

From: Dolaghan, Paul
To: [CLU Mailbox \(DETI\)](#)
Cc: [Mills, John \(DETI\)](#); [Rose, Jacqui](#); [Neth_Energy](#)
Subject: PERFORMANCE MONITORING TO Q/E 30 SEPTEMBER 2014 - DETI CORPORATE PLAN 2011-15 & DETI OPERATING PLAN 2014/15
Date: 15 October 2014 16:59:00
Attachments: [Performance Monitoring to Q E 30 September 2014 - Balanced Scorecard A1-A8 - Energy Division response - 15.10.14.DOCX](#)
[Performance Management to Q E 30 September 2014 - Balanced Scorecard C1-C3 - Energy Division response - 15.10.14.DOCX](#)
[Performance Management to Q E 30 September 2014 - Slippage Reports - 15.10.14.DOCX](#)

Jacqui,

Please see attached Energy Division response which has been approved by John Mills.

Apologies for missing noon deadline!

Regards

Paul.

From: Rose, Jacqui
Sent: 17 September 2014 10:35
To: Cooper, Trevor; Johnston, Wendy; Kerr, Jackie; Mills, John (DETI); McLean, Diarmuid; Thompson, Mike; Murphy, Shane; Brush, Paul; Hinds, John; Fleming, Lorraine; Cunningham, Dennis; Donnelly, Carol
Cc: McCormick, Andrew (DETI); Rooney, Eugene; Stewart, Chris (DETI); Rodgers, Philip; Pyper, Alistair; Corr, Danny; Hawthorne, Jill; Rutherford, Paul; Loughrin, Garvin; McCleave, Assumpta; Burns, Louis; Mullan, Deirdre; Moffett, Alistair (InvestNI); 'm.hazelton@nitb.com'; 'dleeson@consumercouncil.org.uk'; Murray, Celine; Rose, Jacqui; Neth_Energy; Dolaghan, Paul; Tourism Policy Email (DETI); Telecoms Policy E-mail (DETI); Preston, Alan; White, John (DETI); Cowan, Marie; Crossin, Nuala; EPDAdmin; Finance Branch; Brankin, Bernie; Conliffe, David; McFarlane, Iain; O'Hare, Carmel; McCormick, Marese; Colacio-McAlister, Esther; 'Co-ordination Mailbox'; 'bpi@nitb.com'; Johnston, Iris; McIlwrath, Linda; McCoy, Laura; Bloomer, Adrienne; Rooney, Therese; EuropeanSupportUnit; Hamilton, Maeve; Pauley, Alberta; Analytical Services; Lavery, Nicola; Kieran, Julianne
Subject: PERFORMANCE MONITORING TO Q/E 30 SEPTEMBER 2014 - DETI CORPORATE PLAN 2011-15 & DETI OPERATING PLAN 2014/15

All,

Background:

Please see attached commissioning memo which launches the Q2 performance monitoring exercise against the DETI Operating Plan 2014/15. Also attached are the 4 templates (A - D) which need to be completed.

Action & Date for Return:

All returns, with NDPB returns to be cleared by Sponsor Branch officials, to be sent to clumailbox@defini.gov.uk by no later than **Noon, Wednesday 15 October 2014**. Please note that Internal Audit has made a recommendation that all performance monitoring returns, including slippage reports, should be forwarded in accordance with the procedures and timescales outlined in the CLU request.

NB: As per para 9 of the memo, individual Divisional / Branch Plans should also now be updated to reflect the Q/E 30 September 2014 position.

Thank you

David McCune

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A6: TO PROMOTE THE DEVELOPMENT OF ECONOMIC INFRASTRUCTURE

LEGEND:

