

COMPOSITE DIVISIONAL PLAN

ENERGY DIVISION

2010 – 2011

May 2010

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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 2010/11 (POST JUNE MONITORING ALLOCATIONS)

DRC:

PAY - £1.129m (£1.129m)
GAE - £20k (£20k)

RESOURCE / PROGRAMME:

Consultancy / Legal £0.512m (£0.512m)
Infrastructure, Research & Policy £0.204m (£0.204m)

CIF:-

commercialisation of energy R&D projects £1.25m (£0.392m)
emerging renewables technology £0.5m (£0.300m)

Interreg 4a £0.498m (£0.498m)
Interreg match (Smallest) £0.166m (£0.032m)
EU Competitiveness £0.918m (£0.532m)

Total Resource / Programme - £4.048m (£2.47m)

CAPITAL:

Capital Grant (Energy from Waste) £3.417m (£0)
EU Competitiveness (Challenge Fund) £0.45m (£0.45m)
Match Funding (Challenge Fund) £0.45m (£0.45m)

EU Receipts Resource - £1.416m (£1.03m)
EU Receipts Capital - £0.45m (£0.45m)

NB: Financial details within the body of the Divisional Plan reflect the position following the June Monitoring Round.

ENERGY DIVISION ORGANISATION CHART - June 2010

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

BRANCH

G7

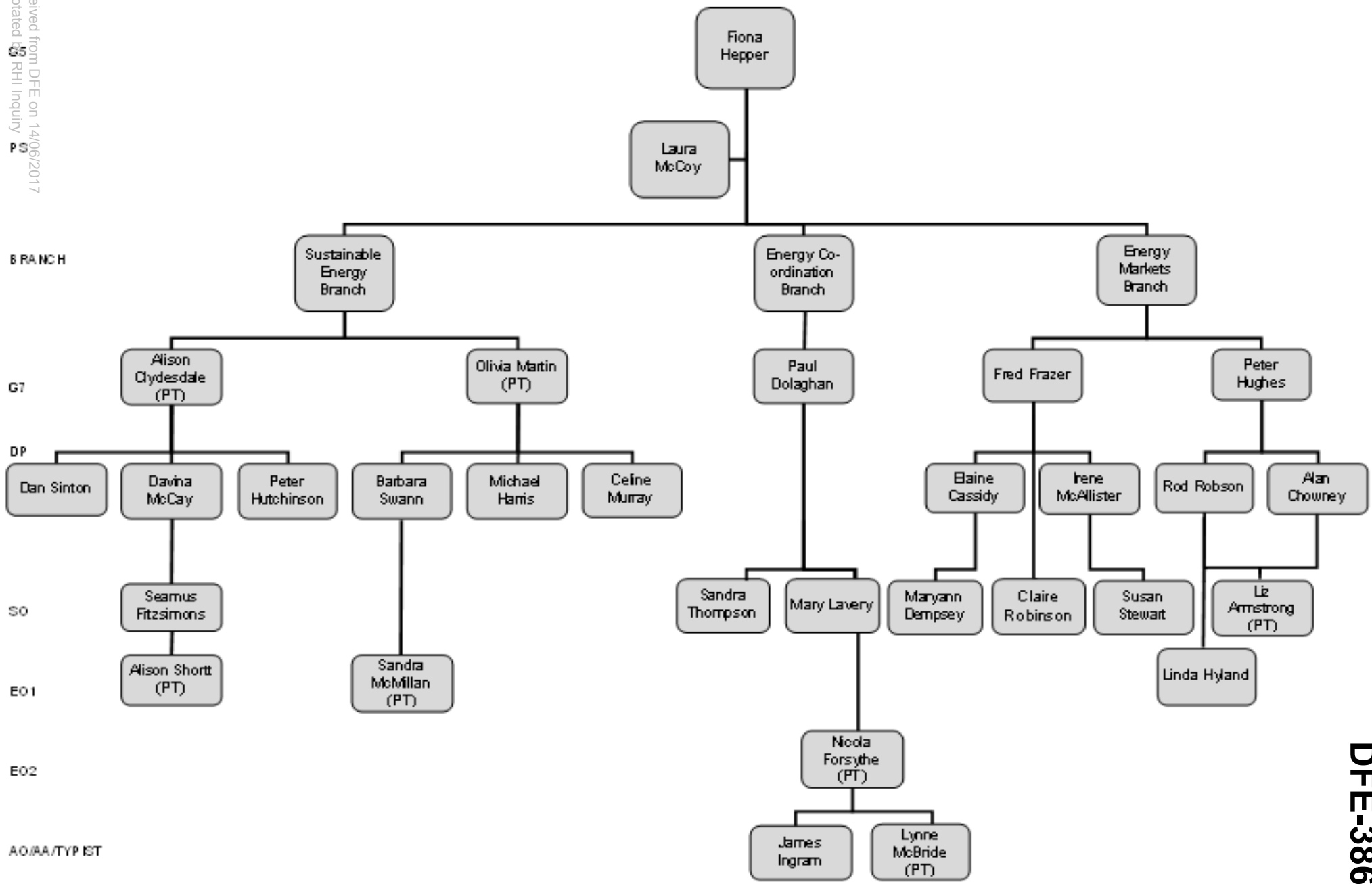
DP

SO

EO1

EO2

AO/AA/TYP/IST



Overview of Divisional Work

Legislation	Financial	Policy/Strategy
NIRO legislation / possible legal challenge	Action Renewables Core Programme (EU Comp + CIF Comm) £228k	Development of Strategic Energy Framework 2010
Renewable Energy Directive / legislation	Renewable Energy Challenge Fund (EU Capital + match) £900k	Interdepartmental work on Sustainable Energy
Decommissioning	Sustainable Energy campaign (EU Comp + CIF Comm) £250k	Cross-departmental Strategy- Bioenergy
Renewable Heat Incentive – stat powers?	Smallest Project (Interreg match) £32k	Work towards framework for Offshore and Marine Renewables
Security of Supply	External legal and Professional services £512k	Sustainable Energy Challenge Fund
CAG	Gas Study (Infrastructure, Research & Policy) £78k	Common Gas Arrangements
Energy End Use Efficiency and Energy Services Directive	SEA on grid strengthening (Infrastructure, Research & Policy) £127.1k	Wider Regional Energy Co-operation strategy
REGO Regulations	Isles Project (EU Interreg + CIF Comm) £381k	EU Directives EC/72/2009 and EC/73/2009 Re Internal Energy Market
Review of Class Exemptions Order	Biomara Study (EU Interreg + CIF Comm) £142k	Grid Study Implementation Strategy
Revision of Electricity Supply Regulations	Renewable Heat Consultancy (EU Comp + CIF Res) £40k	Develop new and renewable forms of energy to ensure 7% electricity consumption from indigenous sources.
Outworking of Supplier of Last Resort Regulations	Renewable Energy Research Activities - tidal testing (EU Comp + CIF Res) (£50k)	Work towards a NI Sustainable Energy Action Plan
Revision of Gas (Applications for Licences and Extensions) Regulations (EU Services Directive)	Marine Regional Locational Guidance (EU Comp + CIF Res) (£100k)	EU Directive on Renewable Energy
Revision of Gas Safety Management Regulations	Renewable Energy Research Activities - Other (to include possible Appropriate Assessment) (EU Comp + CIF Res) (£100k)	British Irish Council – Energy Workstream (Marine Energy and Grid Infrastructure)
