



**Northern Ireland  
Assembly**

**Committee for the Environment  
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Parliament Buildings**

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**To: Jim McManus  
Clerk to the Committee for Enterprise, Trade & Investment**

**From: Alex McGarel  
Clerk to the Committee for the Environment**

**Date: 13 January 2012**

**Subject: Renewable Fuel Targets**

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1. The Committee for the Environment, at its meeting on 12 January, considered a reply from the Department of Enterprise, Trade and Investment to Committee queries in renewable fuel targets.
2. In the reply the Department states that a public consultation on the design and implementation of a Northern Ireland Renewable Heat Incentive (RHI) was launched in July 2011 and closed for comment in early October and that DETI is now currently considering a final policy position on this matter. Members agreed to write to DETI asking when an announcement can be expected in relation to the decision taken in regard to the Renewable Heat Incentive.
3. The reply also informed the Committee that DETI does not expect to introduce specific fuel targets for the renewable heat. Members agreed to write to DETI asking for the reasons for this decision.
4. I would be grateful if you could, pending approval from your Committee, forward the attached letter and email to the Department for Enterprise, Trade & Investment for comment.

**Alex McGarel  
Clerk  
Committee for the Environment**



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David McCune  
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Department of Enterprise, Trade & Investment

13 January 2012

### **Renewable fuel targets**

The Committee for the Environment, at its meeting on 12 January, considered a reply from the Department of Enterprise, Trade and Investment to Committee queries in renewable fuel targets.

In the reply the Department states that a public consultation on the design and implementation of a Northern Ireland Renewable Heat Incentive (RHI) was launched in July 2011 and closed for comment in early October and that DETI is now currently considering a final policy position on this matter. Members agreed to write to DETI asking when an announcement can be expected in relation to the decision taken in regard to the Renewable Heat Incentive.

The reply also informed the Committee that DETI does not expect to introduce specific fuel targets for the renewable heat. Members agreed to write to DETI asking for the reasons for this decision.

I look forward to your response.

Yours sincerely

Anna Lo  
Chairperson  
Committee for the Environment

**REQUEST FROM THE COMMITTEE**

Officials agreed to provide details of specific key projects that are a part of the SEF and the actions, timetables, objectives and targets that are contained in the projects.

**DEPARTMENTAL RESPONSE:**

The Committee is asked to note the attached table relating to specific key projects.

**PROJECT: ENERGY MARKET INTEGRATION (FUI)**

**SEF Actions covered: 3**

OBJECTIVE	STAKEHOLDERS	ACTIONS/TARGETS	PROGRESS
<p>Promotion of longer term integration of the Single Electricity Market (SEM) within a British Isles and European wholesale electricity market</p>	<p>EU - European Commission UK Government - DECC Irish Government – DCENR, Regulators – NIAUR, CER, Ofgem, ACER Electricity Industry – TSOs, Generators, network owners</p>	<p>By 30 June 2011, meet with EC on IME2 compliance and FUI timetable.</p> <p>By 31 August 2011, work with DCENR and both Regulators to deliver a SEM Committee Market Integration Project Initiation Document.</p> <p>By 31 December 2011, ensure delivery of CER/NIAUR report to DETI/DCENR on features and cost of integration.</p> <p>During period 2012/13, work with key stakeholders to deliver Internal Market in Electricity compliance by 1 January 2014 (except for capacity allocation and congestion management),</p>	<p>DETI met with relevant EC officials on 27 June 2011.</p> <p>Project Initiation Document produced on 8 August 2011</p> <p>Ongoing</p>

		<p>By 31 January 2016, ensure that the SEM is compliant with EU capacity allocation and congestion management in line with derogation for isolated island systems.</p>	
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**PROJECT: GAS NETWORK EXTENSION**

