

COMPOSITE DIVISIONAL PLAN

ENERGY DIVISION

2009 – 2010

August 2009

| SECTION | INFORMATION | PAGES |
|------------------|---|-----------------|
| | | |
| SECTION A | PSA AND CORPORATE PLAN TARGETS 2008 - 11 | 3 |
| | | |
| SECTION B | BUDGET ALLOCATIONS 2009 - 10 | 4 |
| | | |
| SECTION C | STAFFING STRUCTURE | 5 |
| | | |
| SECTION D | OVERVIEW OF ENERGY DIVISION WORK | 6 |
| | | |
| SECTION E | BRANCH PLANS: | 7 – 30 |
| | SUSTAINABLE ENERGY BRANCH | (7 -14) |
| | MARKETS BRANCH | (15– 24) |
| | CO-ORDINATION BRANCH | (25– 29) |
| SECTION F | DETI VALUES | 30 |

ENERGY DIVISION TARGETS

PSA 1

Productivity Growth

DSO 3 (Departmental Strategic Objective) – To ensure a modern economic infrastructure to support business

PSA AND CORPORATE PLAN TARGETS 2008/2011

Action - OPEN UP ENERGY MARKETS TO EXTERNAL COMPETITION AND ENSURE ACCESS TO ALTERNATIVE ENERGY SOURCES. TO SUPPORT THIS, RESEARCH WILL BE TAKEN FORWARD ON ISSUES SUCH AS DEVELOPING OF THE ELECTRICITY GRID, ENSURING DIVERSITY AND SECURITY OF ENERGY SUPPLIES AND IMPROVING LINKS WITH GB

- Reduce energy costs relative to UK / EU regions by 2011
- Secure 12% electricity consumption in NI from indigenous renewable sources by 2012

OPENING BASELINE BUDGET ALLOCATIONS 2009/10

DRC:

PAY - £1.051m
GAE - £40k

RESOURCE / PROGRAMME:

Consultancy / Legal £0.512m
Infrastructure, Research & Policy £1.0m

CIF:-

commercialisation of energy R&D projects £1.25m
emerging renewables technology £0.5m

Interreg 4a £0.688m
EU Competitiveness £0.728m

Total Resource / Programme - £4.678m

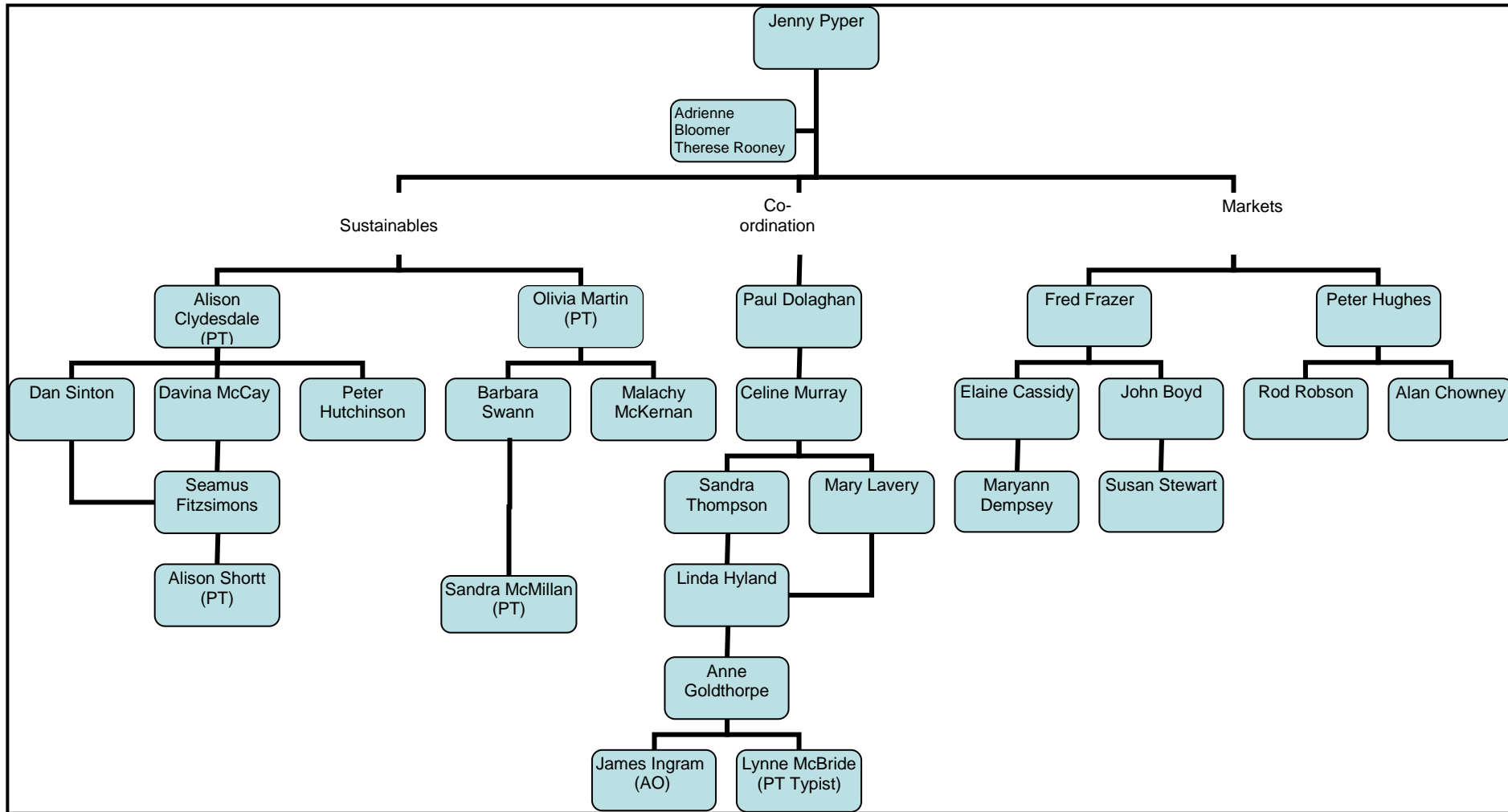
CAPITAL:

Capital Grant (Energy from Waste) £7m
EU Competitiveness (Challenge Fund) £0.9m
Match Funding (Challenge Fund) £0.9m

EU Receipts Resource - £1.416m
EU Receipts Capital - £0.9m

NB: Financial details within the body of the Divisional Plan reflect the changes to opening baselines following the June Monitoring Round.

