

ENERGY DIVISION RISK REGISTER

Received from DFE on 19/07/17
Annotated by RHI Inquiry

Objective: Protect the interests of energy consumers by promoting competition where possible. Category – Reputation/Credibility Risk Appetite – Cautious			For risks with a residual assessment of High or Medium Impact and High Likelihood: <u>Number of Quarters at this Level:</u>					
RISK	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
	Impact	Likelihood		Impact	Likelihood			
1. Failure to manage expectation of Government intervention on energy costs.	High	Medium	Electricity and gas tariffs – regulation of incumbent energy suppliers: electricity - Power NI; natural gas - Airtricity Gas Supply and Firmus Energy. “Observer” role for Department in tariff review process led by the Utility Regulator. Electricity - Regulator’s 2014/15 Forward Work Programme to include enhanced retail energy market monitoring Electricity – SEM Committee examination of impact of energy trading and CRM options for I-SEM Electricity – review of network charges and allocations across customer groups.	Medium	Medium	Participate in Power NI, Airtricity Gas Supply, and Firmus Energy tariff reviews. Support review of network charge element of final customer bill and present options to Minister. Maintain briefing / lines to take on energy tariffs.	Electricity tariff review meeting scheduled for 6 Aug. 2014. Gas tariff review meeting scheduled for 29 July 2014. Complete Autumn tariff reviews by end Sept. 2014.	John Mills (BS/FF/AS)

ENERGY DIVISION RISK REGISTER

Objective: Work with stakeholders to deliver security of supply and investment in energy infrastructure. Category – Operational and policy delivery Risk Appetite – Averse			For risks with a residual assessment of High or Medium Impact and High Likelihood: <u>Number of Quarters at this Level:</u>					
	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
RISK	Impact	Likelihood		Impact	Likelihood			
2. Inadequate security of electricity supply.	High	Medium	SONI has tested the market for additional 220MW to 300MW of additional capacity for 2016. Utility Regulator and SONI engagement on market arrangements to reward additional generation capacity within SEM. Regular engagement with Mutual Energy, Utility Regulator and DOE about approvals and engineering proposals to restore the Moyle interconnector to full capacity. Keep abreast of North-South link, including within the PCI process. Updates from An Bord Pleanala re Eirgrid PCI for Rol part of interconnector.	High	Low	Work with SONI, Utility Regulator and appointed developer to agree timeline for additional capacity. Continue contact with Mutual Energy, Regulator and DOE re Moyle. Work with SONI and NIAUR on options for delay in N/S interconnector.	Dec. 2014. Interim Moyle fix to be available by end 2014, and complete fix by 2017.	John Mills (FF) (FF) (FF/BS)

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Objective: Maintain a legal framework for energy which complies with EU requirements Category – Compliance – legal/regulatory Risk Appetite – Averse			For risks with a residual assessment of High or Medium Impact and High Likelihood: <u>Number of Quarters at this Level:</u>					
RISK	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
	Impact	Likelihood		Impact	Likelihood			
3. Failure to maintain compliance with binding EU instruments with consequent risk of infraction (includes Regulators failure to deliver EU Target Model for electricity compliance by Dec. 2016)	High	High	Legislation to revise licence modifications drafted. Ongoing engagement with NIAUR to ensure compliance with network codes and Gas Security of Supply Regulations. Joint Steering and Working Group arrangements and project governance framework implemented by SEM Committee High Level Design for energy trading and financial arrangements published for final consultation	High	Medium	Completion delayed to Autumn 2014 to facilitate NIAUR work on licence conditions Respond to any legislative requirements. Ensure Project Management arrangements for detailed decisions in place. Engage formally with I-SEM Project Team and DCENR to identify scope and nature of legislative programme.	Autumn 2014	John Mills (HV) (BS/FF/HV)

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<p>Objective: Work with stakeholders to deliver security of supply and investment in energy infrastructure</p> <p>Category – Operational and policy delivery</p> <p>Risk Appetite – Open</p>			<p>For risks with a residual assessment of High or Medium Impact and High Likelihood:</p> <p><u>Number of Quarters at this Level:</u></p>					
	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
RISK	Impact	Likelihood		Impact	Likelihood			
4. Failure or perceived failure to support delivery of key energy projects.	Medium	Medium	<p>Electricity - Article 39 and 40 consenting arrangements and associated guidance developed.</p> <p>Delegated Competent Authority arrangements implemented for EU electricity and gas Projects of Common Interest.</p> <p>Utility Regulator licence competition for gas to the West ended 6 May 14, with licence award expected in Autumn 2014.</p> <p>State Aid application in respect of NI Executive grant for gas extension sent to Brussels in March 2013 and full notification submitted in June 2014.</p> <p>Explain Dept role on connections, smart grid and smart metering.</p>	Medium	Low	<p>Minister to chair SEIDWG meeting to discuss grid.</p> <p>Liaison with DECC, project developers, DOE and An Bord Pleanála re PCI delivery</p> <p>Liaison with Regulator to define potential electricity projects eligible for ERDF funds.</p> <p>Grant Letter of Offer to issue to Gas to West licensee.</p>	<p>Meeting proposed for September (date tbc)</p> <p>Ongoing as projects mature</p> <p>Dec. 2014</p> <p>Dec. 2014</p>	<p>John Mills (AC)</p> <p>(BS/FF)</p> <p>(BS)</p> <p>(FF)</p>

