



Northern Ireland
Assembly

Committee for the Economy

Minutes of Proceedings

Wednesday 8 May 2024

Meeting Location: Room 30, Parliament Buildings, Belfast

Present: Mr Gary Middleton MLA (Deputy Chairperson)

Mr Jonathan Buckley MLA

Mr David Honeyford MLA

Ms Sinéad McLaughlin MLA

Mr Philip McGuigan MLA

Mr Mike Nesbitt MLA

Apologies: Mr Phillip Brett MLA (Chairperson)

Ms SORCHA Eastwood MLA

Present via video-conferencing:

Mr Pádraig Delargy MLA

In Attendance: Peter McCallion (Assembly Clerk)

Anthea Matthews (Assistant Assembly Clerk)

Craig Mealey (Clerical Supervisor)

Michael Doran (Clerical Officer)

The meeting commenced in public session at 10:02am.

Proceedings were chaired by the Deputy Chairperson, Gary Middleton MLA.

1. Apologies

Apologies were as indicated above.

2. Declarations of Interests

There were no declarations of interest.

3. Chairperson's Business

The Deputy Chairperson informed the Committee that, as previously agreed, the Chairperson had informally met with the Permanent Secretary on 7 May 2024.

Noted: The Committee noted that a summary of the informal meeting had been circulated to Members.

The Deputy Chairperson noted recent reports in respect of the Minister's ill health.

Agreed: The Committee agreed that the Chairperson would write to the Minister passing on its best wishes for his speedy recovery.

4. Draft Minutes

Agreed: The Committee agreed the minutes of the meeting of 1 May 2024.

5. Matters Arising

There were no matters arising.

6. System Operator for Northern Ireland (SONI) – oral evidence on Electricity Grid Issues

Pádraig Delargy joined the meeting at 10:04am

Witnesses joined the meeting at 10:04am.

The Committee received oral and written evidence from:

Alan Campbell, Chief Executive, SONI Ltd

Gareth Brown, Head of Communications and Engagement, SONI Ltd

Key issues discussed included: SONI's governance; security of supply; Single Electricity Market; increasing demand associated with the transition to net zero; the need for new grid infrastructure; the need for planning reforms; and better community and landowner engagement.

Witnesses left the meeting at 11:13am.

Agreed: The Committee agreed to write to SONI seeking further information on: the need for additional interconnection; the efficiency of interconnectors and how multiple interconnectors would be optimised; and how additional interconnection capacity might impact renewable generators in Northern Ireland.

Agreed: The Committee also agreed to write to SONI seeking information on the energy efficiency benefits for consumers of, and plans for the roll-out of, smart-metering in Northern Ireland.

Proceedings were suspended at 11:14am and resumed at 11:20am

Pádraig Delargy left the meeting at 11:20am

7. Northern Ireland Authority for Utility Regulation (the Utility Regulator) – oral evidence on Energy Regulation and Net Zero

Witnesses joined the meeting at 11:20am.

The Committee received oral and written evidence from:

John French – Chief Executive Officer, Northern Ireland Authority for Utility Regulation;

Kevin Shiels – Executive Director – Markets and Consumer Protection, Northern Ireland Authority for Utility Regulation; and

Peter Russell – Executive Director - Price Controls, Networks and Energy Futures, Northern Ireland Authority for Utility Regulation.

Key issues discussed included: the limitation of the Utility Regulators' existing vires in respect of home heating oil, hydrogen, heat and community benefit; the importance of consumer protection measures; the need for additional consumer enforcement powers; Single Electricity Market; and the North South interconnector.

Witnesses left the meeting at 12:04pm.

Agreed: The Committee agreed to write to the Utility Regulator seeking further information on: the need for additional interconnection; the efficiency of interconnectors and how multiple interconnectors would be optimised; and how additional interconnection capacity might impact renewable generators in Northern Ireland.

Agreed: The Committee agreed to write to the Utility Regulator seeking clarity on the recovery of costs from consumers associated with electricity infrastructure development including the current level of associated capital debt and the likely extent of this debt as a consequence of the move to net zero.

Agreed: The Committee agreed to write to the Utility Regulator seeking clarity in respect of vires available to Ofgem relating to consumer redress enforcement as well as sight of its recent research with the Consumer

Council on consumer protection including measures to enhance energy price transparency.

Agreed: The Committee agreed to write to Eirgrid seeking its update on the progress of the North South interconnector and the reasons underpinning reported delays in the Republic of Ireland.

Agreed: The Committee agreed that the Chairperson should write to the Minister for the Economy; the Minister for Communities; and the Minister for Agriculture, Environment and Rural Affairs seeking clarity as to how they are working together in order to prioritise the most vulnerable of electricity consumers in Northern Ireland while also enhancing the vires of the Utility Regulator in order to deliver measures to support net zero supported by the regulation of: heat networks; hydrogen; home heating oil; and community benefits from renewables.

