

**From:** [Dolaghan, Paul](#)  
**To:** [EPDAdmin](#)  
**Cc:** [Thomson, David](#); [McCutcheon, Joanne](#); [Harris, Michael](#); [Pyper, Alistair](#); [Neth\\_Energy](#)  
**Subject:** ETI Committee query - LMU 137-13 - Programme for Government  
**Date:** 05 December 2013 14:27:25  
**Attachments:** [image003.jpg](#)  
[Input to ETI Committee query on grid connection and PfG target baseline.DOCX](#)

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Alastair, Elizabeth,

Please see attached Energy Division input to the ETI Committee queries on foot of the Programme for Government briefing.

Thanks

Paul.

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**From:** Cameron, Elizabeth  
**Sent:** 29 November 2013 13:57  
**To:** Dolaghan, Paul; Neth\_Energy  
**Cc:** Pyper, Alistair  
**Subject:** ETI Committee query - LMU 137-13 - Programme for Government

Following a meeting on the 28<sup>th</sup> November the ETI Committee has asked the Department to supply the following information:

1. to provide further information on grid connection; and
2. to establish the baseline against which progress is measured in PfG #13; and
3. to clarify the eligibility criteria for RHI for those who have a carbon trust loan.

Grateful if you can provide a response to the above to [epdadmin@detini.gov.uk](mailto:epdadmin@detini.gov.uk) by 5 December 2013.

Many thanks

Elizabeth

**Elizabeth Cameron**

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**ETI COMMITTEE ISSUES RAISED AT ITS 28 NOVEMBER 2013 MEETING****1. Grid connection**

The increasing interest in small scale renewables generation is placing a strain on a grid which was never designed for that purpose. The Department is aware that this is leading to increasing connection costs for small generators due to the need to upgrade lines to accommodate the generation.

The recent investment approval by the Utility Regulator of up to £2.3m to facilitate additional small scale generation export from the 11kV network to the 33kV network will not reduce generation connection costs, however a number of applicants in those areas who received conditional connection offers from NIE will be able to proceed with their generation projects.

Current grid development plans, solely associated with renewables and valued at £44m, should allow for greater penetration levels. Approval for investment in the electricity grid is a matter for the Utility Regulator and the £44m has been approved in principle and the investment is starting to flow.

Whilst DETI has no role in the arrangements relating to grid connection policy, the Department is currently in discussion with the Regulator, NIE and the System Operator (SONI) to examine the potential to use the European Regional Development Fund to support further investment in the grid to enable the integration of greater renewable electricity generation, including small scale. Discussions are at an early stage, are subject to securing the necessary approvals and the quantum will be small in relation to the scale of requirements in the current NIE price determination.

**2. Baseline against which progress is measured in PfG #13****(20% renewable electricity by 2015)**

The 12% target by 2012-2013 which was included in PfG 2008-2011 is the baseline for the current PfG target of 20% by 2015. This 12% target was met in 2012-2013. A mid PfG target of 15% by 2013-2014 is likely to be met with current levels of renewable electricity standing at approximately 15% for the 12 month rolling period to end October 2013.

It should be noted that in setting out these targets, the PfG notes that they are "subject to adequate grid reinforcement being approved by the Northern Ireland Authority for Utility Regulation".

**(4% renewable heat by 2015)**

The Renewable Heat targets are - a level of 10% to be achieved by 2020 and a level of 4% to be achieved by 2015. The baseline for these targets was set in 2010, following a study into the potential development of the Northern Ireland renewable heat market. The study assessed that the 2010 overall

heat demand was in the order of 17,400 GWh, of which 300GWh (or 1.7%) came from renewable sources. At this time it was also assessed that by 2020 the overall heat demand in Northern Ireland would reduce to 16,700 GWh with improvements in thermal efficiency outweighing new developments. Therefore, to achieve the 2020 target an additional 1,300 GWh of renewable heat needs to be developed. To achieve the 4% target by 2015 it is assumed that an additional 400GWh renewable heat is required.

The collection of up to date data on renewable heat demand is not as straightforward as gathering renewable electricity figures, given that there is no centralised heat network that can be monitored. To assess progress against the renewable heat targets DETI will track the amount of heat incentivised by individual installations under the Renewable Heat Incentive (RHI) and the Renewable Heat Premium Payment against the predicted 1,300 GWh required. Going forward follow up research may also be required to re-evaluate the predicted 2020 total heat demand and also to measure renewable heat output, from other installations that may have gone ahead without DETI support.

### **3. Eligibility criteria for RHI for those who have a carbon trust loan.**

The relevant legislation relating to the eligibility of an installation to receive the Renewable Heat Incentive (RHI), if it has received a Carbon Trust loan, is Regulation 23 of the Renewable Heat Incentive Scheme Regulations (Northern Ireland) 2012. This regulation states that systems cannot be accredited under the scheme where a grant from public funds has been paid (or will be paid) or other public support has been provided. Under the regulation “public support” is defined as a financial advantage provided by a public authority.

Ofgem is the administrator of the RHI scheme. The issue of whether the Carbon Trust Loan Scheme is compatible with the Northern Ireland Renewable Heat Incentive is currently being considered by DETI under the RHI dispute resolution procedures. The outcome of the review will be published on the DETI website in due course.