

Energy Division Risk Register

| RISK 1 - Objective: To promote the strategic development of an efficient, economic and environmentally sustainable electricity industry in N.I. Category – Operational & Policy Delivery Risk Appetite – Cautious | | | For risks with a residual assessment of High or Medium Impact and High Likelihood: Number of Quarters at this Level: N/A | | | | | |
|---|---------------------|------------|---|---------------------|------------|--|------------------------|-------------------------------|
| RISK 1 | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
| | Impact | Likelihood | | Impact | Likelihood | | | |
| 1. Failure to achieve the objectives of the Strategic Energy Framework relating to minimising extent of electricity tariff increases. | High | Medium | Transmission & distribution and supply price control reviews/ effective regulation by NIAUR. Introduction of new more efficient generation capacity. Greater electricity interconnection planned with ROI. Mutualisation of Moyle Interconnector, SNIP and Belfast Transmission Pipeline. Defrayal of the 2007/08 Energy Efficiency Levy. Full electricity retail market opening achieved on 1 November 2007. McIlldoon report completed and provided positive view of regulatory process for electricity price review. | High | Medium | Further opening of market to competition through approval of new supply licence applications. All island market agenda and co-operation with DECC in GB, and devolved administrations. Steering Group meetings held 1st July and 5 th and 23 rd September | Ongoing Ongoing | Fiona Hepper [BS] [BS] |

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| | | <p>Airtricity entered the domestic electricity market from 1 June 2010 and firmus energy entered the Belfast domestic gas market from November 2010. Budget Energy and Electric Ireland is also a new entrant to the domestic electricity market.</p> <p>Ending of Kilroot legacy generation contract in November 2010. Also ending of further GUAs in 2012</p> <p>Participated in gas and electricity tariff reviews in 2012 and 2013.</p> <p>Participate, as appropriate, in in-year tariff reviews</p> <p>Restriction on gas PAYG meter switching ended September 2011.</p> <p>Enduring system for electricity switching fully operational from May 2012</p> | | | <p>17.8% tariff increase announced by Power NI with effect from 1 July 2013. Similar announcements from Airtricity and Budget Electric</p> <p>New electricity switching system (Enduring Solution) in place from end of May 2012. No limitation to number of customers wishing to switch</p> <p>8.7% increase in Airtricity gas prices in Greater Belfast from 1 April 2013, and 14.4% increase in <i>firmus energy</i> gas prices in "10 Towns" area from 1 October 2013</p> | <p>Completed</p> <p>Completed</p> | <p>[BS]</p> <p>[BS]</p> |
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RISK 2 - Objective: To lead and coordinate N.I. contributions to the development of a mutually beneficial all-island energy market with specific reference to development of competitive SEM as part of regional/Internal Market by 2014-16.

Category – Operational & Policy Delivery

Risk Appetite – Cautious

For risks with a residual assessment of High or Medium Impact and High Likelihood:

Number of Quarters at this Level: N/A

| RISK 2 | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
|---|---------------------|------------|---|---------------------|------------|---|-------------|-------------------|
| | Impact | Likelihood | | Impact | Likelihood | | | |
| 2. Failure to develop a competitive "All Island" Single Electricity Market (SEM) within Internal Market in electricity. | Medium | Low | Regular meetings of Joint Steering Group and Ministers | Medium | Low | Work with DECC/DCENR and European Commission | Ongoing | Fiona Hepper [BS] |
| | | | Consultation with, and between, key stakeholders (North & South) | | | Oversight of N/S interconnector development | Ongoing | [BS] |
| | | | Liaison with NIAUR on key developmental actions and on SEM Committee | | | Liaise with NIAUR, Ofgem and CER on ACER Target Model and delivery dates/milestones. Meetings held 1 st July, 5 th and 23 rd September | Ongoing | [BS] |
| | | | Annual reporting by SEM Committee to JSG. | | | Liaise with DECC, DCENR, NIAUR, CER and Ofgem on market and technical codes prior to comitology. Meetings held 23 rd and 31 st July | Ongoing | [BS] |
| | | | Liaison with NIE and DOE on North-South Interconnector project and planning application/public inquiry. | | | | | |

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| | | Initial consultation on integrating SEM into Regional Market (FUI) and Internal Market by 2014/16 completed. | | | Continued liaison with NIAUR and generators re Generator Transmission Use of System (GTUoS) charges and TLAFs | Completed | [BS] |
| | | Removal of ROI Carbon Levy May 2012 | | | Review SEM Committee High Level Design proposals and Final Decision paper for Target Model compliance | December 2013 to August 2014 | [BS] |
| | | Full Northern Ireland derogation from Carbon Price Floor with effect from 1 April 2013 | | | Engagement with DCENR and Regulators on proposed SEM Committee recommendations on new market design | Completed - DETI agreement to SEM Committee proposals on High Level Design changes to SEM February 2013 | [BS] |
| | | | | | Response to SEM Committee recommendations paper | | |

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RISK 3 - Objective:
 To promote the development of new and renewable forms of energy where it is economically attractive and environmentally acceptable.

