliver on the ambition set out in our draft Corporate Strategy and will also allow us to focus on those strategic enablers (e.g., being data led) that will help us deliver on our Strategy and FWP.

Our corporate planning framework

The FWP is one element of an interlinked corporate planning framework which joins up high-level organisational plans with individual plans.

Our Corporate Planning framework – the performance chain



Draft Corporate Strategy 2024-2029

We are consulting on our Draft Corporate Strategy 2024-2029. Protecting Consumers on the way to Net Zero. The draft strategy sets out four strategic objectives which provide the framework for the FWP. The consultation on the draft Corporate Strategy will conclude on 19 January 2024.

Draft Corporate Strategy 2024-2029 – Strategy Objectives



Supporting the Just Transition to net zero



Securing our energy and water supply



Enabling best in class energy and water companies



Providing the highest level of consumer service and protection

4. Our business plan and resources

In this Business Plan we have set out the projects that will help us to meet our strategic objectives. Most of these projects take more than one year to deliver. Our business plan projects are set out in section five.

This is the first year of a new corporate strategy period. We have considered projects that commenced during 2023/2024 (or earlier) and new workstreams that have emerged. Our assessment process has also considered the scope of our core business and those necessary activities which are undertaken every year to support our regulatory role.

In assessing the projects that are in this draft FWP, we have identified those that should be included in the Business Plan because they meet one or more of the following criteria:

- (1) legislative or statutory requirements.
- (2) government policy requirements.
- (3) regulatory requirements; and
- (4) contribute to the delivery of our corporate strategy objectives.

We have previously estimated that around half of our resources (in terms of staff time across the organisation) will be involved in delivering projects that are in this Business Plan. This will vary, with some parts of the organisation having a greater balance of work towards business plan projects and others having a greater focus on core business.

Supporting the delivery of our new Corporate Strategy, and the delivery of net zero and other energy and water strategies, will require increasing levels of resource inputs over the next few years. Our organisational transformation, *Shaping UR for the Future*, has put in place a new organisational structure that provides an additional level of staffing and expertise that will allow us to meet the strategic challenges.

Delivering our business plan – resources

Our focus is on making sure that we apply our resources efficiently and this business plan will be challenging to fund and deliver. If new priorities emerge during the year, we will take steps to make sure we have the resources for these. However, doing this may mean we have to delay or reduce our commitment to other business plan projects. In these situations, we will, as far as possible, let relevant stakeholders know.

This business plan is currently based on the equivalent of 163 full-time equivalent staff, with provision for several temporary staff. However, the complement may need to increase if we are required to undertake further statutory duties to meet the targets of the Climate Change Act.

5. Our business plan projects

Strategic objective 1: Supporting the Just Transition to Net Zero

Ref	Project description	Scope and anticipated outcome/s	Lead team	Timing
1	Complete and publish an assessment of any gaps in the policy/ regulatory framework and evidence base needed to deliver net-zero.	<p>During 2024/2025 will work with DfE to.</p> <ul style="list-style-type: none"> • ensure that policy/regulatory action is optimal based on current information and resources, and • facilitate appropriate implementation of energy strategy and Climate Action Plans. <p>Will help deliver net-zero in a way which is affordable for consumers and ensures security of supply.</p> <p>We will publish an assessment of the gaps in the policy/regulatory framework and evidence base needed to deliver net-zero.</p>	Networks and Energy Futures	Q4

Ref	Project description	Scope and anticipated outcome/s	Lead team	Timing
2	Work with DfE to facilitate the further development of Northern Ireland Renewables Obligation (NIRO) policy and legislation and address NIRO compliance issues.	<p>We will work with DfE during 2024/2025 to address outstanding audit recommendations and identifying learning for any successor scheme.</p> <p>We will work with DfE to implement the proposed Fixed Price Certificate regime.</p>	Networks and Energy Futures	Q4 (Timelines will be set by UK Government).
3	Complete and publish assessment with DfE to allow decisions to be made on a successor programme for, or the extension of, Northern Ireland Sustainable Energy Programme (NISEP).	Work with DfE on the development of any successor programme and/or the extension of NISEP to facilitate the delivery of energy/carbon savings. Decision on NISEP extension completed and if extension is required consultation and framework document published to enable new programme from April 2025 onwards.	Networks and Energy Futures	Q4
4	Develop and publish a policy framework with DfE for biomethane injection.	In 2024/2025 we will scope day two issues and agree timetable of work with the gas network operators. Will facilitate delivery of renewable gas in line with developing energy policy and emerging interest in biomethane injection. This will involve review of connections policy and potential code and licence modifications.	Networks and Energy Futures	Multi-year

