

# UFU WATCH

News, views and analysis from the Ulster Farmers' Union

## Commodity Watch

Tariff Name	Eligible Technology in NI	Installation Capacity NI	NI Tariff Rate (pence kWh)
Air Source Heat Pumps		<45kWth	3.3
Ground Source Heat Pumps	Inc water source heat pumps and deep geothermal	<45kWth >45 kWth (exc. Industry scale)	4 0.9
Bioliquids		<45 kWth	1.5
Biomass	Solid Biomass, municipal solid waste, inc CHP	<45 kWth > 45 kWth (exc. Industry scale)	4.5 1.3
Biomethane	Biomethane injection and biogas combustion (except from landfill gas)	Biomethane Biogas Combustion <200 kWth	2.5
Solar Thermal	Solar Thermal	<200 kWth	8.5

## UFU County Antrim annual dinner and cabaret night

## Development of

The Ulster Farmers' Union have been invited to reply to a Department of Enterprise, Trade and Investment (DETI) consultation on the development of a Renewable Heat Initiative in Northern Ireland.

The Strategic Energy Framework set the target that 10% of Northern Ireland's heat should come from Renewable sources by 2020. The Northern Ireland land-based sector has a key role to play in the growth of the renewable heat market and there are potential opportunities for our members. Many of our members are intensive users of heat on-farm and have the potential to be the generators of renewable heat through biomass crop production.

Northern Ireland Renewable Heat Incentive (NI RHI) - the key principles are;

£25m in NI, ring-fenced - phased in over 4 years; £2m 2011/2012; £4m 2012/2013; £7m 2013/2014 and £12m 2014/2015;

NI RHI will be funded from central Government funds;

OFGEM will oversee NI RHI; application, accreditation of installations, make payments, as well as monitor compliance;

NI RHI will be available to those in the non-domestic market;

NI RHI will support new renewable heat installations commissioned after 1 September 2010;

NI RHI to be in place 1 April 2012;

Small and Medium-size installations (up to and including 45kWth) installers and

equipment must MCS accredited - ensure quality assurance consumer protection;





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## Renewable Heat Incentive

Payments will be made on a quarterly basis and tariffs will be grandfathered; Eligible technologies are; Gaseous biomass  
Bioliquids  
Solar Thermal  
Air-Source Heat Pumps  
Ground-Source Heat Pumps  
On-site biogas  
Geothermal  
Energy from waste  
Injection of biomethane into the grid  
No support for Anaerobic Digestion, see below;

DETI concluded that AD generators are already in receipt of ROCs for renewable electricity generated and should not be eligible for the NI RHI, due to the danger of "over-incentivisation" and would not represent "additionality" or value for money.

DETI believe that the development of AD systems is already viable because

of the existing ROC levels they receive. However, an encouraging point is that for heat-only AD systems, that do not receive ROCs, the relevant RHI tariff level will be available. The UFU will be looking into this further.

Tariff levels in Northern Ireland  
Tariff levels in NI devised to bridge the financial gap between conventional heating system and renewable heating technologies

Tariffs designed to address capital costs, ongoing operating costs and "non-financial hassle costs"

UFU will be providing a detailed analysis of these proposed tariffs in the Consultation response and what they will mean for landowners.

In addition, there is to be support for the domestic sector in NI;

Interim Support for the Domestic Market in Northern Ireland  
Domestic Renewable Heat Premium

Payments (RHPP) available for new installations commissioned September 2010 onwards

Existing gas customers (of any house type) will not be eligible for the RHPPs  
All installations must be certified under the MCS

Longer term support in form of domestic RHI will be available in October 2012. Those who avail of the RHPP will be able to apply for the domestic RHI but this may be reduced to ensure that over-incentivisation does not occur.

UFU position - The UFU are currently preparing a response to the consultation. From the outset, the UFU have welcomed initial moves to incentivise the generation of heat from renewable sources but we are concerned at this stage at some of the content and this will be reflected in our response

## New EU code to fight the food chain bullies

THE UFU, along with the other UK Farming Unions, has lauded ambitious plans to develop a European-wide code of practice to fight food chain bullies. The Principles of Good Practice paper has been drawn-up by a high-level group of stakeholders which includes farmers, manufacturers and retailer representatives from across the European Union.

The UK farming unions have played a vital role in devising the paper which was presented to European Commission officials this week by Copa-Cogeca, the European farmers' organisation.