To meet interim target of 20% electricity supplied to NI consumers from renewable generation by 2015 en route to meeting wider SEF goal of 40% by 2020.

To meet interim target of 4% heat supplied to NI consumers from renewable heat sources by 2015 en route to meeting wider SEF goal of 10% by 2020.

To ensure electricity grid is strengthened to accommodate increased renewable power generation.

Category – Operational & Policy Delivery and/or Compliance – Legal/Regulatory

Risk Appetite – Cautious

For risks with a residual assessment of High or Medium Impact and High Likelihood:

Number of Quarters at this Level: n/a

| RISK 3 | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
|---|---------------------|------------|--|---------------------|------------|--|---|--|
| | Impact | Likelihood | | Impact | Likelihood | | | |
| 3. Failure to meet N.I.'s 20% renewable electricity target, and 4% renewable heat target by 2015. | High | Medium | Ongoing liaison with DoE, NIEA, The Crown Estate, other relevant NI Departments and key external stakeholders Liaison with DECC Public consultation/liaison with representative bodies on new RE targets/ NIRO/ REGOs/RHI. | High | Medium | ETI Committee and Executive buy-in Continue with BIC marine workstream as required Ongoing liaison with DECC re EMR proposals. | Ongoing last meeting October 2013 Ongoing Ongoing | Fiona Hepper [JM & AC] [AC] [AC] |

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| | | Work with DECC on publication of EMR strike prices completed in June 2013 | | | | | [AC] |
| | | Ministerial Announcement on NIRO banding levels for 2013 | | | Announced May 2013 | | [AC] |
| | | £50m bid under ERDF 2014-2020 programme to deliver grid strengthening programme of works with NIE | | | Agree State Aid Notification Paper with Regulator/NIE, encourage UR Board to agree "in principle" use of ERDF funding for grid work | Dec 2013 | [BS] |
| | | | | | Complete PRINCE2 documentation suite and Gateway Review assessment | | |
| | | Renewables Obligation Amendment Order 2013 | | | Develop Economic Appraisal of NIE grid proposals | Dec 2013 | [BS] |
| | | Complete initial work on small scale FIT | | | Commence work on supplementary consultation on NIRO 2014/15 and small scale banding review | Oct 2013 | [AC] |
| | | Launch of the Renewable Heat Incentive(RHI) in Nov 2013 | | | Complete study of GB FIT compatibility with NI energy market | Oct 2013 | [AC] |
| | | | | | Development of Phase 2 of the RHI (Consultation held, analysis of responses underway). | Ongoing | [JM] |

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| | | | <p>Promotion of RHI and RHPP through Energywise campaign Campaign ran Nov 12 – Feb 13 (further campaign scheduled for January – March 2014).</p> <p>Publication of the Offshore Renewable Energy Strategic Action Plan (ORESAP) 2012 – 2020.</p> <p>Regional, political and policy commitment via proposed BIC energy work stream</p> <p>Replacement contract for Wayleave Officer appointment completed Mid Feb 2013</p> <p>Action to develop (e.g. Isles & BioMara) joint projects under Interreg IV Programme Both projects completed. ISLES2 proposal evaluated and supported under EU PCI process. ISLES 2 Project operational from 1 June 2013</p> <p>Completion of an on-shore renewable SEA & Strategic Action Plan</p> | | | | | | <p>[JM]</p> <p>[AC]</p> <p>[BS]</p> <p>[BS]</p> <p>[AC]</p> |
| | | | | | | <p>ORESAP Implementation Plan</p> <p>Ensure Wayleave and Vesting procedures for North/South Interconnector are robust against challenge.</p> <p>Liaise with ISLES2 partners to appoint project team and consultancy support</p> <p>Executive Approval required</p> | <p>Ongoing</p> <p>Oct 2013- Dec 2013</p> <p>Scheduled to go to Executive mid Nov 2013</p> <p>Ongoing</p> | | |

