

**From:** Clydesdale, Alison  
**To:** [DfE Private Office](#); [Cairns, Timothy](#)  
**Cc:** [McCormick, Andrew \(DFE\)](#); [Stewart, Chris \(DFE\)](#); [Mills, John \(DETI\)](#); [Harris, Michael](#); [McBriar, Trevor](#); [Blower, Michael](#); [DG - DETI Press Office](#); [Kerr, Sean](#); [McCrea, Ian](#); [Robson, Rod](#)  
**Subject:** DESK IMMEDIATE SUBMISSION - NIRO CLOSURE CONSULTATION RESPONSE  
**Date:** 21 January 2016 12:37:20  
**Attachments:** [NIRO closure sub - SL1 to ETI committee.tr5](#)  
[NIRO closure sub - SL1 to ETI committee.DOCX](#)  
[Government Response to NIRO Closure Grace Periods for onshore wind - draft @ 21.01.16 to Private Office.tr5](#)  
[Government Response to NIRO Closure Grace Periods for onshore wind - draft @ 21.01.16 to Private Office.DOCX](#)  
[SL1 - Renewables Obligation Closure \(Amendment\) Order \(NI\) 2016 - 21.01.16.tr5](#)  
[SL1 - Renewables Obligation Closure \(Amendment\) Order \(NI\) 2016 - 21.01.16.DOCX](#)

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Private Office

Please find attached a **DESK IMMEDIATE** submission for the Minister on NIRO closure, cleared by John Mills. This includes a response to COR 0016 .

Please note that Annexes D & E are attached separately.

**\*\* PLEASE NOTE \*\* - please contact Michael Harris/Michael Blower for a pdf version of the consultation response before issue to the ETI committee.**

Best Regards

Alison

**From:** John Mills

**Tel No:** 29215

**Date:** 21 January 2016

**cc:** Copy distribution list below

**To:** 1. Timothy Cairns  
2. Jonathan Bell MLA

**NIRO CLOSURE TO ONSHORE WIND - PUBLICATION OF CONSULTATION  
RESPONSE AND SL1 TO ETI COMMITTEE  
(INCLUDES RESPONSE TO COR -0016 – LETTER FROM THE ETI COMMITTEE)**

- Issue:** To seek your approval to issue the SL1 and NIRO closure onshore wind consultation response to the ETI committee.
- Timing:** **DESK IMMEDIATE - to be with the ETI committee clerk by 22<sup>nd</sup> January for tabling at the 26<sup>th</sup> January ETI committee meeting.**
- Executive Committee Referral:** Not required at the moment.
- PFG Implications:** 2015 PfG target of 20% consumption of electricity from renewable sources met.
- Presentational Issues:** Large scale wind developers will welcome publication of consultation response as it provides certainty for projects above 5MW. It may attract criticism from small scale developers as it leaves them with ongoing uncertainty.
- FOI Implications:** Not discloseable – S35 FOI.
- Financial Implications:** Adopting DECC's policy position ensures the continued socialisation of costs for eligible projects.
- Legislation Implications:** The onshore wind closure policies will be introduced through a further Closure Order. In GB the changes are being implemented in an Energy Bill and 2<sup>nd</sup> reading took place on 18<sup>th</sup> January.
- Statutory Equality Obligations:** Screened out.
- Recommendation:** That you agree to:
- (i) Write to the DECC SoS – draft attached at **Annex A** for your consideration;
  - (ii) Write to the chair of the ETI committee (draft at **Annex B**) with the draft consultation response at **Annex D** which you are asked to approve;

- (iii) Approve the SL1 at **Annex E** which we will issue to the ETI Committee aiming for tabling at their 26<sup>th</sup> January meeting; and,
- (iv) Approve publication of the consultation response on 25 January.

## Background

1. You decided on 15 January 2016 to close the NIRO to onshore wind above 5MW in line with the consultation proposals of 30 September 2015 and consult again on small scale wind closure. The NIRO will remain open to small scale wind projects in the meantime.
2. Given that this is not closing the NIRO on the same terms as GB DECC will proceed with legislation to set out the criteria under which GB suppliers cannot redeem certain NIROCs.

## DECC – Next Steps

3. It is recommended that you write to the DECC SoS informing her of your decision to close the NIRO to large scale onshore wind and consult again on closure to small scale on shore wind. The need to consult again arises from DECC's move away from their original "all or nothing" approach to NIRO closure on which the 30 September consultation was based. This further round of consultation is to enable stakeholders to take into account the latest policy factors at UK level.
4. This will inevitably lead to a delay in reaching a conclusion on closure of the NIRO to small scale wind and it is therefore recommended that that you request that the DECC SoS delays moving to prevent GB suppliers from redeeming NIROCs from projects that do not meet the criteria until this further consultation has been completed. A draft letter to the DECC SoS is attached at **Annex A** for your consideration.

## ETI Committtee – Next Steps

5. It is recommened that you write to the ETI Committee (**Annex B**) enclosing the proposed consultation response (**Annex D**) which you are asked to approve. This explains your proposals and responds to a letter from the Committee Chair of 19 January (**Annex C**) following the Committee's briefing by respresenatives of the small scale sector. The intention is to publish the consultation response (**Annex D**) as soon as possible – probably Monday 25 January.
6. We will forward the SL1 (**Annex E**) to the ETI committee shortly thereafter if you are content to approve it. Ideally, you might want to wait to see if the Committee clears the SL1 before issuing the consultation response but, following the publication of the DECC clauses today refering to limiting the tradeability of NIROCs, large scale developers are extremely anxious that some certainty is provided swiftly.
7. In the case of both the consultation response and the SL1 we seek your approval on the basis that we may need to make minor drafting amendements and/or minor changes to both documents subsequent to your approval.

8. A regulatory impact assessment to accompany the draft Statutory Rule (SR) has been completed on the proposal and will be forwarded, for your signature, in due course with the draft legislation to effect closure.

## Recommendation

9. It is recommended that you:-

- (i) Write to the DECC SoS – draft attached at **Annex A** for your consideration;
- (ii) Write to the chair of the ETI committee (draft at **Annex B**) with the draft consultation response at **Annex D** which you are asked to approve;
- (iii) Approve the SL1 at **Annex E** which we will issue to the ETI Committee aiming for tabling at their 26<sup>th</sup> January meeting; and,
- (iv) Approve publication of the consultation response on 25 January.

**JOHN MILLS**  
Energy Division

### Distribution List:

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