Ref	Project description	Scope and anticipated outcome/s	Lead team	Timing
5	Scope out with DfE the regulatory framework to facilitate offshore wind connections.	In 2024/2025 we will progress any actions identified for UR in the DfE Offshore Action plan once finalised. Will facilitate offshore connection to contribute to government decarbonisation targets by reviewing the suitability of current regulatory arrangements.	Networks and Energy Futures	Multi-year
6	Benchmark and publish a report on other jurisdictional and regulatory approaches to a Just Transition to Decarbonisation, to define learning points for UR.	Will include defining options for further work that will progress a Just Transition in Northern Ireland and that can be facilitated by UR, including stakeholder engagement. Will help deliver net zero in a way which focuses on delivering a Just Transition	Consumer Protection	Q4
7	Develop System Services markets to integrate low carbon sources.	Work with TSOs to deliver detailed design of FASS arrangements and to progress procurement of low carbon inertia services. Will meet our energy needs in a secure and efficient manner	Markets	Q4
8	Develop and implement modifications to the capacity market code.	Will enhance the operational effectiveness of the CRM, including in relation to sending efficient investment signals, in context of policy and legislative requirements.	Markets	Q4

Strategic objective 2: Securing our energy and water supply.

Ref	Project description	Scope and anticipated outcome/s	Lead team	Timing/ Key milestone/s
1	Work with SONI to develop and publish a new National Resource Adequacy Assessment (NRAA) and develop framework to transition from existing Generation Capacity Statement.	Completion of TSO-led public consultation process to aid decision on methodology by early 2024. Development of modelling and adequacy assessment by spring 2024. Approval and publication of an annual document for regulators, industry, and policy makers to aid decisions about investment and security of supply by Autumn 2024.	Markets	Q4
2	Consult on an appropriate mechanism to introduce energy payments for Demand Side Units in Northern Ireland to improve operational effectiveness.	In 2024/2025, we will publish a consultation document to consult on an appropriate mechanism to introduce energy payments for DSU. Will improve incentivisation of Demand Side Units in the SEM to enhance performance. The overall aim is to assist security of supply.	Markets	Multi-year Consultation document will be published in 2024/2025.
3	Commence a review of the approach to future network gas price control regulation.	In 2024/2025, the project will initially scope out the implications of wider strategic developments, and publish a discussion document, to provide clarity on the price control framework and process in preparation for the next GD29 and GT27 reviews. Drawing on the learning from the GD23 and GT22 price control, and in the context of Government policy on net zero,	Price Controls	Multi-year, Discussion document will be published in 2024/25.

Ref	Project description	Scope and anticipated outcome/s	Lead team	Timing/ Key milestone/s
		to reviewing the future of gas price control regulation.		
4	Develop and complete an assessment in conjunction with DfE the need for future energy projects including interconnection.	<p>Scope requirements through horizon scanning on projects of strategic importance specifically focussing on interconnection and evidencing of the cost benefit for electricity consumers in Northern Ireland.</p> <p>The assessment will be published in Q3.</p>	Markets	Q3

Strategic objective 3: Enabling best in class energy and water companies.

Ref	Project description	Scope and anticipated outcomes	Lead Team	Timing
1	Complete the electricity network (RP7) price control review.	Will provide for long-term value for money investment in the electricity network, which benchmarks well with comparative network companies, facilitates innovation, and supports the delivery of net-zero.	Price Controls	Q3
2	Complete the Power NI price control review	Ensures consumers receive an effective service from Power NI.	Price Controls	Q4
3	Complete the SEMO price control review	Ensure that the company produce quality outputs at reasonable cost to consumers and has sufficient revenues to run its business.	Price Controls	Q4
4	Progress the SONI price control 2025-2030 review in line with project schedule	During 2024/2025, we will publish the approach to price control during Q1. Ensures that the company produces quality outputs at lowest cost to consumers, has sufficient revenues to run its business, and facilitates the delivery of net-zero.	Price Controls	Multi-year