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<p>4a.Failure to secure project designation for grid development under the 2014-2020 ERDF Programme.</p>	<p>Medium</p>	<p>High</p>	<p>Correspondence with NIAUR to clarify viability.</p>	<p>Medium</p>	<p>Medium</p>	<p>Tripartite meeting with NIAUR/NIE. Clarify proposals.</p>	<p>Sep 2014 Dec 2014</p>	<p>John Mills (BS)</p>
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Objective: Manage resources within allocated budget and comply with departmental accounting arrangements			For risks with a residual assessment of High or Medium Impact and High Likelihood:					
Category – Reputation & Credibility and Financial / VFM			<u>Number of Quarters at this Level:</u>					
Risk Appetite – Averse								
RISK	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
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5. Failure to prevent and detect frauds and failure to report suspected frauds in compliance with DETI Fraud Policy.	High	Medium	<u>General</u> Formal procedures – Fraud Policy Internal Audit / NIAO / DSO. Claims checking and processing arrangements. Management checks. Use of Government Purchasing Service. Departmental alerts to system hackings/scams.	High	Low	Continued monitoring of policy and procedures to ensure compliance with DETI Fraud Policy.	Ongoing	John Mills (All HoBs)
Failure to secure grant repayment from Craigavon Borough Council (CBC).	Low	High	<u>Specific</u> Letters to CBC outlining legal position (June 2010) and seeking repayment of Interreg IIIA grant monies (March 2011). Sensitive legal information redacted by the RHI Inquiry	Low	High	Regular updates with CBC – last meeting held May 2013 and further written update received April 2014.	Ongoing	(AC)

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<p>Objective: Encourage energy efficiency across all sectors and facilitate increased levels of renewables.</p> <p>Category – Operation and Policy Delivery</p> <p>Risk Appetite – Open</p>			<p>For risks with a residual assessment of High or Medium Impact and High Likelihood:</p> <p><u>Number of Quarters at this Level:</u></p>					
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6. Insufficient resources / expertise to implement complex programmes, particularly EMR, within deadlines.	Medium	High	<p>Replacement Grade 7 and DP recruited to take forward NI RHI scheme.</p> <p>RHPP data transfer to new domestic RHI database.</p> <p>Revised RHI Business Case to Casework/secure DFP clearance.</p> <p>Secure RHI SL1 approval from ETI Committee</p> <p>Bid made to DETI Resourcing Group for additional DP for implementation stage of EMR.</p> <p>NI project board and technical steering board established.</p> <p>Engagement with NIAUR, NIE, SONI and SEMO to ensure delivery of EMR in NI.</p>	Medium	Medium	<p>Clarify admin resource costs of RHI / set up costs for EMR and bid accordingly.</p> <p>Lay domestic Regulations</p> <p>Appoint expert EMR panel.</p> <p>NIAUR EMR secondment</p> <p>Agree MoU with NIAUR.</p> <p>Divisional re-prioritisation.</p>	<p>Sep 2014</p> <p>1 Aug 2014</p> <p>30 Sept 2014</p>	John Mills (SW)

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	Inherent Assessment		CONTROLS IN PLACE	Residual Assessment		ACTION PLANNED	TARGET DATE	OWNER
RISK	Impact	Likelihood		Impact	Likelihood			
7. Insufficient understanding of impact of EMR and other policies on energy policies.	High	High	Carry out analysis of costs and benefits of 40% target. Contribute to analysis of EMR impact. Raise NI concerns at Project Board level.	Medium	High	Hold EMR stakeholder event. Re-run smart metering business case.	Dec 2014	John Mills (AC/OG))

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8. Failure to clarify policy on the introduction of a Small Scale Feed-in Tariff incentivisation mechanism.	High	Medium	Ongoing engagement with DECC officials and DSO on legislative requirements.	Medium	Medium	Establishment of legislative position.	Sept 2014.	John Mills (MH)

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9. Failure to work with other Departments to deliver a co-ordinated approach to energy efficiency policy across Government.	Medium	High	NISEP Reprioritisation and appointment of G7 Engagement with OFMDFM 'HEAT Programme'. Majority of legislation required to transpose EED in NI now completed (combination of UK-wide and NI legislation).	Medium	Medium	Complete Energy Efficiency Obligation study.	31 Mar 2015	John Mills (SW)
						Liaise with NIAUR to complete transposition via new/revised licence conditions for Articles 9-11.	Dec 2014	(AC)
						Two additional pieces of legislation to fully transpose EED.	Mar 2015	(AC)