

ULSTER FARMERS' UNION NEWS RELEASE



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UFU calls for 100% Rural Development Programme energy export requirement to be removed

The Ulster Farmers' Union have written to the Department of Agriculture and Rural Development (DARD) stressing concerns faced with the applications for capital funding for the construction of renewable generation installations under the current Northern Ireland Rural Development Programme (NIRDP) Farm Diversification 3.1 measure.

UFU President Harry Sinclair said; "Currently under the Farm Diversification 3.1 measure farmers can apply for a grant aid of up to 50%, to a maximum grant level of £50,000, to help with the funding of stand-alone renewable energy projects. When this scheme was put in place we believed that it would go a long way towards helping address the significant upfront capital costs which these projects face. However, the requirement that in order to be eligible for funding, the applicant would have to sell 100% of the energy output to a third party has caused serious problems for many.

"When this proviso was put in place, DARD informed us that this requirement was needed to satisfy EU State Aid Rules which state that Axis 3 energy cannot be used to reduce the running costs of a farm business and can only be used to supplement the income of the farm family. While this rule only applies for the first 5 years from installation after which farmers can use the electricity on their own farm, we believe that DARD did not recognise the impracticalities that this proviso would cause.

Harry continued; "We have been inundated with calls from members who are experiencing problems with this 100% export requirement and we feel that this situation could be resolved if this was lifted. In our letter to Minister O'Neill we have raised our concerns regarding this issue and ask that she make a request to the EU to have the export only stipulation removed from any such funding applications which we already understand will not be a requirement under the next Rural Development Programme. By removing this requirement it will not only ease the problems being faced by many farmers at present but it will also allow them to make use of the electricity that they produce which should encourage more farmers to apply for this type of funding."

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Personal information redacted by
the RHI Inquiry

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