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| | | <p>Completion of a bioenergy strategy</p> | | | | Ongoing | [JM] |
| | | <p>Heat strategy group established – first meeting 18 October 2011</p> | | | Biannual meetings | Ongoing Last meeting May 2013 | [JM] |
| | | <p>Liaison with DECC on ensuring EMR is truly UK wide.</p> | | | Continue to work with DECC as Energy Bill passes through Westminster and subsequent secondary legislation . | | [AC] |
| | | <p>Liaison with NIAUR to ensure clarity on their role in EMR delivery</p> | | | Work with NIAUR as required | As required | [AC] |
| | | <p>Ensure cross-departmental sustainable energy policies are joined up through the continued operation of SEIDWG and its sub-groups</p> | | | Examine how SEIDWG can be revitalised to contribute helpfully to sustainable energy policy making. | Complete | [OM] |
| | | <p>MOU between DOE and DETI put in place</p> | | | | Ongoing | |
| | | <p>Report produced on communities and renewable energy to help ensure community acceptance of renewable energy</p> | | | Formulate draft action plan to implement the recommendations of the report and consult on the plan. | Jan-Mar 2014 | |

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| | | | <p>Produced long term vision for energy to 2050.</p> <p>NI compliance with RED 16(1) on grid strengthening proposals with a view to ERDF funding under 2014-2020 Programme</p> | | | | | |
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| <p>Risk 4 – Objective To promote the strategic development of an efficient, economic and environmentally sustainable electricity industry in Northern Ireland</p> <p>To promote the development and maintenance of an efficient, economic and extended gas industry in Northern Ireland</p> <p>Category – Compliance – Legal/ Regulatory</p> <p>Risk Appetite – Averse</p> | | | <p>For risks with a residual assessment of High or Medium Impact and High Likelihood:</p> <p>Number of Quarters at this Level: n/a</p> | | | | | |
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| RISK 4 | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
| | Impact | Likelihood | | Impact | Likelihood | | | |
| <p>4. Failure to implement key EU legislation - : IME2 and IME3 Directives, EU Regulations.</p> | High | High | <p>IME 3 - Directives Three pieces of further legislation implementing outstanding legislative requirements of IME 3 were made on 28 March and came into operation during April 2013, in line with timeframe notified to the European Commission. A small number of additional licence modifications were made by the Utility Regulator on 30 April and draft LNG licence conditions were also prepared and shared with the Commission. Full transposition of both Directives was notified to the Commission, via DECC, on 30 April 2013.</p> <p>Urgent legislation was made on 26 June 2013 to</p> | High | Medium | <p>Formal confirmation received via DECC in September 2013 that the infraction cases against the United Kingdom in relation to the IME 3 Electricity and Gas Directives have been closed. The Minister has written to FM/DFM, DFP and the ETI Committee to advise them of this positive development.</p> | Completed | <p>Fiona Hepper [FF/BS/HV]</p> |

