

From: [Dolaghan, Paul](#)
To: [CLU Mailbox \(DETI\)](#)
Cc: [Mills, John \(DETI\)](#); [Rose, Jacqui](#); [DETI Energy Mailbox](#)
Subject: DETI BUSINESS PLAN 2015/16 - PERFORMANCE MONITORING TO Y/E 31 MARCH 2016
Date: 19 April 2016 12:11:00
Attachments: [image001.gif](#)
[Performance Monitoring to QE 31 March - Balanced Scorecard A1-A8 - Energy response - April 2016.DOCX](#)
[Performance Monitoring to QE 31 March - Balanced Scorecard C1-C3 - Energy Response - April 2016.DOCX](#)
[Performance Monitoring March 2016 - Slippage reports.DOCX](#)
[Performance Monitoring to QE 31 March - HoD Sign-off Statement - April 2016.DOCX](#)

Jacqui,

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

Apologies for missing Friday's deadline.

Thanks

Paul.

From: Rose, Jacqui
Sent: 16 March 2016 11:15
To: Cooper, Trevor; Johnston, Wendy; Kerr, Jackie; Mills, John (DETI); McLean, Diarmuid; Thompson, Mike; Murphy, Shane; Pauley, Alberta; Hamilton, Maeve; McCausland, Fiona; Fleming, Lorraine
Cc: McCormick, Andrew (DETI); Rooney, Eugene; Stewart, Chris (DETI); Corr, Danny; Rutherford, Paul; Moffett, Alistair (InvestNI); a.patterson@tourismni.com; Murray, Celine; Rose, Paul; CLU Mailbox (DETI); DETI Energy Mailbox; Dolaghan, Paul; Tourism Policy Email (DETI); Telecoms Policy E-mail (DETI); Preston, Alan; DETI Minerals Branch; Cowan, Marie; Crossin, Nuala; DETI EPDAdmin; Finance Branch; Brankin, Bernie; Conliffe, David; McFarlane, Iain; CPER BRD Admin; Colacio-McAlister, Esther; 'coordination@investni.com'; 'bpi@tourismni.com'; Johnston, Iris; McIlwrath, Linda; McCoy, Laura; Bloomer, Adrienne; Rooney, Therese; Ryan, Damien; DETI Analytical Services; Kieran, Julianne
Subject: DETI BUSINESS PLAN 2015/16 - PERFORMANCE MONITORING TO Y/E 31 MARCH 2016

All,

Background:

Please see attached commissioning memo which launches the Q4 performance monitoring exercise against the DETI Business Plan 2015/16. Also attached are the 4 templates (A - D) which need to be updated.

Action & Date for Return:

All returns, cleared by HODs using the pro forma at Annex C (paras 8 & 9 of memo refer), to be sent to clumailbox@detini.gov.uk by no later than **Noon, Friday 15 April 2016**. 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 10 of the memo, individual Divisional / Branch Plans should also now be updated to reflect the Y/E 31 March 2016 position.

Thank you,

Jacqui Rose

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[NI Year of Food & Drink 2016](#)

Please consider the environment - do you really need to print this e-mail?