Guaranteed Standards of Service (GSS) Regulations for electricity and gas	Renewable Energy Research Activities - NIRO/FIT (EU Comp + CIF Res) (£90k)	EU Directive on Energy End Use Efficiency and Energy Services Directive
Revision of the (Applications for Licenses and Extensions) Regulations 2007	Renewable Energy Research Activities - marine environmental data (EU Comp + CIF Res) (£125k)	Work on Microgeneration Policy
Implementation of Directives for Electricity (EC/72/2009) and Gas (EC/73/2009)	Renewable Energy Research Activities - design call for proposals for possible scheme of assistance for small scale generators grid connection costs (EU Comp + CIF Res) (£30k)	
Primary legislation required to separately licence distribution	possible work further to gas extension study (EU Comp + CIF Res) £50k	

SUSTAINABLE ENERGY BRANCH – OPERATING PLAN 2010 - 2011

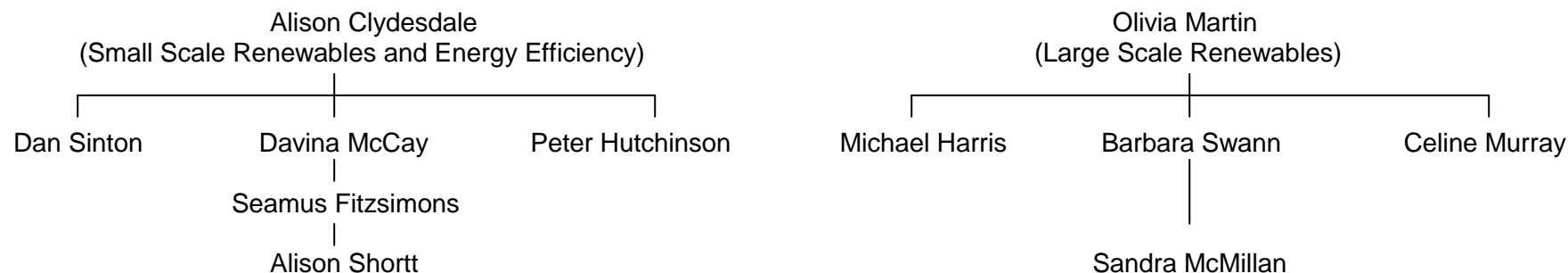
1. ROLE AND OBJECTIVES

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 2011, ensure 11% of electricity consumption is from indigenous renewable sources. <i>[Baseline: 2008/09–7%]</i>
19	By 31 March 2011, have secured Assembly approval for affirmative resolution NIRO Order.
20	By 31 March 2011, publish draft Environmental Report of the grid SEA and the draft Strategic Action Plan for onshore renewable energy.
21	By 30 November 2010, ensure that DETI transposes the parts of the Renewable Energy Directive for which it is responsible.
22	By 31 December 2010 develop an action plan for renewable heat.
23	By 30 September 2010, have secured Executive endorsement for a cross-departmental Bioenergy Action Plan.
24	By 31 March 2011, have facilitated a call by TCE for leases of the Northern Ireland seabed for renewables generation.
25	By 30 June 2010, have secured Executive endorsement for a cross-departmental sustainable energy marketing plan.
26	By 31 December 2010, undertake an evaluation of the effectiveness of the voluntary agreements.

2. BRANCH ORGANISATION CHART



BRANCH PLAN FOR 2010/11

TASKS – SMALL SCALE RENEWABLES AND ENERGY EFFICIENCY

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
Action Renewables Core Programme	(i) Monitoring Performance against objectives for the final year of funding (ii) Corporate governance Davina McCay / Alison Clydesdale	(i) Monitoring – ongoing on a monthly basis (ii) Governance issues – ongoing.	- corporate governance failure - failure to carry out monthly monitoring - failure to meet N+2.
DECC Low carbon communities	Monitor the two successful projects in NI on an ad-hoc basis Alison Clydesdale / Dan Sinton	Obtain performance updates from Ballymena BC and Camphill Community every 6 months	Failure of projects to deliver Failure of DECC to issue LOOs
Smart Meters	To develop policy in relation to smart meters in Northern Ireland Alison Clydesdale / Dan Sinton	(i) to provide a suitable input on smart metering to the IME3 regulatory impact assessment by 30 September 2010 (ii) Liaise with NIAUR in respect of smart meters – ongoing. (iii) To get Ministerial approval for a rollout of smart meters	Ministerial approval not obtained
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.	- corporate governance failure - no resources to carry out monthly monitoring.

