

**Electricity and gas certification**

- Gas – BGE(UK) FOU application submitted 1 April. Electricity – NIAUR advised 20 May that all licence modifications and other conditions now met and with legal to look at the final decision (presumably imminent for Moyle and SONI/NIE).

**Administrative order to designate provisions of EU Electricity and Gas Regulations**

- Missed Committee meeting this week, but submission cleared 27 May and on agenda for Committee meeting next week
- Subject to Committee clearance, aim to make designations next Friday 6 June (HoD to sign)

**Potential need for legislative change in relation to electricity and gas certification provisions**

- Submission issued 20 May.
- Continuing to press DECC to engage on developing proposals but no further information received despite repeated requests.

**DAVINA - RENEWABLE HEAT****RHI Phase 1**

- Carbon Trust loan issue remains unresolved – Ofgem are not accrediting installations in receipt of CT loans until there is direction from DETI. Stephen Moore has been asked for his opinion on the potential options, these are;
  - Accredit like normal accreditations;
  - Accredit but record details and notify DETI (GB model); or
  - Before accreditation issue separate guidance and record potential levels of aid. The aid would be treated under “de minimis” rules.Option 3 had previously been agreed with Ofgem - currently setting up meeting/teleconference with Ofgem and Stephen Moore to resolve.
- Data sharing issue remains unresolved – issue now focussed on the receipt and storage of sensitive information by DETI. Information management have been engaged and have been pressed for update.
- Potential need for review of tariffs (particularly for biomass less than 99kW) given advice from Ofgem re: the use of these systems. A system of tiered tariffs might be appropriate.
- Uptake under the scheme remains positive in comparison to GB figures.

**RHI Phase 2**

- Accountability & Casework has confirmed that DFP approval is not required in respect of domestic scheme as it is from the same pot of money (£25m) as the original approval.

- Casework has been arranged for 9 June and papers have issued. Once casework approval is granted Ministerial approval will be required for the launch.
- Anticipated dates – Minister to announce scheme in June, migration of existing RHPP installations commencing July, open to new applicants Sept.
- First draft of legislation has been prepared by Arthur Cox – needs finalised once all approvals are in place. Affirmative debate to lay Regulations. This needs to be done before the launch and before recess should the launch be delayed for any reason.
- Terms and Conditions / Guidance documents for scheme being finalised prior to drawing up letters, application forms etc.
- Preparatory work for developing the administrative system being taken forward with IT colleagues – update meeting scheduled for next week to review progress.

### **2015/16 Budgets**

- DECC have received a budget of £430m for 2015/16, a DETI share of this would be the order of £10-12m, however no confirmation has been forthcoming.

### **Communications**

- Meeting to be arranged with new G7/DP and Navigator Blue to discuss 2013/14 research findings and potential activity for 2014/15.

### **ALISON – SUSTAINABLE ENERGY**

#### **EMR**

- Following meeting with UR on 22 May UR would be keen to pursue an EMR MOU – draft DECC/Ofgem MOU sent to HoD (e-mail 13 March) – will commence drafting a UR/DETI MOU for consideration by HOD.
- EMR Technical Steering Board s & CfD project steering board scheduled for 11 June in Conference Room C. – papers will be here in next 2 weeks.

#### **EED**

- SL1 scheduled for consideration at ETI Committee on 29 May.
- Draft Regs with DSO – date for laying now 30 June.
- Letter to Gordon Nabney required re: breaking 21 day rule.
- Further DECC write rounds on 9-11 Heat Regs expected end June.
- Fuel Poverty meeting 9 June – need to agree lines on EEO.
- COR 237 – Green Deal – awaiting input from OFMDFM – not yet received therefore COR is late and is being held until received – hopefully within next 2 weeks.

## **Energy Bill**

- Need to agree next steps with HoD in relation to securing OLC drafting time.

## **Craigavon Borough Council**

- Update from CBC received on clawback on biomass boilers project – no further letter now needed.

## **ETI Committee Renewable Energy Inquiry**

- Update to Committee on outstanding actions from the renewable energy inquiry required each May and November.
- Submission with HOD but awaiting clearance of SEF implementation plan – so that both updates align – this would need to go to ETI committee before end of session if possible.

## **Energy Services Agreement Forum**

- Options paper now drafted - for agreement on way forward. Will be with HOD in next 2 weeks.