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 2015/16	Figures achieved at 31/12/15	Target RAG status at 31/12/15	Indicative RAG status to end 2015/16 (5 yr Corp Plan target)	Commentary
25. Maintain a legal and strategic energy framework which complies with EU requirements.	During 2015/16, represent NI interests in SEM and SEM/GB steering and working group arrangements to progress market re-design.	N/A	G	There are 7 SEF targets aimed at meeting Objective 21. G – 6; AG - 1	Progress has been made across a number of fronts: <ul style="list-style-type: none"> Model for allocation of single UK vote for Transmission System Operator voting rights agreed with DECC; NI response to EC Sector Inquiry Questionnaire on use of capacity mechanisms issued June 2015; DETI representation at EC Technical Working Group meeting on capacity mechanisms and meeting with DG Comp (April); State aid pre-notification for I-SEM Capacity Mechanism uploaded and meeting held with DG Comp case-handling team on 7 March 2016; Joint Steering Group and meetings held to discuss project status and legislative framework; Amendments to Northern Ireland legislative framework to reflect European requirements effected in March 2016; SEM Committee continues to report that project is on schedule for October 2017 go-live; and National Electricity Market Operator (NEMO) designated in Northern Ireland and Ireland and model for allocation of UK vote for NEMOs agreed with DECC.
PfG (No.13) ES (E8) John Mills, Energy	By March 2016, complete the legislative provisions for the Northern Ireland Renewables Obligation (NIRO).	N/A	AG	See above	The Renewables Obligation Amendment Order (NI) 2015 came into operation on 1 July 2015. The Renewables Obligation Closure Order (NI) 2015 came into operation on 30 September 2015. A consultation on on-shore wind closure issued on 30 September 2015 and closed on 14 October 2015. A Ministerial decision is awaited on final policy. Legislation may be delayed until June 2016. Renewables Obligation (Amendment) Order (NI) 2016 – Biomass Sustainability reporting requirements – legislation made on 1 March 2016.

(A1 – A8)

A Operating Plan Objectives 2014/15 Responsibility & Related Docs	B Operating Plan Target 2015/16	C Figures achieved at 31/12/15	D Target RAG status at 31/12/15	E Indicative RAG status to end 2015/16 (5 yr Corp Plan target)	F Commentary
	During 2015/16, progress legislation which maintains and develops the energy legislative framework in keeping with policy objectives and minimising the risk of European infraction (at least 5 instruments at this time).	N/A	G	See above	<p>Nine pieces of legislation made during 2015/2016:</p> <ul style="list-style-type: none"> • The Energy (Amendment) Order (Northern Ireland) 2015 SR 247; • The Electricity and Gas (Ownership Unbundling) Regulations (Northern Ireland) 2015 SR 249; • The Renewables Obligation (Amendment) Order (Northern Ireland) 2015 SR 287; • The Renewables Obligation Closure Order (Northern Ireland) 2015 SR 346; • The Renewable Heat Incentive Schemes (Amendment) Regulations (Northern Ireland) 2015 SR 371; • The Renewable Heat Incentive Schemes (Amendment) Regulations (Northern Ireland) 2016 SR 47; • The Renewables Obligation (Amendment) Order (Northern Ireland) 2016 SR 84; • The Electricity (Single Wholesale Market) Order (Amendment) Regulations (Northern Ireland) 2016 SR 129; and • The Renewables Obligation Closure Order (Northern Ireland) 2016 SR 174. <p>A review of the Electricity Class Exemptions Order is underway to reflect recent changes to implement the Energy Efficiency Directive with consultation planned for mid 2016.</p> <p>The Division is also engaging with DCMS to identify the NI energy implications of UK wide transposition of the Broadband Directive. Further advice is being sought from DSO on draft section 2(2) Regulations to address Third Party Access requirements for off-shore gas storage. Work is ongoing but unlikely to be completed until later in 2016</p>
	By December 2015, complete review of the Strategic Energy Framework (SEF 2010).	N/A	A	See above	<p>The original target date was changed following feedback from stakeholders during consultation following which it was agreed that work would subsequently be undertaken in two phases. Phase 1, the review element, was completed in March 2016 suggesting further work needs to be done on strategic direction out to 2030.. Phase 2, the refresh element, is currently underway with a public consultation being drafted. Phase 2 however has not been completed within the envisaged deadline.</p>

(A1 – A8)