ENERGY DIVISIONAL STAFFING STRUCTURE @ October 2009



Received from DFE on 14/06/2017
Annotated by RHI Inquiry

G5

PS

G7

DP

SO

EO1

EO2

AO/Typist

DFE-386646

Overview of Divisional Work

| Legislation | Financial | Policy/Strategy |
|---|---|--|
| Energy End-Use Efficiency and Energy Services Directive | All-island Off-shore Grid Study (EU Interreg + CIF Comm) £247k (OP 28) | Review of 2004 Strategic Energy Framework (OP 25) |
| Revision of NIRO legislation (OP 31) | Action Renewables Core Programme (EU Comp + CIF Comm) £380k | Interdepartmental work on Sustainable Energy |
| | Smart Meters (EU Comp + CIF Comm) £50k | |
| | Sustainable Energy campaign (EU Comp + CIF Comm) £224k | Cross-departmental Strategy- Bioenergy |
| | Community Programme (EU Comp + CIF Comm) £100k | Work towards framework for Offshore and Marine Renewables |
| REGO Regulations | Energy from Waste (Capital) £500k + £6.5m Invest NI | Sustainable Energy Challenge Fund (OP 33) |
| Primary Gas legislation | Large Scale Renewables Research (CIF Res) £139k | Common Gas Arrangements (OP 27) |
| Review of Class Exemptions Order | Strategic Environmental Assessment for Offshore Renewables (EU Comp + CIF Res) £194k | Wider Regional Energy Co-operation strategy |
| Revision of Electricity Supply Regulations | Public Attitudes Survey (EU Comp + CIF Res) £52k | SONI Divestment (OP 26) |
| Supplier of Last Resort Regulations | External legal and Professional services £512k | Grid Study Implementation Strategy (OP 30) |
| | Gas Study (Infrastructure, Research & Policy) £200k | Develop new and renewable forms of energy to ensure 7% electricity consumption from indigenous sources. (OP 29) |
| | SEA on grid strengthening (Infrastructure, Research & Policy) £200k | Work towards a NI Sustainable Energy Action Plan |
| | Energy Storage Study (CIF Comm) £815k | EU Directive on Renewable Energy |
| | Other (Infrastructure, Research & Policy) £250k | British Irish Council – Energy Workstream (Marine Energy and Grid Infrastructure) |
| | Biomara Study (EU Interreg + CIF Comm) £89k | EU Directive on Energy End Use Efficiency and Energy Services Directive |
| | Renewable Heat Consultancy (EU Comp + CIF Res) £236k | Work on Microgeneration Policy |

SUSTAINABLE ENERGY BRANCH – OPERATING PLAN 2009- 2010

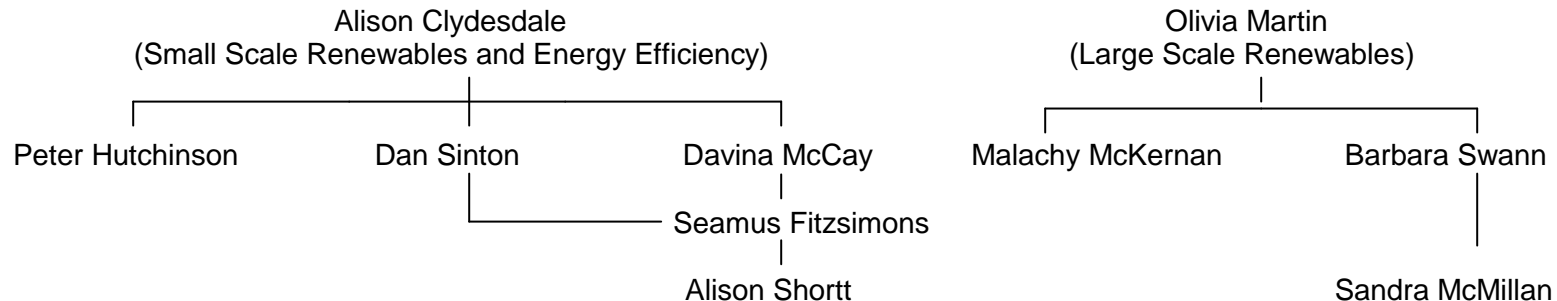
1. ROLE AND OBJECTIVES

The main purpose of the Branch is to develop sustainable energy policy for Northern Ireland and raise awareness of and promote sustainable energy generally.

Specifically, its objectives are:

| | |
|------------|--|
| OP Target: | |
| 18 | By 31 March 2010, ensure 8.5% of electricity consumption is from indigenous renewable sources. <i>[Baseline: 2009–7%]</i> |
| 19 | By 31 October 2009, in cooperation with the Utility Regulator and NIE, develop a grid study implementation strategy. <i>[subject to resource constraints]</i> |
| 20 | By 30 September 2009, develop an implementation plan to ensure NI transposes the Renewable Energy Directive by October 2010. |
| 21 | By 31 March 2010, have revised NIRO in place and agreed proposals for microgeneration. <i>[latter subject to resource constraints]</i> |
| 22 | By 31 October 2009, publish draft Environmental Report of SEA and draft Strategic Action Plan. |
| 23 | By 31 December 2009, have secured Executive endorsement for a cross departmental sustainable energy marketing plan. |
| 24 | By 31 December 2009, Sustainable Energy IDWG to report on recommended structures needed to facilitate coordinated approach. <i>[subject to resource constraints]</i> |
| 25 | By 30 June 2009, have legislation in place to facilitate provision of better billing information for customers. |

