

**From:** [Katy Read](#)  
**To:** [Hughes, Seamus](#)  
**Subject:** RE: NI RHI - Phase 2 Review  
**Date:** 09 July 2015 12:13:23

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Hi Seamus,

As promised, the conclusion of the paper we wrote for DECC on multiple heating systems:

NDRHI team found out the reasons of why those behaviours are allowed by the current Regulations; the Reg. 14 (2) says:

“Where two or more plants  
(b) form part of the same heating system, [...]

[...]

Those plants (the “component plants”) are to be regarded as a single plant [...]

The Reg. 2 “Interpretation” provides the definitions of all the relevant wording stated in the Regulations but both the “heating system” and “component plants” ones are not included. At the moment there are only the NDRHI team operational definitions of “heating system” and “component plants” which defines the heating system as any thermal equipment hydraulically linked that provided eligible or/and ineligible heat to eligible or/and ineligible uses, as approved by the legal team according to the Regulations.

The main point is “hydraulically” linked and those amendments splitting the existing heating system into two different hydraulically separated systems, but related to the “same” eligible use, is not against the operational definition of “heating system”.

NDRHI team’s proposal is to consider adding in the next Regs Amendments the following:

- the definition of “heating system”
- the definition of “component plants”
- an eligibility requirement related to the expected heat load of the eligible uses part of the application

These definitions could cover the current lack in the Regulations and avoid gaming related to creating multiple heating systems on the same site in the future.

Best wishes,

Katy

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**From:** Hughes, Seamus [mailto:Seamus.Hughes@detini.gov.uk]  
**Sent:** 09 July 2015 09:14  
**To:** Katy Read  
**Subject:** RE: NI RHI - Phase 2 Review

Katy

Thanks, I am in the office all day.

Regards

Seamus

**Seamus Hughes**

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**From:** Katy Read [<mailto:Katy.Read@ofgem.gov.uk>]  
**Sent:** 08 July 2015 17:44  
**To:** Hughes, Seamus  
**Cc:** Wightman, Stuart; Willis, Adele  
**Subject:** RE: NI RHI - Phase 2 Review

Hi Seamus,

I'm very sorry I haven't managed to get back to you today on this. I'll give you a call tomorrow.

Best wishes,

Katy

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**From:** Hughes, Seamus [<mailto:Seamus.Hughes@detini.gov.uk>]  
**Sent:** 08 July 2015 13:55  
**To:** Katy Read  
**Cc:** Wightman, Stuart; Willis, Adele  
**Subject:** NI RHI - Phase 2 Review

Katy

I phoned earlier and left a voicemail and just following up now by email. Some time ago Nadia Carpenter and I discussed the issue of multiple boilers being potentially accredited as separate installations under the current RHI regulations, and as I understand things as they stand Ofgem interprets the position to be that unless multiple boilers are hydraulically linked they are considered to be separate systems and each eligible for RHI?

This was never the policy intent and I understand that there is a similar situation with the GB scheme. I spoke with Stacey this morning and she informs me the GB scheme has not been amended to address this issue and she is unaware of any imminent changes in this regard.

Our take on the NI Regulations as they stand,(to be confirmed with our solicitors), is that a change to define a heating system would address the loophole and we are proposing a form of words along the lines below for the interpretation in our new amendment regs.

**Heating System**

**“For the purposes of the non domestic Renewable Heat Incentive Scheme all**

**plant in a given building providing heat forms part of the heating system regardless of whether or not hydraulically linked or stand alone”.**

I would welcome your thoughts on this suggestion and also any update you may have on anything DECC might be doing to address the issue.

On another point I would welcome your views on the proposed tariff tier peak hours of 1314 that we are proposing under the phase 2 changes. We are considering if in implementing this tier we should apply the cap in kWh's as opposed to straight operating hours and wonder if this would pose any difficulty for Ofgem in administering the scheme?

Many thanks

Regards

Seamus

## **Seamus Hughes**

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