A	B	C	D	E	F
Operating Plan Objectives 2014/15 Responsibility & Related Docs	Operating Plan Target 2015/16	Figures achieved at 31/12/15	Target RAG status at 31/12/15	Indicative RAG status to end 2015/16 (5 yr Corp Plan target)	Commentary
<p>26. Protect the interests of consumers by ensuring market conditions that deliver competitive energy prices.</p> <p>PfG (No.13) CP (No.40) John Mills, Energy</p>	<p>During 2015/16, ensure monitoring of any electricity and/or gas tariff reviews including NIAUR's Network cost review.</p>	<p>N/A</p>	<p>G</p>	<p>There are 9 SEF targets aimed at meeting Objective 22.</p> <p>G – 7; AG - 2</p>	<p>Spring 2016 Power NI regulated electricity tariff review completed with a 10.3% tariff reduction to take effect from 1 April 2016. Tariff is again expected to cover a 2-year period, but will be kept under review. Following the Power NI tariff announcement a number of other suppliers also announced tariff reductions. SSE Airtricity will reduce its standard domestic tariff by 10.3% from 1 June 2016. Electric Ireland has cut its standard tariff by 10% from 21 March 2016 while <i>Click Energy</i> has announced a 2.7% tariff reduction from the beginning of May 2016. Spring 2016 gas tariff reviews now completed which will see tariff reductions of c10% in Greater Belfast and 7.7% in the firmus energy licensed area outside Belfast from 1 April 2016.</p>
	<p>By January 2016, (working with NIAUR, NIE and CCNI on a Consumer Engagement Advisory Panel), deliver the 'Willingness to Pay' report as part of the RP6 Price Determination.</p>	<p>N/A</p>	<p>G</p>	<p>See above</p>	<p>All phases of work programme now completed. Work to finalise the willingness to pay report on schedule for completion and publication by end-April 2016.</p>
	<p>By June 2015, complete cost/benefit analysis of the 40% renewable electricity target.</p>	<p>N/A</p>	<p>G</p>	<p>See above</p>	<p>Target achieved: Cost/benefit analysis completed and published on 29 May 2015.</p>
	<p>By October 2015, complete re-assessment of the smart metering cost/benefit analysis.</p>	<p>N/A</p>	<p>AG</p>	<p>See above</p>	<p>Phase 1 research of the smart meter project cost/benefit analysis has now been completed. However, slippage has occurred due to termination of the contract with external consultants. DETI, with input from the Utility Regulator will use Phase 1 work to take forward Phase 2. The CBA re-assessment has now been completed</p>

(A1 – A8)

A Operating Plan Objectives 2014/15 Responsibility & Related Docs	B Operating Plan Target 2015/16	C Figures achieved at 31/12/15	D Target RAG status at 31/12/15	E Indicative RAG status to end 2015/16 (5 yr Corp Plan target)	F Commentary
<p>27. Work with relevant stakeholders to deliver security of supply and investment in energy infrastructure.</p> <p>PfG No.14) ES (E23) CP (No.40) John Mills, Energy</p>	<p>During 2015/16, ensure all European Commission targets relating to funding applications (PCI and ERDF) and drawdown of funds in relation to infrastructure projects (ISLES 2) are met, and input provided, as required, to the Planning Appeals Commission in relation to the N/S Interconnector.</p>	<p>N/A</p>	<p>G</p>	<p>There are 14 SEF targets aimed at meeting Objective 23.</p> <p>G – 9; AG - 5</p>	<p>Successful bids for CEF 2015 energy grant funding by developers of compressed air energy storage (CAES) and the Islandmagee gas storage projects under the TEN-E Infrastructure Regulation. Islandmagee storage project obtained offer of further funding under 2nd 2015 CEF call. Application from developer of CAES project to enter project consenting phase actioned and company advised of all required consents.</p> <p>Division has worked with developers and DECC to meet EU Annual Status Report progress reporting targets and engaged external audit and technical support to assist with scrutiny to support Member State certification of CEF funding drawdown by project developers.</p> <p>Response to HMT led initiative to identify potential projects/themes eligible to seek loan finance under European Fund for Strategic Investment arrangements. These are:</p> <ul style="list-style-type: none"> • battery, gas and compressed air storage projects currently in development/delivery. <p>ISLES2 project finalised/final financial drawdown and reconciliation completed. Three written responses issued to DOE consultation notices on SONI/EirGrid project trans-boundary assessments for N/S Interconnector. Planning hearing arrangements confirmed in NI and RoI. First phase of PAC hearing scheduled for 21 June 2016.</p>
	<p>During 2015/16, provide grant support to the Gas to the West project in accordance with the Letter of Offer and grant drawdown timelines agreed with developer.</p>	<p>N/A</p>	<p>G</p>	<p>See above</p>	<p>Engagement with developers on the Letter of Offer (LoO) for grant assistance towards the Gas to the West project continuing. DETI Casework Committee has considered Full Business Case and draft LoO. Further legal advice has been obtained to provide updated Letter of Offer to the developers, and to overcome a number of significant issues.</p> <p>Licensees have requested Grant drawdown to be a single payment at completion of the high pressure pipelines in 2017/18.</p>
	<p>During 2015/16, hold at least three meetings with NIAUR & SONI on additional capacity and security of supply issues.</p>	<p>N/A</p>	<p>G</p>	<p>See above</p>	<p>Three meetings of the DETI/Utility Regulator/SONI Security of Supply Working Group were held on 15 June, 15 September and 4 December 2015.</p>