PFG Commitments

(A1 – A8)					
A	B	C	D	E	F
Operating Plan Objectives 2014/15 Responsibility & Related Docs	Operating Plan Target 2014/15	Figures achieved at 30/09/14	Target RAG status at 30/09/14	Indicative RAG status to end 2014/15 (4 yr Corp Plan target)	Commentary
1. Competitive Energy Pricing. CP (No.38) John Mills, Energy	By May 2014, complete exercise on part of NIAUR / DETI Working Group into drivers of electricity pricing and composition / allocation of network charges.		G	(CP No.38): There are 9 SEF targets aimed at building competitive energy markets: G – 6; A/G – 2; R - 1	Report on Network electricity prices and allocation completed. Policy options developed for Minister.
	During 2014/15, ensure monitoring of any electricity / gas tariff reviews.		G	See 1 above	Division attended relevant electricity and gas meetings linked to Autumn tariff reviews and Minister/Top Management briefed accordingly.
2. Regional Market Integration. CP (No.38) John Mills, Energy	By August 2014, secure Ministerial agreement of SEM Committee preferred High Level Design.		G	See 1 above	SEM Committee recommendations for high level energy trading and capacity remuneration mechanism options agreed by Department and noted by Minister on 16 September 2014.
3. New energy licence modifications and appeals process. CP (No.38) John Mills, Energy	By June 2014, make Regulations to establish new electricity and gas licence modification and appeals arrangements.		A/G	See 1 above	Target will be achieved but with some slippage. Regulations being finalised with DSO. Completion delayed to facilitate further work by the Utility Regulator to assess changes required to licences to align with the new arrangements. Legislation now scheduled to be made Autumn 2014.

(A1 – A8)

A	B	C	D	E	F
Operating Plan Objectives 2014/15 Responsibility & Related Docs	Operating Plan Target 2014/15	Figures achieved at 30/09/14	Target RAG status at 30/09/14	Indicative RAG status to end 2014/15 (4 yr Corp Plan target)	Commentary
4. Adequate power generation capacity. CP (No.39) John Mills, Energy	During 2014/15, work towards implementation of decision for provision of additional 250MW (minimum) of conventional power generation.		G	(CP No.39): There are 6 SEF targets aimed at ensuring security of supply: G – 5; A/G - 1	Utility Regulator and DETI have agreed with the System Operator (SONI) procurement of additional generation capacity to be in place by start of 2016 (contract awarded October 2014).
5. Security of natural gas/ electricity supply. CP (No.39) John Mills, Energy	During 2014/15, work with DECC, DCENR and respective Regulatory Authorities to meet obligations in EC Regulation 994/11 (Security of Supply) and EC Regulation 347/13 (TEN-E Infrastructure) to support NI security of gas and electricity supply.		G	See 4 above	<p>DETI, in co-operation with DOE, has formally accepted the Competent Authority role in relation to the Project of Common Interest (PCI) process for energy projects in NI. Work is currently underway with the Irish planning body, An Bord Pleanala, to progress the North-South electricity interconnector through the PCI process. DETI has worked with DECC and DOE to produce a UK Manual of Procedures to assist PCI developers. This was published on the Department's website in June 2014, within the Commission deadline.</p> <p>DETI also worked with DECC to ensure UK Risk Assessments were published by the June 2014 deadline and work is on track to meet the December 2014 deadline to publish a UK Preventative Action Plan and Emergency Plan.</p>
6. Smart Meter provision. CP (No.39) John Mills, Energy	By March 2015, in collaboration with NIAUR, complete relevant Privacy Impact Assessment.		A/G	See 4 above	Objective altered. Re-examination of the Smart Meter Cost Benefit Analysis (CBA) will now precede a Privacy Impact Assessment. DSO has been asked to provide updated legal advice in relation to the re-assessment of the CBA. A business case and terms of reference are currently being produced to appoint external consultants to undertake the re-assessment of the CBA.

(A1 – A8)

A Operating Plan Objectives 2014/15 Responsibility & Related Docs	B Operating Plan Target 2014/15	C Figures achieved at 30/09/14	D Target RAG status at 30/09/14	E Indicative RAG status to end 2014/15 (4 yr Corp Plan target)	F Commentary
7. Transposition of Energy Efficiency Directive (EED). CP (No.40) John Mills, Energy	By May 2014, make and lay Regulations in Assembly to ensure NI compliance ahead of EED deadline of 5 June.		A/G	(CP No. 40): There are 27 SEF targets aimed at enhancing sustainability and developing NI's energy infrastructure: G – 21; A/G – 6; A - 1	Regulations to transpose Articles 9-11, 13 & 15 were made on 4 July and came into operation on 25 July. The Regulator will consult, to end December 2014, on the licence modifications required to implement the requirements of these Articles. On completion of the consultation process, DETI will develop Regulations to amend the Electricity (Class Exemptions for the Requirement for a Licence) Order (Northern Ireland) 2013 to align with the licence modifications. Regulations to transpose Article 14(10) will be considered by the ETI Committee on 4 November and will be made and laid as soon as possible thereafter.
8. Energy Primary Legislation. CP (No.40) John Mills, Energy	By December 2014, secure: (i) Introduction of Energy Bill to NI Assembly; and (ii) Executive approval for Offshore Renewable Energy Bill.		A A	See 7 above	(i) Delayed due to competing priorities relating to transposition of EED. Division currently considering a number of policy options (ii) Resolution of treatment of liabilities still under consideration with NIO, DECC and HMT. Update call scheduled for mid-October with NIO.
9. Electricity Market Reform (EMR). CP (No.40) John Mills, Energy	By December 2014, finalise draft NI Feed-in Tariff Contracts for Difference arrangements.		A/G	See 7 above	DECC has commenced scoping of changes required to CfD contract. On track to issue a call for evidence / consultation on proposed NI contract arrangements in January / February 2015.
10. Grid Development. CP (No.40) John Mills, Energy	By September 2014, secure formal project designation under the 2014-2020 ERDF programme.		A	See 7 above	Continuing engagement with NIE / SONI / Utility Regulator to scope investment options. Discussions are likely to continue into 2015 due to regulatory approvals procedures.