2. BRANCH ORGANISATION CHART



BRANCH PLAN FOR 2009/10

TASKS – SMALL SCALE RENEWABLES AND ENERGY EFFICIENCY

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|-------------------------------------|---|--|--|---|
| Action Renewables Core Programme | (i) Completion of appraisal work (ii) Monitoring Performance against objectives (iii) corporate governance Davina McCay / Seamus Fitzsimons / Alison Clydesdale | (i) Monitoring – ongoing on a monthly basis (ii) Governance issues – ongoing. (iii) Mid-term evaluation to be complete by Dec 09 (iv) Procedure for signing of AR work to be developed by July 09 | £380k (EU) £190k CIF Comm, £190k EU Comp | - corporate governance failure - no resources to carry out monthly monitoring - failure to meet N+2. - mid-term evaluation does not support case for continuing funding. |
| DECC Low carbon communities | To continue to work with DECC to ensure that NI benefits from programmes relating to communities. Alison Clydesdale / Seamus Fitzsimons | (i) Agree with DECC way forward on Phase 2 big energy shift by end July 09 (ii) business case to be completed by end Sep 08 | £100k (EU) £50k CIF Comm, £50k EU Comp | - No interested tenderers - business case not approved - Failure to meet N+2 |
| Smart Meters | To develop policy in relation to smart meters in Northern Ireland Alison Clydesdale / Dan Sinton | (i) to commission a Cost benefit analysis of smart meters by end Sep 09. (ii) to publish a government response on smart meters by end Mar 10. | £50k (£25k CIF Comm, £25k EU Comp) | - business case not approved |
| Energy from Waste | To monitor completion of North Down Energy from Waste project. Dan Sinton | (i) Transfer £6.5m to Invest NI in June monitoring (ii) Monitor progress and spend quarterly against in the LOO. | £7m (capital) | - corporate governance failure - no resources to carry out monthly monitoring. |
| Heat /Renewable Heat Challenge Fund | To develop capital grant programme for sustainable energy Dan Sinton / Seamus Fitzsimons | (i) Scope 900K programme by end Sep 09 (ii) Casework / DFP/ Ministerial approval by Jan 10 (ii) Advertise call for projects by end Mar 10 | £0 – 09/10 £0.9m – 10/11 (EU Comp capital + match) | - business case not approved - no applicants to call - N+2 not achieved |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|---|--|--|-----------------------------|--|
| Energy End Use Efficiency and Energy Services Directive | To ensure implementation of the Energy End Use and Energy Services Directive in Northern Ireland Dan Sinton | (i) To monitor voluntary agreements for NI through the Energy Services Agreement Forum (ESAF) (ii) To develop implementation plan for ESD in NI (iii) To contribute to UK EEAP on an ongoing basis (iv) To liaise with DECC | | - Implementation in NI delayed leads to infraction |
| 1% Energy Efficiency Target | (i) Collect data (ii) Publish stats report in June each year Seamus Fitzsimons / Dan Sinton | (i) to collect data in October and March | | - data not available |
| Invest NI liaison | To formally liaise regularly with Invest NI on sustainable energy issues Dan Sinton/ Alison Clydesdale / Olivia Martin | (i) to ensure that regular meetings take place (ii) to disseminate information to others within energy division as appropriate | | - meetings do not take place |
| Undertake preparatory work in 2009-2010 for the development and consultation in 2010-2011 of a Renewable Heat Strategy and associated longer term work programme. | <ul style="list-style-type: none"> • Form stakeholder or cross-departmental group; • Secure G5 approval for business case for use of consultants to undertake study into necessary actions to deliver renewable heat eg economic analysis of possible RHI, heat mapping ,2020 targets, need for SEA etc; • Send business case to EU programmes, DFP and Minister for approvals; • Terms of reference and tender to consultants – CPD/OJ; • Appoint consultants; • Steer project whose outcomes may include economic analysis of appropriate form of renewable heat incentive in Northern Ireland; renewable heat strategy and target to 2020; heat mapping. • Policy consideration of license requirements for geothermal energy; • Consider need for SEA of renewable heat strategy; • Consult on heat strategy for Northern Ireland; • Set up bill team for primary legislation to implement required changes. Alison Clydesdale / Dan Sinton / Peter Hutchinson | Appoint consultants by 31 October 2009 Project to be finalized by 31 March 2010 [may not be long enough] | £236k Legal £15k | Lack of resource. Lack of cross departmental buy in. Lack of senior management engagement and recognition of new area of work. |

TASKS – LARGE SCALE SUSTAINABLE POLICY AND PROJECTS

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|---|--|--|--------|---|
| Develop NI RE targets and strategy through SEF | <ul style="list-style-type: none"> • Finalise renewable electricity targets for NI to 2020; • Seek clearance from senior managers/Minister; <p>Olivia Martin</p> | May 2009 | | Lack of resource Lack of engagement Lack of cross-departmental buy-in |
| Implement Renewable Energy Directive for Northern Ireland | <ul style="list-style-type: none"> • Analyse Directive and DECC legal interpretation; • Meet JP and AC to discuss implications and resources; • Seek advice on implementation of EU Directives; • Meet DSO to determine legislative requirement; • Hold bilaterals with other affected departments inc NIAUR; • Draw up implementation plan for 2(2) regulations; • Implement plan. <p>Olivia Martin</p> | By 30 September 2009, develop an implementation plan to ensure NI transposes the Renewable Energy Directive by October 2010. | - | Lack of resource Lack of cross-departmental buy-in Legal advice unavailable or not timely |
| Development of NIRO/ FIT | <ul style="list-style-type: none"> • DN – these actions will be tightened up during the year as we seek senior management views on scale of work to be undertaken in year. • Policy consideration of appropriateness of NIRO in SEM – Oxera report • Policy consideration of appropriateness of NIRO in UK RO • Policy consideration of Feed-in tariffs for microgeneration in line with GB • Policy consideration of control of RO for offshore projects • Policy consideration of position of Snugborough et al in NIRO/REFIT • Align with GB review of RO for implementation by 1 April 2010 • Policy consideration of NIRO levels beyond 2012 – Oxera report <p>Malachy McKernan</p> | By 31 March 2010, have revised NIRO in place and agreed proposals for microgeneration. | | Lack of resource Split with GB ROs disincentivises investment in NI |
| Tackling barriers to renewables | <ul style="list-style-type: none"> • Work with DOE to ensure that PPS18 and the SPG adequately supports Government renewable energy targets; • Ensure that renewable issues are integrated within the current Energy Markets Grid work; • Review small-scale access to grid and cost of connection policy issues with NIAUR; • Reach agreement with NITB on their renewables/wind policy statement; • Ensure DOE Environmental consenting regime is supportive of renewables development. <p>Malachy McKernan</p> | Ongoing | | Lack of resource Lack of cross-departmental buy-in |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|--|--|--|----------|---|
| Develop offshore wind and marine renewables in NI waters | <ul style="list-style-type: none"> • Manage PSG and consultants for SEA; • Organise SEA Scoping Report seminar; • Consult on the Environmental Report and draft Strategic Action Plan; • Work with TCE on post-SEA call; • Initiate work with other parties to seek a consenting regime for waters where there are jurisdictional issues; • Initiate work with DECC on actions to introduce decommissioning legislation of offshore installations in NI waters ; • Initiate work with DOE on the development of an integrated marine consents regime; • ensure Energy Markets grid work takes account of offshore wind and marine renewables development <p>Barbara Swann</p> | <p>Ongoing</p> <p>6 May 2009</p> <p>By 31 October 2009, publish draft Environmental Report of SEA and draft Strategic Action Plan</p> <p>Further meeting planned July 09</p> | £193,597 | <p>Lack of resource</p> <p>Lack of PSG engagement</p> <p>Delays on part of Faber/Metoc</p> <p>Lack of DOE engagement on marine consents</p> <p>Reluctance by DECC re legislative issues</p> <p>Reluctance by others to engage/resolve jurisdictional issues</p> <p>Non –prioritization by TCE of NI development within its work plan</p> <p>Non completion /delays in the Grid strengthening work</p> |
| Develop a cross-departmental Action Plan for the sustainable development of bioenergy in Northern Ireland | <ul style="list-style-type: none"> • bi-laterals with OGDs • finalise strategy • Take to ETI Committee • Take to Executive • Consultation • Consideration of consultation responses • Finalise strategy • Executive approval and adoption of final strategy • Departments to implement plan <p>Barbara Swann</p> | <p>2 July 2009</p> <p>Summer 2009</p> | | <p>Lack of resource</p> <p>Lack of cross departmental support</p> <p>Slippage in tight timetable</p> <p>Failure to secure Executive approval by July</p> |
| Run public attitudes survey for Northern Ireland | <ul style="list-style-type: none"> • Confirm questionnaire • Receive report of survey • Focus groups • Receive final report <p>Olivia Martin</p> | | £52k | Lack of resource |
| Contribute to DOE's work on the UK and NI Marine Bills and the transposition of the Marine Strategy Framework Directive (MSFD) | <p>Ensure that DETI issues (energy, minerals, telecoms and tourism) are represented in DOE's policy development and legislative work on UK and NI Marine Bills and NI response to MSFD.</p> <p>Olivia Martin / Barbara Swann</p> | Ongoing in line with DOE's timetable. | | Lack of resource Late engagement by DOE with DETI on issues |
| NFFO ROCs | <p>Liaison with NIE, NIAUR and finance division to ensure proceeds of NFFO ROCs adequately dealt with, including approval from casework committee as appropriate.</p> <p>Malachy McKernan</p> | Casework by end June | | Lack of resource |
| Participate in the DfT led UK wide Renewable Transport Fuel Obligation (RTFO), as appropriate | <p>Maintain NI aspects of RTFO in liaison with DfT</p> <p>Barbara Swann</p> | Ongoing, as required | | Lack of resource Poor or late engagement by DfT with DETI on issues |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|--|---|--------------------------------------|--------|------------------|
| Contribute to NI political processes | <ul style="list-style-type: none"> • Respond to AQOs, AQWs, requests for Ministerial briefing in a timely and accurate manner; • Respond to correspondence cases and TOFs as required and in a timely manner; • Brief ETI Committee either in written or oral form or both as required; • Provide advice on Executive papers from OGDs as required; <p>All</p> | ongoing | | Lack of resource |
| Contribute to central finance, governance, data collection, legislation monitoring returns etc as required | <ul style="list-style-type: none"> • Contribute to Energy Coordination Branch requirements <p>All</p> | | | Lack of resource |