Ref	Project description	Scope and anticipated outcomes	Lead Team	Timing
5	Extend the SONI 2023-2024 price control.	Will conclude the extension to the current price control, to address outstanding SONI licence modifications. Ensures that the company produces quality outputs at lowest cost to consumers and has sufficient revenues to run its business.	Price Controls	Q3
6	Commence the PC27 price control.	The PC27 Approach will be confirmed, and stakeholder engagement initiated, to support the development of a regulatory framework that will allow NI Water to compare to the best water companies. A call for evidence on the regulatory asset base and the level of depreciation will also be completed.	Price Controls	Start Q1, multi-year
7	Commence a review of cost and performance reporting for network companies.	This review is being initiated to support the ambition of best-in-class energy and water companies, by enhancing performance reporting to that improved comparative benchmarking, while also minimising regulatory burden, and ensures consistency and clarity.	Price Controls	Start Q3, multi-year
8	Complete the Mid-Term Review of NI Water's PC21 price control.	The efficient delivery of sustainable water services over the period 2021 to 2027, which aligns with the long-term water strategy.	Price Controls	Q1

Ref	Project description	Scope and anticipated outcomes	Lead Team	Timing
9	Design and implement new licence compliance framework including the development of a new public compliance reporting regime.	Develop and deliver a robust, consistent, and proportionate licence compliance framework. Publish guidance document for licensees detailing the new approach. Design and implement an external reporting framework for licence compliance activities across all licensees.	Consumer Protection	Q4
10	Assist DfE in planning the roll-out of electricity Smart Meters	In 2024/2025, we will progress the actions identified for UR in the DfE Energy Strategy Action plan. We will ensure that the electricity smart meter roll-out is planned with consumers at the core, in terms of both consumer protection, empowerment and cost effectiveness.	Networks and Energy Futures and Consumer Protection	Multi-year
11	Outline the next steps in the review of electricity connections cost allocation.	We will publish a next steps paper in 2024/2025. Plan next steps for the appropriate allocation of costs that delivers the net-zero targets at lowest cost and ensures that those who benefit from a connection pay an appropriate charge.	Networks and Energy Futures	Multi-year

Strategic objective 4: Providing the highest level of consumer service and protection.

Ref	Project description	Scope and anticipated outcome/s	Lead team	Timing/ Key milestone/s
1	Carry out a review and enhancement of the Wholesale Market Monitoring Unit Monitoring Tools.	<p>During 2024/2025, we will define the outputs of the project and develop and implement most of the enhancements to our operating tools. We will also introduce a greater level of automation to the process.</p> <p>Will Increase the ability to detect and prevent trading based on inside information and market manipulation.</p> <p>Enhance transparency of the SEM and ability of the unit to detect and observe trading patterns in the market.</p>	Markets	Multi-year
2	Complete a review of monitoring of the Retail Electricity and Gas Market.	<p>During 2024/2025, we will undertake a review of the metrics used in the reports.</p> <p>Following this review we will design an enhanced REMM report, with a view to including additional information that will improve transparency in the Retail market. We intend to have this report published by Q4 of the year.</p> <p>Development of an enhanced QREMM and AREMM reports.</p>	Markets	Q4

Ref	Project description	Scope and anticipated outcome/s	Lead team	Timing/ Key milestone/s
3	Deliver our Consumer Protection Programme (CPP) for 2024-2029.	During 2024/2025, we will complete those projects identified for year one of the programme. This will deliver positive impacts for both domestic and non-domestic consumers of electricity, gas, and water, including those in vulnerable circumstances. This will be achieved by implementing a series of projects focusing on best practice.	Consumer Protection	Multi-year
4	Finalise Best Practice Framework project for electricity, gas, and water.	Implement final decisions in relation to the CoP on customers in vulnerable circumstances. Make final decisions on the critical care register and implement these decisions.	Consumer Protection	Q4
5	Work with DfE to scope out the regulatory framework for heat networks.	Following any new powers to regulate heat networks, UR, along with DfE, will engage with stakeholders to consider priority areas for regulatory arrangements.	Networks and Energy Futures	Q4
6	Complete both Non-Domestic and Domestic consumer insight tracker research and review areas for new research.	This will deliver positive impacts for both domestic and non-domestic consumers of electricity and gas by establishing a firm and evolving evidence base on consumer needs, wants and understanding of the energy markets. This will enable UR to develop consumer-focused policies/projects that are evidence based.	Consumer Protection	Q4