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| | | <p>enable SONI to be certified pursuant to a legally binding Commission Decision published on 12 April 2013.</p> <p><u>IME 3 – Regulations</u> Work is continuing with NIAUR re full implementation of all aspects of IME3 (including certification of relevant electricity and gas licensees and compliance with EU Electricity and Gas Regulations) with monitoring through the IME3 Steering Group.</p> <p>NIAUR issued a consultation in Dec 2012 to harmonise NI network codes etc to deliver IME3 Gas Regulation compliance.</p> | | | <p>Engagement with DECC, Ofgem, NIAUR and energy industry re progression to EC Comitology and outworking of Gas and Electricity Regulations as part of IME3 compliance and EU market integration programme.</p> <p>Additional legislative provision will need to be made in relation to some aspects.</p> <p>DETI and NIAUR assessing outcome from CAG Balancing Study and further CAG CBA completed by CER. DETI and NIAUR to closely monitor milestones in a TSO timetable for Gas Regulation compliance with report on progress via the DETI/NIAUR IME3 Steering</p> | <p>Ongoing</p> | <p>[FF/BS]</p> <p>[HV]</p> <p>[FF]</p> |
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| | | | <p><u>IME 2 – Directive compliance</u></p> <p>IME2 gas compliance was achieved and agreed with DECC and EC in Feb 2013.</p> <p>Work with UR, SONI, Moyle & DECC to complete compliance on IME2 on electricity.</p> <p><u>Other EU issues</u></p> <p>Resilience to security of supply threat to be treated via the implementation of EU Security of Gas Supply Regulation (see Risk 8).</p> <p>Ongoing work with UR to progress roll out of Smart Meters in domestic electricity sector in line with transposition of Article 9 of Energy Efficiency Directive.</p> | | | <p>Group.</p> <p>No further action required</p> <p>Maintain watching brief on options to identify most economically efficient capacity on Moyle and associated grid investment requirements in NI and Scotland networks – DECC fully aware and consider this is a low infraction risk</p> <p>Work complete against Dec 2012 obligations on Gas Security of Supply requirements. Now working towards 2014 deadlines.</p> <p>Smart Metering CBA published and forwarded to EU Commission</p> <p>Liaison with DECC ongoing on privacy</p> | <p>Completed</p> <p>Initial meeting conducted 10 July 2013</p> <p>2014</p> | <p>[FF]</p> <p>[BS]</p> <p>[FF]</p> <p>[BS]</p> |
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| | | | | | | impact assessments Encourage UR to develop consultation proposals on roll out of Smart meters in domestic electricity sector. | To end-2014 (Current NIAUR position is that it is unable to allocate resource until 2014) | |
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| Risk 5 - Objective: To provide the primary and secondary legislative foundation for actions taken in fulfillment of EU & SEF commitments. | | | For risks with a residual assessment of High or Medium Impact and High Likelihood: Number of Quarters at this Level: N/A | | | | | |
|---|---------------------|------------|---|---------------------|------------|--|-------------|-------------------|
| Category – Operational & Policy Delivery and/or Compliance – Legal/Regulatory | | | | | | | | |
| Risk Appetite – Cautious | | | | | | | | |
| RISK 5 | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
| | Impact | Likelihood | | Impact | Likelihood | | | |
| 5. Failure to draft and implement specific Energy legislation in required timeframes | High | Medium | Liaison with other Energy Division branches, DSO, OLC, CCNI and NIAUR (sustainable and governance sides). | High | Medium | Legal consultancy finance secured for new Energy Bill | Ongoing | Fiona Hepper [OM] |
| | | | | | | Head of Branch and Senior Management involvement in policy and timetable decisions required. | Ongoing | [FH][FH/OM] |
| | | | | | | Liaison with DSO on Energy Bill in order to firm up resource issues in DSO in dealing with Energy Bill. | Ongoing | [OM] |
| | | | | | | Continue engagement with OLC on Energy Bill instructions | Ongoing | [BS/HV] |
| | | | | | | Ongoing engagement with NIAUR and DSO both to monitor progress by NIAUR (on certification and the development and implementation of network codes under the Electricity and Gas Regulations) and | | |

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| | | | <p>Liaison with Industry and NIAUR re. post IME3 issues.</p> | | <p>to progress any additional legislative requirements identified.</p> | | |
| | | | | | <p>Outworking of some Energy Act 2011 provisions with NIAUR – delayed due to focus on gas storage and gas network extension projects.</p> | Dec 2013 | [FF] |
| | | | | | <p>Consultation on draft Gas (Individual Standards of Performance) Regulations to be commenced by the Utility Regulator in late October 2013 – UR to make Regs, with DETI consent, in early 2014.</p> | | |
| | | | | | <p>Consultation on amendments to Gas Applications Regulations and Gas Published Criteria issued 5 July 2013 and closed 6 September 2013. Regs to be made and laid by December 2013.</p> | Feb 2013 | |
| | | | <p>Executive paper tabled on Legislative Consent Motion (LCM) for EMR.</p> <p>EMR LCM considered by the committee</p> <p>EMR LCM considered by the Assembly</p> | | <p>Senior Management involvement in policy and timetable decisions required.</p> | Ongoing | [AC] |

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| | | | <p>Ongoing liaison with DECC and Ofgem on NIRO amendments.</p> | | | Continued liaison with DECC, Ofgem and DSO on amendment order for NIRO in 2013 and the DECC implications for NIRO. | Ongoing | [AC] |
| | | | <p>Ongoing Liaison with DECC on EMR and DECC Energy Bill</p> | | | | Ongoing | [AC] |
| | | | <p>Ongoing liaison with DECC and Ofgem on Renewable Heat.</p> | | | | Ongoing | [JM] |
| | | | <p>Ensure transposition and implementation of new Energy Efficiency Directive by June 2014 (and various other dates by Article).</p> | | | <p>Legal advice on implications of Energy Efficiency Directive</p> | Ongoing | [OM] |
| | | | | | | <p>Need for continued co-operation with NI Departments responsible for energy efficiency</p> | Early 2014 | [OM] |
| | | | | | | <p>Raise resourcing issues on many Articles of the Directive</p> | Ongoing | [OM] |
| | | | | | | <p>Many additional actions required to manage the risks of the different Articles in the EED.</p> | | |
| | | | | | | <p>Work with DECC, where appropriate, towards UK-wide transposition of various articles within EED highlighting specific NI policy considerations</p> | | |