| CROSS – CUTTING ACTIVITIES | | | | |
|--|--|---|---|---|
| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
| Contribute work on large-scale renewables to revised SEF | [dependent on what is required from centre] All | December 2008 | | |
| IDWG Sustainable Energy | To manage the IDWG on Sustainable Energy Olivia Martin / Alison Clydesdale / others | (i) to provide secretariat for the IDWG (ii) to manage the IDWG sub groups (iii) to chair the energy efficiency sub group (iv) to work with Invest NI and participate in the economic opportunities and skills development sub group (v) By 31 Dec 09 SEIDWG to have reached agreement on structures needed to facilitate co-ordinated approach and secured Ministerial approval (vi) By Mar 2010 gain Executive endorsement for recommendations to facilitate a co-ordinated approach | | - lack of resource Lack of cross-departmental buy-in |
| IDWG Sustainable Energy Communications Sub group | To manage the sustainable energy communications sub group of the SEIDWG to identify best method of delivering a unified message Alison Clydesdale / Peter Hutchinson | (i) TOR for study to be agreed by end May 09 (ii) Sustainable Energy marketing plan to be developed by end Dec 09 (iii) Executive approval by end Mar 10. | £224k (EU) £112k CIF Comm, £112k EU Comp | - Lack of resources in EIS/ press office - Failure to meet N+2. |
| IDWG Energy Efficiency Sub group | To develop an Energy Efficiency Action Plan as a sub group of the SE IDWG Alison Clydesdale / Seamus Fitzsimons | (i) Sub group to meet in July 09 (ii) Draft report to be presented to stakeholders late Sep (iii) Final report to be presented to main SEIDWG OCT 09 | | Lack of resource Lack of input from other departments |
| Work towards a NI Sustainable Energy Action Plan | Will need to be updated during the year. All | Ongoing – with aim of getting action plan out in spring 2010 | Some work from programmes above | - lack of political will - lack of staff time Lack of cross-departmental buy-in |

TOTAL BRANCH BUDGET

| | |
|--|---|
| Action Renewables Core Programme | £380k (EU Comp + CIF Comm) |
| Sustainable Energy Campaign | £224k (EU Comp + CIF Comm) |
| Community Programme | £100k (EU Comp + CIF Comm) |
| Smart Meters | £50k (EU Comp + CIF Comm) |
| SEA Framework for offshore marine renewables | £194k (EU Comp + CIF Res) |
| Public Attitudes Survey | £52k (EU Comp + CIF Res) |
| Renewable Heat Consultancy | £236k (EU Comp + CIF Res) |
| Projects to be determined | £139k (CIF Comm) |
| Energy from Waste | £6.5m - Invest NI (Mainstream Capital) £0.5m - North Down (Mainstream Capital) |
| Renewable Energy Challenge Fund (link Markets Branch) | £0k (09/10) |
| TOTAL | £8.375m |
| External Consultancy / Legal | £160k (notional branch allocation) |

MARKETS BRANCH - OPERATING PLAN 2009- 2010

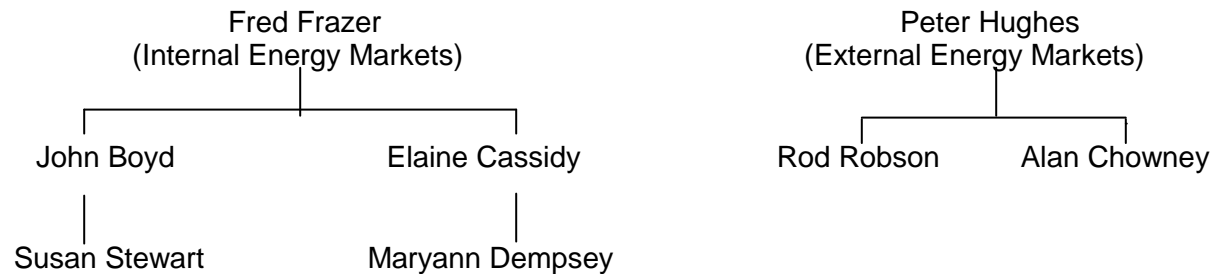
1. ROLE AND OBJECTIVES

The main purpose of the Branch is to promote the strategic development of efficient, diverse, reliable, and environmentally friendly electricity and gas industries in Northern Ireland, and to develop mutually beneficial energy markets on a North-South, East-West basis.

