



Equality Screening Template – Section 75 of Northern Ireland Act 1998

Please complete the coversheet details below:

Policy title: Relief for Energy Intensive Industries from the indirect costs of the Northern Ireland Renewables Obligation (NIRO) – Public Consultation on Options for implementation

Decision (delete as appropriate)

Policy screened out **without** mitigation or an alternative policy adopted

Contact: Darren Colville – Renewable Electricity Branch

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Content

Part 1. Policy scoping – asks public authorities to provide details about the policy, procedure, practice and/or decision being screened and what available evidence you have gathered to help make an assessment of the likely impact on equality of opportunity and good relations.

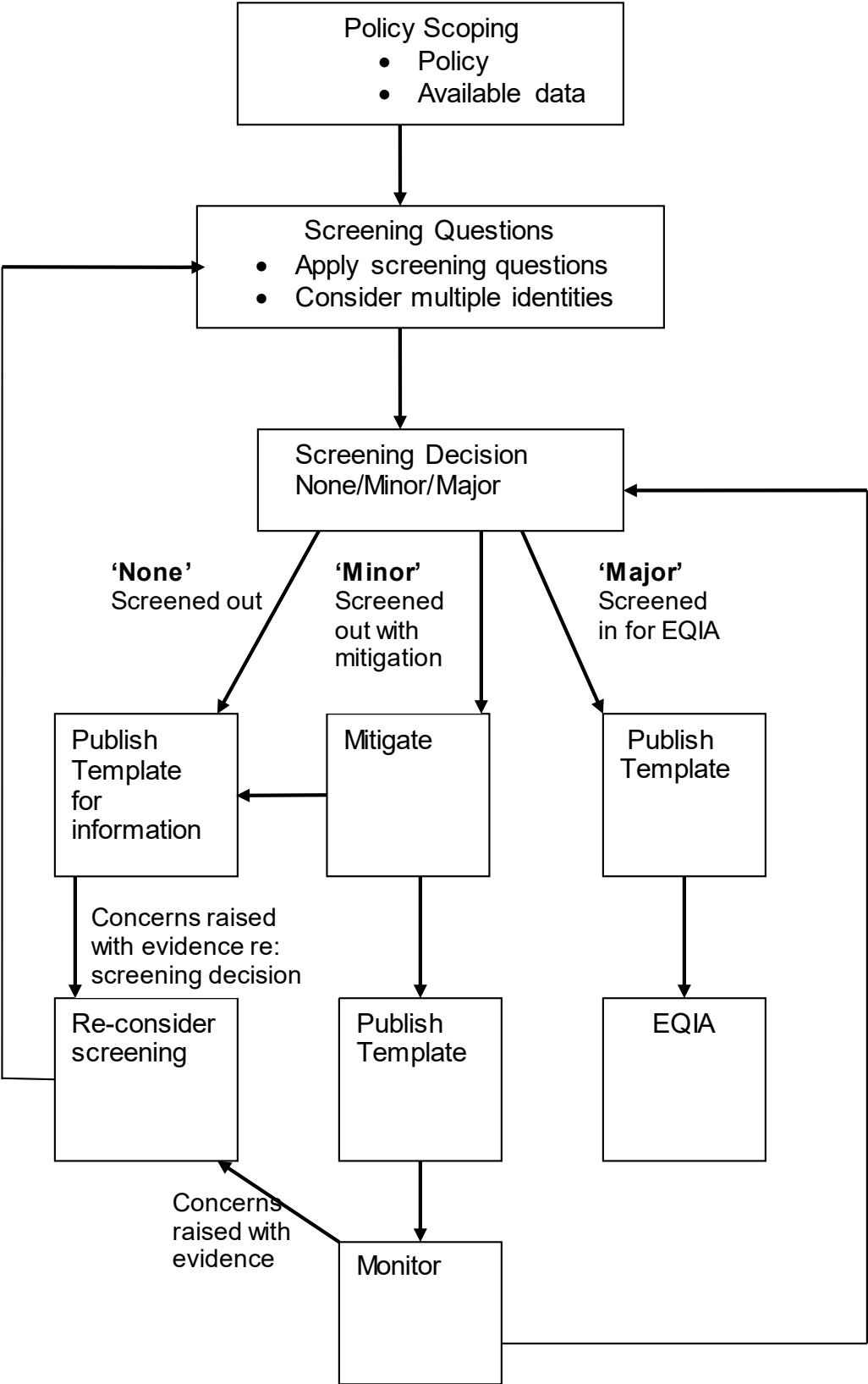
Part 2. Screening questions – asks about the extent of the likely impact of the policy on groups of people within each of the Section 75 categories. Details of the groups consulted and the level of assessment of the likely impact. This includes consideration of multiple identity and good relations issues.

