

**From:** [Clydesdale, Alison](#)  
**To:** [Hepper, Fiona](#)  
**Cc:** [Hutchinson, Peter](#); [Dolaghan, Paul](#)  
**Subject:** FW: Draft Renewable Heat Study - For your consideration and comment  
**Date:** 02 June 2010 15:43:00  
**Attachments:** [100304 - NI Renewable Heat Report DRAFT FINAL - V04 - Copy to Steering Group.doc](#)  
[FW additional info requested by Andrew - \(DETI SUB 1732010\) re Update on Renewable Heat Study. .msg](#)  
[SUB 173 Andrews comments.pdf](#)  
**Sensitivity:** Confidential

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Fiona

I haven't briefed you on renewable heat yet - and you may consider that it needs a separate session, but I wanted to give you a quick update ahead of tomorrows branch meeting.

The need for a renewable heat target is derived from the Renewable Energy Directive - the GB response is the renewable heat incentive that GB are currently legislating for.

We have almost completed a study into the potential for renewable heat in Northern Ireland - the almost final version has just been sent around the steering group (which jenny chaired) for comment prior to it going to the Minister - copy attached for your information.

The recommendations overlap with some of the bio energy work and further work is needed on the economics of incentivising heat.

We have been signalling for some time that the SEF will send a message to the heat market - the renewable heat industry here is currently disadvantaged - the recent announcement in GB for retrospective support (through the renewable heat incentive) for heat projects from July 2009 has allowed the industry to keep going in GB - because our Minister has not yet signalled a similar intent the industry here is seeing a real slow down and people are not placing orders for biomass boilers because our position on incentivisation is not yet clear.

At present the GB market offers a more competitive environment for renewable heat projects as they have signalled long term support.

The original intent was to fund the RHI from a UK wide fossil fuel levy - although we are awaiting clarification on this in the budget. Budgetary cover is an issue going forward - made more difficult by the fact that it would be hard to estimate what the level of take up would be of an RHI type of scheme.

I attach the most recent briefing that went to the Minister - you will see Andrew's comments and my reply. We can discuss more tomorrow but thought this was useful background meantime.

Would you be content for the report in its current form to be forwarded to Andrew - particularly as the SEF has significant references to renewable heat ?

Alison

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