



RURAL ENTERPRISE COMMITTEE MINUTES

The Rural Enterprise Policy Committee met on Thursday 1 August 2013 at Dungannon Rugby Club.

ATTENDANCE: B Bell (Deputy President), G Hawkes (Chairman) R Burgess (Vice Chairman) R Campbell, D Lennox and C Osborne (Secretary).

APOLOGIES: None

MINUTES: Agreed by the Committee and signed by the Chairman.

MATTERS ARISING: None.

CORRESPONDANCE: None

COMMITTEE BUSINESS:

POLICY UPDATE

Irrelevant information redacted by the RHI Inquiry

GRID CONNECTION

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry



Irrelevant information redacted by the RHI Inquiry



**PROPOSED £81M BIOMASS POWER STATION FOR LISAHALLY, COUNTY
LONDONDERRY**

Irrelevant information redacted by the RHI Inquiry



RC commented on an excellent year and looked forward to working with colleagues for another and continue with the progress we have made in the last year.

RENEWABLE HEAT INCENTIVE STAGE TWO

Committee reminded about Down District Council and their purchase of an air-to air heat pump solution. This was bad installation and problems persist.

That aside, renewable heat is a worthwhile venture for many farmers, not just the intensive users. Noted that renewable electricity is the weakest link in terms of biomass with $\frac{3}{4}$ of what is produced is heat. Therefore and it pays the farmer to make use of the heat. In the event of a generator not having an outlet for their heat, a community energy solution would be ideal (see agenda item)

From an Agri Food Strategy Board point of view, a continued RHI could induce winter family involvement. Again, the availability of local biomass was raised. In addition, there were questions about quality and in particular willow. It has transpired that local willow is very difficult to dry. One grower noted that 35 moisture content down to 14. The only saving grace for the grower was that a North Dublin power station could burn it in a "green" state but this detracts from the point and very being of willow as a feed stock.

Question asked about solid wood as a feedstock.

Action Point 6 – Secretary to email Michael Dornan at Action Renewables.

The UFU Rural Enterprise will all for continued support for Renewable Heat, stressing that current support differs between heat and energy, one is an incentive and the other is an obligation.

RURAL DEVELOPMENT

Irrelevant information redacted by the RHI Inquiry

ADBA EVENT – BIRMINGHAM NEC – 2-3 JULY

Irrelevant information redacted by the RHI Inquiry

NEXT MEETING - beginning of October

Renewable Heat Incentive (RHI) provides excellent opportunity for Northern Ireland farmers.

Chris Osborne
Senior Policy Officer

The Northern Ireland RHI is a scheme which provides financial support to non-domestic renewable heat generators and was launched in November 2012. OFGEM are administering this scheme on behalf of the Department of Enterprise, Trade and Investment (DETI).

Potential to NI Farming Industry

Renewable heat is wrongly seen by some as not being as attractive as renewable energy; it cannot be put into a grid or a vehicle and is difficult to transport. However, the practical and potential use on local farms is possibly more sustainable than these counterparts. The RHI has the potential to be the most beneficial “renewable option” for many local farmers. It is an incentive rather than obligation which highlights its potential as a sustainable option.

Accessing Renewable Heat is bereft of the common infrastructure and practical problems associated with renewable energy, namely grid connection and costly upfront capital expenditure. Many local producers (across many sectors) are intensive users of heat powered by fossil fuels and this alternative source can be utilised on many farms for their own use only.

Eligibility

- Installation completed and first commissioned after 1st September 2010
- Plant new at the time of installation
- Must generate heat using specified sources of energy and technologies
- Accreditation is assigned to the installation at the location and not transferable.

Grants/Public Funds

- No RHI is available for installations which have received a grant or public funds
- There may be the possibility to pay the grant back in certain cases.

Payments

- Based on meter reading
- Paid quarterly and for 20 years
- Tariff –based and updated annually, based on RPI (3.1% this year)

Eligible Technologies

- solid biomass and solid biomass contained in municipal waste (including CHP);
- ground and water source heat pumps;
- geothermal (including CHP)
- solar thermal (at capacities < than 200 kWth);
- biogas combustion (except from landfill gas but in CHP with capacities <200 kWth)
- biomethane injection.

Biomass boilers, heat pumps and solar thermal with capacity <45kWth must be certified under the Microgeneration Certification Scheme.