Specifically its objectives are:

| | |
|------------|---|
| OP Target: | |
| 13 | By 30 September 2009, develop an implementation plan for electricity and gas to ensure NI fully transposes the IME3 Directive by November 2010. |
| 14 | By December 2009, initiate action to examine benefits of SEM appeals mechanism for industry. <i>[subject to resource constraints]</i> |
| 15 | By 31 December 2009, agree structural arrangements and develop a legislative timetable for implementation of common arrangements for gas. <i>[subject to securing Ministerial approval]</i> |
| 16 | By 31 December 2009, secure Executive approval of policy relating to proposed Gas Bill. |
| 17 | By 31 March 2010, put in place a MoU with Scottish and Irish Governments to facilitate agreement on key security of supply issues. <i>[subject to resource constraints]</i> |

2. BRANCH ORGANISATION CHART



BRANCH PLAN FOR 2009/10

TASKS - DOMESTIC NATURAL GAS AND ELECTRICITY ACTIVITIES

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|--|--|---|--|---|
| Preparation of "published criteria" for gas storage licences as required by EC Directive 2003/55/EC. | Liaise with NIAUR re amending existing licence criteria. John Boyd | Complete review and prepare criteria by end of March 2010 | | Resource implications for work on the Gas Bill, and potential for NIAUR delay on progressing draft licences. |
| Gas Study | 1. Obtain approvals and provide agreed Terms of Reference to DFP- CPD to allow procurement of consultants to complete the study. 2. Appoint consultants and oversee completion of study Fred Frazer | Provide DFP –CPD with agreed study Terms of Reference by end of April 2009. Ensure completion of study by 31 December 2009. | £200k (Inf, Res & Pol) Current estimate. Tender assessment end June 2009 | Failure to agree on study ToR with NIAUR, failure of DFP –CPD to complete tendering procedures, failure by appointed consultants to complete the study. |
| SEA – grid strengthening | 1. Prepare study Terms of Reference, seek Ministerial and DETI approval to proceed 2. Appoint consultants and oversee completion of study Elaine Cassidy | Agree study Terms of Reference, and obtain approvals to proceed with tender in June 2009. Ensure consultants appointed and study commenced in September/October 2009 | £200k (Inf, Res & Pol) £100k in 2010/11 | Failure to agree on study ToR, failure of DFP –CPD to complete tendering procedures, failure by appointed consultants to complete the study. |
| All-island Grid Study | 1. Develop further DETI / DCENR dynamic studies - aggressive demand side management. 2. Act as joint chair of re-constituted Grid Study Working Group Fred Frazer | Liaise with DCENR in completion of Grid Study DMS study by end of April 2009, and agree reporting arrangements to JSG and both Departments. In conjunction with DCENR, provide reports on grid development issues to JSG (meetings approx every 6 weeks) | Nil | Failure to complete the study, and resulting impact on NI Grid improvement proposals. |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|---|---|---|-----------------------|---|
| Supplier of Last Resort (SoLR) Regulations | Implementation of SoLR Regulations in line with EU Directive 2003/55 provisions. John Boyd | Complete consultation on SoLR Regulations by April 2009, inform ETI Committee in May 2009, and make Regulations by September 2009. | Nil | Potential queries on proposals from ETI Committee, and DSO response leading to delay in making Regulations. |
| Primary legislation for Gas | Obtain Ministerial and NI Executive approvals to progress development of primary gas legislation for a range of issues. Fred Frazer / John Boyd | Finalise scope of legislative requirements, obtain Ministerial approval and consult with ETI Committee in May 2009, and obtain NI Executive approval of policy proposals by end of September 2009. Instructions to OLC by end of December 2009. | £70k | Availability of staff resources to form Bill team, and level of support from DSO and OLC. |
| Energy Storage Study | Oversee progress on completion of study through liaison with GSNI Fred Frazer | Monitor progress and contract spend to complete the study by end of March 2010. | £815k (CIF Comm) | Availability of ship to carry out off-shore survey at acceptable cost. Failure of BGS-NERC to complete study analysis and report. |
| Energy Price Reviews | Provide Minister with advice in relation to planned electricity and gas price reviews in Autumn 2009. John Boyd / Elaine Cassidy | In September/ October 2009, liaise with NIAUR, NICC, and energy companies to consider proposed tariff reviews and provide advice to Minister and senior officials. | Nil | Failure to obtain relevant information on energy tariff reviews. |
| Pipeline Designation Request by AES Kilroot | Analysis of possible AES Kilroot case for DETI to concede to making a Designation of Pipelines Order for new gas fired power station (uncertainty if further request will be received). Fred Frazer | Timescale set by AES Kilroot for provision of economic information – decision within 2 months of receipt Seems unlikely to proceed in 2009/10. | | Potential for legal challenge of decision. |
| Completion of Mutualisation Study | Procure study on mutualisation issues from ERINI Fred Frazer | Obtain completed study by end of May 2009 | (last year's budget) | Failure of ERINI to complete the study. |
| Additional legal advice for unspecified tasks throughout the year, eg. New EU legislation; Competition issues; Phoenix/ Firmus/ NIE issues. NIEH issues | Ensure policy decision making process has correct legal basis. Fred Frazer / John Boyd | As issues arise. | Estimate of £5 - 10 k | Unknown |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|---|--|--|---|---|
| Grid study implementation | Develop Grid implementation proposals in conjunction with NIE, SONI and NIAUR. Liaise with Planning Service and seek political consensus to strengthen the grid in the west in particular. Fred Frazer | Seek agreement on grid strengthening implementation proposals by end of October 2009 (link to SEA of grid development proposals) | Nil | Failure to achieve agreement for grid strengthening proposals. |
| Review of Class Exemptions Order | Liaise with DSO to determine capacity to complete work, and to determine extent of work involved. Obtain Grade 5 approval to proceed with work. Elaine Cassidy | Commence review by end June 2009 | Cost estimate to be obtained from DWS after discussion with DSO – possibly £10K | Need to amend current legislation in light of review will impinge on staff resources given other commitments such as SEA, Third EU Package, and tariff reviews. |
| IME3 - new EU Directive implications | Liaise with DECC, NIAUR, and electricity and gas industries in relation to new energy Third Package Directive proposals from Brussels. Fred Frazer / John Boyd / Elaine Cassidy | Develop further discussions with stakeholders, and agree implementation plan by end of September 2009 for Directive transposition. | Not known – est £50k | DSO/NIAUR delay in progressing issues. Staff resource issues. |
| Gas Storage | Assess legislative and consenting provisions for gas storage proposals Fred Frazer | Complete assessment of legislative provisions by end of September 2009. Work included in Gas Bill legal considerations Ongoing liaison with Portland Gas, NIAUR, Crown Estate, and DOE re gas storage project Complete assessment under Habitats Directive requirements. Further liaison with DOE required. | Expenditure not yet certain | Failure of DWS to provide timely and clear legal advice. |
| Roads Order – utility aspects of Street Works Act | Liaise with DRD re legislative proposals Fred Frazer | Respond within DRD timescales | Nil | N/A |
| Habitats Directive | Liaise with DOE Elaine Cassidy | Respond within DOE timescales | £60k | N/A |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|--|--|--|---------------|---|
| NIEH – ownership of gas and electricity assets | Collaborate with NIAUR in review of NIEH activities and governance Fred Frazer | Ongoing | Nil | Failure by NIAUR’s consultants to complete the review. |
| PPE’s for Energy Efficiency Regulations | Complete PPE’s associated with the EEL for 05/06, 06/07 and 07/08 Ask NIAUR to seek report from Energy Savings Trust Elaine Cassidy | Complete PPE’s by end September 2009 | Not known | Failure of NIE appointed consultant to complete EEL Audits to allow DETI completion of PPE’s. |

