

From the Office of the Minister
Michelle O'Neill MLA



COM-01031

Department of

**Agriculture and
Rural Development**

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AN ROINN

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Your Ref:

07 July 2015

Mr Gary Hawkes
Rural Enterprise Chairman
Ulster Farmers Union
475 Antrim Road
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Gary, a chara

Thank you for your letter dated 11 June 2015.

Grid Connection

I note and share the frustration with the on-going problems your members are encountering surrounding the grid connection issue. I am acutely aware of the difficulties being experienced in the delivery of many small scale renewable energy projects because of the grid limitations.

This is an issue in which I take a keen interest. I have previously visited a proposed farm scale Anaerobic Digester site to hold direct talks with NIE and the promoter on this matter.

I have also met with members of the Down District Farmers for Renewable Energy Group who explained to me their vision for a micro grid; with the current grid system coming under increasing pressure, innovative energy storage systems could be a key component in allowing farmers to continue to further develop renewable energy technologies on their farms.

My Department will as far as possible provide support to groups such as DDFRE, but the facilitation of selling of energy is for each group to consider.

I understand that the Department Enterprise, Trade and Investment (DETI) has met with the Regulator, NIE and System Operator for the north of Ireland (SONI) to impress upon them the need to address these grid issues. But it would appear there are no easy answers and any solutions involving additional investment will obviously impact on consumer bills.

Renewable Obligations

As you will be aware, DETI lead on all energy matters in the north. It is my understanding that it had been DETI's intention for the north to be included in the existing British small scale Feed-In Tariff (FIT) mechanism following closure of the NI Renewables Obligation (NIRO) in 2017.

However, the Department of Energy and Climate Change (DECC) is now undertaking a review of the FIT and the outcome of this must be awaited. DECC has committed to including the north in the review, however, there is no commitment to include the north following the review, the outcome of which will not be known until much later this year.

The DECC Secretary of State did announce on 18 June the early closure of the Renewables Obligation across Britain to onshore wind from 1 April 2016. However, the DETI Minister has since assured the onshore wind industry that he has no intention of following the DECC lead in this regard and that the NIRO will close to all technologies in 2017 as previously stated.

Rates Revaluation

Due to the transformation of the renewable energy sector since 2003 (the last time Revaluation took place) rates have substantially increased and renewable energy generation is now assessed on the same basis as other energy generation.

There was no formal consultation in 2013 by Land and Property Services (LPS) on small scale renewables with DARD prior to the Revaluation. LPS did consult with NI Renewables Industry Group (NIRIG) and operators, consultants and developers from within the renewables industry.

The UFU may want to engage directly with Land & Property Services (LPS) by submitting an appeal application to the District Valuer where they feel this is required. This will provide individual operators with an opportunity to explain why they believe a Net Annual Value (NAV) to be incorrect and to provide any information and evidence they wish to put forward in support of an application.

DARD Renewable Energy Action Plan

Local Renewable Energy policy is heavily influenced by EU policy and the costs of RE incentives are borne by all consumers. These factors influence how RE is supported. However, I recognise that the land-based sector can have a role to play in the generation and utilisation of renewable energy.

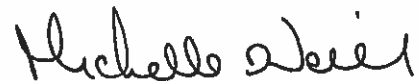
The Renewable Energy Action Plan (REAP) which is encompassed within OFMDFM's Sustainable Development Strategy, as well as DETI's Strategic Energy Framework and Sustainable Energy Action Plan is my departments plan to support the agriculture and forestry sectors to contribute to and benefit from opportunities associated with the development of renewable energy for increased competitiveness, energy security and mitigation and reduction of greenhouse gas emissions.

The REAP was developed in 2010. A number of parties, including the UFU, were involved in its development. The subsequent review took place in 2012, under the direction of the Renewable Energy External Stakeholder Group (REESG), also with input from the UFU. Actions from the REAP such as the Practical on-farm Renewable Energy events have been key to ensuring that RE technologies have contributed to the evidence base used to develop the Departments' approach to research, innovation and the application of renewable technology in the land based sector. The Biomass Processing Challenge Fund, a further part of my policy approach, has also resulted in on-farm capacity and demonstration of RE installations.

DARD will incorporate appropriate RE actions within the upcoming GHG Action Plan, however it needs to be appreciated that in the intervening period the sector has changed as has the overall policy context and local circumstances. This being the case I must stress that my department simply cannot guarantee a successful commercial outcome for every farmer who contemplates the installation of a renewable energy technology. Rather the training and guidance offered by my department, at events such as POFRE and other CAFRE courses, will highlight all potential advantages and disadvantages associated with on-farm renewable energy projects and allow farmers to make informed decision based on what is best for their particular business and its location.

I trust this response demonstrates my commitment to the sector and provides you and your membership with reassurance that I still see Renewable Energy as an integral part of departmental policy on lowering the carbon footprint of local food production alongside better nutrient and livestock management.

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Minister of Agriculture and Rural Development