

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.

Implementation of New Rules for Priority Dispatch Provisions under Article 12 of the EU Electricity (Recast) Regulation 2019

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 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 checked="" 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 objective of the regulation is to establish rules to ensure the functioning of the internal market for electricity and includes requirements related to the development of renewable forms of energy and environmental policy, in particular specific rules for certain types of renewable power-generating facilities. Priority dispatch is the obligation on Transmission System Operators (TSOs) to schedule and dispatch energy from renewable generators, ahead of other generators as far as secure operation of the electricity system permits. Rules around Priority Dispatch are set out in EU Regulations and Directives, ensuring that dispatch of renewables is treated the same across the EU. The amended legislation will ensure that Northern Ireland in line with the Electricity Regulation and maintain effective operation of the SEM.

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.

It is not entirely certain that the new rules regarding priority dispatch will impact on people in rural areas and, if they did, to what degree. If new electricity generating installations, after 4 July 2019, do not meet the criteria for priority dispatch, then there is a potential loss of income for electricity generators which may result in an impact on benefits, such as employment. Wind generation in particular of the size likely to be affected by this change in rules is more likely to be based in rural areas therefore it is reasonable to conclude that there may be an impact on people in rural areas.

It's worth noting that a number of respondents to the consultation commented that generators should be able to opt out of Priority Dispatch. This is because it may be economically advantageous for them to decide when to generate into the market, rather than have to be available for dispatch at a time when the price is below zero.

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.

The new priority dispatch regulations are potentially going to impact differently to people living in a rural area due to the majority of electricity generating installations being located within a rural setting. However, it is worth pointing out that any impact will apply across Northern Ireland.

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 checked="" type="checkbox"/>
Rural Tourism	<input type="checkbox"/>
Rural Housing	<input type="checkbox"/>
Jobs or Employment in Rural Areas	<input checked="" 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.

N/A

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.

The Department is consulting with all relevant stakeholders through the issue of a public consultation document on the implementation of the new rules around priority dispatch. This will allow stakeholders the opportunity to respond to the Department on a number of questions on the amended legislation. The Consultation was issued on 15 July 2020, closing on 8 September 2020. One response, from Fermanagh & Omagh District Council, was received with comments relating to rural needs. **The Department has included its response with its Government Response and Decision paper.**

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

Whilst it is not envisaged that the amended priority dispatch regulations will have an impact on rural social needs there may be an impact on the economic needs of people living in rural areas. However, it is very difficult to ascertain this cost as the data required is not available to the Department, e.g. actual number of generating installations this may affect and the financial benefits of priority dispatch to these installations.

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 the amended legislation should not impact on rural issues around availability of local facilities; funding programmes; transport; education; mobile services or accessing of services.

The economic impact, if there is one, is difficult to quantify. The Department considered the number of installations that the amended legislation may affect and the potential loss of income to those installations. However, this data is not available to the Department to calculate. If a loss of income was to occur this potentially could affect rural staff employed by the generator owner but, again, the Department is not in a position to quantify this.

The Department did not receive any data from stakeholders on the potential, negative or positive, social and economic impact of people in rural areas.

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.

EU Regulations are directly applicable and therefore Member States must comply by date of operation. To ensure compliance with the Regulation there are some legislative amendments needed, as technically, due to out of date references in domestic legislation, Northern Ireland is in breach of some of the requirements in the Regulation, until legislative changes are made. One area which requires action to progress compliance is Article 12 which outlines the new rules for priority dispatch. Compliance with the new rules involves both legislative, by the Department, and practical implementation by the Single Electricity Market Committee (SEMC) and the Transmission System Operators (TSOs).

Through amending the current legislation the Department will update the provisions on rules surrounding priority dispatch to facilitate a non-discriminatory, transparent and market-based system.

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	Brexit Impact Branch
Signature:	Darren Colville
Date:	16 October 2020
Rural Needs Impact Assessment approved by:	Davina McCay
Position/Grade:	Grade 7
Division/Branch:	Brexit Impact Branch
Signature:	Davina McCay
Date:	16 October 2020