

Date : 01/07/2011 16:54:19

From : "Hutchinson, Peter"

To : "Iain Morrow"

Cc : "Mahmoud Abu-ebid" , "Mark Cockburn" , "Oliver Edberg" , "Jeremy Stambaugh" , "Paget Fulcher" , "Patrick Taylor" , "Connolly, Samuel"

Subject : RE: TRIM: A Renewable Heat Incentive for Northern Ireland - final report

Attachment : RHI example.xlsx;

Iain,

Thanks for this.

In terms of the example it would be useful if you could complete the attached spreadsheet that will set out exactly the expected costs of a counterfactual oil installation and a biomass boiler over the next 20 years – this will then allow us to set out clearly in the consultation document how the RHI tariff provides a return and bridges the gap between the two different technologies. Happy for you to amend the spreadsheet as necessary.

You were also going to provide a final table which included tariffs, technologies and recommended banding – grateful for this as soon as it is ready.

I will give you a call on Monday to close off any other issues.

Thanks,

Peter

Peter Hutchinson

Sustainable Energy

Department of Enterprise, Trade & Investment

Netherleigh

Massey Avenue

Belfast, BT4 2JP

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Please consider the environment - do you really need to print this e-mail?

From: Iain Morrow [mailto:Iain.Morrow@cepa.co.uk]

Sent: 29 June 2011 10:54

To: Hutchinson, Peter

Cc: Mahmoud Abu-ebid; Mark Cockburn; Oliver Edberg; Jeremy Stambaugh; Paget Fulcher; Patrick Taylor; Connolly, Samuel

Subject: RE: TRIM: A Renewable Heat Incentive for Northern Ireland - final report

Peter

OK please do give me a call if there is anything.

For biomass boilers, the subsidy is driven by the difference in the capital, operating, and fuel costs, and differences in our technology assumptions. We only provide subsidy to cover the additional capital cost of the boiler rather than the full cost, and since a conventional 50kW boiler costs just under £5000 (table A1), the additional capital cost is around £3000. Also, wood chips are cheaper than oil (see tables C5 and C3) so there can be some fuel cost saving. Hassle costs are included in the rate.

Regards

Iain Morrow

Managing Consultant

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From: Hutchinson, Peter [mailto:Peter.Hutchinson@detini.gov.uk]

Sent: 29 June 2011 10:02

To: Iain Morrow

Cc: Mahmoud Abu-ebid; Mark Cockburn; Oliver Edberg; Jeremy Stambaugh; Paget Fulcher; Patrick Taylor; Connolly, Samuel

Provided by CEPA on 17th May 2017

Annotated by RHI Inquiry

Subject: RE: TRIM: A Renewable Heat Incentive for Northern Ireland - final report

Iain,

Thanks for this, we'll take a look through and if there any further questions I will let you know but hopefully most issues will now be addressed.

One thing that caught my eye however was footnote 5 on page 10, the example that we asked you to put in. For the small commercial operator installing a 50kW biomass boiler they would expect an annual subsidy of under £400 per annum, over 20 years this would be less than £8000. The cost of a small commercial boiler would be in the region of £8000. Is this correct? Is the RHI just covering the cost of the technology and not the operating costs or non-financial hassle costs? In the same example in GB the installer might expect a subsidy of around £2000 per annum, can the gap in the two different levels be solely explained by differing fuel costs or different assumptions in the tariff-setting methodology? In the example it might also be useful to reference what the expected yearly fuel costs might be versus the counterfactual oil position?

Thanks,

Peter

Peter Hutchinson

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Please consider the environment - do you really need to print this e-mail?

From: Iain Morrow [mailto:Iain.Morrow@cepa.co.uk]

Sent: 28 June 2011 17:28

To: Hutchinson, Peter

Cc: Mahmoud Abu-ebid; Mark Cockburn; Oliver Edberg; Jeremy Stambaugh; Paget Fulcher; Patrick Taylor; Connolly, Samuel

Subject: TRIM: A Renewable Heat Incentive for Northern Ireland - final report

Dear Peter

Please find attached our final report. I hope you find it useful for your consultation later this year, and that that goes well. It has been a pleasure working for you.

Regards

Iain Morrow

Managing Consultant

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Capital Cost £/KW
 Opex £/KW
 Size KW
 Efficiency
 Lifetime (Years)
 Load factor
 Total installed cost £'000
 Fuel cost £/kWh

oil biomass

Year 0 Year 1 Year 2 Year 3 Year 4 Year 5 Year 6

Oil system

Heat Output kWh
 Capex
 Opex
 Fuel Cost
 Sub total

£0	£0	£0	£0	£0	£0	£0
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Biomass

Heat Output kWh
 Capex
 Opex
 Fuel Cost
 Hassle costs
 Sub total
 RHI subsidy

£0	£0	£0	£0	£0	£0	£0
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Year 7 Year 8 Year 9 Year 10 Year 11 Year 12 Year 13 Year 14 Year 15 Year 16 Year 17

£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
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£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
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