TASKS - EXTERNAL NATURAL GAS AND ELECTRICITY ACTIVITIES

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|---|---|---|---------------------------------------|--|
| Common Arrangements for Gas (CAG) Proposals | <p>Liaise with DCENR and Regulators (NAIUR, CER) in relation to a programme of measures to enhance cooperation on gas security of supply, transmission and planning, in context of 3rd package of IME Directives.</p> <p>Provide input to Energy Bill Team or put in place Bill Team for parallel primary legislation on gas cooperation.</p> <p>Peter Hughes / John Boyd</p> | <p>Agree programme of measures, with particular focus on structural arrangements and legislative requirements, with DCENR and RAs by 31 January 2010.</p> <p>Gain approval of Minister to proceed with any necessary legislation by end January 2010</p> | Possible £50 k for legal advice | <p>Unable to agree System Operator structure</p> <p>Cost benefit analysis worsens</p> |
| Security of Supply for electricity and gas | <p>Work with DCENR and Regulators to develop/ harmonise security of supply requirements in light of CAG proposals and SEM (also see below)</p> <p>Progress work of all-island security of supply working group with reference to UK / EU security of supply policy and standards.</p> <p>Peter Hughes / Alan Chowney</p> | <p>Prepare initial recommendations for coordination of strategic/policy cooperation and operational arrangements by end December 2009</p> <p>Put in place MoU with Scottish and Irish Governments to facilitate agreement on key SofS policy issues by 31 March 2010.</p> | Possible requirement for legal advice | Failure to agree cross border arrangements to ensure security of supply leading to failure to protect consumers effectively. |
| Gas Policy | <p>Contribute to development of policy for gas with regard to external relationships – GB/RoI/EU.</p> <p>Liaise with DCENR, NAIUR and other interested parties</p> <p>Peter Hughes / John Boyd</p> | Ongoing | - | Failure to provide leadership on gas policy |
| Electricity Policy | <p>Contribute to development of policy for electricity with regard to external relationships – GB/RoI/EU.</p> <p>Liaise with DCENR, NAIUR and other interested parties</p> <p>Peter Hughes / Rod Robson</p> | Ongoing | - | Failure to provide leadership on electricity policy |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|---|---|---|---|---|
| All-island Energy Market Joint Steering Group | <p>Progress work of JSG in conjunction with DCENR and Regulators</p> <p>Develop revised work programme for 2010 -2013.</p> <p>Develop MoU between DETI and DCENR</p> <p>Rod Robson</p> | <p>Ongoing</p> <p>Agree Work Programme by end 2009 following issue of NI SEF.</p> <p>Agree MoU with DCENR by end 2009.</p> | | Failure to get Ministerial buy-in |
| Regional Energy Cooperation | <p>Develop energy cooperation with GB, particularly Scotland and Wales</p> <p>Manage NI contribution to energy workstream of British Irish Council.</p> <p>Consider impact of EU 3rd IME package on energy cooperation with Rol and GB.</p> <p>Peter Hughes</p> | <p>Agree MoU's on energy cooperation with Scottish and Irish Governments by 31 March 2010. (see also SofS)</p> <p>Meet BIC sectoral and summit meeting targets.</p> | | Lack of resources to handle extra work |
| Research and Development | <p>Develop NI support for energy markets R&D in context of collaboration with neighbouring administrations.</p> <p>Peter Hughes / Rod Robson</p> | <p>Support / Manage key strategic projects. See below</p> | £250k for infrastructure research and policy | Failure to support projects that help deliver NI economic development. |
| "ISLES" Off-shore Grid Study | <p>Manage NI input to Study as part of Steering Committee</p> <p>Peter Hughes / Rod Robson</p> | <p>Appoint technical adviser and project manager by end July 2009</p> <p>Award contract by 1 October 2009. Commence by 1 November 2009 for completion 2011/12.</p> | <p>DETI portion of project :</p> <p>£247k (£62k CIF Comm; £185k EU Interreg 4a)</p> | Failure to manage contracting consortium to deliver 6 work streams to Terms of Reference and target date. |
| BIOMARA Research Project | <p>Provide match funding as NI Managing Authority. Liaison on and oversight of research partners' budget expenditure.</p> <p>Peter Hughes</p> | <p>Ministerial support for Stakeholder event 17 June 2009. Study completion by end 2013.</p> | £89.3k £22.3k CIF Comm £67k EU Interreg 4a | |
| SEM requisite arrangements for cancellation of licence conditions re. 1992 Generation Unit Agreements | <p>Watching brief on decision by NIAUR on whether or not to cancel remaining GUAs</p> <p>Elaine Cassidy</p> | <p>Decision by NIAUR by 2011</p> | | NIAUR failure to act impacts on tariffs. |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) And Date(s) | Budget | Risks |
|--|---|--|-------------------------|---|
| North South Interconnector | <p>Oversee plans by NIE/EirGrid to build Interconnector, with particular reference to SEM, planning etc e.g. cost of undergrounding.</p> <p>Liaise with DCENR, NIAUR, DOE and other interested parties on plans.</p> <p>Rod Robson</p> | <p>Ongoing liaison on planning and construction by end 2012.</p> <p>Planning Application due to be submitted by NIE July 2009.</p> | - | Decision to underground cables - impact on cost of interconnector and precedent set. |
| SEM Appeals System | <p>Consider value of bespoke appeals system for SEM in conjunction with DCENR and RAs.</p> <p>Peter Hughes</p> | By December 2009 initiate action to examine benefits of SEM appeals mechanism for industry. | Legal advice budget tbc | Failure to agree need. Lack of staff resources and budget for expert legal advice. |
| Transfer to HSENI of responsibility for safety aspects of the Electricity Supply Regulations | <p>HSENI agreement to the transfer of responsibility obtained. Memorandum of Understanding to be drafted by Energy Division.</p> <p>Rod Robson</p> | Dec 2009 | | Danger of public safety issue not being followed up. At present Energy can still call on John Steed HESGB for advice. |
| Revision of Electricity Supply Regulations | <p>Regulations delayed due to HSENI deciding on reporting system to be used for accidents. They have now decided not to use GB system which will require rewrite of part of regulations.</p> <p>Rod Robson</p> | Dec 2009 | None | |
| Privatisation – residual land disposal issues. | <p>Issue at Kilroot resolved. Bill outstanding from solicitors for Kilroot.</p> <p>Rod Robson</p> | Dec 2009 | £ 5k | None |
| Emergency Planning Issues | <ul style="list-style-type: none"> - NI emergency oil plan to be completed shortly. Further updating of gas and electricity plans needed in light of ongoing PUS consultation by BIS. - Work required to develop all-Island planning coordination in light of SEM and CAG. - Determine value of a joint exercise with Rol, Scotland, Wales and BIS to test interdependencies. <p>Alan Chowney</p> | Ongoing | | Failure to keep minister etc informed, and to react quickly to emergency. |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) And Date(s) | Budget | Risks |
|---|--|---|--------|--|
| Facilitate the migration of disruption of supply chains | Facilitate the Department, Energy Sectors and Food supply chains to mitigate the impact of disruption should swine flu reach pandemic proportions. Reporting- ensure procedures are in place and effective to capture data on impacts. Alan Chowney | To meet deadlines for sitreps with qualitative data and information to aid strategic decision making. | | Inadequate cover should key staff fall ill during the peak infection weeks. |
| Oil Planning | Have in place a validated Response Strategy for Food Supply which is robust to mitigate disruptions from a range of scenarios Alan Chowney | NI Response Strategy to be validated and agreed by key stakeholders by Dec 09 | | Components of PUS not fully in place due slippage in other organisations who lead in activity. |
| Electricity Overhead Line Regulations | Consider need to update NI regulations in light of revised GB Regulations. Rod Robson | To determine date based on resources and priorities. | | Difference in approach to GB if regulations not updated. Potential impact on safety standards. |
| Review of Article 39 published criteria | Work not started due to possible conflicts with current applications. Rod Robson | | | - |
| Way leaves | Action ongoing applications for way leaves Rod Robson | Ongoing | £16k | Delays in installations if DETI fail to meet timetables |
| Way Leaves Review | Examine procedures for strategic projects in light of North South Interconnector and Grid Study outworking. Rod Robson | Consult on and agree revised procedures by March 2010. | | Lack of resources |
| 2 nd Electricity interconnector – Article 40 and wayleaves | Wayleave applications not likely until 2009/2010 at the earliest. Article 40 will follow these. Rod Robson | | None | - |

