

**From:** Dolaghan, Paul  
**To:** [CLU Mailbox \(DETI\)](#)  
**Cc:** [Mills, John \(DETI\)](#); [McCune, David](#); [Rose, Jacqui](#); [McCombe, Alison](#); [Neth\\_Energy](#)  
**Subject:** PERFORMANCE MONITORING TO Q/E 31 DECEMBER 2014 - DETI CORPORATE PLAN 2011-15 & DETI OPERATING PLAN 2014/15  
**Date:** 16 January 2015 17:35:00  
**Attachments:** [Performance Monitoring to O E 31 December 2014 - Balanced Scorecard A1-A8 - Energy Division Response - 14.01.15.DOCX](#)  
[Performance Monitoring to O E 31 December 2014 - Balanced Scorecard C1-C3 - Energy Division response - 14.01.15.DOCX](#)  
[Performance Monitoring to O E 31 December 2014 - Slippage Reports.DOCX](#)

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Jacqui,

Please see attached Energy Division return which has been approved by John Mills. Apologies for slight delay.

Regards

Paul.

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**From:** Rose, Jacqui  
**Sent:** 10 December 2014 09:47  
**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; Ryan, Damien; Analytical Services; Laverty, Nicola; Kieran, Julianne  
**Subject:** PERFORMANCE MONITORING TO Q/E 31 DECEMBER 2014 - DETI CORPORATE PLAN 2011-15 & DETI OPERATING PLAN 2014/15

All,

**Background:**

Please see attached commissioning memo which launches the Q3 performance monitoring exercise against the DETI Operating Plan 2014/15. Also attached are the 4 templates (A - D) which need to be updated using track changes - these templates currently show the position at Q/E 30 September 2014.

**Action & Date for Return:**

All returns, with NDPB returns to be cleared by Sponsor Branch officials, to be sent to [clumailbox@detini.gov.uk](mailto:clumailbox@detini.gov.uk) by no later than **Noon, Friday 16 January 2015**. 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 31 December 2014 position.

Thank you

**David McCune**

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## A6: TO PROMOTE THE DEVELOPMENT OF ECONOMIC INFRASTRUCTURE

### LEGEND:

PFG Commitments
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(A1 – A8)					
A	B	C	D	E	F
Operating Plan Objectives 2014/15 Responsibility & Related Docs	Operating Plan Target 2014/15	Figures achieved at 31/12/14	Target RAG status at 31/12/14	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.	N/A	<b>G</b>	<b>(CP No.38):</b> There are 9 SEF targets aimed at building competitive energy markets: <b>G – 7; AG – 2</b>	Report on Network electricity prices and allocation completed. Policy options developed for Minister in relation to Northern Ireland Sustainable Energy Programme (NISEP) element of bill.
	During 2014/15, ensure monitoring of any electricity / gas tariff reviews.	N/A	<b>G</b>		See 1 above
2. Regional Market Integration.  CP (No.38) John Mills, Energy	By August 2014, secure Ministerial agreement of SEM Committee preferred High Level Design.	N/A	<b>AG</b>	See 1 above	Target achieved with slight slippage. SEM Committee high level design recommendations for energy trading and capacity remuneration options agreed by Department and noted by Minister in 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.	N/A	<b>AG</b>	See 1 above	Target achieved with some slippage. Regulations finalised with DSO and OLC and laid in the Assembly on 5 January 2015 – coming into operation on 6 February 2015.

(A1 – A8)

