

From: [Dolaghan, Paul](#)
To: [CLU Mailbox \(DETI\)](#)
Cc: [Hepper, Fiona](#); [McCune, David](#); [McCombe, Alison](#); [Neth, Energy](#)
Subject: ONE PAGE BRIEF FOR MINISTER
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Attachments: [Energy Division - Headline Points \(October 2012\) \(4\) \(3\).DOC](#)

Alison,

Please see attached updated Energy One Page Brief which has been approved by Fiona Hepper.

Thanks

Paul.

Paul Dolaghan

Energy Co-ordination
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9514 (ext: 29514)
Mob: Personal information redacted by the RHI Inquiry
Textphone: 028 9052 9304
Web: www.detini.gov.uk

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www.ni2012.com

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Energy Tariffs

- **Electricity tariffs** (Power NI/Airtricity) **down 14%** from 1 October with NI domestic prices **4% lower than UK** comparator regions and **15% lower than RoI** average
- Recent **tariff increases** announced in GB market **may further increase the differential** between NI and comparator regions.
- **Gas prices** (Airtricity Gas Supply and Firmus Energy) **unchanged** from 1 October and NI gas prices just **below UK average** retail prices and around **10% lower than RoI** prices.

Price Controls

- **Phoenix Price Control** final determination by Competition Commission in late November with DETI having a pre-publication scrutiny role in respect of public and commercial interest issues.
- **NIE Price Control** rejected and NIAUR to consider referral to the Competition Commission.

Carbon Price Floor (CPF)

- CPF is a **UK Government proposal** designed specifically for the GB BETTA market **to stimulate investment in clean generating plant**.
- Application of CPF in SEM has range of **adverse**, albeit unintended **impacts for NI**
- Engagement ongoing at Ministerial and official levels with Treasury to secure **derogation for NI**

Gas Network Extension

- Proposals for **West and North-West** towns could **cost up to £203 million** (Dungannon, Cookstown, Coalisland, Magherafelt, Omagh, Strabane, Enniskillen/Derrylin). Funding discussions are ongoing.
- Costs and benefits also considered for taking gas to **main towns in East Down** (Hillsborough, Ballynahinch, Saintfield, Crossgar and Downpatrick).
- Licence competition for West and North-West and **licence award by Utility Regulator in 2013**, with main gas transmission **pipeline construction in 2015**.

Renewable Electricity

- **12% target** for renewable electricity by 2012 **exceeded** – currently at **14.7%**.
- **Current renewable electricity generation is around 400MW** – this is onshore wind and other technologies.
- **PfG 2015 target is 20% renewable electricity** – on target – primarily but not solely onshore wind.
- **20%** equates to approximately **800MW** of generation & **40%** to approximately **1600MW**.
- Meeting **2020 40% target** will require upwards of **£333 million investment in grid**.
- For the **market** to bring forward most cost effective development.
- **Westminster Energy Bill** to bring forward EMR proposals **introduced on 29 November 2012**.

Energy Bill

- Next stage **Executive approval** in January 2013 – aiming to have **Bill introduced** to Assembly in **June 2013**.
- **Energy efficiency measure** – potential for creation of jobs and energy savings can be quantified when level of target set in secondary legislation.

Renewable Heat Premium Payments

- Support for renewable technologies - **Biomass Boilers** - £2,500; **Air Source Heat Pumps** - £1,700; **Ground and Water Source Heat Pumps** - £3,500; **Solar Thermal Hot Water Panels** - £320
- **Over 450 applications** to date and support of **over £650,000** given or on offer.

Renewable Heat Incentive

- **Phase 1** of scheme commenced on **1 November**. A **publicity campaign** for the RHI (together with the Premium Payment scheme) **commenced on 5 November**.
- **Phase 1** provides long-term support for certain **non-domestic renewable installations** with **payments based on metered output** over the lifetime of the installation (up to 20 years).
- **Phase 2** currently being developed – will potentially include **domestic sector and additional technologies**.