## **MICHAEL – RENEWABLE ELECTRICITY**

### **ETI Committee Review of Grid Connections**

- DETI oral evidence on 5 June
- Slides/speaking notes being prepared

### **Review of Small Scale ROC levels**

- Draft submission to Minister with HoD.
- Draft consultation document to follow.
- Publication date for consultation to be agreed.
- Fielding increasing requests for updates

### **Small Scale FIT**

- Letter to DECC on how specific aspects of the small scale FIT will operate in NI as part of a UK-wide scheme - e.g. socialisation of costs and supplier interaction.

### **Planning Thresholds post RPA**

- Draft response to Angus Kerr's letter with HoD
- Submission gone to Minister updating her on proposals.

### **Community Energy**

- Timeline for engagement/development of draft Action Plan being prepared.
- Meetings to be scheduled with relevant Departments

- Attending Environment Committee's wind energy stakeholder event on 12 June

## **First Flight Wind (FFW)**

- Communication plan (FFW/TCE/DETI) being developed.
- No public announcement until mid June on revised arrangements.
- Submission being prepared for Minister.

## **PPEs**

- Three draft PPEs (2xOREAP and small scale FIT) with HOD for sign off.

## **PAUL – ENERGY CO-ORDINATION**

### **Legal Services**

- Paper/table to be prepared for Alan Bissett setting out anticipated key objectives requiring legal advice during 2014/15.
- Offer by Arthur Cox to provide induction briefing for new staff.

### **Energy Orals / Topical AQs**

- Next set of questions for answer on 3 June – possible requests for topicals between now and next Tuesday.
- List of questions for answer on 16 June will issue next Friday – 6 June

### **Divisional Plan 2014/15**

- Work still ongoing around objectives/targets for 2014/15 Plan.

### **Staff Survey Action Plan**

- Action Plan Team meeting re-scheduled for 3 June.
- HoBs currently considering actions for inclusion in Divisional Action Plan.

### **New Staff**

- Work needs to be progressed in relation to ensuring appropriate arrangements / Induction Packs are in place by end June.
- Implications for Summer Leave/cover etc.

**BILL – ELECTRICITY MARKETS****Market Integration**

- SEM Committee High Level Decision and Impact Assessment papers published 9 June for further 5-week consultation.
- JSG held 9 June 2014 and agreement of both Departments provided for project to move to next phase.
- Final decision on High Level design scheduled for August.
- Correspondence received from Regulator advising Minister of publication of both papers and seeking continuing involvement of Department in I-SEM process.

**Smart Metering**

- Brief with Minister inviting her to agree to re-run CBA.

**Electricity Pricing – UR analysis of Network Costs**

- Covered by Alan Smith (see below).

**Returns/Meetings/Correspondence/Assembly Questions**

- AQW tabled by Kieran McCarthy (Alliance) and due with Private Office 13 June – options to fix electricity tariffs for 2-3 year periods.

**Grid Strengthening**

- Competition Commission Final Determination makes no provision for NIE investment in distribution network – this has implications for one of the three proposed projects in terms of unavailability of match funding;
- Letter received from Regulator highlighting potential complications with two of the three listed projects, but broadly supportive of third (voltage support) subject to full cost/benefits examination
- Short paper developed and with HOD examining options for using ERDF funding if grid strengthening not possible – unlikely that the investment priorities under Thematic Objective 4 of the new Programme fall within Energy Division remit. DG Regio seeking detail on measurement of respective flows across grid (thermal/renewable sources) – unclear if this is technically possible.

**ISLES2**

- Bids evaluated 5/6 June for ISLES Spatial Plan, Sustainability Appraisal, Strategic Environmental Assessment and Habitats Regulations Assessment Terms of Reference also agreed for procurement of consultancy support to develop business plan and market/regulation studies – evaluation meetings scheduled for 2/3 July (Netherleigh) and 7/8 August (Glasgow)

- Considerable resource implications to May 2015 – monthly meetings in Glasgow of Steering Group and at least 13 stakeholder events (Scotland, NI, Rol).

## **Wayleaves Contract**

- Working with CPD to re-run wayleaves officer contract.
- CPD has approved renegotiated terms for existing wayleave officer.