**SEF Actions covered:** Actions 8, 9, 21, 34, and 42

OBJECTIVE	STAKEHOLDERS	ACTIONS/TARGETS	PROGRESS
<p>To extend the natural gas network in Northern Ireland where it is technically and economically feasible with the aim of offering consumers additional fuel choice, and to encourage switching from other more polluting fuels such as coal and oil.</p>	<p>Energy consumers, the natural gas industry, the Utility Regulator, power generators in respect of cost impacts on the postalised gas transmission network, industry, and the public sector estate. Also NI Executive and DFP in relation to potential project funding.</p>	<p>By 30 June 2011, produce twelve week public consultation paper on options for extending the natural gas network within Northern Ireland.</p> <p>By mid November 2011, complete analysis of consultation responses.</p> <p>By 30 November 2011, brief Minister and ETI Committee on outcome of analysis.</p> <p>By 31 December 2011, publish consultation responses.</p> <p>By 31 January 2012, if government subvention may be available, prepare draft terms of reference and agree tendering arrangements with DFP for a detailed business case for gas extension.</p>	<p>Consultation issued on 27 June 2011.</p> <p>Analysis completed 11 November 2011.</p> <p>Submission to Minister on 9 November 2011 and briefing of ETI Committee scheduled for 24 November 2011.</p>

		<p>By 31 March 2012, consider tenders for development of gas network extension detailed business case in advance of tender award in April 2012.</p> <p>Subject to Ministerial agreement on next steps, by 30 September 2012, have an appropriate business case prepared (if a level of government subvention is to be made available by the NI Executive for gas network extension)</p> <p>NIAUR to consider when to commence a licence competition to facilitate gas roll-out by 2015/16.</p>	
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**PROJECT: COMMON ARRANGEMENTS FOR GAS**

**SEF Actions covered: 5**

OBJECTIVE	STAKEHOLDERS	ACTIONS	PROGRESS
<p>Put in place necessary legislation to establish arrangements for efficient cross border regulation and management of transmission and trading of gas.</p>	<p>NIAUR, energy industry – gas and electricity, CCNI, Irish Government – DCENR, and Irish Regulator – CER, DECC</p>	<p>By 31 March 2011, issue consultation paper on legislative aspects of Common Arrangements for Gas.</p> <p>By 30 June 2011, complete analysis of responses to consultation.</p> <p>By 31 July 2011, brief Minister and ETI Committee on outcome of analysis.</p> <p>By 31 August 2011, provide draft instructions to Legislative Counsel.</p> <p>By 30 September 2011, work with Legislative Counsel to deliver first draft of CAG Bill.</p> <p>By 30 September 2011, working with DCENR, produce first draft of DETI/DCENR MoU.</p>	<p>Consultation paper issued on 24 March 2011.</p> <p>Analysis completed on 30 June 2011.</p> <p>Submission to Minister and briefing paper to ETI Committee on 30 June 2011.</p> <p>Draft instructions issued to Legislative Counsel on 22 August 2011.</p> <p>First draft of CAG Bill received 9 September 2011</p> <p>1<sup>st</sup> Draft MoU produced on 21 July 2011.</p>



		<p>By 31 October 2011, working with DCENR, review progress with both Regulators on core technical features and timetable for CAG legislation.</p> <p>During period November 2011 to October 2012, liaise with Regulators on development of retail arrangements for CAG.</p> <p>By 31 October 2012, secure CAG “go-live”.</p> <p>By 31 October 2014, secure CAG retail distribution arrangements “go-live”.</p>	<p>Meeting held with DCENR 12 October 2011.</p> <p>Ongoing</p>
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**PROJECT: RENEWABLE HEAT INCENTIVE**

**SEF Actions covered:** 32, 33, 35, 15

OBJECTIVE	STAKEHOLDERS	ACTIONS/TARGETS	PROGRESS
<p>Consider how best to encourage new entrants into the renewable heat market</p>	<p>Heat industry, CCNI, DARD,DOE,DSD,DFP,NIAUR, InvestNI</p>	<p>By 31 March 2011, work with DECC and DSO to prepare appropriate Legislative Consent Motion (LCM).</p> <p>By 30 June 2011, complete Economic Appraisal on NI RHI.</p> <p>By 31 July 2011, publish consultation on proposals for a NI RHI.</p> <p>By 31 July 2011, draft underpinning RHI Regulations.</p> <p>By 30 September 2011, set up Renewable Heat Strategy Group.</p> <p>By mid November 2011, complete analysis of responses to RHI consultation.</p>	<p>LCM completed and passed in NI Assembly on 14 March 2011.</p> <p>Economic Appraisal completed on 28 June 2011.</p> <p>Consultation published on 20 July 2011.</p> <p>First draft completed and issued for consultation on 20 July 2011.</p> <p>Group established and first meeting held on 18 October 2011.</p> <p>Analysis completed 11 November 2011</p>