(A1 – A8)

A Operating Plan Objectives 2014/15 Responsibility & Related Docs	B Operating Plan Target 2014/15	C Figures achieved at 30/09/14	D Target RAG status at 30/09/14	E Indicative RAG status to end 2014/15 (4 yr Corp Plan target)	F Commentary
11. North / South Interconnector. CP (No.40) John Mills, Energy	During 2014/15, ensure full DETI support for delivery of second North / South interconnector.		G	See 7 above	Minister continues to emphasise importance of delivery of interconnector. Department has also undertaken discussions with DOE Planning and An Bord Pleanala to ensure co-ordination of Projects of Common Interest Competent Authority arrangements in the handling of NIE and EirGrid planning arrangements.
12. Gas Network Extension. CP (No.40) John Mills, Energy	By December 2014, issue Letter of Offer in respect of NI Executive grant for gas extension project.		G	See 7 above	The Utility Regulator has announced the preferred applicants for licences to take gas to the West. A formal licence award is expected by end of December 2014. A draft Letter of Offer has been prepared in respect of up to £32.5m grant assistance for issue following licence award.
13. Detailed analysis of costs / benefits of SEF 40% target. PfG (No.13) ES (E23) CP (No.41) John Mills, Energy	By December 2014, publish study findings into costs / benefits of SEF 40% Renewables target.		G	See 7 above	On track.
14. Mid-term review of SEF 2010. PfG (No.13) ES(E23) CP (No.41) John Mills, Energy	By December 2014, ensure process/ resources in place to facilitate mid-term review of SEF 2010.		G	See 7 above	On track

(A1 – A8)

A Operating Plan Objectives 2014/15 Responsibility & Related Docs	B Operating Plan Target 2014/15	C Figures achieved at 30/09/14	D Target RAG status at 30/09/14	E Indicative RAG status to end 2014/15 (4 yr Corp Plan target)	F Commentary
15. Renewable Electricity Incentivisation. PfG (No.13) ES (E23) CP (No.41) John Mills, Energy	By March 2015, deliver necessary legislative amendments to Renewables Obligation Order.		A/G	See 7 above	Consultation on small scale ROC levels closed on 25 September. Short consultation on biomass sustainability in the Renewables Obligation to issue in October followed by consultation on RO closure and transition-related issues. Legislation timescale likely to be April / May 2015.
16. Renewable Heat Incentive (RHI) Phase 2 (Domestic) PfG (No.13) ES (E23) CP (No.41) John Mills, Energy	By May 2014, finalise secondary legislation to enable launch of RHI (Domestic) scheme.		A/G	See 7 above	Final policy approvals for domestic elements of Phase 2 have been secured. Legislation drafted and sent to DSO for clearance. Plan is to launch later in 2014 (subject to passage of legislation).
17. Expansion of non-domestic RHI. PfG (No.13) ES (E23) CP (No.41) John Mills, Energy	By December 2014, amend current legislation to facilitate expansion of the non-domestic RHI.		A/G	See 7 above	Non-domestic elements of Phase 2 will be taken forward in 2015.

