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From: David Mark  
Sent: Fri 7/15/2016 2:45:16 PM  
Importance: Normal  
Subject: Biomass Boiler 99kWh un capped John McAuley Rock  
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I spoke to John – he as a third 99kWh boiler which he has set up to dry grain (I think his original plan was to dry wood chip which is **sometimes** seen as a quick “cheat” to produce heat to get RHI!)

He would like to sell the boiler with the accreditation – however what he thinks its worth and what a buyer would pay for it may be very different – also for Moy Park I guess trying to value the opportunity value of the RHI would be challenging and it involved scarce capital.

I put it to him that if he retained ownership of the boiler but leased it to Moy Park under an ESCO (Energy Supply Contract) it may look something like this:

He installs the Boiler in our Boiler house

We link it up to a separate hydraulic system doing a specific heating duty

We purchase the pellets

We use the boiler to produce say 500,000 kWh per year

He enters into a boiler maintenance contract with supplier based on hours run (Kwh produced) and pays for same

He will get 500,000 by £0.064 per kWh = £32,000 pa

Maintenance will cost £2,000

He rebates us £0.030 per kWh our net income £15,000

He earns £15,000

His purchase cost c£45,000 return £15,000 pa

(Just for comparison if someone was just producing heat to get RHI which while illegal is also not a great idea – would earn after purchasing the fuel to produce the RHI no more than £15,000 pa!

We need to consider how to move this forward

David

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