

From: [McCutcheon, Joanne](#)
To: [Dolaghan, Paul](#)
Cc: [Hutchinson, Peter](#)
Subject: FW: ENERGY IRELAND YEARBOOK Ministerial Foreword
Date: 15 January 2014 11:04:47
Attachments: [Energy Ireland Yearbook 2013 Minister Foster Foreword.docx](#)

As requested.

Joanne

From: Dolaghan, Paul
Sent: 10 January 2014 16:44
To: Frazer, Fred; Clydesdale, Alison; McCutcheon, Joanne; Harris, Michael
Cc: Hutchinson, Peter; Forsythe, Nicola
Subject: ENERGY IRELAND YEARBOOK Ministerial Foreword

Fred, Alison, Joanne, Michael,

I have agreed with Karen that given the deadline for this all we would be able to do is offer a tracked change update to last year's article. She said that if we could let her have this by close next Thursday she would use this to draft an article for Minister's consideration.

Can I therefore ask you to kindly consider the sections relevant to your areas and let me have your respective tracked updates **by close on Wednesday 15th** .

Many thanks

Paul.

From: Fullerton, Karen
Sent: 10 January 2014 16:22
To: Neth_Energy
Cc: Mills, John (DETI); Thomson, David
Subject: Ministerial Foreword

Folks,

For the past number of years, the Minister has agreed to provide a foreword for the Energy Ireland yearbook (last year's is attached). The Minister has received a similar request this year and we would be grateful if you would provide a draft of 500-600 words.

Unfortunately we have been given a very tight turnaround with a deadline of January 20 – however, we would need to factor in time for clearance so would realistically need it by lunch time on Friday, 17th.

Apologies again for the short timescale here.

Thanks,
Karen

From: Lynda Millar - Energy Ireland [<mailto:lynda.millar@energyireland.ie>]
Sent: 07 January 2014 16:17
To: Fullerton, Karen
Subject: Ministerial Foreword

Hi Karen,

Many thanks for taking my call.

As discussed, I'm working on the 2014 edition of the Energy Ireland Yearbook which is the annual publication for Northern Ireland and Ireland's energy sectors and is distributed to key contacts.

In previous years Minister Foster has kindly supplied a 'Foreword' to the Yearbook (I have attached a copy of what was included in 2013).

Can you let me know if she would be interested in providing this again for 2014? We would need it by Monday 20th January please.

Any queries, please don't hesitate to give me a call.

Kind regards,

Lynda

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Arlene Foster, MLA

Minister of Enterprise Trade and Investment, Northern Ireland

Achieving a sustainable energy outlook for Northern Ireland continues to be a priority as we move further into the 21st century. The vision is to achieve a secure and affordable long-term future through innovative and ambitious actions.

The Strategic Energy Framework (SEF) 2010 set out ambitious and wide ranging plans over the next decade. Key energy goals include building competitive markets, ensuring security of supply, enhancing sustainability and developing Northern Ireland's energy infrastructure. It also set new and challenging renewable energy targets, including 40 per cent of electricity consumption to be from renewable electricity and 10 per cent from renewable heat by 2020.

We are currently on target to meet the Programme for Government 2015 target of having 20 per cent of electricity generated from renewable sources; with the current figure sitting at 14.7 per cent (against a 2012 target of 12%).

Electricity generated from renewable sources not only enhances our security of supply by reducing our reliance on expensive fossil fuels, but also contributes to reduced carbon emissions and provides for job creation.

My Department is currently active in supporting the development of the Northern Ireland Renewable Heat sector. The Renewable Heat Incentive (RHI) which is currently open to non-domestic installations has been in place since 1 November 2012 and provides long term financial support for those wishing to switch from conventional heating to renewable heating solutions, such as biomass; heat pumps and solar thermal. Currently domestic renewable heat installations are supported through the Renewable Heat Premium Payment (RHPP) scheme which provides grant support towards the cost of certain renewable technologies.

My Department has consulted on proposals to expand the current RHI scheme to include more innovative technologies and extend the scheme to the domestic market. It is anticipated that some changes to the scheme will therefore be introduced in Spring 2014.

My Department's support for the renewable heat market will help to achieve our aim of increasing levels of renewable heating to 10 per cent by 2020. The development of this market also has real benefits for Northern Ireland's energy security by reducing dependence on fossil fuels. The sector also has the potential for new jobs and industries.

In the period up to 2020 we expect a sizeable proportion of renewable energy continuing to come from on shore renewables (particularly on shore wind). However, later in the decade it is anticipated that offshore energy will play a greater

part in the energy mix, with a potential investment of £100 billion expected in the region. The DONG development at Belfast Harbour means Northern Ireland is uniquely well positioned to capture a market share.

In addition, the Crown Estate's announcement in October that it had awarded development rights for a 600MW offshore wind project and 200MW tidal development in Northern Ireland waters represents a major milestone.

In the longer term, in order to improve security of supply, low carbon generation needs to compete fairly on cost. Northern Ireland will therefore move, in 2017, to a large scale Feed In Tariff to support renewables development under the Electricity Market Reform proposals. These proposals will put in place market and institutional arrangements to provide certainty for investors going forward. It will also be necessary to move to a small scale feed in tariff to continue to support smaller scale renewable generators.

Another important area of work for my Department relates to extension of the natural gas network. A detailed economic appraisal has been completed considering the costs and benefits of providing new gas networks to main towns in the West and North-West of Northern Ireland, and to East Down. It is anticipated that the Utility Regulator will take forward a licence competition and award in 2013, thus facilitating the commencement of works to provide new gas transmission pipelines to towns in the West and North-West during 2015.

My Department also remains supportive of plans to develop a gas storage facility in East Antrim to enhance our security of energy supply. I was therefore pleased to note the recent announcements by the Environment Minister in relation to the granting of planning approval which would facilitate construction of a significant gas storage project below Larne Lough, and the granting of a gas storage licence by the Utility Regulator.

My Department is committed to seeking ways to support consumers in these times of higher energy prices. In the years to come, it is important that we all rise to the challenge of reducing consumption in tandem with creating a sustainable energy infrastructure that will support Northern Ireland's future economic growth.

Lines to Take – 4% Renewable Heat (RH) Target

- In 2010 the level of renewable heat was 300 GWh (1.7% of the total heat demand of 17,400 GWh). At that time, it was projected that the overall heat demand would reduce to 16,700 GWh by 2020.
- Assuming heat demand is around 17,100 GWh in 2015, the PfG target of 4% target equates to 384 GWh of new RH consumption.
- To monitor progress against these targets, heat capacity installed on the RHI/RHPP needs to be converted into consumption i.e. the capacity multiplied by number of hours in a year multiplied by the % load factor of the technology multiplied by the % efficiency of the technology (also taking into account the units of measurement).
- Load factors will vary between domestic/non domestic, manufacturing/services, heavy/light industry which is why estimation is not straightforward and why DETI will need to undertake a detailed estimation exercise at a point in time.
- However if we were to apply 90% efficiency to all installations and load factors of 18% to domestics and 50% to non domestics then current uptake on the RHI/RHPP would equate to consumption in the region of 65GWh. Adding to this a large combined heat and power (CHP) project which is under development and anaerobic digestion (AD) projects, all supported through the NIRO, we would reach a conservative estimate of progress to date of 105 GWh.
- Relevant to considering how achievable the 4% target is from the current position are the following facts:-
 - the rate of uptake on the RHI is increasing
 - to date the RHI has been incentivising smaller installations (heat capacity under 1MW). Phase 2 (during 2014/15) will extend the range of technologies supported and potentially incentivise installations over 1 MW.
 - it is likely that there will be further CHP and AD coming on line.
 - RH installed since 2010 which has not been incentivised still needs to be estimated and factored in
 - the accuracy of the overall heat demand projections needs to be reviewed.
- DETI considers the 4% target to be ambitious but still reachable.