Part 3. Screening decision – guides the public authority to reach a screening decision as to whether or not there is a need to carry out an equality impact assessment (EQIA), or to introduce measures to mitigate the likely impact, or the introduction of an alternative policy to better promote equality of opportunity and/or good relations.

Part 4. Monitoring – provides guidance to public authorities on monitoring for adverse impact and broader monitoring.

Part 5. Approval and authorisation – verifies the public authority's approval of a screening decision by a senior manager responsible for the policy.

Flowchart for the equality screening process and decision.



Part 1. Policy scoping

The first stage of the screening process involves scoping the policy under consideration. The purpose of policy scoping is to help prepare the background and context and set out the aims and objectives for the policy, being screened. At this stage, scoping the policy will help identify potential constraints as well as opportunities and will help the policy maker work through the screening process on a step by step basis.

Public authorities should remember that the Section 75 statutory duties apply to internal policies (relating to people who work for the authority), as well as external policies (relating to those who are, or could be, served by the authority).

Information about the policy

Name of the policy

Relief for Energy Intensive Industries (EII) from the indirect costs of the Northern Ireland Renewables Obligation (NIRO) – Public Consultation on Options for Implementation

Is this an existing, revised or a new policy?

New. A UK-wide Compensation Scheme currently exists to ease the costs for EIIs 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 RO¹ and Small-Scale Feed-in-Tariff (FiT)² schemes.

Under the Spending Review 2015, it was announced that the Compensation Scheme would be replaced by an Exemption Scheme which would operate on a similar basis to a previously agreed scheme for easing the indirect costs of Contracts for Difference (CfDs)³ for EIIs. The RO Exemption Scheme became operational on 1 April 2018.

The RO Exemption Scheme has been introduced in GB only, meaning that access to relief from the costs of the NIRO has effectively been removed from 1 April 2018. However, agreement reached with BEIS (and approved by HM Treasury) has ensured that the current Compensation Scheme will continue (funded and administered by BEIS) on a NI –only basis

¹ The Northern Ireland Renewables Obligation (NIRO) has been the main policy measure for supporting the development of renewable electricity in Northern Ireland since 2005. The NIRO works in tandem with similar Renewables Obligations in England & Wales (RO) and in Scotland (ROS) and provides a route to market for renewable technology projects which would otherwise be unable to compete with conventional generation.

² Introduced in 2010 Feed-in Tariffs (FITs) is a UK Government scheme designed to encourage uptake of a range of small-scale renewable and low-carbon electricity generation technologies. FITs do not operate in Northern Ireland.

³ A Contract for Difference (CFD) is a private law contract between a low carbon electricity generator and the Low Carbon Contracts Company (LCCC), a government-owned company. A generator party to a CFD is paid the difference between the 'strike price' – a price for electricity reflecting the cost of investing in a particular low carbon technology – and the 'reference price' – a measure of the average market price for electricity in the GB market. It gives greater certainty and stability of revenues to electricity generators by reducing their exposure to volatile wholesale prices, whilst protecting consumers from paying for higher support costs when electricity prices are high. **NI is not part of the CfDs Scheme.**

until 31 March 2022. The purpose of this intervention is to allow DfE time to consider its options and to put in place a scheme to ensure that NI ELLs continue to be in a position to claim relief from the costs of the NIRO after BEIS support is withdrawn. Three options are under consideration:-

- i. Do nothing;
 - ii. 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*; or
 - iii. Secure funding from the NI Executive to enable DfE to continue delivery of the Compensation Scheme. (***This may be needed in any case for a short period if option (ii) is to be pursued, to cover any gap between the ending of BEIS funding and the commencement of an NI exemption scheme***)
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What is it trying to achieve? (intended aims/outcomes)

The overriding objective of the scheme is to ensure that Energy Intensive Industries that are operating in internationally competitive markets are not placed at a disadvantage by the burden placed on retail industrial electricity prices by the costs of the NI Renewables Obligation (RO). A consultation exercise is being undertaken to consider potential options for implementation of the policy.