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
Heat /Renewable Heat Challenge Fund	<p>To investigate further support measures for the renewable heat market. This will include :-</p> <ul style="list-style-type: none"> - Liaising with Invest NI re: possible support for large scale industrial and the commercial sectors and ; - Undertaking an Economic Impact Assessment on a potential NI specific RHI <p>Peter Hutchinson / Dan Sinton</p>	<p>(i) Scope 900K programme by end Dec 2010 (ii) Casework / DFP/ Ministerial approval by Feb 2011</p>	<ul style="list-style-type: none"> - business case not approved - no applicants to call - N+2 not achieved
Energy End Use Efficiency and Energy Services Directive	<ul style="list-style-type: none"> (i) To monitor voluntary agreements for NI through the Energy Services Agreement Forum (ESAF) (ii) To liaise with DECC on the analysis of the effectiveness of the voluntary agreements (iii) Undertake a gap analysis in relation to voluntary agreements and a supplier obligation to inform policy development (iv) Liaise with DECC and Invest NI on the small SME sector – “gap”. <p>Dan Sinton</p>	<p>Ongoing bimonthly meetings</p> <p>Scoping report by 31 December 2010</p> <p>Ongoing</p>	<p>Lack of input from signatories</p> <p>Lack of engagement with other Departments and the Utility Regulator</p>
To contribute to UK EEAP - 1% Energy Efficiency Target	<ul style="list-style-type: none"> (i) Collect data annually (ii) Prepare an analysis report for publication <p>Seamus Fitzsimons / Dan Sinton</p>	<p>Collect data by 30 June 2010</p> <p>Report by 31 October 2010</p>	<p>Data not available or delayed</p>
Promote energy efficiency in voluntary organisations	<ul style="list-style-type: none"> (i) Monitor provision of energy efficiency services to the voluntary sector (ii) Continue to engage with delivery bodies and stakeholders to ensure provision is satisfactory <p>Alison Clydesdale / Dan Sinton</p>	<p>Meet with bodies/stakeholders at least twice a year</p>	<p>Lack of stakeholder co-operation</p>
Develop an action plan for Renewable Heat	<ul style="list-style-type: none"> (i) Publish the Executive Summary of the report into the potential for renewable heat in NI. (ii) Gain Ministerial approval for the way ahead (iii) Form and provide secretariat for a cross-departmental heat strategy group. (iv) Seek Executive approval for a strategy and action plan 	<ul style="list-style-type: none"> (i) ensure regular meetings of a cross-departmental strategy group take place, beginning in Sept 2010. (ii) Seek Executive approval for a draft strategy 	<p>Lack of resource. Lack of cross departmental buy in. Unable to gain Executive approval</p>

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
	(v) Consult on a heat strategy for Northern Ireland. (vi) Develop and agree an action plan for renewable heat. (vii) Consider the need for a SEA of the renewable heat strategy. Alison Clydesdale / Peter Hutchinson	and action plan for renewable heat by end November 2010. (iii) launch consultation in December 2010 (iii) publish final action plan / strategy by Mar 2011 Ongoing	
Complete the Strategic Environmental Assessment for onshore renewable energy	(i) Organise initial scoping workshop for SEA (ii) Develop Strategic Action Plan (iii) Manage contract with AECOM to complete a Strategic Environmental Assessment on onshore renewable energy and associated grid strengthening (iv) Work with stakeholders to ensure on shore renewable SAP takes into account all other relevant work (v) Manage PSG for SEA (vi) Gain Ministerial and Executive approval for the Environmental Report and Draft Strategic Action Plan (vii) Consult on the Strategic Action Plan and associated Environmental report Alison Clydesdale / Davina McCay	By 4 June 2010 Complete SAP by November 2010 Ongoing Ongoing Ongoing Autumn 2010 February 2011	Lack of PSG engagement Delays by AECOM Executive approval not forthcoming
EU Programmes	(i) Closure of Interreg IIIa projects (ii) Closure of BSP Measure 1.8 (iii) Administration of new EU projects (iv) Craigavon Borough Council Fraud case Davina McCay / Seamus Fitzsimons / Alison Shortt	To ensure full closure by December 2010	Inability to contact projects

TASKS – LARGE SCALE SUSTAINABLE POLICY AND PROJECTS

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
Implement Renewable Energy Directive for Northern Ireland	(i) Brief Minister and ETI Committee on implementation plan; (ii) Liaise with DECC and OGDs in NI inc NIAUR; (iii) Consult on REGO regs; make legislation; (iv) Draw up proposals for implementing other aspects of RED; (v) Liaise with NIAUR and energy markets re implementation of Article 16 on grid access and priority despatch. [Celine Murray]	By 5 December 2010, ensure DETI transposes the sections of Renewable Energy Directive for which it is responsible.	Lack of resource Lack of cross-departmental buy-in Legal advice unavailable or not timely Training on implementation of Directives
Development of renewable electricity support system	<u>NIRO</u> (i) Ensure that amendments to the NIRO are made by 31 March 2011. (ii) Issues that will need to be addressed in year for inclusion in next year's NIRO: <ul style="list-style-type: none"> • Potential uplift in ROCs for AD projects in NI. This will be determined by the outcome of a Call for Evidence issued in April for return end May. • Eligibility and associated definitions of refurbished/reconditioned/ second-hand wind turbines for inclusion in NIRO. This will mainly be an issue for NI but will require agreement with Scotland and DECC. • NIRO-related issues arising from transposition of the RED. • Obtaining vires for offshore marine • Extending the ROs to stations outside the UK. This has implications for NI e.g. Snugborough • SWEG issues (iii) Drafting of amendment order (iv) Associated RIA and EQIA (v) State Aid notification (vi) Banding Review to commence in October 2010. Draft consultation document will have to be agreed. Biomass grandfathering consultation by DECC currently underway. Outcome will feed into the banding review.	NIRO Order made by 31 March 2011. Timescales: <ul style="list-style-type: none"> • AD call for evidence – issue call mid/end April for returns by end May 2010. • NIRO consultation – early July to mid September • NIRO seminar – end August • Submit State Aid pre-notification in July/August • Issue Gov response to NIRO consultation – November Lay draft order – Feb 2011	Lack of resource – cannot implement FITs at any scale with current resources Split with GB ROs/FITs disincentivises investment in NI Lack of dedicated economic resource hampers ability to analyse inputs and provide high quality advice to Minister.