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| | | | | | | Continue liaison with DECC, UR on implementation of REMIT directive. | Complete – REMIT Regulations made August 2013 | [BS] |
| | | | Ongoing liaison with DSO, OLC, NIAUR and DOE Marine Division on Offshore Renewable Energy Bill | | | Policy consultation on Offshore Renewable Energy Bill complete . | Complete | [AC] |
| | | | Ongoing liaison with Crown Estate and HMT on offshore decommissioning | | | Seek Ministerial and Executive clearance for final policy position | By end Jan 14 | [AC] |
| | | | | | | Continue to liaise with TCE, DECC and HMT on potential liability issues. | Ongoing | [AC] |
| | | | | | | Consideration of Market and Technical Code requirements emerging from Target Model compliance | | |

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| Risk 6 - Objective: To ensure propriety in the use of all Departmental funds To ensure effective and efficient management control systems Category – Reputation and Credibility & Financial / VFM Risk Appetite ~ Averse | | | For risks with a residual assessment of High or Medium Impact and High Likelihood: Number of Quarters at this Level: n/a | | | | | |
| | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER Fiona Hepper [All HoBs] |
| RISK 6 | Impact | Likelihood | | Impact | Likelihood | | | |
| 6. Failure to prevent and detect frauds and failure to report suspected frauds in compliance with DETI Fraud Policy. | High | Low | Follow formal procedures – Fraud Policy Internal Audit / NIAO Claims checking and processing procedures Management checks Use of Government Purchasing Service Manage FOI Requests Liaison with DSO | High | Low | Close monitoring of policy and procedures to ensure compliance with DETI Fraud Policy. | Ongoing | |

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| Risk 7 - Objective: <div style="background-color: black; color: white; font-size: small; padding: 2px;">Sensitive investigative information redacted by the RHI Inquiry</div> | | | For risks with a residual assessment of High or Medium Impact and High Likelihood: Number of Quarters at this Level: n/a | | | | | |
|---|---------------------|------------|---|---------------------|------------|---|------------------------|---|
| Category – Reputation and Credibility & Financial / VFM | | | | | | | | |
| Risk Appetite – Averse | | | | | | | | |
| | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
| RISK 7 | Impact | Likelihood | | Impact | Likelihood | | | |
| 7. Failure to secure grant repayment. | Low | High | <div style="background-color: black; color: white; font-size: small; padding: 2px;">Sensitive legal information redacted by the RHI Inquiry</div> | Low | High | <div style="background-color: black; color: white; font-size: small; padding: 2px;">Sensitive legal information redacted by the RHI Inquiry</div> | Ongoing Ongoing | Fiona Hepper [AC] [AC] |

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| <p>Risk 8 - Objective: To keep the Departmental emergency plans for electricity and gas updated in terms of relevant Departmental harmonisation with other emergency planning work (DECC/CCPD/NIE/PNG/BGE/NIEH).</p> <p>To fulfil lead Department obligations on DETI by providing contingency plans to mitigate, in conjunction with other NI Departments, the impact of disruption to oil supplies.</p> <p>Category – Operational & Policy Delivery & Compliance – Legal/Regulatory</p> <p>Risk Appetite – Minimalist</p> | | | <p>For risks with a residual assessment of High or Medium Impact and High Likelihood:</p> <p>Number of Quarters at this Level: N/A</p> | | | | | |
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| | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
| | Impact | Likelihood | | Impact | Likelihood | | | |
| RISK 8 | | | | | | | | |
| 8. Failure to maintain robust emergency plans for electricity, gas & oil. | High | Low | <p>Emergency plans including nominated emergency planning contacts in Energy Division linked to SON/NIE/ PNG/BGE/ NIEH systems regularly updated – e.g. Exercise Avogadro</p> <p>Coordination with NIAUR, PFG, gas & electricity industries, DECC, DCENR (ROI) on emergency planning and implementation of the 2010 EU Security of Supply for Gas Regs.</p> <p>Overview communications framework on North/South Government liaison in response to emergencies.</p> | High | Low | <p>Enhanced links with the emergency planning authorities in the ROI in context of proposed all-island energy market and implementation of the 2010 EU Security of Supply for Gas Regs and associated EU Infrastructure Regs and fuel resilience.</p> <p>Working with DCENR and Regulators to fully implement updated Fuel Security Code.</p> <p>Consider emergency planning in context of SEM and and IME3 compliance, and "All-island" Working group on Security of Supply.</p> | <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> | <p>Fiona Hepper [FF]</p> <p>[FF]</p> <p>[FF]</p> |