The GB Exemption scheme removes up to 85% of the costs of the RO from the bills of ELLs with an electricity intensity of 20% and higher of their Gross Value Added (GVA), with the overall aim of ensuring that large energy users that operate in internationally competitive markets e.g. glass, steel, cement, etc, are not placed at a competitive disadvantage. Any Northern Ireland scheme would seek to meet the same objective.

Are there any Section 75 categories which might be expected to benefit from the intended policy?

If so, explain how.

No. The scheme is directed at industry and, specifically, those companies that would be considered (in the terms defined above) as being energy intensive.

Who initiated or wrote the policy?

The policy for GB has been written by the Department for Energy and Climate Change (now incorporated within the Department for Business, Energy and Industrial Strategy (BEIS), a statutory Department of the UK Government. Any NI policy would be the responsibility of the Department for the Economy (DfE).

Who owns and who implements the policy?

BEIS owns and implements the policy for England, Wales and Scotland. DfE would own and implement any NI policy established.

Implementation factors

Are there any factors which could contribute to/detract from the intended aim/outcome of the policy/decision?

If yes, are they (please delete as appropriate)

legislative

other, please specify

Delivery of an Exemption Scheme in Northern Ireland would be dependent upon having the correct administrative process in place. In GB, the Low Carbon Contracts Company and EMR Settlement Ltd are involved in the process through their links to the CfD scheme. However, the CfD scheme does not operate in Northern Ireland and so LCCC and EMRS would have no remit in the administration of any NI scheme. The challenge therefore is to find an equivalent body in Northern Ireland that could carry out the duties performed by the GB bodies. This may require introduction of new legislation or an amendment to existing legislation.

Main stakeholders affected

Who are the internal and external stakeholders (actual or potential) that the policy will impact upon? (please delete as appropriate)

staff

service users

other, please specify _____

The exemption for ELLs will ultimately increase the electricity bills for domestic consumers by circa £0.80 per annum and other non-exempt businesses by circa £16-£185 per annum (small business); £872 per annum (medium business) and, £5,616 per annum (large non-exempt business). Introduction of an exemption scheme would also have operational impacts for NI Electricity Networks and the System Operator NI in terms of their roles with regard to metering/data transfer. Changes would also be required to the Agency Services Agreement between the NI Utility Regulator and Ofgem as well as potentially having impacts on the NI Trade and Settlement Code.

A continuation of the current Compensation Scheme on a time-limited or permanent basis would have impacts for DfE in terms of staff resource.

Other policies with a bearing on this policy

- what are they?

- Northern Ireland Renewables Obligation (NIRO)

- who owns them?

- (i) Department for the Economy (sets the policy)

- (ii) Northern Ireland Utility Regulator (responsible for the administration of the NIRO)

- (iii) Ofgem (contracted to the Utility Regulator to administer the NIRO on its behalf)

Available evidence

Evidence to help inform the screening process may take many forms. Public authorities should ensure that their screening decision is informed by relevant data. The Commission has produced this guide to [signpost to S75 data](#).

What evidence/information (both qualitative and quantitative) have you gathered to inform this policy? Specify details for each of the Section 75 categories.

Religious belief evidence / information:

There is no evidence to suggest that people within this group will be differentially impacted by the aims of the policy

Political Opinion evidence / information:

There is no evidence to suggest that people within this group will be differentially impacted by the aims of the policy

Racial Group evidence / information:

There is no evidence to suggest that people within this group will be differentially impacted by the aims of the policy

Age evidence / information:

While there is no quantitative evidence available, if option 2 is implemented there is potential for impact on people within this group. The Department for Communities has advised that fuel poverty tends to be prominent amongst older people. An increase in consumer bills may therefore impact by exacerbating issues for those already in fuel poverty or push others into fuel poverty

Marital Status evidence / information:

There is no evidence to suggest that people within this group will be differentially impacted by the aims of the policy

Sexual Orientation evidence / information:

