

Energy



From: Stuart Wightman
Energy Division

Date: 6 November 2015

Copy Distribution List Below

To: 1. Timothy Cairns
2. Jonathan Bell MLA

**THE RENEWABLE HEAT INCENTIVE SCHEMES (AMENDMENT) REGULATIONS
(NORTHERN IRELAND) 2015**

Issue:	Scheduling the 'Motion for Approval' for the draft Renewable Heat Incentive Schemes (Amendment) Regulations (Northern Ireland) 2015.
Timing:	Urgent – signed motion needed by 13 November.
Need for referral to the Executive:	There is no requirement for formal approval from the Executive. The attached Ministerial colleagues' letter will formally notify Executive Ministers of your intention to bring forward legislation in this area.
Presentational Issues:	The cost control measures for biomass may attract some negative publicity.
Freedom of Information:	Not discloseable.
PfG Implications:	PfG interim target of 4% renewable heat by 2015 and 10% SEF target by 2020.
Financial Implications:	Funding for scheme payments is via AME. An unprecedented surge in Non Domestic applications over the past 12 months has seen forecast RHI expenditure increase from £11.6m to £24m. The proposed tariff changes will help manage future costs.
Legislation Implications:	The draft Statutory Rule requires affirmative resolution of the Assembly.
Statutory Equality Obligations:	Screened out.

Recommendation:

That you:

- Sign the attached Motion for Approval form (**Annex A**) and return it to Energy Division;
- Issue the draft letter to Ministerial colleagues attached at **Annex B**; and
- Note that Assembly debate is provisionally planned for 17 November 2015.

Background

1. The draft Renewable Heat Incentive Schemes (Amendment) Regulations (Northern Ireland) 2015 will make changes to the RHI scheme to provide for new tariffs for combined Heat and Power installations and introduce cost control measures.

Financial Approvals

2. The cost control measures are necessary to manage scheme costs in light of an unprecedented uptake by the poultry industry. They are also part of a series of measures necessary to obtain DFP funding approval for the scheme. DFP has now given prospective approval on the basis of certain conditions. A separate submission on this will follow.

Legislative Process

3. You cleared the final policy for these changes on 3 September 2015 (sub 1075-2015). The ETI Committee has approved the policy (SL1) at its meeting on 8 September 2015 and Departmental Solicitors have approved draft regulations. Following this the draft Regulations will be considered by the ETI Committee (we assume this will be 17 November). The attached Motion for Approval will then be submitted with the expectation that debate will take place on 17 November. The Regulations will come into force on 18 November subject to Assembly approval.

Recommendation

4. That you:
- Sign the attached Motion for Approval form (**Annex A**) and return it to Energy Division;
 - Issue the draft letter to Ministerial colleagues attached at **Annex B**; and
 - Note that Assembly debate is provisionally planned for 17 November 2015.

STUART WIGHTMAN
ENERGY DIVISION
Tel: 028 9052 9425

Distribution List

cc: Andrew McCormick
Chris Stewart
Rod Robson
Ian McCrea MLA APS
Seamus Hughes
Sean Kerr
Press Office
John Murray



MOTION FOR APPROVAL

To: **Assembly Business Office**

That the draft Renewable Heat Incentive Schemes (Amendment) Regulations (Northern Ireland) 2015 be approved.

Jonathan Bell MLA

Minister for Enterprise, Trade and Investment

Annex B**DRAFT LETTER****FROM: Jonathan Bell MLA****DATE: xxxxxx 2015****TO: MINISTERIAL COLLEAGUES****RENEWABLE HEAT INCENTIVE SCHEMES (AMENDMENT) REGULATIONS
(NORTHERN IRELAND) 2015**

This is to inform you that, subject to Committee approval of the draft regulations, I propose to make a Statutory Rule to be known as the Renewable Heat Incentive Schemes (Amendment) Regulations (Northern Ireland) 2015.

The purpose of the Regulations is to make changes to the RHI primarily to provide for new tariffs for Combined Heat and Power installations and to introduce cost control measures for biomass including a two tier tariff structure and an annual cap on heat payments. The Rule will prescribe matters relating to eligibility criteria and obligations for participants of the scheme.

This legislation relates solely to energy issues and does not fall within paragraph 2.4 of the Ministerial Code. The Statutory Rule is subject to draft affirmative in the Assembly.

The Scheme supports the Programme for Government commitment, "to encourage achievement of 4% renewable heat by 2015."

I am also copying this to the Attorney General and Departmental Solicitor and to the Executive Secretariat.

Jonathan Bell MLA
Minister for Enterprise, Trade and Investment