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| | | <p>Major rewrite of gas/electricity emergency plan in line with GB documentation and all island focus, near final draft agreed March 2010 with further input when Fuel Security Code and CAG are fully implemented.</p> | | | <p>In conjunction with SONI, PPB and Generators, considering minor amendments to the 2011 Fuel Security Code to reflect structural changes to power procurement in the electricity market and proposed Fuel Switching Agreement which is nearing completion.</p> | <p>Ongoing with aim to have agreement by end Dec 2013</p> | <p>[FF]</p> |
| | | <p>Fuel Security Code issued 11 Dec 2011. SONI working with NIAUR on Fuel Switching Agreement on mechanism for payments during FS event- this to be in place in Sep 2013.</p> | | | <p>Energy Markets to work with industry contacts to validate and test emergency plans in light of current risks. All-island Gas Exercise Ler scheduled for 23 Oct 2013. BR coastal flooding exercise scheduled for 25/26 Nov 2013.</p> | <p>Ongoing</p> | <p>[FF]</p> |
| | | <p>Study on role of back up fuels for Power Plants completed on target in May 2012.</p> | | | <p>Motivation of industry to develop and implement contingency plans quickly.</p> | <p>Ongoing</p> | <p>[FF]</p> |
| | | <p>Combined gas and electricity emergency plan under review in line with CAG</p> | | | | | |
| | | <p>Oil Plan redrafted in line with NEP-F v3 and will capture lessons from 2012 Unite union action.</p> | | | <p>Ongoing discussions with DECC, other NI Depts and emergency services on contingencies in line with priorities in Paper endorsed by CCG(NI) in May 2013 .</p> | <p>Ongoing</p> | <p>[FF]</p> |
| | | <p>Monitoring oil stocks</p> | | | | | |
| | | <p>Horizon scanning NI, GB Worldwide for possible causes of disruption</p> | | | <p>Inappropriate business contingency arrangements across NI Departments and key</p> | <p>Ongoing</p> | <p>[FF]</p> |
| | | <p>Horizon scanning for possible implications of EU or other</p> | | | | | |

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| | | <p>international legislation</p> <p>Preparation of contingency plans underway in conjunction with industry, other NI Departments and DECC</p> <p>Close liaison with DECC and Devolved Administrations to plan for national / international disruption</p> | | | <p>sectors to deal with severe disruption to road fuels. Working with DECC on a major review of NEP-F and its implementation in NI.</p> <p>Liaison with AES and DOE re impacts of IED on Kilroot coal plant, and with NIAUR and SONI in respect of post 2015 generation capacity margin for NI. Further update paper to be issued in late Autumn 2013.</p> <p>Liaison with NIAUR re SEM impacts on generators.</p> <p>Winter Outlook meeting re generation security with SONI on 11 Oct 2013 and Fuel Liaison Group and Gas and Electricity Groups due to meet late Nov early Dec.13</p> <p>Liaison with NIAUR and SONI re generators capacity and demand and overall security of supply, to 2021.</p> <p>Meeting on 9 Oct 2013 with Scottish Govt and Petroineos at Grangemouth oil refinery to consider oil security of supply issues.</p> | <p>Ongoing</p> <p>Ongoing as part of Next Phase UR work on pricing in I&C Sector</p> <p>Ongoing as part of security of supply considerations with NIAUR</p> | <p>[FF]</p> <p>[BS]</p> <p>[FF & BS]</p> |
| | | <p>Annual review of NI response tools.</p> <p>Liaison with DOE re impact of Industrial Emissions Directive (IED).</p> <p>Liaison with NIAUR and DECC.</p> <p>Liaison with SONI re security of electricity supply.</p> <p>Joint DETI/NIAUR paper on electricity security of supply issued 12 June 2013.</p> | | | | | |