There is no evidence to suggest that people within this group will be differentially impacted by the aims of the policy

Men & Women generally evidence / information:

There is no evidence to suggest that people within this group will be differentially impacted by the

aims of the policy

Disability evidence / information:

While there is no quantitative evidence available, if option 2 is implemented there is potential for impact on people within this group. The Department for Communities has advised that fuel poverty tends to be prominent amongst older people. An increase in consumer bills may therefore impact by exacerbating issues for those already in fuel poverty or push others into fuel poverty

Dependants evidence / information:

While there is no quantitative evidence available, if option 2 is implemented there is potential for impact on people within this group. The Department for Communities has advised that fuel poverty tends to be prominent amongst older people. An increase in consumer bills may therefore impact by exacerbating issues for those already in fuel poverty or push others into fuel poverty

Needs, experiences and priorities

Taking into account the information referred to above, what are the different needs, experiences and priorities of each of the following categories, in relation to the particular policy/decision?

Specify details of the needs, experiences and priorities for each of the Section 75 categories below:

Religious belief

No specific needs have been identified for this group in relation to the proposed policy

Political Opinion

No specific needs have been identified for this group in relation to the proposed policy

Racial Group

No specific needs have been identified for this group in relation to the proposed policy

Age

While there is no quantitative evidence available, if option 2 is implemented there is potential for impact on people within this group. The Department for Communities has advised that fuel poverty tends to be prominent amongst older people. An increase in consumer bills may therefore impact by exacerbating issues for those already in fuel poverty or push others into fuel poverty

Marital status

No specific needs have been identified for this group in relation to the proposed policy

Sexual orientation

No specific needs have been identified for this group in relation to the proposed policy

Men and Women Generally

No specific needs have been identified for this group in relation to the proposed policy

Disability

While there is no quantitative evidence available, if option 2 is implemented there is potential for impact on people within this group. The Department for Communities has advised that fuel

poverty tends to be prominent amongst older people. An increase in consumer bills may therefore impact by exacerbating issues for those already in fuel poverty or push others into fuel poverty_____

Dependants

While there is no quantitative evidence available, if option 2 is implemented there is potential for impact on people within this group. The Department for Communities has advised that fuel poverty tends to be prominent amongst older people. An increase in consumer bills may therefore impact by exacerbating issues for those already in fuel poverty or push others into fuel poverty_____

Part 2. Screening questions

Introduction

In making a decision as to whether or not there is a need to carry out an equality impact assessment, the public authority should consider its answers to the Screening Questions 1-4, which follow.

If the public authority's conclusion is **none** in respect of all of the Section 75 equality of opportunity and/or good relations categories, then the public authority may decide to screen the policy out. If a policy is 'screened out' as having no relevance to equality of opportunity or good relations, a public authority should give details of the reasons for the decision taken.

If the public authority's conclusion is **major** in respect of one or more of the Section 75 equality of opportunity and/or good relations categories, then consideration should be given to subjecting the policy to the equality impact assessment procedure.

If the public authority's conclusion is **minor** in respect of one or more of the Section 75 equality categories and/or good relations categories, then consideration should still be given to proceeding with an equality impact assessment, or to:

- measures to mitigate the adverse impact; or
- the introduction of an alternative policy to better promote equality of opportunity and/or good relations.

In favour of a 'major' impact

- a) The policy is significant in terms of its strategic importance;
- b) Potential equality impacts are unknown, because, for example, there is insufficient data upon which to make an assessment or because they are complex, and it would be appropriate to conduct an equality impact assessment in order to better assess them;
- c) Potential equality and/or good relations impacts are likely to be adverse or are likely to be experienced disproportionately by groups of people including those who are marginalised or disadvantaged;
- d) Further assessment offers a valuable way to examine the evidence and develop recommendations in respect of a policy about which there are

concerns amongst affected individuals and representative groups, for example in respect of multiple identities;

- e) The policy is likely to be challenged by way of judicial review;
- f) The policy is significant in terms of expenditure.