A	B	C	D	E	F
Operating Plan Objectives 2014/15 Responsibility & Related Docs	Operating Plan Target 2014/15	Figures achieved at 31/12/14	Target RAG status at 31/12/14	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.	N/A	G	<b>(CP No.39):</b> There are 6 SEF targets aimed at ensuring security of supply: G – 5; AG – 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).  Utility Regulator and DETI published an update paper on security of supply on 22 December 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.	N/A	G	See 4 above	DETI, in co-operation with DOE, formally accepted the Competent Authority role in relation to the Project of Common Interest (PCI) process for energy projects in NI. Work continues with the Irish planning body, An Bord Pleanala, to progress the North-South electricity interconnector through the PCI process. UK Manual of Procedures to assist PCI developers completed with DETI/DOE input and published on the Department's website in June 2014, within the Commission deadline. Department has liaised closely with DECC on handling and coordination of 1 <sup>st</sup> list of funding applications by PCI developers resulting in successful applications by two of three applicants/developers. DETI has also acted as point of contact for provision of information to developers on arrangements for development of 2 <sup>nd</sup> PCI list.  DETI also worked with DECC to ensure UK Risk Assessments were published by the June 2014 deadline and the December 2014 deadline to publish a UK Preventative Action Plan and Emergency Plan has been met.
6. Smart Meter provision.  CP (No.39) John Mills, Energy	By March 2015, in collaboration with NIAUR, complete relevant Privacy Impact Assessment.	N/A	AG	See 4 above	Objective altered. Re-examination of the Smart Meter Cost Benefit Analysis (CBA) will now precede a Privacy Impact Assessment.

(A1 – A8)

A Operating Plan Objectives 2014/15 Responsibility & Related Docs	B Operating Plan Target 2014/15	C Figures achieved at 31/12/14	D Target RAG status at 31/12/14	E Indicative RAG status to end 2014/15 (4 yr Corp Plan target)	F Commentary
<p>7. Transposition of Energy Efficiency Directive (EED).</p> <p>CP (No.40) John Mills, Energy</p>	<p>By May 2014, make and lay Regulations in Assembly to ensure NI compliance ahead of EED deadline of 5 June.</p>	<p>N/A</p>	<p>AG</p>	<p><b>(CP No. 40):</b> There are 28 SEF targets aimed at enhancing sustainability and developing NI's energy infrastructure: G – 21; AG – 6; A – 1</p>	<p>Regulations to transpose Articles 9-11, 13 &amp; 15 were made on 4 July and came into operation on 25 July. The Regulator will publish a consultation by end January 2015, 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.</p> <p>Regulations to transpose Article 14(10) were made and laid on 19 November and came into operation on 10 December 2014.</p>
<p>8. Energy Primary Legislation.</p> <p>CP (No.40) John Mills, Energy</p>	<p>By December 2014, secure:</p> <p>(i) Introduction of Energy Bill to NI Assembly; and</p> <p>(ii) Executive approval for Offshore Renewable Energy Bill.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>No longer a target. Minister agreed that Bills would not be introduced in current session. ETI Committee, Ministers and other stakeholders advised.</p>
<p>9. Electricity Market Reform (EMR).</p> <p>CP (No.40) John Mills, Energy</p>	<p>By December 2014, finalise draft NI Feed-in Tariff Contracts for Difference arrangements.</p>	<p>N/A</p>	<p>AG</p>	<p>See 7 above</p>	<p>Work on scoping of changes required to CfD contract has continued. Call for evidence drafted. Meetings required with DECC before DETI can agree to publication.</p>
<p>10. Grid Development.</p> <p>CP (No.40) John Mills, Energy</p>	<p>By September 2014, secure formal project designation under the 2014-2020 ERDF programme.</p>	<p>N/A</p>	<p>A</p>	<p>See 7 above</p>	<p>Discussions continuing with SONI / NIE / Utility Regulator to scope potential project options, but limited proposals received. Engagement likely to continue into 2015/16 year.</p>

(A1 – A8)

A Operating Plan Objectives 2014/15 Responsibility & Related Docs	B Operating Plan Target 2014/15	C Figures achieved at 31/12/14	D Target RAG status at 31/12/14	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.	N/A	G	See 7 above	Minister continues to emphasise importance of delivery of 2 <sup>nd</sup> interconnector. Discussions have also been undertaken with DOE Planning and An Bord Pleanala to ensure co-ordination of planning activities in support of Projects of Common Interest requirements.
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.	N/A	AG	See 7 above	Utility Regulator confirmed in November 2014, the preferred applicants for licences to take gas to the West. A formal licence award is expected in Q1 2015. Updated gas loads and costs requested from the developer in December 2014 to complete the Final Business Case (FBC). Draft Letter of Offer (LoO) prepared for up to £32.5m grant assistance to issue following licence award and DETI / DFP Supply approval of the FBC. Formal issue of LoO held up due to overall project delay involving the developer and Utility Regulator, but is expected to issue by end March 2015.
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.	N/A	AG	See 7 above	Work still ongoing. Study findings are now expected to be published in first half of 2015.
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.	N/A	G	See 7 above	Staff resource in place and Terms of Reference / review timetable being developed.