TOTAL BRANCH BUDGET

| | |
|--|---|
| Off-shore survey for Energy Storage Study | £815k (CIF Comm) |
| Gas Study | £200k (I, R&P) |
| SEA – grid strengthening | £200k (I, R&P) |
| Infrastructure Research & Policy | £250k (I, R&P) |
| All-island Off-Shore Grid Study | £247k (EU Interreg + CIF Comm) |
| BioMara Study | £89k (EU Interreg + CIF Comm) |
| | |
| TOTAL | £1.801m |
| | |
| External Consultancy / Legal | £352k (notional allocation - JR; legislation; SONI; security of supply; common gas; emergency planning; wayleaves) |

CO-ORDINATION BRANCH - OPERATING PLAN 2009- 2010

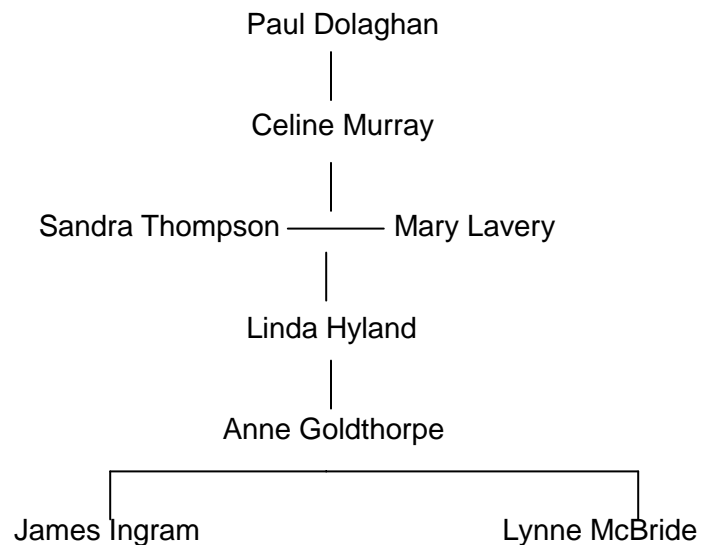
1. ROLE AND OBJECTIVES

The main purpose of the Branch is to provide full and ongoing administrative support for Energy Division.