Organisational Projects

Ref	Project description	Scope and Anticipated outcome/s	Lead Team	Timing/key milestones
1	Develop an in-house modelling capability.	<p>During 2024/2025, we will set up the unit, ensure that staff are trained in the use of various modelling tools such as PLEXOS, and can undertake independent modelling to support various roles within UR.</p> <p>Over the period we will develop an inhouse modelling team that will provide UR with an over the horizon capability to forecast longer term market prices and assess the impact of different outcomes on the market.</p> <p>This facility will aide our work across several policy areas including market design, security of supply and energy strategy.</p>	Markets	Multi -Year
2	Review our market and consumer data to enhance our evidence base and insights capability.	Review the various market and consumer data banks we hold, with a view to establishing the optimal way forward for internal and external “publication” of data to: (i)assist informed utility policy debate; (ii)provide information to consumers and consumer representatives; (iii)inform internal regulatory discussions and decisions.	Markets and Consumer Protection	Q4
3	Implement a programme to grow and develop the potential of staff to support UR’s future.	Scope and define options for improving UR’s approach to learning and development; succession planning; growing internal talent and capabilities.	HR	Q4

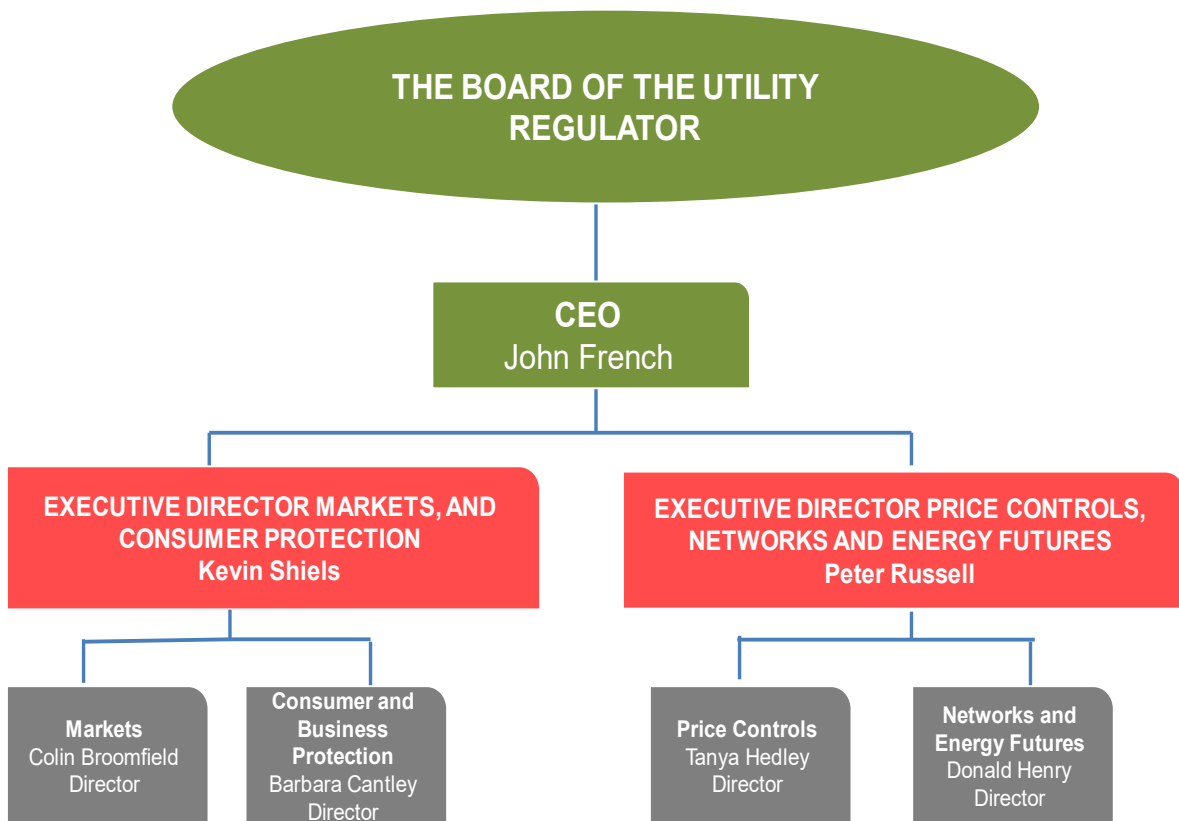
Annex 1

1.About Us

Who we are.

We are the independent non-ministerial government department responsible for regulating Northern Ireland’s electricity, gas, water and sewerage industries. We are governed by a board whose members are appointed by the Minister for Finance. We are accountable to the Northern Ireland Assembly and our work contributes to the overall Programme for Government (PfG) in Northern Ireland.