## **FRED – GAS MARKETS**

### **Gas Extension**

- UR licence competition closed 6 May - licence award expected in Autumn.
- Meeting Strabane Councillors on 16 June.
- EQIA consultation response considered by ETI Committee with no comments.
- Formal Notification paper on State Aid application prepared and issued to Brussels via SANI system.
- Engagement planned with Accountability & Casework / Finance Division / Audit Service and later with DSO on terms of draft Letter of Offer for grant.
- DFP Health Check on “grant aid project” to be instigated in July.
- Project management and technical verification arrangements discussed with UR on 29 May. Met with HSE(NI) on technical verification issues on 11 June.

### **Gas Prices**

- Tariff review process for Airtricity (greater Belfast) to commence over Summer with any tariff change in the Autumn.

### **Firmus Energy Transaction**

- Transaction to complete by end June.

### **Gas Storage**

- Gas storage regulatory arrangements between CER and the Utility Regulator still to be finalised as per 9 June JSG meeting.
- Further engagement over coming weeks with Crown Estate on residual liability issue.
- DOE not expected to formally issue a Marine Licence until new financial partner appointed by Islandmagee Storage

### **Common Arrangements for Gas/N-S Gas Issues**

- DCENR plan to advise their Minister over coming weeks on future of CAG, and wish to announce CAG decision later in Summer/early Autumn. .
- DETI Minister informed of CAG discussions via submission and letter to be sent to DCENR on range of gas issues, including CAG.

- Need for continued contact between Departments and RAs on 'end of CAG' announcement date and press handling arrangements/PR.

**Security of Supply**

- Met UR on 4 June re: Moyle and discussed SONI market test for additional 250MW of generation capacity.
- Submission to Minister on security of supply being finalised and will include ETI Committee update.
- UK/Ireland Energy Emergency Group is progressing a joint Preventative Action Plan and Emergency Plan for December 2014 with revised risk assessments for June, both to be published by DECC and CER.
- Draft provided for response to CBI on electricity issues.
- CCG(NI) meeting on 23 June – Meeting chaired by HOCS but Dep. Secretary is unavailable to attend. DETI attendee(s) to be confirmed.

**Fuel Switching Arrangements**

- Met PPB, SONI and generators on 15 May to update Fuel Switching Agreement and Fuel Security Code. SONI to issue further draft FSA and aim is to finalise both documents in July/August 14.

**Oil**

- Letter from M Ritchie MP to Minister re heating oil regulation – response due with Private Office 16 June 14.

**Projects of Common Interest (PCIs)**

- Continued liaison with DECC/ DOE on delegation of Competent Authority actions.
- Submission re: transfer of Competent Authority tasks from DECC to DETI/DOE issued to DETI Minister – incl Min Colleagues letter and process agreed with DOE.
- DECC published a "manual of procedures" in late May 14.
- Met An Bord Pleanála on 28 May and 10 June (with DOE), re: PCI process and North-South IC. Liaison to continue as Eirgrid PCI application to ABP is progressed.

**National Resilience Extranet**

- Cabinet Office led project for Resilience Direct (RD) secure extranet to replace existing National Resilience Extranet (NRE) being rolled out.
- DETI has a licence for existing NRE system taken out in 2010.
- Need for a lead business unit to seek Senior Management views/ approval whether to adopt RD extranet for DETI - memo prepared for issue to Deputy Secretary.
- Issue may be raised at 23 June CCG (NI) meeting.

**ALAN – ENERGY ECONOMIST****Utility Regulator Electricity Pricing Review**

- Consultants to deliver four elements by Thursday 12 June
  - Summary report including policy discussion
  - Main report
  - Technical annex
  - Scenario analysis – ‘What if’ analysis
  
- Alan S meeting with Regulator 12 June
- Briefing to HoD on 13 June and preparation of Ministerial submission.
- Agreement that UR will undertake further modelling on potential policy measures such as reallocating NISEP
- UR intend to release final report around end June.

**Cost Benefit of 40% renewables target**

- Ricardo AEA has continued engaging with stakeholders and will continue over next two weeks.
- Scenario development continuing and modelling development commenced.
- Model demonstration with A Smith by web chat on Monday 16 June
- Additional meeting scheduled with Ricardo on 23 June.

**EMR**

- DECC now engaged in modelling the costs of EMR. Initial indication that most of GB savings from EMR is from carbon cost reduction through new nuclear. NI already attaining these savings because excluded from Carbon Price floor
- SEMO has agreed to provide modelling of NI wholesale costs for DECC to complete analysis.
- EMR project management groups meeting 11 June.