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
	<p>(vii) Policy consideration of NIRO levels beyond 2012 – building on Oxera report</p> <p><u>NIRO consultancy outcome</u></p> <p>(i) Implications arising from outcome:</p> <ul style="list-style-type: none"> • If recommends a FIT then the practicalities and timeline for introducing primary legislation will need to be considered • If recommends remaining in the NIRO we will probably come under sustained pressure to reconsider – this will undoubtedly result in increased levels of correspondence, Aqs etc. <p><u>NFFO-NIRO</u></p> <p>(i) Ongoing management of NFFO-NIRO arrangement</p> <p>DN: at the time of writing the report, we do not know the implications of the coalition Government commitment to “full establishment of feed-in tariff systems in electricity, as well as maintenance of banded ROCs”.</p> <p>Michael Harris</p>		
Tackling barriers to renewables	<p>(i) Work with DOE to ensure that PPS18 and the SPG adequately supports Government renewable energy targets;</p> <p>(ii) Ensure that renewable issues are integrated within the current Grid SEA work;</p> <p>(iii) Review small-scale access to grid and cost of connection policy issues with NIAUR pre-consultation in autumn;</p> <p>(iv) Reach agreement with NITB on their renewables/wind policy statement;</p> <p>(v) Ensure functioning of Planning and Renewable Energy group and set targets for performance.</p> <p>Olivia Martin</p>	Ongoing	Lack of resource Lack of cross-departmental buy-in
Develop offshore wind and marine renewables in NI waters	<p><u>Offshore Renewables</u></p> <p>(i) Complete the SEA and post SEA Statement and finalise the ORESAP 2010-2020(including Executive clearance) – end June 2010</p> <p>(ii) Ensure Appropriate Assessment undertaken.</p>		Lack of resource Lack of PSG engagement Delays on part of Faber/Metoc Lack of DOE engagement on marine consents Reluctance by DECC re

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
	<p>(iii) Implement ORESAP - key actions for 2010-2011 involving close and intensive work with The Crown Estate in the preparation for the launch of the NI waters leasing round later in 2010-2011.</p> <ul style="list-style-type: none"> • Develop the Project Steering Group into the Offshore Renewables Energy Forum (membership, TOR and work programme to include as appropriate the following activities) • Appoint consultants and have completed Regional Locational Guidance in advance of the Leasing Round launch, • Develop actions to address data gaps and surveys at a strategic level, • Develop Project Level Mitigation Strategy, • Develop “ deploy and monitor “ approach, in light of Scottish experience • Contribute to the ongoing Grid development SEA, • Work with Invest NI and others on the development of business/supply chain activities, including potential tidal test/prototype development facility, • Work with FCO/NIO and others to develop agreed approach to marine boundary issue, • Develop with NIEA streamlined offshore consenting and licensing regime, • Agree approach and timetable for introduction of decommissioning regime for NI waters, • Participate and contribute to the range of DECC led Offshore Renewables groups and ensure NI benefits for UK wide activities including funding regimes. <p>Note other actions identified within the ORESAP will be taken forward by other Energy Division colleagues and BS will contribute as appropriate to that work, e.g. the development of the NI marine Bill and Marine Spatial Planning; the ongoing development of the NIRO and transfer of offshore ROCs to NI ; the Isles project.</p> <p>Barbara Swann</p>		<p>legislative issues Reluctance by others to engage/resolve jurisdictional issues Non –prioritization by TCE of NI development within its work plan Non completion /delays in the Grid strengthening work</p>
<p>Develop a cross-departmental Action Plan for the sustainable development of bioenergy in Northern Ireland</p>	<p>(i) Secure IDG and Executive agreement to the revised Cross Departmental Bioenergy Action Plan 2010-2015 - end June 2010.</p> <p>(ii) During 2010-2011, implement those action points falling to SEB and ensure that other DETI and IDG members implement the Plan as finalised.</p> <p>(iii) Organise half year review of IDG progress and also co-ordinate full year review of IDG progress - the latter for publication.</p>		<p>Lack of resource Lack of cross departmental support Slippage in tight timetable Failure to secure Executive approval by July</p>