(A1 – A8)

A	B	C	D	E	F
Operating Plan Objectives 2014/15 Responsibility & Related Docs	Operating Plan Target 2015/16	Figures achieved at 31/12/15	Target RAG status at 31/12/15	Indicative RAG status to end 2015/16 (5 yr Corp Plan target)	Commentary
28. Promote Sustainable Energy. PfG (No.13) CP (No.40) John Mills, Energy	By March 2016, agree NI Electricity Market Reform (EMR) and small scale FIT arrangements with DECC.	N/A	AG	There are 20 SEF targets aimed at meeting Objective 40. G – 17; AG – 2 A – 1	DECC confirmed at end of August 2015 that NI cannot join the small scale FIT. The UK Government's November 2015 announcement of no confirmed funding for onshore wind means it will be for the NI Executive to decide in due course whether NI should become part of the UK-wide Contracts for Difference. NI Executive approval unlikely to be achieved until September 2016.
	By December 2015, seek Executive approval for a cross-departmental community energy action plan.	N/A	A	See above	A draft first Cross-Departmental Community Energy Action Plan has been prepared but cannot be finalised until the policy position on NIRO closure is confirmed. Small scale wind closure policy will not be confirmed until the Department of the Economy is in place. NI Executive approval unlikely to be secured before September 2016.
	By March 2016, confirm policy measures to meet NI energy savings requirements under Article 7 of the Energy Efficiency Directive (EED).	N/A	G	See above	The Northern Ireland Sustainable Energy Programme (NISEP) which contributes energy savings under the EED has been extended by one year to 31 March 2017. Work is ongoing with other Departments to ensure the energy savings from all other relevant schemes are also reported for EED purposes.
	By October 2015, implement Phase 2 of the Non-Domestic Renewable Heat Incentive (RHI) Scheme.	N/A	G	See above	Final policy for Phase 2 RHI proposals for cost control and CHP has been agreed by Minister and ETI Committee (SL1). Amendment Regulations were laid before the Assembly on 17 November 2015 and came into operation on 18 November 2015. Following unprecedented increases in demand and budget reductions following the Spending Review in November 2015, both RHI schemes were closed to new applications from 29 February 2016 and other Phase 2 proposals will be considered in light of this.

(C1 – C3)

