

Appendix I - Rural Needs Impact Assessment (RNIA) Template

SECTION 1 - Defining the activity subject to Section 1(1) of the Rural Needs Act (NI) 2016

1A. Name of Public Authority.

Department for the Economy

1B. Please provide a short title which describes the activity being undertaken by the Public Authority that is subject to Section 1(1) of the Rural Needs Act (NI) 2016.

Relief for Energy Intensive Industries from the indirect costs of the Northern Ireland Renewables Obligation (NIRO)

1C. Please indicate which category the activity specified in Section 1B above relates to.

Developing a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Adopting a	Policy <input checked="" type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Implementing a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Revising a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Designing a Public Service	<input type="checkbox"/>		
Delivering a Public Service	<input type="checkbox"/>		

1D. Please provide the official title (if any) of the Policy, Strategy, Plan or Public Service document or initiative relating to the category indicated in Section 1C above.

As per 1B above

1E. Please provide details of the aims and/or objectives of the Policy, Strategy, Plan or Public Service.

The aim of the policy is to ensure that NI based Energy Intensive Industries (EIs), with an electricity intensity of 20% or higher of their Gross Value Added (GVA) that operate in internationally competitive markets are not placed at a competitive disadvantage to their GB/EU counterparts by the burden on retail industrial electricity process by the costs of the Renewable Obligations. Three options, including a do nothing option, are under consideration:

- i. Introduction of an Exemption Scheme (on the same basis as the GB scheme) in Northern Ireland (*paid for through additional costs on NI consumer bills*); and
- ii. Secure funding from the NI Executive to enable DfE to continue delivery of the compensation scheme

1F. What definition of 'rural' is the Public Authority using in respect of the Policy, Strategy, Plan or Public Service?

Population Settlements of less than 5,000 (Default definition).

Other Definition (Provide details and the rationale below).

A definition of 'rural' is not applicable.

Details of alternative definition of 'rural' used.

n/a

Rationale for using alternative definition of 'rural'.

n/a

Reasons why a definition of 'rural' is not applicable.

n/a

SECTION 2 - Understanding the impact of the Policy, Strategy, Plan or Public Service

2A. Is the Policy, Strategy, Plan or Public Service likely to impact on people in rural areas?

Yes No If the response is **NO** GO TO Section **2E**.

2B. Please explain how the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas.

2C. If the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas differently from people in urban areas, please explain how it is likely to impact on people in rural areas differently.

2D. Please indicate which of the following rural policy areas the Policy, Strategy, Plan or Public Service is likely to primarily impact on.

Rural Businesses	<input type="checkbox"/>
Rural Tourism	<input type="checkbox"/>
Rural Housing	<input type="checkbox"/>
Jobs or Employment in Rural Areas	<input type="checkbox"/>
Education or Training in Rural Areas	<input type="checkbox"/>
Broadband or Mobile Communications in Rural Areas	<input type="checkbox"/>
Transport Services or Infrastructure in Rural Areas	<input type="checkbox"/>
Health or Social Care Services in Rural Areas	<input type="checkbox"/>
Poverty in Rural Areas	<input type="checkbox"/>
Deprivation in Rural Areas	<input type="checkbox"/>
Rural Crime or Community Safety	<input type="checkbox"/>
Rural Development	<input type="checkbox"/>
Agri-Environment	<input type="checkbox"/>
Other (Please state)	<input type="text"/>

If the response to Section 2A was YES GO TO Section 3A.

2E. Please explain why the Policy, Strategy, Plan or Public Service is NOT likely to impact on people in rural areas.

It is not anticipated that a relief scheme in itself, if introduced, would have any differential impact on rural areas as it would be based on electricity usage by companies in specific categories regardless of location. As it stands, there are only a handful of companies in Northern Ireland benefitting from the current compensation scheme and these are, in the main, located in areas defined as rural or mixed urban-rural under the Urban-Rural Definition Group Statistical Classification and Delineation of Settlements report (http://www.ninis2.nisra.gov.uk/public/documents/ur_report.pdf).

If an exemption scheme is introduced it is expected to increase the electricity costs for domestic consumers and other non-eligible businesses. There is no evidence however to suggest that this will impact differentially on rural areas.

SECTION 3 - Identifying the Social and Economic Needs of Persons in Rural Areas

3A. Has the Public Authority taken steps to identify the social and economic needs of people in rural areas that are relevant to the Policy, Strategy, Plan or Public Service?