(A1 – A8)

<b>A</b> <b>Operating Plan Objectives 2014/15 Responsibility &amp; Related Docs</b>	<b>B</b> <b>Operating Plan Target 2014/15</b>	<b>C</b> <b>Figures achieved at 31/12/14</b>	<b>D</b> <b>Target RAG status at 31/12/14</b>	<b>E</b> <b>Indicative RAG status to end 2014/15 (4 yr Corp Plan target)</b>	<b>F</b> <b>Commentary</b>
<p>15. Renewable Electricity Incentivisation.</p> <p>PfG (No.13) ES (E23) CP (No.41) John Mills, Energy</p>	<p>By March 2015, deliver necessary legislative amendments to Renewables Obligation Order.</p>	<p>N/A</p>	<p>AG</p>	<p>See 7 above</p>	<p>Consultation on small scale ROC levels closed on 25 September and over 330 responses received. Consultation on biomass sustainability in the Renewables Obligation ended in November and response to issue January/February 2015. Consultation on RO closure and transition-related issues to issue January/February. Legislation timescale now May/June 2015 due to delays by DECC in drafting RO-relevant legislation and delay in resolving policy issues related to the small scale ROC and RO transition consultations.</p>
<p>16. Renewable Heat Incentive (RHI) Phase 2 (Domestic)</p> <p>PfG (No.13) ES (E23) CP (No.41) John Mills, Energy</p>	<p>By May 2014, finalise secondary legislation to enable launch of RHI (Domestic) scheme.</p>	<p>N/A</p>	<p>AG</p>	<p>See 7 above</p>	<p>Target achieved with some slippage. The Domestic Renewable Heat Incentive Scheme Regulations (NI) 2014, were made on 8 December 2014. The Domestic RHI Scheme was launched on 9 December 2014.</p>
<p>17. Expansion of non-domestic RHI.</p> <p>PfG (No.13) ES (E23) CP (No.41) John Mills, Energy</p>	<p>By December 2014, amend current legislation to facilitate expansion of the non-domestic RHI.</p>	<p>N/A</p>	<p>AG</p>	<p>See 7 above</p>	<p>Non-domestic elements of Phase 2 will be taken forward in 2015.</p>

(C1 – C3)

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
<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 improved resilience to local supply chain shocks. Ongoing liaison with DECC on arrangements for external support during a fuel crisis, and with NI Oil Federation.</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>



**HEAD OF DIVISION / NDPB CHIEF EXECUTIVE PRO FORMA FOR REPORTING  
SLIPPAGE IN TARGETS – GRID SUPPORT USING ERDF FUNDING**

<b>PfG Commitment / DETI Corporate Plan 2011-15 target</b>	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).
<b>Corresponding DETI Operating Plan 14/15 target</b>	By September 2014 secure formal project designation under the 2014-2020 ERDF programme (grid development).
<b>Figure achieved to date</b>	Project documentation and governance arrangements substantially completed. Draft State Aid paper also prepared.
<b>Status of targets (G / AG / A / R)</b>	2011 / 15: <b>A</b>  2014 / 15: <b>A</b>
<b>Explanation of slippage</b>	Discussions with System Operator, Northern Ireland Electricity and Utility Regulator have, to date, failed to identify suitable project/programme for use of ERDF funding. Position is further complicated by Competition Commission NIE Price Determination (RP5) which has closed down Regulator match funding options. Regulator also keen to minimise impact on customer bills.
<b>Remedial action being taken</b>	Continuing discussions with all parties concerned.
<b>Has the policy/ delivery mechanism been reviewed to ensure it is effective?</b>	No – not considered to be relevant to this issue.

**Senior Responsible Owner: John Mills, Head of Energy Division**

**Date: 16 January 2015**