We are structured to help us deliver our corporate strategy and work better with stakeholders (the wide range of people and organisations we work with). We are organised under two broad groupings covering four divisions (see below).



What we do

Our work is based on the duties we have by law (our statutory duties), which include the following:

Energy electricity and gas	Water and sewerage
<ul style="list-style-type: none">• Protecting the interests of electricity consumers in relation to price and quality of service, by promoting effective competition where appropriate.• Promoting the development and maintenance of an efficient, economic and co-ordinated gas industry.	<ul style="list-style-type: none">• Protecting the interests of consumers by promoting an efficient industry delivering high-quality services.

We have wide-ranging statutory duties relating to regulation and competition. We share our duties relating to competition with the UK Competition and Markets Authority (CMA).

Our work includes the following:

- Granting licences that allow gas, electricity, and water companies to operate in Northern Ireland.
- Making sure licensed companies meet relevant laws and licence obligations.
- Setting the minimum standards of service which regulated companies must provide to consumers in Northern Ireland.
- Making sure that consumers only pay what is necessary for the services they receive now and into the future.
- Challenging companies to make sure they operate efficiently and provide good value for consumers as well as shareholders.
- Working to provide more choice and encourage effective competition in the gas and electricity markets.
- Making sure that regulated companies can fund their activities and are open to new technologies and ways of working effectively.
- Acting as an adjudicator on individual complaints, disputes, and appeals.

Who we work with

We work with a wide range of stakeholders across several areas to help us protect the interests of consumers.

In carrying out our duties relating to gas and electricity, we work within a policy framework set by DfE. Our statutory duties are the same as DfE's. In carrying out our duties relating to water and sewerage services, we work within a policy framework set by the Department for Infrastructure (DfI).

The SEM Committee (SEMC) regulates the all-island single electricity market (SEM). We work with the Commission for the Regulation of Utilities (CRU), the energy regulator for the Republic of Ireland, on the SEMC. The SEMC's role is to protect the interests of electricity consumers on the island of Ireland by promoting effective competition.

We also work closely with the Consumer Council for Northern Ireland (CCNI), the organisation set up by the Government to represent consumers and other groups across Northern Ireland.

Our work sits within a broader setting, and we work closely with other regulators. These include the energy and water regulators for Great Britain (Ofgem, Ofwat and the Water Industry Commission for Scotland).

We also work with the CMA and with other regulators across the UK through the United Kingdom Competition Network (UKCN). This provides a co-ordinated approach to identifying and responding to competition issues and promoting best practice.

Finally, we are active members of the United Kingdom Regulators Network (UKRN), which includes representatives from economic regulators across the UK. The network seeks to ensure the effective co-operation between sectors and has produced a range of publications.

Annex 2

Glossary

Codes of practice	Documents that provide information on the standards of a range of services.
Decarbonisation	The process of stopping or reducing carbon gases, especially carbon dioxide, being released into the atmosphere as the result of a process, for example the burning of fossil fuels, with the aim of mitigating the impact of harmful climate change.
Demand side units	A Demand Side Unit (DSU) is a site that can be instructed to reduce electricity demand
Energy transition	The <i>energy transition</i> is a pathway toward transformation of the global <i>energy</i> sector from fossil-based to zero-carbon by the second half of this century.
Just Transition	A short explanation is of the Just Transition is moving to a more sustainable economy in a way that's fair to everyone.
Network codes	Contractual arrangements between the network system operator and network users to make sure the network runs efficiently.
Net-zero	Refers to the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere. Net-Zero is reached when the amount we add is no more than the amount taken away.
NIRO	The Northern Ireland Renewable Obligation is a statutory requirement on electricity suppliers to source an increasing amount of their electricity from renewable sources.
NISEP	The NI Sustainable Energy Programme (NISEP), which was previously known as the Energy Efficiency Levy (EEL) provides funding for energy efficiency and renewable energy schemes.
Price control	Price controls are one of the main tools we use to protect consumers. This involves the regulator studying the business plans of utility companies and calculating the revenue they need to finance their activities while providing incentives to invest in the business.

Single electricity market (SEM)	The SEM was originally set up in November 2007. It is the single wholesale market for electricity which operates in both Ireland and Northern Ireland. It aims to improve the reliability of supplies and the range of suppliers, encourage market efficiencies and economies, and promote greater competition. An enhanced SEM market came into operation on 1 October 2018.
Transmission system operator (TSO)	The organisation that makes sure the energy networks run efficiently.
Wholesale market	The wholesale market is where generators sell their electricity to suppliers.