In favour of 'minor' impact

- a) The policy is not unlawfully discriminatory and any residual potential impacts on people are judged to be negligible;
- b) The policy, or certain proposals within it, are potentially unlawfully discriminatory, but this possibility can readily and easily be eliminated by making appropriate changes to the policy or by adopting appropriate mitigating measures;
- c) Any asymmetrical equality impacts caused by the policy are intentional because they are specifically designed to promote equality of opportunity for particular groups of disadvantaged people;
- d) By amending the policy there are better opportunities to better promote equality of opportunity and/or good relations.

In favour of none

- a) The policy has no relevance to equality of opportunity or good relations.
- b) The policy is purely technical in nature and will have no bearing in terms of its likely impact on equality of opportunity or good relations for people within the equality and good relations categories.

Taking into account the evidence presented above, consider and comment on the likely impact on equality of opportunity and good relations for those affected by this policy, in any way, for each of the equality and good relations categories, by applying the screening questions given overleaf and indicate the level of impact on the group i.e. minor, major or none.

Screening questions

1. What is the likely impact on equality of opportunity for those affected by this policy, for each of the Section 75 equality categories?

Please provide details of the likely policy impacts and determine the level of impact for each S75 categories below i.e. either minor, major or none.

Details of the likely policy impacts on **Religious belief**:

(insert text here)

What is the level of impact? None

Details of the likely policy impacts on **Political Opinion**:

(insert text here)

What is the level of impact? None

Details of the likely policy impacts on **Racial Group**:

(insert text here)

What is the level of impact? None

Details of the likely policy impacts on **Age**:

While there is no quantitative evidence available, there is potential for impact on people within this group. The Department for Communities has advised that fuel poverty tends to be prominent amongst older people. If option 2 is implemented an increase in consumer bills may therefore impact by exacerbating issues for those already in fuel poverty or push others into fuel poverty.

What is the level of impact? Minor

Details of the likely policy impacts on **Marital Status**:

(insert text here)

What is the level of impact? None

Details of the likely policy impacts on **Sexual Orientation**:

(insert text here)

What is the level of impact? None

Details of the likely policy impacts on **Men and Women**:

(insert text here)

What is the level of impact? None

Details of the likely policy impacts on **Disability**:

While there is no quantitative evidence available, there is potential for impact on people within this group. The Department for Communities has advised that fuel poverty tends to be prominent amongst older people. If option 2 is implemented an increase in consumer bills may therefore impact by exacerbating issues for those already in fuel poverty or push others into fuel poverty.

What is the level of impact? Minor

Details of the likely policy impacts on **Dependants**:

While there is no quantitative evidence available, there is potential for impact on people within this group. The Department for Communities has advised that fuel poverty tends to be prominent amongst older people. If option 2 is implemented an increase in consumer bills may therefore impact by exacerbating issues for those already in fuel poverty or push others into fuel poverty.

What is the level of impact? Minor

2. Are there opportunities to better promote equality of opportunity for people within the Section 75 equalities categories? Yes/No

Detail opportunities of how this policy could promote equality of opportunity for people within each of the Section 75 Categories below:

Religious Belief –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote equality of opportunity.

Political Opinion –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote equality of opportunity.

Racial Group –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote equality of opportunity.

Age –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote equality of opportunity.

Marital Status –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote equality of opportunity.

Sexual Orientation –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote equality of opportunity.

Men and Women generally –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote equality of opportunity.

Disability –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote equality of opportunity.

Dependants –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote equality of opportunity.

3. To what extent is the policy likely to impact on good relations between people of different religious belief, political opinion or racial group?

Please provide details of the likely policy impact and determine the level of impact for each of the categories below i.e. either minor, major or none.

Details of the likely policy impacts on **Religious belief**:

There is no evidence of possible impact on good relations

What is the level of impact? None

Details of the likely policy impacts on **Political Opinion**:

There is no evidence of possible impact on good relations

What is the level of impact? None

Details of the likely policy impacts on **Racial Group**:

There is no evidence of possible impact on good relations

What is the level of impact? None

4. Are there opportunities to better promote good relations between people of different religious belief, political opinion or racial group?

Detail opportunities of how this policy could better promote good relations for people within each of the Section 75 Categories below:

Religious Belief –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote good relations

Political Opinion –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote good relations

Racial Group –

If Yes, provide details:

If No, provide reasons: The policy aims to alleviate the indirect costs of the RO for Energy Intensive Industries in Northern Ireland as such does not provide opportunities to better promote good relations

Additional considerations

Multiple identity

Generally speaking, people can fall into more than one Section 75 category. Taking this into consideration, are there any potential impacts of the policy/decision on people with multiple identities?