UFU President John Thompson said: "This paper is good news for farmers and I am pleased that this European food chain partnership has come together to address the unfair commercial

responds to the needs of the new CAP" The paper, which calls for an end to threatening behaviour from contracting parties in favour of fair contract terms, will be formally considered by the European Commission's High Level Forum for a Better Functioning Food Supply Chain in November. It is hoped it will then form the basis of legislative proposals. Mr Thompson continued; "It is good to see positive steps being taken to improve the functioning of the food supply chain. The UFU has been a part of this process from the outset and is committed to helping to shape a better future for farmers." The paper comes hot on the heels of the Commission's proposal to improve contractual

Technology	Support per unit (£) (detached dwelling)	Support per unit (£) (other dwelling)
Air-Source Heat Pump	1860	1170
Biomass Boiler	2580	1620
Ground-Source Heat Pump	2250	1410

## Development of Renewable Heat Incentive in Northern Ireland

**Introduction** – The Ulster Farmers’ Union have been invited to reply to a Department of Enterprise, Trade and Investment (DETI) consultation on the development of a Renewable Heat Initiative in Northern Ireland.

**Background** – The Strategic Energy Framework set the target that 10% of Northern Ireland’s heat should come from Renewable sources by 2020. The Northern Ireland land-based sector has a key role to play in the growth of the renewable heat market and there are potential opportunities for our members. Many of our members are intensive users of heat on-farm and have the potential to be the generators of renewable heat through biomass crop production.

**Northern Ireland Renewable Heat Incentive (NI RHI) – the key principles are;**

- £25m in NI, ring-fenced – phased in over 4 years; £2m 2011/2012; £4m 2012/2013; £7m 2013/2014 and £12m 2014/2015);
- NI RHI will be funded from central Government funds;
- OFGEM will oversee NI RHI; application, accreditation of installations, make payments, as well as monitor compliance;
- NI RHI will be available to those in the non-domestic market;
- NI RHI will support new renewable heat installations commissioned after 1 September 2010;
- NI RHI to be in place 1 April 2012;
- Small and Medium-sized installations (up to and including 45kWth) installers and equipment must MCS accredited – ensure quality assurance and consumer protection;
- Payments will be made on a quarterly basis and tariffs will be grandfathered;

**Eligible technologies are;**

- Gaseous biomass
- Bioliquids
- Solar Thermal
- Air-Source Heat Pumps
- Ground-Source Heat Pumps
- On-site biogas
- Geothermal
- Energy from waste
- Injection of biomethane into the grid

**No support for Anaerobic Digestion, see below;**

- DETI concluded that AD generators are already in receipt of ROCs for renewable electricity generated and should not be eligible for the NI RHI, due to the danger “over-incentivisation” and would not represent “additionality” or value for money.
- DETI believe that the development of AD systems is already viable because of the existing ROC levels they receive.

However, an encouraging point is that for heat-only AD systems, that do not receive ROCs, the relevant RHI tariff level will be available. The UFU will be looking into this further.

- **Tariff levels in Northern Ireland**

- Tariff levels in NI devised to bridge the financial gap between conventional heating system and renewable heating technologies
- Tariffs designed to address capital costs, ongoing operating costs and “non-financial hassle costs”

Tariff Name	Eligible Technology in NI	Installation Capacity NI	NI Tariff Rate (pence/kWh)
Air Source Heat Pumps		< 45kWth	3.3
Ground Source Heat Pumps	Inc water source heat pumps and deep geothermal	< 45 kWth >45 kWth (exc. Industry scale)	4 0.9
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Solar Thermal	Solar thermal	< 200 kWth	8.5

UFU will be providing a detailed analysis of these proposed tariffs in the Consultation response and what they will mean for landowners.

In addition, there is to be support for the domestic sector in NI;

#### Interim Support for the Domestic Market in Northern Ireland

- Domestic Renewable Heat Premium Payments (RHPP) available for new installations commissioned September 2010 onwards
- Existing gas customers (of any house type) will not be eligible for the RHPPs
- All installations must be certified under the MCS

Technology	Support per unit (£) (detached dwelling)	Support per unit (£) (other dwelling)
<b>Air-Source Heat Pump</b>	<b>1860</b>	<b>1170</b>
<b>Biomass Boiler</b>	<b>2580</b>	<b>1620</b>
<b>Ground-Source Heat Pump</b>	<b>2250</b>	<b>1410</b>
<b>Solar Thermal</b>	<b>480</b>	<b>480</b>

- Longer term support in form of domestic RHI will be available in October 2012. Those who avail of the RHPP will be able to apply for the domestic RHI but this may be reduced to ensure that over-incentivisation does not occur.

**UFU position** – The UFU are currently preparing a response to the consultation. From the outset, the UFU have welcomed initial moves to incentivise the generation of heat from renewable sources but we are concerned at this stage at some of the content and this will be reflected in our response