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| Risk 9 - Objective: To process necessary Wayleave applications in a timely manner | | | For risks with a residual assessment of High or Medium Impact and High Likelihood: Number of Quarters at this Level: n/a | | | | | |
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| Category – Operational & Policy Delivery and/or Compliance – Legal/Regulatory | | | | | | | | |
| Risk Appetite – Averse | | | | | | | | |
| RISK 9 | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
| | Impact | Likelihood | | Impact | Likelihood | | | |
| 9. Inability to process Wayleave and vesting and tree cutting applications within time guidelines due to (i) increase in applications as a result of Injurious Affection cases (ii) increase in tree cutting applications (iii) uncertainty about implications revised planning application for North South Interconnector. | Medium | Medium | Laison with NIE and other stakeholders Department has published guidance on how it processes wayleave applications Legal advice being sought as required System in place to process wayleave applications | Medium | Medium | Maintain contacts with NIE and other stakeholders Develop and issue revised guidance and procedures to DSO, NIE and other stakeholders for comment Liaise with NIE, DOE to examine possibilities for PAC to consider wayleaves obstacles to N/S interconnector within appeals process | Ongoing Completed and new procedures now in operation from February 2013 Completed – unable to reach agreement on this issue with DOE but MOU completed to define interfaces for major infrastructure and PCI delivery | Fiona Hepper [BS] |

Energy Division Risk Register

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| | | | <p>New Guidance in place for tree cutting applications</p> <p>Database to record and monitor progress of wayleave cases in operation.</p> | | | <p>Explore other options for processing North South interconnector wayleaves and vestings</p> <p>Tender for new wayleaves officers.</p> | <p>Ongoing in relation to vestings</p> <p>Complete – contract awarded February 2013. Tender re-advertised July 2013 and additional wayleave officers appointed September 2013</p> | |
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Energy Division Risk Register

Received by RHI Inquiry on 15.09.2017
Annotated by RHI Inquiry

| <p>Risk 10 - Objective: To contribute to UK's 15% renewable energy by 2020 target.</p> <p>To ensure N.I.'s heat energy is secure, sustainable and affordable.</p> <p>Category – Operational & Policy Delivery</p> <p>Risk Appetite – Cautious</p> | | | <p>For risks with a residual assessment of High or Medium impact and High Likelihood:</p> <p>Number of Quarters at this Level: n/a</p> | | | | | |
|--|---------------------|------------|--|---------------------|------------|--|--|-------------------------------------|
| RISK 10 | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
| | Impact | Likelihood | | Impact | Likelihood | | | |
| 10. Failure to develop a coherent heat policy for N.I. | High | Medium | <p>Ongoing liaison with DECC – amendment to extend RHI power to N.I. secured</p> <p>Study into potential for Renewable Heat complete</p> <p>Liaison with Ofgem</p> <p>Liaison with Treasury</p> <p>Completion of Economic Analysis of RHI - June 2011</p> <p>Public Consultation on RHI undertaken – closed 3 October 2011</p> <p>Additional analysis completed following consultation response in February 2012</p> <p>Signal to industry to sustain long term future of the industry</p> <p>Approvals for final RHI policy obtained – Minister, DFP, Casework.</p> | High | Medium | <p>Renewable Heat roadmap to be developed.</p> <p>Discussion with DECC re. funding for Renewable Heat Incentive.</p> | <p>To be completed once RHI Phase 2 Introduced</p> <p>Ongoing</p> <p>Consultation commenced July 2013 – responses now being analysed, this will determine final policy position.</p> | <p>[JM]</p> <p>[JM]</p> <p>[JM]</p> |

Energy Division Risk Register

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| | | <p>Introduction of Phase 1 of RHI</p> <p>Development of administrative system to support RHI.</p> <p>Introduction of Renewable Heat Premium Payment Scheme for domestic consumers</p> | | | <p>Development of Policy Proposals for Phase 2 of the RHI underway – extension of scheme to Domestic sector plus additional technologies</p> <p>Public Consultation on proposals</p> <p>Regulations for Phase 2 passed by the Assembly</p> <p>Development of Administrative System for Management of Phase 2</p> <p>EU State aid for Phase 2 to be obtained</p> | <p>By Dec 2013</p> <p>By Dec 2013</p> <p>By Dec 2013</p> | <p>[JM]</p> <p>[JM]</p> <p>[JM]</p> |
| | | <p>Application for State Aid approval submitted December 2011 (addendum February 2012) and obtained</p> <p>Ministerial & Casework Committee approval obtained April 2012.</p> | | | | | |