(For example; disabled minority ethnic people; disabled women; young Protestant men; and young lesbians, gay and bisexual people).

Provide details of data on the impact of the policy on people with multiple identities. Specify relevant Section 75 categories concerned.

Increases in consumer bills can add to fuel poverty issues. There is a tendency for such issues to be prominent amongst older people, families with young children and people with disabilities. There is potential for people within these groups to have multiple identities e.g. older person with a disability; family with a young disabled child etc.

Part 3. Screening decision

If the decision is not to conduct an equality impact assessment, please provide details of the reasons.

While option 2 has the potential to impact on certain groups through increases in fuel poverty, there is no empirical evidence in that regard. The policy will be subject to public consultation and any Section 75 issues raised will be considered.

If the decision is not to conduct an equality impact assessment the public authority should consider if the policy should be mitigated or an alternative policy be introduced - please provide details.

No empirical evidence of direct equality impacts have been identified through the screening process but the policy will be subject to public consultation and a specific question will be asked in relation to potential impacts on Section 75 groups through increases in consumer bills. Issues raised in response will be considered and mitigation measures put in place if necessary.

If the decision is to subject the policy to an equality impact assessment, please provide details of the reasons.

All public authorities' equality schemes must state the authority's arrangements for assessing and consulting on the likely impact of policies adopted or proposed to be adopted by the authority on the promotion of equality of opportunity. The Commission recommends screening and equality impact assessment as the tools to be utilised for such assessments. Further advice on equality impact assessment may be found in a separate Commission publication: Practical Guidance on Equality Impact Assessment.

Mitigation

When the public authority concludes that the likely impact is 'minor' and an equality impact assessment is not to be conducted, the public authority may consider mitigation to lessen the severity of any equality impact, or the introduction of an alternative policy to better promote equality of opportunity or good relations.

Can the policy/decision be amended or changed or an alternative policy introduced to better promote equality of opportunity and/or good relations?

If so, **give the reasons** to support your decision, together with the proposed changes/amendments or alternative policy.

If, after consultation, the Department decides to implement option 2 then the option will be screened separately.

Timetabling and prioritising

Factors to be considered in timetabling and prioritising policies for equality impact assessment.

If the policy has been '**screened in**' for equality impact assessment, then please answer the following questions to determine its priority for timetabling the equality impact assessment.

On a scale of 1-3, with 1 being the lowest priority and 3 being the highest, assess the policy in terms of its priority for equality impact assessment.

Priority criterion – Rating (1-3)

Effect on equality of opportunity and good relations – N/A

Social need – N/A

Effect on people's daily lives – N/A

Relevance to a public authority's functions – N/A

Note: The Total Rating Score should be used to prioritise the policy in rank order with other policies screened in for equality impact assessment. This list of priorities will assist the public authority in timetabling. Details of the Public Authority's Equality Impact Assessment Timetable should be included in the quarterly Screening Report.

Is the policy affected by timetables established by other relevant public authorities?

If yes, please provide details.

N/A

Part 4. Monitoring

Public authorities should consider the guidance contained in the Commission's Monitoring Guidance for Use by Public Authorities (July 2007).

The Commission recommends that where the policy has been amended or an alternative policy introduced, the public authority should monitor more broadly than for adverse impact (See Benefits, P.9-10, paras 2.13 – 2.20 of the Monitoring Guidance).

Effective monitoring will help the public authority identify any future adverse impact arising from the policy which may lead the public authority to conduct an equality impact assessment, as well as help with future planning and policy development.

Part 5 - Approval and authorisation

Screened by: Darren Colville

Position/Job Title: Deputy Principal

Business Area/ Branch: Renewable Electricity Branch

Date: 24 January 2022

Approved by: Peter Russell

Position/Job Title: Head of Directorate

Business Area/Branch: Heat, Energy Efficiency and Renewables

Date: 27 January 2022

Note: A copy of the Screening Template, for each policy screened should be 'signed off' and approved by a senior manager responsible for the policy, made easily accessible on the public authority's website as soon as possible following completion and made available on request.