**RHI Phase 2**

- Meeting arranged with ASU to discuss costs and benefits of options in business case 13 June.

**HELEN – MARKETS SUPPORT****Review of electricity and gas licence modification arrangements**

- Draft letter to Jenny with HoD (23 May)
- Draft submission (with letter to ETI Committee and draft paper on outcome of consultation) with HoD (4 June) – revised and resubmitted 9 June. Must issue before Minister’s box closes on 18 June to be considered at last ETI Committee meeting 3 July.



**Administrative order to designate provisions of EU Electricity and Gas Regulations**

- Designations signed and sealed and notice submitted to Press Office to go in Belfast Gazette (Press Office advise that it will go in on 13 June).
- NIAUR informed informally – draft letter to Jenny with HoD (9 June) – this should issue before notice is published in Belfast Gazette on 13 June.
- Once letter issues, we will notify licensees and publish on DETI website.

**Potential need for legislative change in relation to electricity and gas certification provisions**

- Continuing to press DECC to engage on developing proposals but no further information received despite repeated requests.

**DAVINA - RENEWABLE HEAT****RHI Phase 1**

- Carbon Trust loan issue ongoing – Ofgem is holding a number of applications until issue is resolved. Stephen Moore has advised that the only appropriate solution is that before accreditation Ofgem should issue separate guidance and record potential levels of aid. The aid would be treated under “de minimis” rules. A meeting is arranged for Wednesday 18<sup>th</sup> at Ofgem to resolve. DETI has also consulted with Carbon Trust on the matter.
- Data sharing issue ongoing – Information Management is investigating a new service for data transfer and will report back to Energy Division shortly.
- Potential need for review of tariffs (particularly for biomass less than 99kW) given advice from Ofgem re: the use of these systems. A system of tiered tariffs might be appropriate.
- Uptake under the scheme remains positive in comparison to GB figures.

**RHI Phase 2**

- Accountability & Casework has confirmed that DFP approval is not required in respect of domestic scheme as it is from the same pot of money (£25m) as the original approval.
- Casework approval has been granted although some further actions and investigations have been requested. Permission granted to proceed in parallel.
- Anticipated dates – Minister to announce scheme in June, migration of existing RHPP installations commencing July, open to new applicants Sept.
- Aim to have submission, final policy, press release and SL1 with Minister before box closes on 18 June.
- First draft of legislation has been prepared by Arthur Cox – needs finalised once all approvals are in place. Affirmative debate to lay Regulations. Aim to

lay SL1 before the Committee on 3 July before summer recess. Assembly debate to be scheduled in September.

- Terms and Conditions / Guidance documents for scheme being finalised prior to drawing up letters, application forms etc.
- Preparatory work for developing the administrative system being taken forward with IT colleagues – update meeting was held last week and good progress being made.

## **2015/16 Budgets**

- DECC have received a budget of £430m for 2015/16, a DETI share of this would be the order of £10-12m, however no confirmation has been forthcoming.

## **Communications**

- Meeting to be arranged with new G7/DP and Navigator Blue to discuss 2013/14 research findings and potential activity for 2014/15.

## **ALISON – SUSTAINABLE ENERGY**

### **EMR**

- Follow up on actions from DECC NI CfD project board and technical steering board.
- Commence drafting a DETI/UR MOU on EMR – with a view to having it signed off by September.
- NIRIG have requested a meeting to discuss EMR allocation in NI – have agreed to a meeting in August – post July publications.

### **EED**

- Nothing back from DSO yet - date for laying remains 30 June.
- Letter to Gordon Nabney required re: breaking 21 day rule.
- Further DECC write rounds on 9-11 Heat Regs expected end June.
- Transposition notes being finalised – will need DSO sign off by 30 June.
- COR 237 – Green Deal – still awaiting input from OFMDFM – not yet received therefore COR is late and is being held until input received.
- Fuel poverty steering group now rescheduled to 30 June 2.15-3.15 pm.

### **Energy Bill**

- Need to agree next steps with HoD in relation to securing OLC drafting time.

### **ETI Committee Renewable Energy Inquiry**

- Submission with HOD but awaiting clearance of SEF implementation plan – so that both updates align – this would need to go in Minister's box before 18 June to make ETI Committee before end of session.