		<p>By 30 November 2011, brief Minister and ETI Committee on outcome of analysis.</p> <p>By 31 January 2012, agree final policy position on NI RHI scheme.</p> <p>By 31 March 2012, secure necessary State aid approval.</p> <p>By 31 March 2012, ensure appropriate legislation in place for NI RHI.</p> <p>By 31 March 2012, have necessary arrangements in place for administration of the NI RHI (including premium payments).</p>	<p>Submission to Minister on 11 November and ETI Committee briefing scheduled for 24 November.</p>
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**PROJECT: NEW ENERGY BILL**

**SEF Actions covered:** 24, 17 (if the study shows that legislation is necessary), 25 (if necessary), 13

OBJECTIVE	STAKEHOLDERS	ACTIONS/TARGETS	PROGRESS
<p>To ensure that DETI (and NIAUR where applicable) has necessary vires to implement policy in a range of areas to be covered by the Bill (currently scoping) and that statutory duties and objectives reflect the current and future energy landscape.</p>	<p>All, but specifically CCNI, NIAUR, suppliers, generators and energy industry as a whole.</p>	<p>By 31 October 2011, complete scoping exercise for new Energy Bill.</p> <p>By 31 January 2012, all policy papers to be prepared by relevant Energy Branches.</p> <p>By 29 February 2012, draft policy paper and impact assessments to go to Minister.</p> <p>By mid April 2012, brief ETI Committee and seek Executive agreement on draft policy paper.</p> <p>By 31 March 2012, publish consultation on draft Energy Bill.</p> <p>By 30 June 2013, complete necessary Assembly stages for draft Energy Bill.</p> <p>By 31 August 2013, secure Royal Assent for new Energy Bill.</p>	<p>Scoping work completed.</p> <p>Ongoing</p>

**PROJECT: SUPPLIER OBLIGATION**

**SEF Actions covered:** 17, 19

OBJECTIVE	STAKEHOLDERS	ACTIONS/TARGETS	PROGRESS
<p>Consider increasing end user efficiency through a CERT style supplier obligation</p> <p>(new additional wording not in original SEF: in the light of current proposal for new Energy Efficiency Directive).</p>	<p>NIAUR, CCNI, DSD, Invest NI (and wider energy efficiency stakeholder group), energy suppliers.</p>	<p>By 31 July 2011, tender for economic consultancy project.</p> <p>By 30 November 2011, complete consultancy project.</p> <p>By 29 February 2012, draft policy paper and impact assessments to go to Minister.</p> <p>By mid April 2012, brief ETI Committee and seek Executive agreement as part of wider Energy Bill package.</p> <p>By 31 March 2012, if legislation required, publish consultation (with rest of Energy Bill).</p> <p>[Progress as appropriate in line with new Energy Bill.]</p>	<p>Tender issued June 2011. Tenders received 14 July 2011.</p> <p>On target.</p>

**PROJECT: ONSHORE GRID DEVELOPMENT**

**SEF Actions covered:** 36, 37, 38, 39, 15

OBJECTIVE	STAKEHOLDERS	ACTIONS/TARGETS	PROGRESS
<p>Ensure co-operation between the Utility Regulator, NIE and SONI to deliver new grid infrastructure.</p> <p>Complete a Strategic Environmental Assessment and Strategic Action Plan in relation to land based renewable electricity generation and associated grid infrastructure for onshore power generation.</p> <p>Support construction and commissioning of new North South electricity interconnector by 2016/17.</p>	<p>NIAUR, NIE, SONI, Generators, Energy Industry, Consumers</p>	<p>By 31 October 2011, establish a grid sub-group of the Sustainable Energy Inter-departmental Working Group.</p> <p>By 31 October 2011, publish for consultation the On Shore Renewables Strategic Action Plan and Strategic Environmental Assessment.</p> <p>By 6 January 2012, prepare input to DOE Public Enquiry by way of a DETI policy statement.</p> <p>By 31 May 2013, conclude DETI wayleave and consents process in relation to the new interconnector.</p>	<p>Sub-group established and first meeting held on 25 October 2011. Terms of Reference and Work Plan agreed. Next meeting scheduled for December 2011.</p> <p>Action Plan, Environmental Report and non technical summary published for consultation on 28 October 2011.</p> <p>Ongoing</p>