Specifically, its objective is:

| | |
|------------|---|
| OP Target: | |
| 12 | By 30 November 2009, publish a revised Strategic Energy Framework for Northern Ireland. |

2. BRANCH ORGANISATION CHART



BRANCH PLAN FOR 2009/10

TASKS – FINANCIAL AND RISK MANAGEMENT SUPPORT, FUEL POVERTY LIAISON, AND COLLATION / MANAGEMENT OF ALL ROUTINE DIVISIONAL RETURNS AND BRIEFING

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|---|--|---|--|--|
| Strategic Energy Framework | Revise SEF to take account of current global awareness on energy matters. Paul Dolaghan / Celine Murray | By Summer 2009 issue a revised strategic energy policy statement for public consultation (SEF 2009). By November 2009, publish SEF 2009. | | SEF affected by changing UK / global position. Insufficient resource to carry out the work. |
| Finance (inc payments) | Compilation/co-ordination of all financial returns – monthly profiling; resource accounts; monitoring rounds; cash flow management. Processing, recording and monitoring of all Divisions payments. Maintenance of EU and AR databases in relation to payments. Co-ordination of EU drawdowns. Paul Dolaghan / Celine Murray | - Monthly returns as part of ongoing exercises; - Quarterly returns for June; Sept; Dec; Feb monitoring rounds; - Monthly overviews of financial systems. - Maintain accurate records and perform regular reconciliation with Accts Branch totals. | £1.051m DRC (pay); £40k DRC (GAE) £4.018 Programme Resource £8.8m Capital | Tight deadlines; System failures; Delayed spend on EU monies. Failure to provide accurate returns and/or meet necessary deadlines (resulting in penalties / loss of budget) |
| External Energy Legal Advisors – DWS Contract | Monitor expenditure to ensure annual cap of £350k is not exceeded. Maintain accurate and accessible records. Celine Murray | - Monthly monitoring of spend; - Monthly forecasting as part of cash flow management exercise; - In-house assessment of contract - (Autumn 2009) - Regular updates to ensure HOBs aware of position. | £350k (inc in above Resource figure) | Unexpected work requiring additional legal activity; Inaccurate monitoring of spend and forecasting. Overspend |
| Assembly Questions, legislation exercises, Ministerial / Senior Management Briefings, Ministerial cases | Allocation to appropriate HOB/ DP, monitoring progress and ensuring deadlines met. Liaison as necessary with ALU, LMU CLU and Private Office e.g. to seek part inputs, clarify detail, seek extensions to deadlines. Co-ordinating responses to inter branch questions/issues. Paul Dolaghan / Celine Murray | - Within prescribed deadlines, ensure all questions, briefing requests are brought to attention of relevant HOB and that responses are provided. | - | Deadlines missed/ relevant HOB not alerted to request in time to respond. |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|---|--|--|--------|--|
| File Management | Filing (electronic and hard copy). Maintaining file lists, opening trim containers, reviewing files for retention/ destruction. Celine Murray | - Ensure important information is readily accessible and files effectively managed within timescales set. | - | Vital information not readily accessible when required resulting in delayed response times. |
| Internet and Intranet presence | Reviewing and updating as necessary. Celine Murray | - Regular checks to ensure information is up to date and relevant. | - | Poor Divisional image portrayed through inaccurate and out of date information. |
| Miscellaneous support services | E.G. Arrange regular staff briefings by G5; booking meeting rooms; arrange hospitality; booking travel and accommodation; ordering and maintaining stationery; photocopying as required e.g. for JR cases; proof reading of draft legislation; issue of Letters of Offer; printer maintenance. Preparation of papers for e.g. Executive/ Committee business and consultation exercises. Celine Murray | To provide essential support services to all HOBs in a timely and effective manner. | - | Disruption to schedules. |
| Risk Register and Quarterly Statements of Assurance | Seeking and obtaining input from HOBs and preparing draft response for G5 clearance within deadline Celine Murray | Provide accurate returns within timeframe. | - | Failure to produce accurate information within timeframe. |
| 'Changing for the better' Initiatives (HR Connect, Acc NI, NI Direct) | Attendance at relevant working groups/seminars. Providing support and feedback to Division as appropriate. Celine Murray | Division kept up to speed and interests represented in relation to these initiatives. | - | Division's interest not taken account of and Divisional staff not fully aware of developments that affect them. |
| PSA Targets and Corporate and Divisional Plans | Draft plans/targets in relation to Co-ord Section. Seek input from other HOBs and compile Divisional plans. Paul Dolaghan | Maintain clear and easily accessible record of targets and progress towards achievement. | - | Division loses sight of overall progress and targets. |
| Honours | Seeking nominations from HOBs for garden party invites and honours lists. Complete templates and draft returns iro nominees for G5 approval. Paul Dolaghan | To ensure appropriate representation. | - | Sector not adequately represented. |

| Activity | Key Actions G7 and / or DP Responsible | Performance Target(s) and Date(s) | Budget | Risks |
|--|--|--|--------|---|
| Fuel Poverty | <p>Attendance at inter dept working groups. Taking forward agreed actions through liaison with HOBs. Preparing and agreeing action plans for DSD. Report progress on quarterly basis and feed into DSD Annual Report.</p> <p>Paul Dolaghan / Celine Murray</p> | To ensure DETI interests registered and taken forward as appropriate. | - | DETI interests not represented. |
| Administrative support iro Wayleaves and Article 39 and 40 Consents. | <p>Wayleaves: Write to landowner providing copy wayleave guidelines, outlining process and asking them to agree to a hearing which our appointed consultants (DMD) will facilitate (usually on site). On receipt of report from DMD, prepare draft submission for wayleave DP for onward transmission to Peter/ Jenny. Subject to G5 agreement draft formal notification to grant or withhold wayleave.</p> <p>Consents: Drafting of letters and internal memos of consent for signature by G5.</p> <p>Rod Robson</p> | To provide adequate support as required to facilitate effective administration of wayleaves and consents | - | Unnecessary delay in grant of wayleaves and consents. |

TOTAL BRANCH BUDGET

No Programme or Capital allocation.

Overall monitoring of DRS, Programme, and Capital budgets.

DETI Core Values

DETI values relate to our staff, our stakeholders and our external customers.

| | |
|-----------------------|---|
| People Focused | We treat people fairly with respect and honesty. |
| | We recognise and appreciate the contribution of people. |
| | We listen to the views of others. |
| | We will encourage and recognise strong, visible and accessible leadership at all levels. |
| Professional | We are committed to doing the best job we possibly can. |
| | We are reliable, honest and fair. |
| | We have a positive attitude to work. |
| | We take responsibility for our actions. |
| | We are accountable and achieve best value for money. |
| Proactive | We analyse our customers needs to identify the services and products they require. |
| | We are open to change and encourage new ideas. |
| | We engage positively with issues. |
| | We are innovative in our thinking. |
| Partnership | We involve our stakeholders and encourage participation and communication in order to achieve our objectives. |
| | We understand how everybody contributes to the shared goal. |
| | We are committed to joined up working across Branch, Division and Departments. |