Yes No If the response is **NO** GO TO Section **3E**.

3B. Please indicate which of the following methods or information sources were used by the Public Authority to identify the social and economic needs of people in rural areas.

Consultation with Rural Stakeholders	<input type="checkbox"/>	Published Statistics	<input type="checkbox"/>
Consultation with Other Organisations	<input checked="" type="checkbox"/>	Research Papers	<input type="checkbox"/>
Surveys or Questionnaires	<input type="checkbox"/>	Other Publications	<input type="checkbox"/>
Other Methods or Information Sources (include details in Question 3C below).			<input type="checkbox"/>

3C. Please provide details of the methods and information sources used to identify the social and economic needs of people in rural areas including relevant dates, names of organisations, titles of publications, website references, details of surveys or consultations undertaken etc.

A small number of companies in Northern Ireland are benefiting from the current compensation scheme. These companies are located in areas that are defined as rural or mixed urban-rural under the Urban-Rural Definition Group Statistical Classification and Delineation of Settlements report.

The proposals to introduce an exemption scheme or continue with a compensation scheme in Northern Ireland will be subject to full public consultation, which will include the gathering of evidence from numerous stakeholders, including business and residential electricity consumers located in rural areas.

As such, rural needs are already being considered and will continue to be considered as the plans for implementing the relief scheme are taken forward.

3D. Please provide details of the social and economic needs of people in rural areas which have been identified by the Public Authority?

See response to 3C above

Additionally, companies located in rural areas are already benefiting from a relief scheme and it is considered highly unlikely that the situation would change with the introduction of either options i or ii outlined above given that the eligibility criteria would remain the same as currently applied.

If the response to Section 3A was YES GO TO Section 4A.

3E. Please explain why no steps were taken by the Public Authority to identify the social and economic needs of people in rural areas?

N/A

SECTION 4 - Considering the Social and Economic Needs of Persons in Rural Areas

4A. Please provide details of the issues considered in relation to the social and economic needs of people in rural areas.

The implementation of either scheme should not impact rural areas economically or on rural issues around availability of local facilities; funding programmes; transport; education; mobile services or accessing of services.

It is not anticipated that a relief scheme in itself, if introduced, would have any differential impact on rural areas as it would be based on electricity usage by companies in specific categories regardless of location.

SECTION 5 - Influencing the Policy, Strategy, Plan or Public Service

5A. Has the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, been influenced by the rural needs identified?

Yes No If the response is **NO GO TO Section 5C.**

5B. Please explain how the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, has been influenced by the rural needs identified.

N/A

If the response to Section **5A** was **YES GO TO Section 6A.**

5C. Please explain why the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or the delivery of the Public Service, has NOT been influenced by the rural needs identified.

Until 31 March 2018, a UK-wide Compensation Scheme was in place to ease the costs for Energy Intensive Industries (EIs) that operate in internationally competitive markets and could be placed at a disadvantage by the burden on retail industrial electricity prices by the costs of the Renewables Obligation (RO) and Small-Scale Feed-in-Tariff (FIT) schemes.

The RO exemption scheme has been introduced in GB only, meaning that from 1 April 2018, Northern Ireland is the only part of the UK that does not have a scheme in place for offering relief to EIs for the indirect costs of its renewables intervention. However, agreement reached with BEIS and approved by HM Treasury, ensured that the current compensation scheme continues on a NI –only basis until 31 March 2023. It is not anticipated that a relief scheme in itself, if introduced, would have any differential impact on rural areas as it would be based on electricity usage by companies in specific categories regardless of location. As it stands, there are only a handful of companies in Northern Ireland benefitting from the current compensation scheme and these are, in the main, located in areas defined as rural or mixed urban-rural.

SECTION 6 - Documenting and Recording

6A. Please tick below to confirm that the RNIA Template will be retained by the Public Authority and relevant information on the Section 1 activity compiled in accordance with paragraph 6.7 of the guidance.

I confirm that the RNIA Template will be retained and relevant information compiled.



Rural Needs Impact Assessment undertaken by:	Darren Colville
Position/Grade:	DP
Division/Branch	Renewable Electricity Branch
Signature:	Darren Colville
Date:	28 January 2022
Rural Needs Impact Assessment approved by:	Peter Russell
Position/Grade:	Director
Division/Branch:	Heat, Energy Efficiency & Renewables
Signature:	Peter Russell
Date:	28 January 2022