

Email Message

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Subject: Renewable Heat Incentive

Nigel / Cathal

As you may aware (Cathal Ive spoken to you about it), we are presently trying to work out how tranche 2 of the BPCF (opening 10th September) will interact with the forthcoming Renewable Heat Incentive (RHI). Were meeting with DETI next week to try to come to some sort of an agreed position or at the very least to convince DETI to row back on their present stance that those who receive capital grant will be ineligible for the RHI. In preparation, Ive done some basic calculations to try to ascertain how lucrative the RHI will be for on-farm boilers. Ive used 2 examples from BPCF projects and was wondering if you could have a look at these to see if you agree with my methodology and / or results.

Example One

Boiler 120 kW rated output

Cost approx £60,000

As this boiler is rated over 100kWth the tariff is only 1.5p

So 451777kWh of thermal heat (estimated output as per their Letter of Offer) at 1.5p per kWh;

£6,777 per year

Im then assuming 65% efficiency on the basis that around 35% of the heat will be used up by the boiler itself (Is this assumption correct or even close?)

That leaves a possible RHI payment of £4,405 per year for 20 years

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