**PROJECT: OFFSHORE RENEWABLE ENERGY**

**SEF Actions covered:** 28, 10

OBJECTIVE	STAKEHOLDERS	ACTIONS/TARGETS	PROGRESS
<p>Implement the Off Shore Renewable Energy Strategic Action Plan. (ORESAP)</p>	<p>Off Shore renewable developers forum, the Crown Estate, Renewable Energy Industry, Invest NI, NIAUR, Consumers</p>	<p>Launch 1<sup>st</sup> stage of The Crown Estate (TCE) leasing Round</p> <p>Establish and manage the Off shore Renewable Energy Forum (OREF)</p> <p>By 30 September 2011, publish Regional Locational Guidance.</p> <p>By 30 September 2011, complete Appropriate Assessment.</p> <p>By Autumn 2011, TCE to invite expressions of interest for the Northern Ireland leasing round</p> <p>By 31 December 2011, secure Executive approval of the ORESAP</p>	<p>Completed March 2011.</p> <p>OREF established. Two meetings to date – January 2011 and June 2011.</p> <p>Regional Locational Guidance published on 26 September 2011.</p> <p>Appropriate Assessment completed July 2011.</p> <p>TCE finalising their tender documents during November 2011.</p> <p>Slightly delayed – aiming to secure a place on the Executive Agenda as early as possible in 2012.</p>

		By 31 March 2012, publish post adoption statement.	Subject to Executive approval in 2012.
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**PROJECT: SUPPORT MECHANISMS FOR RENEWABLE ELECTRICITY (NIRO)**

**SEF Actions covered:** 25, 10

OBJECTIVE	STAKEHOLDERS	ACTIONS/TARGETS	PROGRESS
<p>Ensure that support mechanisms for renewable electricity are tailored and appropriate to Northern Ireland's needs.</p>	<p>Renewable Energy generators, NIAUR, CCNI, consumers, wider society.</p>	<p>By 31 March 2011, make relevant amendments to NIRO legislation as set out in the 2010 consultation.</p> <p>By 30 September 2011, issue consultation on DECC proposals to amend/change Renewable Obligation system.</p> <p>By mid March 2012, brief Minister and ETI Committee on analysis of NIRO/Electricity Market Reform (EMR) consultation responses.</p> <p>By 31 March 2012, publish DETI response to NIRO consultation/EMR.</p>	<p>Amended NIRO legislation made on 23 March 2011</p> <p>Consultation issued on 27 October 2011. Slight delay due to awaiting publication of DECC UK wide banding review which the Northern Ireland consultation links to.</p>

		<p>By 31 May 2012, seek Assembly approval for any UK-wide legislation needed to implement EMR/small scale Feed-in Tariff (FIT) proposals by 2017.</p> <p>By 30 June 2012, have in place necessary legislation to implement any 2013 changes to renewable electricity incentivisation in NI.</p> <p>By 31 March 2013, commission analysis on small scale FIT.</p>	
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**PROJECT: SUSTAINABLE ENERGY MESSAGING**

**SEF Actions covered:** 16, 18

OBJECTIVE	STAKEHOLDERS	ACTIONS/TARGETS	PROGRESS
<p>Work with other Departments and key players to develop a cohesive, Executive endorsed, framework for sustainable energy messaging in Northern Ireland.</p>	<p>DOE,DSD,NIHE, OFMDFM,DRD,DARD,DFP,Energy Savings Trust, Carbon Trust, NIE, Phoenix, Firmus, Airtricity, CCNI etc</p>	<p>Undertake necessary procurement to appoint agency to develop a unified approach to sustainable energy messaging as endorsed by NI Executive in December 2010.</p> <p>By 30 September 2011, work with consultants and Executive Information Service (EIS) to develop a protocol re: use of new brand/contract by other Executive Departments and stakeholders</p> <p>By 31 October 2011, work with consultants and EIS to ensure development and launch of new energy brand.</p> <p>During the period October 2011 to February 2012, roll out DETI energy efficiency campaign.</p>	<p>Procurement process put in place and Navigator Blue appointed on 2 August 2011.</p> <p>Protocol agreed by SEIDWG Communications sub-group on 15 September 2011.</p> <p>New sustainable energy brand – “Energy Wise” – developed and launched on 3 October 2011.</p> <p>Ongoing</p>

		By 30 April 2012, develop media plan for further DETI sustainable messaging on Renewables.	Ongoing
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