



18 October 2012

Renewable Heat Branch  
Department of Enterprise Trade and Investment  
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### **UFU response to Northern Ireland Renewable Heat Incentive (NIRHI) Draft Guidance**

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, intensive use of heat is central to dairy, pig, poultry and mushroom sectors. Therefore, the Renewable Heat incentive for non-domestic sectors is of particular interest to ourselves and our membership.

The UFU responded to the official consultation on 3 October 2011 and we set out our concerns as well as our recommendations. There is much to commend and praise within the proposed Draft Guidance, in particular the amended tariff levels and bandings. A large proportion of our 3/10/12 document highlighted our concerns about the proposed tariffs and banding levels, and it was positive to see that DETI has altered these quite significantly and we feel that we will be able to work with these and they will be of real value to our members.

In addition, we welcome the acknowledgement that further technologies will be considered in the next phase of the NIRHI development.

However, the UFU does wish to raise specific areas of concerns contained within the guidance;

#### **Chapter Six - Heat Issues**

##### **- Paragraph 6.10**

The UFU are concerned about the exclusion of temporary structures. As such poly-tunnels are not eligible for the RHI. They are excluded on the basis that they are not "permanent or long lasting building or structure". Yet, plastic covered structures on a permanent site are often considered to be permanent by Planners and have a life-span far exceeding the 2 years which is suggested in Paragraph 6.9 of the draft guidance.

Such structures maybe heated to extend the growing season, which is a priority of our sector for obvious reasons.

Mushroom production in Northern Ireland is based almost exclusively in plastic (polythene) double-skin insulated buildings with a steel hoop structural frame and on a concrete base. These

are subject to planning consents and so are to all intents and purposes “permanent buildings”. This industry is worth c.£20million to Northern Ireland economy. It is a major user of heat and well suited to using renewable heat. It is imperative that such structures and these businesses are considered eligible for the RHI in NI.

Therefore, the UFU are requesting that structures such as mushroom houses and plastic covered horticulture houses on permanent sites need to be included within the category of eligible buildings for the RHI.

### **Chapter Seven - Metering Eligibility Requirements**

- Paragraph 7.39 and 7.56 to 7.60 – “Simple and complex metering requirements”.

The requirement in 7.39 is very specific, stating that where heat is produced in one building and used in another and/or used in a number of buildings, “multiple metering” of each building will be required, even if the heat is transported only a short distance and/or is transported underground.

This will have major implications for biomass users. The boiler is often housed separately from the point of use (usually for logistical and health and safety reasons).

The mushroom industry, as described above, is typically based in multiple houses on a single site, allowing continuity of supply with houses on different production cycles. Typically, mushroom units will have 8-12 houses, with heat supplied from a single boiler (100 – 150kWth) fed through an insulated underground pipeline.

The UFU’s concern would be that if paragraph 7.39 is applied literally, these units will be faced with having up to 13 meters (one on each house and one on the boiler) and returns will be made for each of these meters. Our main concern is this could apply to the wider farming industry, encapsulating multiple glasshouses and pig/poultry units fed from a central boiler.

Hence, the UFU will urge that each farming enterprise is considered on a case by case basis.

The very nature of farming in Northern Ireland is that the majority of businesses are run as small sole traders and this needs to be taken into consideration.

As far as the individual specific questions are concerned;

1. Do the guidance documents adequately outline the proposed administration arrangement of the NIRHI?

The Guidance clearly sets out eligibility, pre-application guidance, how to apply, on-going obligations and payment details.

2. Are the guidance documents clear on the roles and responsibilities for (i) DETI, (ii) OFGEM and (iii) those participating in the scheme