Energy Division Risk Register

| Risk 11 - Objective: To provide additional certainty on the consenting regime for a gas storage project at Larne Lough. Category – Operational & Policy Delivery Risk Appetite – Open | | | For risks with a residual assessment of High or Medium Impact and High Likelihood: Number of Quarters at this Level: N/A | | | | | |
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| RISK 11 | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
| | Impact | Likelihood | | Impact | Likelihood | | | |
| 11. Failure to ensure an application for gas storage can achieve appropriate consents due to “fragmentation” of N.I. consenting regime. | Medium | Low | The Crown Estate has met DETI, NIAUR, GSNI/Minerals and DOE re. gas storage consents. | Medium | Low | Continued engagement with The Crown Estate, DECC, DOE, and GSNI following Crown Estate acceptance of DETI and DOE views on gas storage consenting regime. | Ongoing | Fiona Hepper [FF] |
| | | | DETI Energy working with NIAUR re gas storage licence conditions and licence application criteria. | | | Minerals Branch/GSNI to consider any outstanding legislative issues re Minerals extraction for gas storage. | Ongoing | [FF/GSNI – Minerals Branch] |
| | | | Engaged with DECC re UK Petroleum Act issues. However, DECC refuse to accept application to N.I. | | | DETI continues to engage with DECC and OLC re gas storage issues raised by OLC in preparation of Energy Bill provisions. | Ongoing | [FF/GSNI/ Minerals Branch] |
| | | | Previous engagement with DOE on provisions for gas storage in the DOE Marine legislation, and application of UK Marine Bill in N.I. | | | Continue to engage with DOE re. Marine licensing issues. DOE has prepared draft Marine licence incl. decommissioning aspects prepared with DECC assistance. | Ongoing | [FF] |
| | | | Further meeting with The Crown Estate, DETI & DOE held 9 Feb 2012. Crown Estate sought view from their Legal Counsel which resulted in acceptance of DETI and DOE legal position for consents for the Larne Lough gas storage project. | | | Crown Estate has raised the issue of “residual liability” | Ongoing | [FF] |

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| | | | <p>Further engagement with NIAUR re gas licence conditions and application criteria. Art 8 licence issued by NIAUR for the Islandmagee project on 18 Dec 2012. DOE planning approval granted Dec 2012.</p> <p>Met with DOE, HSE, NIUAR, and DETI Minerals in Jan 2013 to review project consents.</p> <p>DETI has provided draft revised gas storage legislative amendments for new Energy Bill consultation. Draft OLC instructions provided to OLC.</p> | | | <p>which needs resolved – discussions ongoing with DECC, Crown Estate, and DOE – linked to off-shore renewables decommissioning issues.</p> | | | [FF] |
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Energy Division Risk Register

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| Risk 12 - Objective: To extend the natural gas network to 6 towns in the West and North West, and to East Down Category – Operational & Policy Delivery Risk Appetite – Cautious | | | For risks with a residual assessment of High or Medium Impact and High Likelihood: Number of Quarters at this Level: n/a | | | | | |
| | Inherent Assessment | | CONTROLS IN PLACE | Residual Assessment | | ACTION PLANNED | TARGET DATE | OWNER |
| RISK 12 | Impact | Likelihood | | Impact | Likelihood | | | |
| 12. Failure to engage with NIAUR and industry to jointly deliver a gas network extension project | Medium | Low | DET/NIAUR technical and economic study completed in 2010 on gas extension to the West. Consultation on gas extension completed in 2011. OBC completed 18 th September 2012 DETI Casework approval obtained 25 th Sept. and subvention request submitted to DFP Supply on 3rd Oct 2012. Engagement with SIB re funding. Ongoing engagement with NIAUR and gas industry. Initial engagement with other Departments, InvestNI, and some manufacturing industry | Medium | Low | Ongoing engagement with NIAUR re licensing arrangements for new gas areas. | Ongoing Ongoing Ongoing Ongoing | Fiona Hepper [FF] [FF] [FF] |

Energy Division Risk Register

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| | | | <p>SEA Screening form submitted to DOE and response received.</p> <p>Papers to NI Executive re funding issues in Dec 2012. Executive approval of gas extension project and subvention at 10th Jan 2013 Executive meeting.</p> <p>State Aid submission to Brussels - pre-notification formally submitted to EC on 6 March 2013 via BIS</p> <p>NIAUR consultation on licence award process issued 3 April to 29 May 2013.</p> <p>Met with District Councils in the West on 6 June 2013. Minister wrote to District Council CEOs in July 2013 about gas extension.</p> <p>Draft Terms of Reference papers for DFP project "Health Check" issued to DFP – CPD 4 July 2013.</p> <p>DETI consultation on amendments to Gas Licence Applications Regulations issued 5 July 2013 – closed 6 September 2013</p> | | | <p>Awaiting response from EC re State Aid pre-notification.</p> <p>NIAUR to issue licence competition in November. 2013 for licence award in first half of 2014</p> <p>Further engagement with stakeholders planned including further engagement with District Councils.</p> <p>Further engagement with CPD re "Health Check" on grant aid project.</p> <p>Updated Gas Applications Regulations and Published Criteria to be made in November 2013.</p> | Ongoing | |
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