(C1 – C3)

A Operating Plan Objectives 2014/15 Responsibility & Related Docs	B Operating Plan Target 2014/15	C Figures achieved at 30/09/14	D Target RAG status at 30/09/14	E Indicative RAG status to end 2014/15 (4 yr Corp Plan target)	F Commentary
<p>69. Updating of National Emergency Plan for Fuel (NEP-F).</p> <p>CP (No.85) John Mills, Energy Division</p>	<p>By August 2014, following major review of the National Emergency Plan for Fuel (NEP-F), agree with DECC an updated NI Response Strategy for Fuel Disruption.</p>		<p>A/G</p>		<p>DECC completed Phase 1 of the National review in August 2014, which focuses on improving fuel resilience. DETI has taken forward actions with key Northern Ireland fuel users to identify and encourage them to improve resilience to local supply chain shocks.</p> <p>Further work on the NI Response Strategy is delayed until DECC recommences a Phase 2 review of National emergency response tools, which has been delayed due to other DECC priorities.</p>
<p>70. Clearance within the deadlines of each AQ.</p> <p>CP (No.86) Wendy Johnston, HRCS Division</p>	<p>90% AQ answers provided within the deadlines.</p>				

ANNEX B

HEAD OF DIVISION / NDPB CHIEF EXECUTIVE PRO FORMA FOR REPORTING
SLIPPAGE IN TARGETS

PfG Commitment / DETI Corporate Plan 2011-15 target	Ensure delivery of the 2011-15 SEF actions aimed at enhancing sustainability and development of NI's energy infrastructure. (incorporating extension of NI's natural gas network, including the West of the Province).
Corresponding DETI Operating Plan 14/15 target	Grid Development - By September 2014, secure formal project designation under the 2014-2020 ERDF programme.
Figure achieved to date	Discussions continuing with Utility Regulator, Northern Ireland Electricity and System Operator for Northern Ireland to scope suitable investment project(s)
Status of targets (G / AG / A / R)	2011 / 15: A 2014 / 15: A
Explanation of slippage	The use of ERDF funding to support investment in grid infrastructure requires approval of "match funding" by the Utility Regulator. Discussions have been progressing on this issue, but have been affected by a range of factors. These include the transfer of grid planning responsibility from Northern Ireland Electricity (NIE) to the System Operator for Northern Ireland and the outturn of the 5 th NIE Price Determination which has defined the nature and value of investment that NIE can make until September 2017. Until these discussions are concluded, it is not possible to seek formal designation under the ERDF programme.
Remedial action being taken	Discussions continuing and invitation to establish working group issued by DETI Energy Division to all parties.
Has the policy/ delivery mechanism been reviewed to ensure it is effective?	Not considered a requirement at this stage.

Senior Responsible Owner: John Mills, Head of Energy Division

Date: October 2014

**HEAD OF DIVISION / NDPB CHIEF EXECUTIVE PRO FORMA FOR REPORTING
SLIPPAGE IN TARGETS**

PfG Commitment / DETI Corporate Plan 2011-15 target	Ensure delivery of the 2011 – 15 SEF actions to encourage achievement of 20% of electricity consumption from renewable sources and 4% renewable heat by 2015.
Corresponding DETI Operating Plan 14/15 target	By December 2014, secure introduction of Energy Bill to NI Assembly.
Figure achieved to date	N/A
Status of targets (G / AG / A / R)	2011 / 15: A 2014 / 15: A
Explanation of slippage	Delayed due to other competing priorities. There are a number of complex policy issues relating to the Bill which have required further work and consideration.
Remedial action being taken	Officials are working to resolve the outstanding policy issues as quickly as possible.
Has the policy/ delivery mechanism been reviewed to ensure it is effective?	The delivery of the Bill is under review.

Senior Responsible Owner: John Mills, Head of Energy Division

Date: October 2014

**HEAD OF DIVISION / NDPB CHIEF EXECUTIVE PRO FORMA FOR REPORTING
SLIPPAGE IN TARGETS**

PfG Commitment / DETI Corporate Plan 2011-15 target	Ensure delivery of the 2011- 15 SEF actions to encourage achievement of 20% electricity consumption from renewable sources and 4% renewable heat by 2015.
Corresponding DETI Operating Plan 13/14 target	By 31 December 2014, secure Executive approval of final policy position on Offshore Energy Bill.
Figure achieved to date	N/A
Status of target (G / AG / A / R)	2011 / 15: AG 2014 / 15: A
Explanation of slippage	Offshore Bill is on hold – regulatory issues arose during the consultation period which are still being worked through with the Crown Estate and the Utility Regulator.
Remedial action being taken	Ongoing discussions with Crown Estate, HMT, DECC and NIO. It is hoped that HMT and DECC will agree to cover the liability. However, the Bill cannot proceed until this matter is resolved.
Has the policy/ delivery mechanism been reviewed to ensure it is effective?	Yes

Senior Responsible Owner: John Mills, Head of Energy Division

Date: October 2014