

ofgem *ofgem E-Serve* **NIRHI Stakeholder Engagement Strategy**

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| Date Friday, 05 October 2012 |

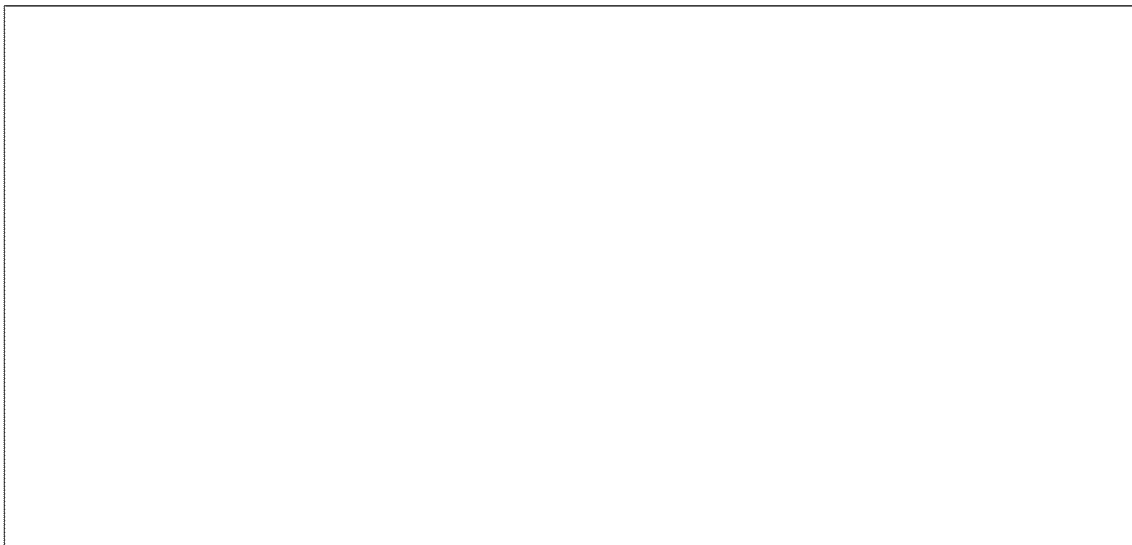
Approvals

This document has been reviewed and approved by:

| Reviewers | Role | Signed | Date |
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| Mary Smith | Head of NI RHI | | |

| Challenges and Key Observations |
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Revision History

| Revision date | Previous revision date | Summary of Changes | Changes marked |
|----------------------|-------------------------------|---------------------------|-----------------------|
| | | This is the first draft | v0.1 |
| | | This is the second draft | V0.2 |
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1. Background

This Stakeholder Engagement Strategy has been developed to support the development and implementation of the Northern Ireland Renewable Heat Incentive (NIRHI) scheme.

The NIRHI scheme is a financial incentive scheme designed to increase the uptake of renewable heat technologies and reduce the UK's carbon emissions. Broadly speaking, the scheme provides a subsidy per kWh of eligible renewable heat generated from accredited non-domestic heat installations and a subsidy payable to producers of biomethane for injection.

DETI has appointed Ofgem to administer the NIRHI on their behalf. The NIRHI will follow the model provided by the Great Britain Renewable Heat Incentive Scheme (GBRHI) thus providing significant cost savings to DETI and the Northern Ireland Taxpayer.

Stakeholder engagement to date has been co-ordinated through weekly conference calls between the Ofgem NIRHI team, IT and Legal and Renewable Heat and Sustainable Energy department members at DETI, as well as ad hoc higher level calls between Ofgem's Senior Partner and Fiona Hepper.

2. Purpose

This Stakeholder Engagement Strategy has been developed to provide enhanced and robust stakeholder engagement during the development and launch of the NIRHI.

Given the short timeframe until scheme launch on 1st November 2012, formal strategy for engagement up to and beyond this date is essential so that stakeholders are provided with essential information in a structured manner, and the NIRHI team is able to communicate with stakeholders as required to ensure the effective development of the scheme's administration.

3. Objectives

This strategy has been developed to:

- Establish and regulate communication and build excellent relationships between our NIRHI team and its stakeholder; DETI.
- Reduce risk of judicial review by engaging positively with the stakeholder and potential NIRHI users.
- Ensure that obligated parties receive all relevant information in a timely manner to allow them to deliver their NIRHI programmes.
- Create an audit trail to demonstrate that Stakeholder engagement has occurred.
- Provide obligated parties and other stakeholders with an opportunity to feed into the development of NIRHI's administrative process.
- Provide relevant stakeholders, including DETI and GBRHI Operations, with sight of how the NIRHI administration is developed.
- Protect and enhance Ofgem's reputation for delivery of environmental programmes

4. Media Handling Strategy

Contact with the media should be reactive only. As the administrator, Ofgem's media role in the NIRHI scheme is to only comment on the administration aspects of the scheme, including correcting inaccuracies in the media and organising off the record briefings as required. Any queries on policy should be referred to the DETI press office.

The media is a mediated communications channel and therefore they can change or dilute Ofgem's messages to the end users; there is no guarantee that the audience will read the media on the day the articles appear. Other forms of communication such as the Ofgem website and communicating via stakeholders to the target audience are more effective for delivering key messages.

5. Links to other schemes

NIRHI has close links to the GBRHI scheme.

