

Table One - Proposed Domestic RHI

	Installed after 1 September 2010 and without assistance under RHPP Tariff for 7 yrs (pence per kWh)	New installations and those supported under RHP	
		Up front support (£)	Tariff for 7 years (pence per kWh)
Air to Water Heat Pumps	8.1	1700	3.4
Biomass	7.9	3500	5.5
Ground Source Heat Pumps	1.3	3500	8
Solar Thermal	16.4	320	13.1
Air to Air Heat Pumps	5.5	1000	3.5
Biofuels	3.3	500	2.7

Table One - Proposed Domestic RHI

Consultation on Phase Two of NI Renewable Heat Incentive

BY CHRIS OSBORNE
Senior Policy Officer, UFU

On 22 July, the Department of Enterprise Trade and Investment (DETI) launched a public consultation on Phase Two of the Northern Ireland Renewable Heat Incentive (RHI)

Phase One was launched in November 2012 and has been utilised by many farmers in Northern Ireland. A grant scheme known as the Renewable Heat Premium Payment (RHPP) scheme has been in place since May 2012 for domestic customers.

DETI are now proposing to expand the existing RHI to include new technologies and extend the scheme to domestic consumers. The consultation also includes some proposals to revise the administrative process of the current RHI.

This consultation covers three primary areas:

1. Introduction of domestic RHI

Eligible installations commissioned since 1 September 2010 but not receiving RHPP support can apply for a domestic RHI tariff, these tariffs are set at a higher level to account for the fact that no grant has been/will be offered.

The proposed support systems and levels are detailed in Table One

1. The expansion of the non-domestic RHI

DETI propose to expand the commercial RHI to include more innovative technologies. In its expansion, DETI believe that this will assist in developing the Renewable Heat market and provide further choice for commercial operators wishing to utilise renewable heating.

New tariffs are proposed for large biomass (above 1MW); biomass and bioliquid CHP systems; biomass direct air heating; heat-only bioliquids; deep geothermal; and air source heat pumps. There is a potential introduction of an uplift tariff for district heating schemes where one boiler is providing heat to a number of premises, although this will be analysed further.

Once again, those technologies installed and commissioned from 1 September 2010 will be eligible to apply.

1. The setting standards, managing costs and improving performance section outlines proposed administration changes to the RHI. These include the implementation of standards for biomass sustainability and a new mechanism for controlling costs.

The consultation closes on 14 October and the UFU will be submitting a response based upon the impact upon the farming industry in Northern Ireland.

Table Two - Proposed Non Domestic RHI Tariffs

Technology	Year	Up front support (£)	Tariff for 7 years (pence per kWh)
Air to water heat pump	2010-2011	1700	3.4
Air to water heat pump	2012-2013	1700	3.4
Biomass	2010-2011	3500	5.5
Biomass	2012-2013	3500	5.5
Ground source heat pump	2010-2011	3500	8
Ground source heat pump	2012-2013	3500	8
Solar thermal	2010-2011	320	13.1
Solar thermal	2012-2013	320	13.1
Air to air heat pump	2010-2011	1000	3.5
Air to air heat pump	2012-2013	1000	3.5
Biofuels	2010-2011	500	2.7
Biofuels	2012-2013	500	2.7

Table Two - Proposed Non Domestic RHI Tariffs

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meets with UFU president Harry Sinclair

and unprocessed meats that haven't yet been included in the previous work pattern are to be examined.

The study will consider the costs and benefits of new labelling with a focus on the internal market and international trade.

Once the tender has been won a consultation with stakeholders, including farmers, will be launched. It is hoped that new origin labelling will mean dairy products produced in the UK, but using imported milk, will clearly state this on the label.

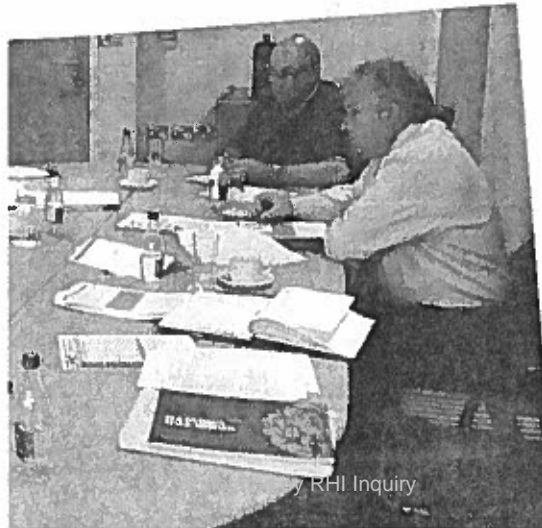
Export refund clarification

The UK and Denmark have backed the Commission's plans to slash export refunds on poultry meat to zero in a vote at the

Single CMO ManCom last week (July 18). Following the 'no opinion' vote from Member States, the Commission is set to adopt the change under its own authority.

