

From the Office of the Minister



Department of

**Enterprise, Trade  
and Investment**

www.detini.gov.uk

NETHERLEIGH  
MASSEY AVENUE

BELFAST

BT4 2JP

Tel: 028 90 529452

Fax: 028 90 529545

Text Relay: 18001 028-9052-9452

E Mail: private.office@detini.gov.uk

**Our Ref: DETI COR 0058/2016**

Roy Beggs MLA

Email address: [roybeggs.office@btopenworld.com](mailto:roybeggs.office@btopenworld.com)

*lt*  
29 February 2016

*Dear Roy,*

Thank you for your correspondence of 10 February 2016 in relation to the proposed closure of the Northern Ireland Renewable Heat Incentive (RHI) and how it might impact on your constituents Mr and Mrs Smith.

Increased demand for both RHI schemes, together with reductions in available funding means the available budget for new applications has been exhausted. To meet RHI commitments for existing installations, significant levels of additional funding will have to be found from within the NI Executive's budget for the next five years to address the current deficit. Additional funding was sought but could not be secured from Treasury. In the circumstances I have no choice but to close both RHI schemes. Following approval of the legislation by the Assembly on the 15 February 2016, I will publish a Notice to close both RHI schemes from 29 February 2016. Any renewable heating systems installed, commissioned and applied for on or before this date will be eligible for RHI payments.

I must emphasise that this is not a decision that I have taken lightly. I recognise the impact that this will have on homeowners such as Mr and Mrs Smith who will not be able to complete their installations on time. However, my immediate priority is to prevent further financial pressures in the short term. Once this is achieved I will consider wider proposals on the scheme's long term future.

I still believe that the renewable sector can play a part in helping to reduce our CO2 emissions and bring investment to our economy. I am therefore open to suggestions on how we might engage with developers and installers and others to see where we might go in the future on renewable heat. This might involve consulting on the long term position, looking at developments in other jurisdictions or considering options.

Yours sincerely

*Jonathan F. Bell*

**JONATHAN BELL MLA**

Minister of Enterprise, Trade and Investment

○ *revised*  
*24/02/16*

RESTRICTED - POLICY

*Colly*  
*1/3*

**From:** John Mills

**Date:** 22 February 2016  
Below

Copy Distribution List

**To:** 1. Timothy Cairns  
2. Jonathan Bell MLA

**COR 0062 & 0058/2016 RENEWABLE HEAT INCENTIVE**

**Issue:** Correspondence from Jim Wells and Roy Beggs on RHI closure.

**Timing:** Due for reply 22 February.

**Need for referral to the Executive:** N/A

**Presentational Issues:** High interest from stakeholders and the media in relation to closure of the RHI schemes.

**Freedom of Information:** Not disclosable.

**Financial Implications:** Closure required to prevent further pressure on budgets.

**Statutory Equality Obligations:** N/A.

**PFG/PSA implications:** NI Renewable Heat Incentive supports the Pfg interim target of 4% renewable heat by 2015 and the SEF 10% target by 2020.

**Legislation Implications:** Closure to take effect from 29 February.

**Recommendation:** That you respond to the MLAs using the draft provided at **Annex A and Annex B**).

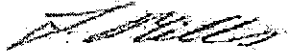
**Background**

1. Jim Wells MLA and Roy Beggs MLA have written to you on behalf of constituents Mr and Mrs Smith who are a couple building a new house and who they say have invested over £29,000 to install renewable energy. They based this decision on the £6,950 support they expected to receive through the RHI. The Smith's are concerned about the support being cut at short notice as they are some 6 to 8 weeks away from completion. The Smith's have suggested that exceptions be made for those who can prove that they have signed legally binding contracts to install renewable heating systems.

RESTRICTED - POLICY

**Recommendation**

2. That you respond to Jim Wells, MLA using the draft provided at **Annex A**, and to Roy Beggs, MLA using the draft at **Annex B**).



**JOHN MILLS  
ENERGY DIVISION**

Distribution List

cc: Andrew McCormick  
Chris Stewart  
Stuart Wightman  
Seamus Hughes  
Ian McCrea MLA APS  
Sean Kerr  
Neth Energy