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
	<p>Note - draft Plan being revised and not all actions identified. Most will fall to other IDG, mainly DARD and Invest NI. Within Energy, work on the NIRO/FIT and Renewable Heat is referenced.</p> <p>Barbara Swann</p>		
<p>Contribute to DOE's work on the UK and NI Marine Bills and the transposition of the Marine Strategy Framework Directive (MSFD)</p>	<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>[Celine Murray]</p>	<p>Ongoing in line with DOE's timetable.</p>	<p>Lack of resource Late engagement by DOE with DETI on issues</p>
<p>Participate in the DfT led UK wide Renewable Transport Fuel Obligation (RTFO), as appropriate</p>	<p>Maintain NI aspects of RTFO in liaison with DfT – particularly in relation to Renewable Energy Directive.</p> <p>[Celine Murray]</p>	<p>Ongoing, as required</p>	<p>Lack of resource Poor or late engagement by DfT with DETI on issues</p>
<p>Maintain oversight of DECC and other Government departments to ensure NI/DETI interests represented</p>	<p>Particularly in respect of:</p> <ul style="list-style-type: none"> (i) UK Marine Action Plan; (ii) Offshore wind forums; (iii) UK delivery plans for RES; (iv) DARD renewable energy action plan; (v) Renewable Obligation issues; (vi) Other matters as they arise. <p>All</p>	<p>Ongoing</p>	
<p>Contribute to NI political processes</p>	<ul style="list-style-type: none"> (i) Respond to AQOs, AQWs, requests for Ministerial briefing in a timely and accurate manner; (ii) Respond to correspondence cases and TOFs as required and in a timely manner; (iii) Brief ETI Committee either in written or oral form or both as required; (iv) Provide advice on Executive papers from OGDs as required; <p>All</p>	<p>Ongoing</p>	<p>Lack of resource</p>
<p>Contribute to central finance, governance, data collection, legislation monitoring returns etc as required</p>	<p>Contribute to Energy Coordination Branch requirements</p> <p>All</p>		<p>Lack of resource</p>

CROSS – CUTTING ACTIVITIES			
Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
IDWG Sustainable Energy	To manage the IDWG on Sustainable Energy [Celine Murray to lead]	(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 gain Executive approval for a joined up approach to sustainable energy communications Alison Clydesdale / Peter Hutchinson	(i) To present the findings to the main SEIDWG in June (ii) Stakeholder workshop to be complete by August 2010 (iii) Executive approval by end October 2010.	- Lack of resources in EIS/ press office - Failure to meet N+2.

TOTAL BRANCH BUDGET

Action Renewables Core Programme	£228k (EU Comp + CIF Comm)
Sustainable Energy Campaign	£250k (EU Comp + CIF Comm)
Renewable Heat Consultancy	£40k (EU Comp + CIF Res)
Grid Strengthening SEA	£127.1k (EU Comp + CIF Res)
Smallest Project	£32k (Interreg match)
Renewable Energy Challenge Fund (link Markets Branch)	£900k (EU Comp Capital + match)
Renewable Energy Research Activities - tidal testing	£50k (EU Comp + CIF Res)
Marine Regional Locational Guidance	£100k (EU Comp + CIF Res)
Renewable Energy Research Activities - Other (to include possible Appropriate Assessment)	£100k (EU Comp + CIF Res)
Renewable Energy Research Activities - NIRO/FIT	£90k (EU Comp + CIF Res)
Renewable Energy Research Activities – marine environmental data	£125k (EU Comp + CIF Res)
Renewable Energy Research Activities - design call for proposals for possible scheme of assistance for small scale generators grid connection costs	£30k (EU Comp + CIF Res)
TOTAL	£2.0721m
External Consultancy / Legal	£175k (notional branch allocation)

MARKETS BRANCH - OPERATING PLAN 2010 - 2011

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:	
12	To ensure Northern Ireland meets the EU IME3 Directives transposition date of March 2011 for the electricity and gas industries: (a) By 30 September 2010, commence the IME3 formal consultations for electricity and gas; and (b) By 30 January 2011, have draft legal provisions prepared to transpose both Directives.
13	By 30 June 2010, establish procedures for dealing with wayleaves associated with the new Tyrone – Cavan electricity interconnector.
14	By 31 January 2011, secure completion of Assembly Stages of the Energy Bill.
15	By 30 June 2010: (a) Complete and validate protocols and agreement with RoI to enhance security of supply for gas and electricity and in relation to renewable energy targets in the context of BIC objectives; and (b) Commence discussions to agree and expand these activities to cover Scotland and other BIC jurisdictions.
16	By 30 September 2010, put in place a workplan with the Republic of Ireland and both Utility Regulators for the necessary parallel legislation to facilitate common arrangements in gas and help meet Northern Ireland compliance with the IME2 Directive.
17	By May 2012, put in place legislation to separately licence electricity distribution.

2. BRANCH ORGANISATION CHART



BRANCH PLAN FOR 2010/11

TASKS - DOMESTIC NATURAL GAS AND ELECTRICITY ACTIVITIES

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	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. Fred Frazer/DP Gas Team	Complete review and prepare criteria by end of December 2010	Resource implications due to work on the Energy Bill, and potential for NIAUR delay on progressing draft licences.
Gas Network Extension	(i) Work with the Gas Strategic Development Group to consider how further natural gas roll-out can be taken forward (ii) In conjunction with the Utility Regulator and natural gas industry, consider the conclusions of the Natural Gas Network Extension Study Fred Frazer/ DP Gas Team	Identify barriers to gas take up, and develop strategy for increased gas roll-out and uptake by end of December 2010. Consider study conclusions, identify economic opportunities for combining infrastructure provision, complete further economic analysis of case for extending natural gas networks by end March 2011.	Resource issues until Energy Bill Committee Stage and Assembly debates are completed. Lack of engagement by gas industry and the Utility Regulator Lack of budget for further economic assessments
SEA – grid strengthening	Maintain overview of environmental considerations for electricity grid development being considered through the SEA process. Fred Frazer	Attend SEA Project Steering Group meetings, and consider issues for grid development	Failure of SEA consultants to complete the SEA. Failure of NIE to prepare a grid development strategy
All-island Grid Study	Act as joint chair of re-constituted Grid Study Working Group to ensure DETI maintains an overview of electricity grid development, increased wind energy integration, appropriate conventional generation, and system control issues associated with moving to a 40% renewable generation target. Fred Frazer	Ongoing liaison with DCENR, Regulators and the energy industry in relation to post Grid Study issues associated with higher levels of renewable generation In conjunction with DCENR, provide reports on grid development issues to JSG (meetings approx every 6 weeks)	Failure to maintain industry and Regulator support for the Grid Study Working Group, resulting in lack of awareness of grid improvement proposals across the island.