EU signs trade deal with Peru and Columbia

A newly signed trade agreement between the EU, Colombia and Peru will open up markets and increase the stability of the trade relationship that was worth €21.1 billion in 2011, according to the European Commission. In agriculture, the deal "carefully preserves" EU strategic interests in sensitive sectors while the tariff savings for Colombian and Peruvian exporters will amount - in agriculture alone - to more than €150 million (£130m) annually.



UFU Beef and Lamb Policy Committee Chairman Robert Davidson and UFU Beef and Lamb Policy Committee Vice Chairman Crosby Cleland (both far right) meeting with Irish Farmers' Association (IFA) representatives to discuss the current beef and lamb situation.

RHI Inquiry

Phase Two of Northern Ireland Renewable Heat Incentive announced

On 22 July, DETI launched a public consultation on Phase 2 of the Northern Ireland Renewable Heat Incentive (RHI). The consultation closes on 14 October.

Phase One of the scheme was launched in November 2012 and a grant scheme known as the Renewable Heat Premium Payment (RHPP) scheme has been in place since May 2012 for domestic customers.

DETI are now proposing to expand the existing RHI to include new technologies and extend the scheme to domestic consumers. The consultation also includes some proposals to revise the administrative process of the current RHI.

This consultation covers three primary areas:

1. **Introduction of the domestic RHI** section outlines DETI's preferred approach in terms of incentive mechanism, support levels, eligibility standards and methodology for making payments. The chapter also includes discussion on other potential design options and the role that energy efficiency has within the domestic RHI.

Eligible installations commissioned since 1 September 2010 but not receiving RHPP support can apply for a domestic RHI tariff, these tariffs are set at a higher level to account for the fact that no grant has been, nor will be, offered. DETI has assessed these tariff levels and has ensured that the total lifetime support under both measures (tariff only and grant plus tariff) is equal. The proposed support systems and levels are detailed in the table below;

Domestic

	Installed after 1 September 2010 and without assistance under RHPP	New installations and those supported under RHPP	
	Tariff for 7 yrs (pence per kWh)	Up front support (£)	Tariff for 7 years (pence per kWh)
Air to Water Heat Pumps	8.1	1700	3.4
Biomass	7.9	2500	5.5
Ground Source Heat Pumps	13	3500	8
Solar Thermal	16.4	320	13.1
Air to Air Heat Pumps	5.5	1000	3.5
Bioliquids	3.3	500	2.7

2. **The expansion of the non-domestic RHI** section considers the expansion of the commercial RHI to include more innovative technologies. This will assist in developing the market and provide further choice for commercial operators wishing to utilise renewable heating.

Non Domestic

Tariff name	Size	Tariff duration (years)	NI levels (pence per kWh)
Air to air source heat pumps	< 100kWth	20	5.2
Air to water source heat pumps	< 100kWth	20	2.5
Bioliquids	< 100kWth	15	2.6
	>100kWth<1000kWth		2.1
Biomass (heat only)	<20kWth	20	6.3
	>20kWth<100kWth		6.1
	100kWth <100kWth		1.5
	>1000kWth		0.6
Biomass or bioliquid Combined Heat and Power (new sites)	All	20	3.5
Biomass or bioliquid Combined Heat and Power (conversion from fossil fuel)	All	20	1.7
Biomass Direct Air	<100kWth	20	5.1
	>100kWth<1000kWth		1.4
Biomethane	Biomethane all scales, biogas combustion <200kWth	20	3.1
Deep Geothermal	All scales	20	3.7
Ground source heat pumps (exc deep geothermal)	<20kWth	20	8.8
	>20kWth<100kWth		4.8
	>100kWth		1.3
Solar Thermal	<200kWth	20	8.8

New tariffs are proposed for large biomass (above 1MW); biomass and bioliquid CHP systems; biomass direct air heating; heat only bioliquids; deep geothermal; and air source heat pumps.

Potential introduction of an uplift tariff for district heating schemes where one boiler is providing heat to a number of premises.

Once again, those technologies installed and commissioned from 1 September 2010 will be eligible to apply.

- 3. The setting standards, managing costs and improving performance section outlines proposed administration changes to the RHI. These include the implementation of standards for biomass sustainability and a new mechanism for controlling costs.**



23 JULY 2013

TO: ALL RURAL ENTERPRISE POLICY COMMITTEE MEMBERS

Dear Member,

The Rural Enterprise Policy Committee meeting will be held on:

**THURSDAY 1 AUGUST 2013
DUNGANNON RUGBY CLUB
DUNGANNON BT71 7DS**

The Chairman urges a good attendance as the AGM will follow the Committee meeting.

COMMITTEE MEETING

1. Apologies
2. Minutes of meeting held on 13 February 2013
3. Matters Arising
4. Correspondence
5. Policy Update
6. Grid Connection and Capacity inc MATRIX Sustainable Energy Horizon update
7. Renewable Heat Stage Two Consultation
8. Rural Development Programme 2014-2020
9. Future direction of Rural Enterprise Committee
10. Any other business

COMMITTEE AGM

- Chairman's Report
- Elections
 - Chairman
 - Vice Chairman
 - Co-options
 - Environment Committee

Date of next meeting

**CHRIS OSBORNE
SECRETARY**