A Operating Plan Objectives 2014/15 Responsibility & Related Docs	B Operating Plan Target 2015/16	C Figures achieved at 31/12/15	D Target RAG status at 31/12/15	E Indicative RAG status to end 2015/16 (5 yr Corp Plan target)	F Commentary
58. Ensure emergency planning and resilience preparedness for energy.	By December 2015, complete annual pre-winter reviews of gas, electricity, and oil security of supply arrangements.	N/A	G	N/A	A pre-Winter preparedness meeting was held with the electricity sector on 19 November and with the gas transmission system operator PTL on 18 December. Meeting held with the Met Office on 10 December to review liaison on weather updates over the 2015/16 Winter period. Discussions also held with the oil sector on 18 December regarding supplies for the winter months. Engaged with Met Office re weather reports, and with NIE regarding electricity outages over winter storm periods.
	By March 2016, review risks to the oil, gas and electricity supply chain.	N/A	G	N/A	<p>Work underway with DCENR on an all-island basis in relation to oil security of supply. Meeting held in Dublin on 22 September between DETI, DECC and DCENR to look at oil supply disruption scenarios and potential contingencies. Also met with NIE in September to review resilience arrangements over the Winter period.</p> <p>Revised Fuel Security Code published on 19 October.</p> <p>Meeting held with DCENR on 8 December to discuss oil resilience issues.</p> <p>Division participated in a gas emergency exercise held by Mutual Energy on 13 January and has met on-site with oil terminal owners in January and February. Meeting also held with Belfast Harbour representative on 29 January to review port resilience for oil and coal supplies.</p>
	During 2015/16, contribute to co-ordination of energy security through at least two meetings of the Belfast Emergency Procedures Group and annual UK/Ireland energy Security of Supply meeting.	N/A	G	N/A	<p>Energy Division represented at UK/Ireland Emergency Planning and Security of Supply Group meeting on 24 September. Division was also represented at Belfast Emergency Preparedness Group meetings held on 1 December and 18 January.</p> <p>Participation in the multi-agency Severe Weather meetings (via conference call) over the Christmas/New Year period of storms and flooding.</p>

ANNEX B

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

PfG Commitment / DETI Corporate Plan 2011-16 target	Continue to pursue achievement of the key Strategic Energy framework goals.
Corresponding DETI Business Plan 15/16 target	By December 2015, complete review of the Strategic Energy Framework (SEF 2010).
Figure achieved to date	N/A
Status of targets (G / AG / A / R)	2015 / 16: A 2011 / 16: AG
Explanation of slippage	The Phase 1 review element has been completed which suggested further work needs to be done on strategic direction out to 2030. The SEF work also includes a refresh element which necessitates a public consultation. The refresh cannot be completed until the public consultation has taken place. The public consultation was due to be published by 31 March i.e. before the Assembly elections. However due to other policy priorities resource pressures have been created which have necessitated prioritisation within the overall workload of Energy Division.
Remedial action being taken	Given the above along with the current proximity to the Assembly elections, and the formation of a new Department for the Economy, it is felt that it would be prudent to issue the public consultation after the election. A revised timetable has been produced which will be discussed along with other key issues with the appropriate G 3 and G 5 of the new DfE.
Has the policy/ delivery mechanism been reviewed to ensure it is effective?	Not formally but progress has been monitored, project management issues have been communicated and timetables adjusted accordingly.

Senior Responsible Owner: John Mills, Head of Energy Division

Date: 19 April 2016

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

PfG Commitment / DETI Corporate Plan 2011-16 target	Continue to pursue achievement of the key Strategic Energy framework goals. / Promote Sustainable Energy
Corresponding DETI Business Plan 15/16 target	By December 2015, seek Executive approval for a cross-departmental community energy action plan.
Figure achieved to date	N/A
Status of targets (G / AG / A / R)	2015 / 16: A 2011 / 16: A
Explanation of slippage	The finalisation of this report cannot be completed until the policy position on NIRO closure for on shore wind is confirmed.
Remedial action being taken	First draft of the cross-departmental action plan already prepared.
Has the policy/ delivery mechanism been reviewed to ensure it is effective?	Yes

Senior Responsible Owner: John Mills, Head of Energy Division

Date: 19 April 2016

SIGNING OFF STATEMENT

PERFORMANCE AGAINST TARGETS: 1 January 2016 – 31 March 2016

DETI BUSINESS PLAN 2015/16

DETI DIVISION / NDPB SPONSOR BRANCH: **Energy Division**

I certify that I have quality checked the performance against targets reported for the period 1 January 2016 – 31 March 2016 and confirm that these are accurate.



Signed: _____ DETI Head of Division

Print Name: **John Mills**

Date: **19 April 2016**