

Christopher Osborne

From: Tom Elliott [Personal information redacted by the RHI Inquiry]
Sent: 21 October 2015 08:32
To: Christopher Osborne
Subject: Re: Renewable obligation response

Chris

Margaret Ritchie had a brief chat with Amber Rudd yesterday evening outside the Chamber and she wants the UFU response to the consultation to read and meet us early next week, Margaret did say she wasn't very positive about the matter, can you email me the UFU response

Tom

From: [Christopher Osborne](#)
Sent: Tuesday, October 20, 2015 8:24 AM
To: [Tom Elliott](#)

1

Subject: RE: Renewable obligation response

Good morning Tom,.

Any word from Amber Rudds office? We are due to make a Freedom of Information request later today regarding DETIs communication with DECC and looking further at possible grounds for a Judicial Review.

Many thanks

C

From: Tom Elliott [mailto: [Personal information redacted by the RHI Inquiry]]
Sent: 14 October 2015 23:41
To: Christopher Osborne
Subject: Renewable obligation response



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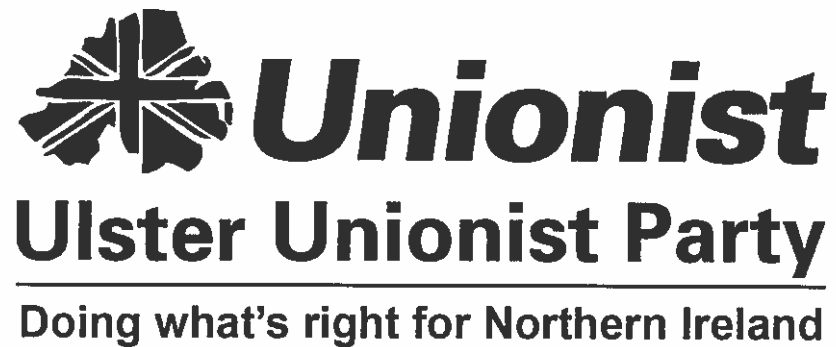
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**Consultation response on the closure of NI Renewables
Obligation to new onshore wind projects from 1 April 2016**

14 October 2015

Renewable Electricity Branch
Department of Enterprise, Trade and Investment
Netherleigh
Massey Avenue
BELFAST
BT4 2JP

NIRO2015@detini.gov.uk

Dear Sir/ Madam,

Re: Closure of NI Renewables Obligation to new onshore wind projects from 1 April 2016

On behalf of the Ulster Unionist Party I welcome the opportunity to respond to the consultation on the revised proposals for closure of the Northern Ireland Renewable Obligation schemes to new onshore wind projects from 1 April 2016.

On 5 June 2015 my immediate predecessor as Ulster Unionist Party economy spokesperson Danny Kinahan, now MP for South Antrim, received an answer to his question "*what plans his Department has to phase out Renewables Obligation Certificates.*" (AQW 46816/11-15)

The Ministerial answer received was, "*It is my intention to close the Northern Ireland Renewables Obligation (NIRO) to new generation from 1 April 2017. My Department has recently sought views on the closure of the NIRO and associated exceptions to closure, known as grace periods. I hope to publish a consultation response shortly.*"

Later in the same month, with the change of Government at Westminster, policy regarding subsidies available for on shore wind turbines and wind farms changed. The Department for Energy and Climate Change announced that subsidies were being phased out earlier than expected. The Secretary of State Amber Rudd MP announced that, in the rest of the UK, the Renewables Obligation (RO) subsidy for onshore wind will end on 1 April 2016, instead of 2017.

Here in Northern Ireland, Minister Bell issued a press release on 18 June, emphatically stating, '*I want to make it clear now however that I do not intend to follow the Westminster government's policy to close the existing scheme early.*'

On 28 September 2015 Minister Bell brought the Renewable Obligation Closure Order to the floor of the Assembly. This was in relation to non-wind sources, but during the debate he said:

"It has been my aim to bring the NIRO to an orderly conclusion in a way that maximises renewable deployment in Northern Ireland at least cost to the consumer... we have had to take account of the UK Government's changing policy regarding onshore wind. I wanted to give certainty to all developers..."

Two days later, the Minister launched this two week consultation on the closure of the Renewable Obligation Certificates (ROCs) scheme. It is proposed that the ROCs scheme will close for new onshore wind projects from 1 April 2016 to mirror what will happen in the rest of the UK.

This represents a complete volte -face in policy terms, in relation to the statement of 18 June, and even the reassurances given by the Minister in the Assembly on 28 September and quoted above. It is clear that the changes in policy have given anything but certainty to the renewable energy sector.

Energy prices are a major concern for domestic and non-domestic consumers alike. This is used in this consultation document as justification for abandoning the Minister's previous position of not following the new DECC policy. Point 2.3 of the document, states, "*It is estimated that this would add around £5 to a domestic bill per annum for the 20 year period and approximately £10,000 on a Large Energy Users bill...costs could be higher.*" Surely given the importance of this issue, some information should be provided to explain where these 'estimated' figures come from.

The cost implications of renewable energy policy must be a priority, however I am aware that individual farmers have spent up to £10,000 attempting to get a single wind turbine up on their land, based on the previous policy which was so emphatically stated by the Minister in June. Investments have been made on the basis of the previously published NIRO closure timeline of 1 April 2017.

It is generally well understood that the system of Renewable Obligation Certificates which have been used to encourage renewable energy projects, have to be phased out. However the way this has been done in Northern Ireland is an example of bad government. In terms of policy we need clarity and certainty, rather than U turns and prevarication at the top of the Department of Enterprise, Trade and Investment.

In terms of the details of the proposed new policy, the consultation document suggests closure of NIRO from 1 April 2016 to new onshore wind projects which do not meet specific eligibility criteria. One aspect which does not seem to have been taken fully into consideration is the fact that onshore wind energy projects have had a long standing issue with NIE about grid connection. It was only as recently as 30 July 2015 that the Energy Regulator ruled that NIE did not have to wait until full planning permission was given to projects before processing grid applications. In the rest of the United Kingdom, there was no requirement for planning consent to be in place before a grid connection was applied for. Obviously the previous situation had the effect of significantly slowing down the development of individual projects in Northern Ireland.

In the interests of fairness and equity, and because of the short notice and tight timeframe, I believe the following suggestions should be given serious consideration:

The grace period eligibility should apply for all planning applications who had made an application for grid connection and which were in the system as of 30 September 2015. Alternatively projects which meet the qualifying eligibility criteria and which should connect by 31 March 2017, but are unavoidably delayed, should have a one year grace period extended to 31 March 2018.

To conclude, I can only repeat the question I submitted to DETI Question Time on 24 September. Unfortunately the Minister was not present to answer it, but it still deserves an answer:

"To ask the Minister of Enterprise, Trade and Investment, given the cessation of the Northern Ireland Renewables Obligation scheme, for an update on incentives for renewable energy projects".

Yours sincerely,

Adrian Cochrane-Watson
Ulster Unionist Party ETI Spokesperson