8. Delegated Legislation - Further Education Access

David Honeyford made a declaration of interest as his children are currently undertaking Higher Education courses of study.

The Committee considered the proposed statutory rule: The Further Education (Student Support) (Amendment etc.) Regulations (Northern Ireland) 2024.

Agreed: The Committee agreed that it was content for the Department to make the proposed statutory rule.

9. RalSe – Written Briefing

The Committee noted the Assembly Research paper on Artificial Intelligence.

Agreed: The Committee agreed to write to the Department seeking clarity as to the measures it is to take in order to address prospective job losses in the sub-regions of Northern Ireland associated with the advent of Artificial Intelligence.

10. Correspondence

10.1 Index

Noted: The Committee noted an index of incoming correspondence.

10.2 Grant-in-Aid 2023-24

Noted: The Committee noted correspondence in response to Committee queries in respect of changes to grant-in-aid in 2023-24 of £40m.

10.3 Economic Activities of Public Bodies Bill

Noted: The Committee noted a Departmental response to Committee queries in respect of the Legislative Consent Motion for the Westminster Bill: Economic Activities of Public Bodies Bill.

10.4 Pay Transparency Directive

The Committee considered a Departmental response in respect of the Pay Transparency Directive.

Agreed: The Committee agreed to write to the Department for Communities seeking clarity as to the anticipated consequences of the Pay Transparency Directive.

10.5 Buy Out Fund / Mutualisation

The Committee considered a response from the Department where it declined to provide a copy of the Off-Shore Renewable Energy Action Plan and provided an Ofgem guidance document in respect of the buy-out fund and mutualisation process

Agreed: The Committee agreed to write to the Utility Regulator seeking clarity on the buy-out fund and the mutualisation process.

10.6 R&D and Innovation grant drawdowns

Noted: The Committee noted a response to Committee queries providing information on R&D and Innovation grant drawdowns; the role of Innovate NI and reports on Artificial Intelligence.

Sinead Mc Laughlin recorded her concern that around 50% of the Innovate UK grant drawdown was for firms in Belfast.

Jonathan Buckley recorded his concern that the roll-out of Artificial Intelligence technology might likely adversely affect firms in the ABC council area.

10.7 Developing biomethane production

Noted: The Committee noted a Departmental call for evidence on developing biomethane production.

10.8 Capital Spending Report

Noted: The Committee noted the Department's capital spending report for April 2024

10.9 Ofgem RHI Scheme

The Committee considered a response from Ofgem in respect of its role as the administrator of the non-domestic RHI scheme.

Agreed: The Committee agreed to write to the Department seeking clarity on the next steps for the non-domestic RHI scheme in view of the response from Ofgem including the progress of the business case for the revised tariff and the options for scheme closure.

10.10 Post -19 SEN provision

The Committee noted a copy of correspondence from a concerned individual campaigning for post-19 SEN provision.

Agreed: The Committee agreed to write to the Department seeking information on post-19 SEN provision.

10.11 Office of the NI Executive in Brussels

Noted: The Committee noted correspondence a copy of the Brussels activity report for January to March 2024 from the Office of the NI Executive in Brussels.

10.12 EU regulations- Energy Labelling of Tumble Dyers.

Noted: The Committee noted a copy of further correspondence in respect of EU regulations relating to the energy labelling of tumble dyers.

10.13 EU regulations- Critical raw materials.

The Committee considered a copy of correspondence in respect of EU regulations relating to critical raw materials.

Agreed: The Committee agreed to write to the Department seeking its views on the economic impact of EU regulations relating to critical raw materials.

10.14 Defective Premises Bill

The Committee considered correspondence from the Royal Society of Ulster Architects making a request to brief on the consequences of the anticipated Defective Premises Bill.

Agreed: The Committee agreed to refer this correspondence to the Committee for Communities.

10.15 Pivotal

The Committee considered correspondence from Pivotal asking to brief the Committee on its report on economic inactivity.

Agreed: The Committee agreed to refer the written brief to Assembly Research and seek its advice on the need for related oral briefings.

11. Forward Work Programme

The Committee considered a draft of its Forward Work Programme.

Agreed: The Committee agreed to amend its Forward Work Programme in order to include briefings and oral evidence from:

- the Department on its budget 2024-25 on 22 May 2024;
- Ulster University Economic Policy Centre in respect of economic inactivity, labour inclusion, tourism, hybrid working etc.; and
- a suitable expert on Artificial Intelligence.

12. Any Other Business

There was no other business.

13. Date, Time and Place of Next Meeting

The next meeting of the Committee for the Economy will be at 10.00am on Wednesday 15 May 2024 in Room 30, Parliament Buildings.

The meeting was adjourned at 12:23pm.

Phillip Brett MLA

Chairperson, Committee for the Economy

15 May 2024