



**COM-00755**

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14 October 2013

Peter Briggs  
DETI  
Room 47  
Netherleigh House  
Massey Avenue  
Belfast  
BT4 2JP

Dear Peter,

### **Phase Two of the Northern Ireland Heat Incentive**

The Ulster Farmers' Union (UFU) is the largest farmer/land-owner representative organisation in Northern Ireland. With 12,500 members covering every aspect of NI agriculture and horticulture, including many farm enterprises which are intensive use of energy and heat, namely dairy, pig, poultry and mushroom sectors.

In addition to traditional farm production, the UFU are the largest single representative of small scale renewable energy/heat generators (<250kW) in NI, covering a wide range of other renewable projects including Wind, Anaerobic Digestion, Solar Thermal/PV and biomass (both feedstock production and generation).

Phase One has been deemed to be a success by the farming sector and many now see the RHI as being a sustainable solution in terms of heat generation and utilisation on their farms. The UFU would wish to see the RHI extended once the £25m is spent as it has been so well received by our membership.

### **THE DOMESTIC RHI**

#### **2.1 Do you have any comments on DETI's proposals regarding the eligibility of second homes, holiday homes, privately / social rented homes or farmhouses?**

Farmhouses – The UFU welcomes the confirmation that farmhouses will be eligible for the Domestic RHI

#### **2.2 Do you have any views on how domestic installations over 45kW should be treated?**

See below.

#### **2.3 Do you foresee any difficulty with the implementation of DETI's proposal regarding domestic installations larger the 45kW and those in excess of 100kW?**

The UFU would be concerned about the domestic installations between 45 and less than 100kW and how their incentive could be capped. The only way this could be avoided would

be by giving consideration to changing the banding from 45 to 50kW, as this would alleviate possible problems.

**2.4 Do you have any comments on the proposed list of eligible technologies?**

These seems to be consistent and straight forward with what is compatible with domestic installations.

**2.5 Regarding the less well-established technologies of air to air heat pumps and bioliquids, do you think these technologies could provide a significant contribution to the renewable heat sector and should therefore be incentivised?**

Commitment will be needed for other new technologies which are to come online shortly, this would need to be done when the next review is scheduled.

**2.6 Do you have any comments on the proposed standards relating to MCS and Oftec?**

The UFU welcomes the MCS as this is in place to protect the landowner/developer.

**2.7 Are there any technologies that are not currently being proposed for support that you feel could have a significant contribution in the development of the local renewable heat market? Please fully explain your answer.**

See 2.5

**2.8 Are you supportive of DETI's proposal to offer up front grant plus a compressed RHI payment for domestic installations?**

This is a logical proposal since at this early stage of Renewable Heat technology, such upfront grants are in place to overcome the significant capital costs which could hinder uptake.

**2.9 Do you think the proposed support levels and tariffs are appropriate for this sector? If not please explain with evidence.**

The UFU have already voiced concerns about the difference between NI and GB in terms of support. However, we will again make a call for continued support for renewable heat once the allocated budget is spent.

**2.10 If you do not think the grant plus compressed RHI option is appropriate, what is your preference for the design of the domestic RHI? Please explain fully.**

n/a

**2.11 Do agree with DETI's proposal to 'deem' heat loads in domestic properties rather than require individual heat meters?**

The UFU would support the cheaper option (deeming) if it meant resulting savings be redistributed to the overall budget and paid to domestic customers through increased support going forward.

**2.12 Do you have any comments on how heat loads in homes could be most accurately and cost effectively assessed as part of the deeming system?**

If the EPC is to be used as a way of assessment, the UFU would ask this cost is not met by the homeowner. But on the face of it, EPC is the only method available.

**2.13 Do you have any comments on the proposals relating to the need for heat meters under certain circumstances?**

The requirement for metres in these circumstances are all logical and supportable.

**2.14 Do you have any comments on the proposal to assume homes have attained a certain level of energy efficiency when deeming heat loads?**

The UFU does support the efficiency aspect of the proposals.

**2.15 Do you have comments on the administration arrangements for the domestic RHI?**

No but see below

**2.16 Do you have any views on the timings or frequency of payments?**

The UFU would prefer to have quarterly payment frequency as this would assist budgeting.

**EXPANSION OF THE NON-DOMESTIC RHI**

As far as Air-to-Air Heat Pumps are concerned, these should be considered along with thermal stores. A thermal store is a way of storing and managing renewable heat until it is needed. Wasted heat continues to be a matter for debate and storage solutions should be considered if Renewable Heat is to be sustained.

**3.1 Do you have any comments on the assumptions used to develop the large biomass tariff?**

No

**3.2 Do you have any comments on the proposed tariffs and arrangements for CHP systems, including the proposal to introduce separate tariffs for new build CHP systems and for the conversion of existing fossil fuel CHP?**

No.

**3.3 Do you agree with the proposal to introduce separate tariffs for new build CHP systems and for the conversion of existing fossil fuel CHP?**

No.

**3.4 Do you have any comments on the proposal to incentivise biomass direct air heating or the methodology for calculating payments?**

No.

**3.5 Do you have any comments on the proposed tariffs for AAHPs and AWHPs?**

No.

**3.6 Do you have a view on how the heat output of AAHPs could be determined in order to accurately calculate payment levels?**

No.

**3.7 Do you have any comments on the proposed level of support for deep geothermal energy?**

No.

**3.8 Do you think DETI should incentivise the use of heat only bioliquids boilers in the non-domestic sector and do you foresee any problems with the approach proposed by DETI?**

No.

**3.9 Do you agree with the assumption that bioliquids systems above 1MWth will be CHP or is there potential for heat only systems above 1MWth?**

No.

**3.10 Do you agree that district or community heating systems require an additional tariff uplift under the RHI scheme?**

Yes. On 31 July 2013, the UFU responded to the DECC Community Energy Call for Evidence, where we cited our support for the concept of community heating in NI. The UFU see this, in certain instances as being a way to overcome some of the structural problems being experienced by would-be generators. By producing renewable heat, landowners, as well as being able to utilise the heat on their own businesses could pass on the benefit to neighbouring housing clusters and hence the additional tariff uplift would be welcomed.

**3.11 Have you any comments on the level, design or eligibility requirements of the district heating uplift?**

The UFU believes that caution is needed so as not to exclude smaller heating projects. For the concept of district heating to work, the uplift should not include all sizes of projects. Perhaps the uplift could be tiered so as to benefit smaller projects.

**3.12 Do you foresee any difficulties in the introduction of the proposed uplift?**


Yes, if smaller projects are excluded.

**3.13 Do you have any views on the potential legal definition of district heating?**

**3.14 Do you think a challenge fund option might be more appropriate for any specific technologies or projects? Please provide a full explanation.**

The UFU would support the concept of a “challenge fund”. The UFU were consulted on the roll out of 2 Biomass Challenge Funds which were deemed to be a success. However, the idea of a CF would need to work alongside the NIRHI.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C. Osborne'.

**Chris Osborne**  
**Senior Policy Officers**