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
Outworking of Supplier of Last Resort (SoLR) Regulations	Implementation of SoLR Regulations in line with EU Directive 2003/55 provisions. Fred Frazer/ DP Gas team	Liaise with the Utility Regulator to monitor arrangements for outworking of SoLR Regulations	Potential queries on proposed working arrangements from the gas industry and ETI Committee
Primary legislation for Gas and Electricity	Introduction to the Assembly, and completion of Energy Bill Assembly Stages, Fred Frazer / DP Gas Team	Progress Energy Bill to 1 st , 2 nd Stage, by end of June 2010, and to commencement of Committee Stage by end of September 2010 Complete Assembly Stages of the Bill by 31 January 2011	Availability of staff resources to form Bill team, and level of support from DSO and OLC.
Climate Change Levy	Liaison with HMRC, DECC, and DEFRA in relation to achieving a further exemption from the Climate Change Levy for natural gas in NI Fred Frazer / DP Gas Team	Seek to secure a further CCL exemption for natural gas by 31 March 2011	Lack of support for CCL extension from HMRC, DECC, and DEFRA
Energy Storage Study	Oversee reporting stage of completed Energy Storage study through liaison with GSNI Fred Frazer	Provide Minister with report on completed Energy Storage Study by end of July 2010	BGS and GSNI resources to peer review final study report
Energy Price Reviews	Provide Minister with advice in relation to planned electricity and gas price reviews in Autumn 2010. Fred Frazer / Elaine Cassidy / DP Gas Team	From July to October 2010, liaise with NIAUR, NICC, and energy companies to consider proposed tariff reviews and provide advice to Minister and senior officials.	Failure to obtain relevant information on energy tariff reviews. Failure by various parties involved in the process to reach agreement on tariff review issues.
Electricity and gas company transactions	Liaise with energy companies, NIAUR, and legal advisers in relation to completion of energy company transactions Fred Frazer / Elaine Cassidy / DP Gas Team	Consider licensing and due diligence issues in co-operation with the Utility Regulator, the energy industry and legal advisers	Failure by companies to complete transactions, failure to achieve timely and accurate legal advice, staff resource issues.
Completion of Mutualisation Study	Obtain final study report on mutualisation issues from ERINI Fred Frazer	Obtain final study report by end of June 2010	Failure of ERINI to complete the study.

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
EU Services Directive	Update Gas Licence Applications Regulations Schedule to ensure compliance with the EU Services Directive Fred Frazer / DP Gas Team	Issue consultation document, advise ETI Committee, and make Regulations by end of December 2010	Slow responses from DSO on draft Regulations
Gas Safety Management Regulations	Update health and safety Regulations regarding single manned telephone service being maintained by all gas licence holders. Fred Frazer / DP Gas Team	Draft Regulations, issue consultation document, advise ETI Committee, and make Regulations by end of January 2011	Slow responses from DSO and HSE on draft Regulations
Electricity and Gas Guaranteed Standards of Service (GSS)	Liaise with Utility Regulator and energy industry re update of GSS for electricity and implementation of GSS for natural gas Fred Frazer / Elaine Cassidy / DP Gas Team	Utility Regulator proposes to update Electricity GSS in forthcoming year and will need to update legislation. UR may also implement new Gas GSS in parallel.	UR taking lead on this project – have to work within their timescales
Grid study implementation	Maintain an overview of NIE grid strengthening proposals in conjunction with NIE, SONI and NIAUR. Fred Frazer	Engage with the respective bodies involved in grid planning, seek agreement with NIAUR on methodology to assess requirements against grid proposals by end of March 2011. Liaise with Planning Service and seek political consensus to strengthen the grid	Failure to achieve agreement for grid strengthening proposals. Failure by NIAUR to agree assessment that grid proposals match need for greater transmission of renewable generation.
Review of Electricity Legislation	Review legislation for: - Class Exemptions Order - NIAUR General Authority for electricity licensing - Electricity Licence Applications Regulations Fred Frazer / Elaine Cassidy	Liaise with DSO to determine capacity to complete work, and to determine extent of work involved. Performance target cannot be set until staff resource identified	Limited DSO resources, external legal consultancy budget, and staff resources in Energy Division.
Revision of (Applications for Licences and Extensions) Regulations 2007	Fred Frazer/ Elaine Cassidy	In line with the provision of new Primary legislation to deal with distribution licensing	Lack of staff resources Objection from industry stakeholders

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
Electricity Distribution licensing	Liaise with the energy industry and NIAUR in relation to requests for an electricity distribution licence. Fred Frazer / Elaine Cassidy	Review existing legislative provisions by end of April 2010, meet with applicant by end of May 2010, and reach conclusion on way forward in conjunction with NIAUR by end of June 2010.	Staff resources if significant amendments to existing legislation is required. Lack of consensus on a way forward
Implementation of Directives EC/72/2009 and EC/73/2009 and 3 sets of associated Regulations	Liaise with DECC, NIAUR, DCENR, and the electricity and gas industries in relation to transposition of the EU energy Third Package Directive proposals (IME3). Fred Frazer / Elaine Cassidy	Prepare and issue full IME3 consultation document by October 2010. Prepare draft Regulations by February 2011 to allow IME3 transposition	Ongoing staff resource issues and other work commitments. DSO/NIAUR delay in progressing issues. Failure of legal advisors to provide comprehensive legal advice within required timescales
Gas Storage	Liaise with the energy industry and NIAUR in relation to gas storage proposals for the East Antrim area Fred Frazer	Ongoing liaison with Islandmagee Storage, BGE Networks, NIAUR, Crown Estate, and DOE re gas storage projects	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	N/A
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 Fred Frazer / Elaine Cassidy	Management of external consultant engaged in completion of PPE's to provide a draft report by end of May 2010.	Failure of consultant to deliver final PPE report and financial analysis.
SEM requisite arrangements for cancellation of licence conditions re. 1992 Generation Unit Agreements	Watching brief on decision by NIAUR on whether or not to cancel remaining GUAs Elaine Cassidy	Decision by NIAUR on key GUAs by end May 2010.	NIAUR failure to act impacts on tariffs.