Tariffs – 1st April 2013 onwards

Tariff name	Eligible Technologies	Size range (kW)	NI RHI tariff (pence per kWh)	Length of tariff
Biogas injection	Biomethane injection and biogas combustion, except from landfill gas	Biomethane all scales, biogas combustion less than 200kWth	3.1	20 years
Biomass boilers	Solid biomass; Municipal solid waste (inc. CHP)	Less than 20kWth	6.4	20 years
		20 kWth and above up to but not including 100 kWth	6.1	20 years
		100 kWth and above up to but not including 1000 kWth	1.5	20 years
GSHP	Including water source heat pumps and deep geothermal	Less than 20kWth	8.7	20 years
		20 kWth and above up to but not including 100 kWth	4.4	20 years
		100 kWth and above	1.3	20 years
Solar Thermal		Below 200 kWth	8.8	20 years

Differences with GB

There are two separate schemes for start. In GB their scheme started 12 months before NI, which means we are still to have a consultation on cost control and phase 2 technologies yet to be introduced. NI has a smaller budget and lower tariffs for certain technologies.

Conclusion

The UFU message is that the RHI has broken new ground and opened up a once inaccessible market and provides an excellent opportunity for local farmers. However, farmers must research the market extensively before making any decisions.

However, NI can learn from experiences in GB, where the scheme has been running for longer and to learn from their mistakes.

The second phase is still to be introduced in NI and the UFU are calling for an extension of the scheme to include further technologies, ensuring that funding is not divided up and directed to projects driving the renewable heat sector forward.

Farm Modernisation Programme - Tranche 3:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

CAP Post 2013:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

UFU Vision for 2020:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Rural Development Programme 2014-2020 DARD Draft Proposals: The Committee discussed

Irrelevant information redacted by the RHI Inquiry

LEADER Review:

Irrelevant information redacted by the RHI Inquiry

Agri-Environment-Climate Schemes:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Other Funding Sources:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Monitoring Committees:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

CHAIRMAN:**IAN BUCHANAN****SECRETARY:****AILEEN LAWSON****RURAL ENTERPRISE POLICY COMMITTEE**

The Rural Enterprise Committee has met on 3 occasions since the 2012 AGM.

Main issues addressed were:

Northern Ireland Renewable Heat Incentive (NIRHI): The NIRHI was introduced in October 2012 for small scale non-domestic generators after lobbying from the UFU and other stakeholders. In addition, DETI announced an interim payment for domestic customers in the form of the NI Renewable Heat Premium Payment (NIRHPP), a separate, complementary grant scheme to the RHI. A domestic-specific RHI is to be announced later this year. The NIRHI is a financial incentive scheme designed to increase the uptake of renewable heat technologies and reduce the

UK's carbon emissions. The following renewable heat technologies are supported initially; solid biomass and solid biomass contained in municipal waste (including CHP); ground and water source heat pumps; geothermal (including CHP); solar thermal (at capacities of less than 200 kWth); biogas combustion (except from landfill gas but inc CHP;(capacities of less than 200 kWth) and biomethane injection.

Grid Connection:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Series of Meetings with NIE:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

UFU meeting with Utility Regulator:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Planning:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

CAFRE Practical Onfarm Renewable Energy (Pofre) Events:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

DECC Call For Evidence On Wind:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

UK Union Meeting – Edinburgh – 8 March 2013

Key topics discussed included;

- GB and NI Renewable Heat Incentive
- Anaerobic Digestion in GB and NI
- Electricity Grid Connection
- Planning policy for Renewables/Permitted Development Rights
- Funding and Finance of Renewable Generation

There was agreement to meet on a regular basis to share policy ideas and share experiences.

Biomass Challenge Fund Tranche Two:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Financing Of Renewables Projects:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Energy Act Consultation:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Small-scale feed-in tariff powers:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Anaerobic Digestion and Biogas Association (ADBA) Event:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Biomass Update: Sources have confirmed that wood chip is currently £117/tonne. This is very expensive and reflects the difficult growing conditions in NI, where even the dryers are proving useless in drying the chip. It was noted that despite the recent bad weather, NI is a damp climate which is not generally ideal for growing willow.

Solar PV:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

CHAIRMAN: GARY HAWKES
SECRETARY: CHRIS OSBORNE

SEEDS & CEREALS POLICY COMMITTEE

The Seeds and Cereals Policy Committee have met on eight occasions since the Union's AGM in April 2012. Members have also participated in wider commodity and sub-group policy meetings.

Main issues discussed by the Committee were:

CAP POST 2013:

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry