

Utility Regulator for Northern Ireland  
Queens House  
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*By email*

## **Review of the Connections Policy Framework in Northern Ireland: CMA Response**

The Competition and Markets Authority (CMA) is an independent non-Ministerial UK government department. We help people, businesses, and the UK economy by promoting competitive markets and tackling unfair behaviour. As part of its functions, the CMA has a role in providing advice and recommendations to government and public authorities.<sup>1</sup> The CMA welcomes the opportunity to respond to this joint Call for Evidence from the Department for the Economy (DfE) and the Utility Regulator Northern Ireland (UREGNI). This response is informed by the CMA's electric vehicle (EV) charging market study which concluded in July 2021.<sup>2</sup>

To support the transition to Net Zero, it is essential that there is a comprehensive and competitive EV charging network in place. The study and its recommendations outlined how to promote strong competition, encourage more investment, and build people's trust in EV charging infrastructure across the UK and to help meet Net Zero. Our work also highlighted several considerations for charging connections across the UK to help ensure these did not form a barrier to competition or investment in the sector.

As of July 2023, there were 44,020 public chargepoints across the UK – far from the estimated 280,000 to 480,000 needed to help meet expected demand by 2030. It is critical to enable investment into the sector early on, to ensure people's charging needs are met. Northern Ireland lags behind the rest of the UK – it is estimated to have 23 public chargepoints per 100,000 people compared to 73 in Scotland, 61 in Wales and 67 in England.<sup>3</sup> We strongly urge UREGNI to prioritise taking action within its remit to support the development of EV charging in Northern Ireland. We also welcome the fact that more chargepoint operators are starting to enter the market, with the FASTER Project and On-Street Residential Chargepoint Scheme helping to accelerate the roll-out of EV charging.<sup>4</sup>

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<sup>1</sup> Under Section 7(1) of the Enterprise Act 2002, the CMA has a function of making proposals, or giving information and advice to government.

<sup>2</sup> [Electric vehicle charging market study: final report](#), CMA.

<sup>3</sup> [Electric vehicle charging device statistics: July 2023 - GOV.UK \(www.gov.uk\)](#)

<sup>4</sup> [The Faster Project - Sustainable Transition to EV's \(fasterevcharge.com\)](#)

Whilst the direct costs of investment in EV charging networks are outside of UREGNI's role, there are also costs for providers relating to the electricity system, such as costs for reinforcing grid capacity. Our study found that the costs of grid reinforcement and upgrades for new connections in the UK can be high and can therefore weaken the business case for commercial investment in new charging infrastructure.

The current electricity connection framework in Northern Ireland requires customers seeking a large new or modified connection to the grid to contribute towards the reinforcement costs needed to facilitate this. Connecting to the grid will be most expensive for high-powered connections, which include en route charging along motorways and A-roads, and in rural areas. To address this, the CMA made a joint recommendation to the UK's energy regulators, Ofgem and UREGNI, that they use forthcoming price control reviews to strengthen distribution network operator (DNO) incentives to speed up EV charging grid connections, allow DNOs to invest strategically in network reinforcement and lower new connection charges by removing the charge for any reinforcement costs.<sup>5</sup>

UREGNI will play an increasingly important role in supporting the development of the EV charging sector through the incentives given to NIE Networks, as DNO for Northern Ireland, to deliver the necessary investment. In line with our market study recommendation, we therefore strongly encourage UREGNI to use its consultation on the next price control period (RP7) to ensure that future regulatory settlements capture the wider benefits of EV charging. The RP7 price control period should also provide incentives for network companies to incorporate anticipated EV charging needs into their business plans, invest strategically where justified, and ensure that chargepoint operators can be connected to the electricity grid swiftly.

We note that the energy regulator in Great Britain, Ofgem, accepted our recommendation and consulted on electricity reinforcement costs as part of its RIIO-ED2 price control review, which came into force on 1 April 2023. This included changes to reduce the amount that customers seeking a connection pay towards reinforcement than in previous price control periods. As a result, more of the costs of new connections will be shared proportionately amongst all network users, making EV charging connections more accessible and affordable.<sup>6</sup> UREGNI may wish to engage with Ofgem on these issues for the upcoming price control period (RP7).

We welcome the opportunity to highlight our market study and corresponding recommendations to the DfE and UREGNI in this critically important policy area. We stand ready to engage further as helpful.

Best wishes,

**Competition and Markets Authority**

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<sup>5</sup> [Electric vehicle charging market study: final report](#), CMA.

<sup>6</sup> [RIIO-ED2 Final Determinations](#), Ofgem.