TASKS - EXTERNAL NATURAL GAS AND ELECTRICITY ACTIVITIES

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
Common Arrangements for Gas (CAG) Proposals	<p>Liaise with DCENR and Regulators (NIAUR, CER) in relation to a programme of measures to enhance cooperation on gas transmission, trading and regulation, in context of 3rd package of IME Directives.</p> <p>Put in place Bill Team and bring forward parallel primary legislation on gas cooperation.</p> <p>Peter Hughes / Alan Chowney</p>	<p>Agree and commence programme with particular focus on structural arrangements and legislative requirements, with DCENR and RAs by September 2010.</p> <p>Approval of Minister to proceed with any necessary legislation by end May 2010 with aim of enactment by end 2011 – April 2012.</p>	<p>Unable to agree legislative 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 and emergency planning requirements in light of CAG and SEM (also see below)</p> <p>Progress work of all-island security of supply working group and enhance links with GB, with reference to UK / EU security of supply policy and standards and incoming Security of Supply Regulation.</p> <p>Peter Hughes / Alan Chowney</p>	<p>Finalise protocols and prepare report on coordination of strategic/policy cooperation and operational arrangements by end October 2010</p>	<p>Failure to agree cross border arrangements to ensure security of supply leading to failure to protect consumers effectively.</p>
Emergency Planning Issues	<p>NI emergency oil plan to be completed shortly. Further updating of gas and electricity plans needed in light of ongoing PUS consultation by BIS.</p> <p>Work required to develop all-Island planning coordination in light of SEM and CAG.</p> <p>Determine value of a joint exercise with Rol, Scotland, Wales and BIS to test interdependencies.</p> <p>Alan Chowney</p>	<p>Ongoing</p> <p>Initial exercise in this process will involve participation by DETI and DCENR in DECC Exercise Avogardo on 29/30 June 2010. This will be followed by outworking of lessons learnt by three administrations following September 2010 workshop.</p>	<p>Failure to keep Minister etc informed, and to react quickly to emergency.</p> <p>Planning assumptions not adequately challenged resulting in an inappropriate response to incidents.</p>
Electricity and Gas Market Policy	<p>Contribute to development of policy for electricity and gas with regard to external relationships.</p> <p>Liaise with interested parties</p> <p>Peter Hughes / DPs</p>	<p>Ongoing</p>	<p>Failure to protect NI interests and provide leadership on policy.</p>

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
All-island Energy Market Joint Steering Group	<p>Progress work of JSG in conjunction with DCENR and Regulators</p> <p>Develop revised All-island Energy Market Development Framework and work programme for 2010 -2015.</p> <p>Develop MoU between DETI and DCENR</p> <p>Peter Hughes</p>	<p>Ongoing</p> <p>Agree Framework/Work Programme by end 2010 following issue of NI SEF.</p> <p>Agree MoU with DCENR by 31 March 2011. Also see below</p>	Failure to get Ministerial buy-in
Regional Energy Cooperation	<p>Develop energy cooperation with GB, particularly Scotland and Wales, in context of EU energy policy and legislation.</p> <p>Manage NI contribution to energy workstream of British Irish Council.</p> <p>Develop and agree MoU's with Scotland and RoI to facilitate cooperation on common energy policy matters.</p> <p>Peter Hughes</p>	<p>Ongoing</p> <p>Meet BIC sectoral and summit meeting targets.</p> <p>Put in place MoU's with Scottish and Irish Governments by 31 March 2011.</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>	Support / Manage key strategic projects. See below	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>	Initial Report due by end June 2010 with main findings emerging by Spring 2011 and final report due end 2011.	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>	Progress overseen through regular Steering Board meetings 2x pa. Study completion by end 2013 on schedule.	

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
North South Interconnector	<p>Oversee planning process by NIE/EirGrid to build Interconnector, with particular reference to Departmental policy, SEM, wayleave and consents process.</p> <p>Liase 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 made by NIE December 2009. Consideration by Planning Service underway.</p>	<p>Decision to hold Planning Inquiry leads to delay in construction until 1014/15 at earliest and increases costs to consumers by some €20-€25 m pa.</p> <p>Decision to underground cables increase cost of interconnector by 5x or more and precedent set for future grid work.</p>
SEM Appeals System	<p>Consider value of bespoke appeals system for SEM and CAG in conjunction with DCENR and RAs. And in light of development (and regional harmonization) of markets and IME3.</p> <p>Peter Hughes</p>	<p>Initiate action as and when resources allow and need for bespoke system becomes apparent.</p>	<p>Failure to agree need. Lack of staff resources and budget for expert legal advice.</p> <p>Lack of alternative to JR and JR mechanism fails to meet needs of market and participants.</p>
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>	<p>May 2010</p>	<p>Danger of public safety issue not being followed up. At present Energy can still call on John Steed HESGB for advice.</p>
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>	<p>May 2011</p>	
Privatization – residual land disposal issues.	<p>Issue at Kilroot resolved. Bill outstanding from solicitors for Kilroot.</p> <p>Rod Robson</p>	<p>Ongoing</p>	<p>None</p>