Internally there is a close working relationship between the NIRHI team and the GBRHI operations team to ensure that the NIRHI scheme can 'piggy back' as much as possible on the existing GBRHI systems and protocols to maximise cost savings. Externally, there is a need to ensure that NIRHI maintains its independence of GBRHI, as it is a separate scheme with different statutory regulations.

6. Engagement to Date

The NIRHI team have so far have had weekly engagement with DETI and GBRHI Operations. Communication has included:

- *Ad hoc* correspondence via email and telephone
- NIRHI weekly checkpoint meetings (internal)
- Weekly DETI / NIRHI meetings
- 2 Day Consultation event in Belfast and Cookstown for the NIRHI Guidance Volumes

7. Risks, Issues and Mitigation

The NIRHI programme maintains a risk log and issues log. Communication is commonly used as a mitigating action for many of the risk and issues. The risk and issues logs are updated regularly. Communications related actions within these will be updated in line with the Stakeholder Engagement Strategy. Key ones include the following:

- Policy: Generators are confused by ambiguous policy/scheme rules. **Mitigation**: Advise DETI to confirm policy as soon as possible and work with them to communicate the correct policy to generators. Provide NI specific material to advice generators.
- Operational: Slow, inaccurate and non-reporting of scheme uptake and costs prevent DETI taking correct decisions on future policy. **Mitigation**: Agree reporting requirements with DETI. Financial and uptake reporting undertaken regularly in the joint administration board. Set clear triggers in the NIRHI systems to flag certain financial and uptake information.
- Operational: Collusion between NI installers and generators. **Mitigation**: Commission independent risk assessment to look at this risk in NI and take appropriate mitigating action following assessment.
- Operational: Limited certified installers and products. **Mitigation**: Advise DETI of risk.
- Operational: Low level of internet/online application in NI puts additional pressure on the enquiry team and other modes of application. **Mitigation**: Ensure non online application process in place. Consider need for additional staff.
- Resources: Ofgem not reimbursed for administration costs. **Mitigation**: Agree how administration costs are to be met. Agree an effective issue resolution process. Agree what would happen if administration costs are not met within a specific timeline.

8. Stakeholder Management Plan

The Stakeholder Management Plan comprises two documents which have been developed in conjunction with each other. They are:

- **Stakeholder Engagement Strategy**

The Stakeholder Engagement Strategy describes our approach for engaging stakeholders during development and implementation of the NIRHI programme.

- **Communications Plan**

The Communications Plan sets out how and when the NHIRHI team will communicate with participants during development and implementation of the programme.

9. Levels of Engagement

In relationship management it is critical that a multilevel approach is adopted but this presents the challenge of coordinating activities and disseminating feedback/knowledge transfer. To overcome the risks, we are providing a 'map' of activities to engineer out duplication and facilitate mechanisms for cross communication.

For the NIRHI team the primary contact is Keith Avis with Band E support in Luis Castro. Further contacts are detailed in Appendix 1 which details roles and responsibilities.

10. Information Management

The NIRHI Stakeholder Engagement Strategy will be stored in hard copy in the Stakeholder Management Folder and in soft copy on SharePoint in the following location, and will be reviewed on a monthly basis:

http://sharepoint/Ops/Environ/New_Scheme_Development_Lib/Forms/AllItems.aspx?RootFolder=/Ops/Environ/New%5fScheme%5fDevelopment%5fLib/New%20Projects/NIRHI/Stakeholder%20Engagement

Appendix 1 - Roles and responsibilities

| Role | Responsibility | Named Individual |
|------------------------------------|---|--------------------------------|
| Senior Manager, Scheme Development | Overall responsibility for the communications and stakeholder engagement piece, review of material and strategic direction. | Keith Avis |
| NIRHI Policy Development | Approval and business owner of Stakeholder and Communications Strategy | Paul Heigl Michelle Murdoch |
| Project Manager | Responsible for planning and guiding project processes | Rita Chohan |

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| Managing Director, Commercial | Final approval on publications | Robert Hull |
| Associate Director, Commercial | Approval on all communications material | Matthew Harnack |
| Head of Internal & Digital Communications | Business owner of the website and digital communications | Saf Ismail |
| Senior Communications Manager | Responsible for strategic direction of stakeholder engagement and communications for E-Serve. | Felicity Beverley |
| Stakeholder Coordinator | Responsible for ensuring NIRHI communications fit in with Ofgem’s overall communications strategy. Responsible for all press enquiries and liaison with the DETI press office. | Rory Edwards |

Appendix 2 - Governance

The NIRHI development programme is part of Ofgem E-Serve, therefore governance is via the Management Committee and the Senior Management Team.

Ofgem NIRHI

The sign-off process for Ofgem communications material is:

1. Communication material drafted
2. Send to Senior Communications Manager for comment (who will share with External Relations and/or wider Communications Teams as required).

Final approval by:

3. Managing Director, Commercial for publications on the website.

Appendix 3 - Milestones

The NIRHI programme has the following external milestones: Each milestone will require reactive or proactive lines to take and some milestones may require supporting communications materials such as website updates. These milestones are explored in further detail in the Communications Plan.

Scheme Go-Live:

- Scheme comes into force – 1st November 2012

Guidance:

- Draft Guidance published for consultation – 20th September 2012
- Consultation closes – 18th October 2012
- Final Guidance published – 1st November 2012