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) And Date(s)	Risks
Facilitate the migration of disruption of supply chains	<p>Facilitate the Department, Energy Sectors and Food supply chains to mitigate the impact of disruption should swine flu reach pandemic proportions.</p> <p>Reporting- ensure procedures are in place and effective to capture data on impacts.</p> <p>Alan Chowney</p>	<p>To meet deadlines for sitreps with qualitative data and information to aid strategic decision making.</p> <p>Keep watching brief on any increased activity over winter months – while risk has receded the WHO has kept Alert Level 6 (highest) in place.</p>	Inadequate cover should key staff fall ill during peak infection weeks.
Oil Planning	<p>Have in place a validated Response Strategy for Food Supply which is robust to mitigate disruptions from a range of scenarios</p> <p>Alan Chowney</p>	<p>NI Response Strategy is now largely in place.</p> <p>A few of PUS not fully in place due slippage in other organisations who lead in activity</p>	Competitive nature of oil industry slows implementation of plans.
Electricity Overhead Line Regulations	<p>Consider need to update NI regulations in light of revised GB Regulations.</p> <p>Rod Robson</p>	To determine date based on resources and priorities.	Difference in approach to GB if regulations not updated. Potential impact on safety standards.
<p>Review of Article 39 published criteria and;</p> <p>Review of Article 40 published criteria</p>	<p>Work not started due to possible conflicts with current applications.</p> <p>Rod Robson</p>		Lack of resources prevents review and updating to meet changing planning and energy environment.
Way leaves	<p>Action ongoing applications for way leaves, including injurious affection cases.</p> <p>Rod Robson</p>	Ongoing	Delays in installations if DETI fail to meet timetables.
Way Leaves Review	<p>Examine procedures for strategic projects in light of North South Interconnector and Grid Study outworking.</p> <p>Rod Robson</p>	Consult on and agree revised procedures by July 2010 for NS Interconnector plus longer term look at use of easements	Lack of resources prevents update to meet changing planning and energy environment.
2 nd Electricity interconnector – Article 40 and wayleaves	<p>Wayleave applications not likely until 2010/2011 at the earliest. Article 40 will follow these.</p> <p>Rod Robson</p>		Lack of resources prevents update to meet changing planning and energy environment.

TOTAL BRANCH BUDGET

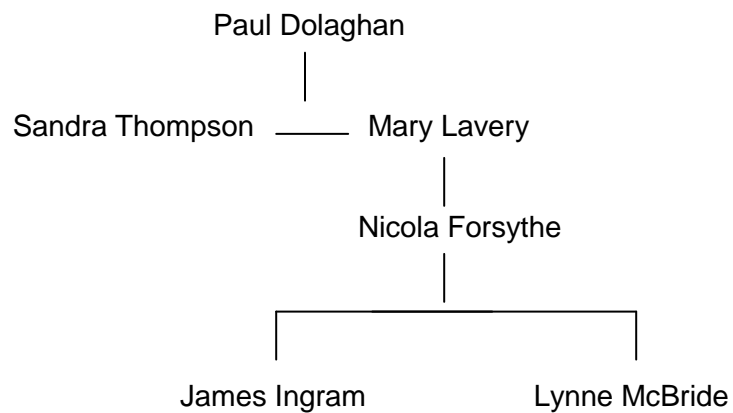
Gas Study	£78k (I, R&P)
Possible further gas study work	£50k (EU Comp & CIF Research)
All-island Off-Shore Grid Study	£380k (EU Interreg + CIF Comm)
BioMara Study	£142k (EU Interreg + CIF Comm)
TOTAL	£0.650m
External Consultancy: Legal	£175k (notional allocation)
External Consultancy: Wayleaves	£21k

CO-ORDINATION BRANCH - OPERATING PLAN 2010 - 2011

1. ROLE AND OBJECTIVES

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

2. BRANCH ORGANISATION CHART



BRANCH PLAN FOR 2010/11

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)	Risks
Strategic Energy Framework	Revise SEF to take account of current global awareness on energy matters. Paul Dolaghan	By June 2010 issue a revised strategic energy policy statement to the Executive for approval. By July 2010, publish SEF 2010.	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 ISNI databases in relation to payments. Co-ordination of EU drawdowns. Paul Dolaghan / Sandra Thompson	- 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 Accounts Branch totals.	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. Paul Dolaghan / Sandra Thompson	- Monthly monitoring of spend; - Monthly forecasting as part of cash flow management exercise; - In-house assessment of contract; - Regular updates to ensure HOBs aware of position.	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 / Mary Lavery	- 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)	Risks
File Management	Filing (electronic and hard copy). Maintaining file lists, opening trim containers, reviewing files for retention/ destruction. Paul Dolaghan / Mary Lavery	- 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. Paul Dolaghan / Mary Lavery	- 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. Paul Dolaghan / Mary Lavery	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 Paul Dolaghan / Mary Lavery	Provide accurate returns within timeframe.	Failure to produce accurate information within timeframe.
'Changing for the better' Initiatives (HR Connect, AccountNI, NI Direct)	Attendance at relevant working groups/seminars. Providing support and feedback to Division as appropriate. Paul Dolaghan / Mary Lavery	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-ordination Section. Seek input from other HOBs and compile Divisional plans. Paul Dolaghan / Mary Lavery	Maintain clear and easily accessible record of targets and progress towards achievement.	Division loses sight of overall progress and targets.

Activity	Key Actions G7 and / or DP Responsible	Performance Target(s) and Date(s)	Risks
Honours	Seeking nominations from HOBs for garden party invites and honours lists. Complete templates and draft returns for nominees for G5 approval. Paul Dolaghan / Mary Lavery	To ensure appropriate representation.	Sector not adequately represented.
Fuel Poverty	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. Paul Dolaghan / Mary Lavery	To ensure DETI interests registered and taken forward as appropriate.	DETI interests not represented.

TOTAL BRANCH BUDGET

No Programme or Capital allocation.

Overall monitoring of Admin, Resource 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.