

**From:** [Hughes, Seamus](#)  
**To:** [Briggs, Peter](#)  
**Subject:** FW: Closing Correspondence : COR-0057-2016 : Closure of Northern Ireland's RHI Schemes  
**Date:** 07 March 2016 11:00:23  
**Attachments:** [COR 0057 Min signed.pdf](#)  
[COR 0057 Min content.pdf](#)

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Peter

For info.

Regards

Seamus

Seamus Hughes  
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-----Original Message-----

From: [private.office@detini.gov.uk](mailto:private.office@detini.gov.uk) [<mailto:private.office@detini.gov.uk>]  
Sent: 07 March 2016 11:00  
To: Mills, John (DETI)  
Cc: McLaughlin, Christine (DETI); Hegarty, Damien; Wightman, Stuart; Hughes, Seamus; Stevenson, Valerie (DETI Private Office); Dolaghan, Paul; McCormick, Andrew (DETI); Kerr, Sean; Rooney, Eugene; Stewart, Chris (DETI); DG\_DETI Press Office; DETI Energy Mailbox  
Subject: Closing Correspondence : COR-0057-2016 : Closure of Northern Ireland's RHI Schemes

Date: 07/03/2016

Raised By: Mr Nigel PE Smyth  
Reference: COR-0057-2016

Subject: Closing Correspondence : COR-0057-2016 : Closure of Northern Ireland's RHI Schemes

To: JOHN MILLS

CC: McLaughlin, Christine (DETI); Hegarty, Damien; Wightman, Stuart; Hughes, Seamus; PO CC Energy Division

Please see final response as issued

Regards,  
Christine McLaughlin  
Private Office  
29222

From the Office of the Minister



Department of  
**Enterprise, Trade  
and Investment**

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**Our Ref: DETI COR 0057/2016**

Nigel Smyth  
Director, CBI Northern Ireland  
2<sup>nd</sup> Floor Hamilton House  
3 Joy Street  
BELFAST  
BT2 8LE

29<sup>th</sup> February 2016

*Dear Nigel,*

Thank you for your letter of 10 February 2016 in relation to the proposed closure of the Northern Ireland Renewable Heat Incentive (RHI) setting out the concerns of your members and the impact that closure will have on businesses.

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. There appears to be some confusion within the industry that the non domestic RHI scheme was already closing in March. This is not the case. The legislation provided for the scheme to continue indefinitely, that is why this recent legislation has been needed.

I can confirm that the relevant legislation was passed by the Assembly on 15 February 2016. A Notice will be published confirming both RHI schemes will close 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, the local economy and wider industry. 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 including the points you raise.

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

please.

RESTRICTED - POLICY

*Elmhurst*

*Allen*  
*1/3*

From: John Mills *22/02/16*

Date: 22 February 2016

To: 1. Timothy Cairns  
2. Jonathan Bell MLA

#### COR 0057/2016 PROPOSED CLOSURE OF NORTHERN IRELAND'S RHI SCHEMES

**Issue:** Correspondence from Nigel Smyth, CBI on RHI closure.

**Timing:** Due for reply 17 February.

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

**Presentational Issues:** High interest from stakeholders and the media in relation to the proposed 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 Nigel Smyth using the draft provided at **Annex A**.

#### Background

1. Nigel Smyth Director of the CBI in Northern Ireland has written to you about the proposed imminent closure of the RHI schemes and the impact he says this will have on many local businesses who relied on good faith of the Department. Some have taken financial loans on the basis that the scheme would continue until at least March 2016.
2. He accepts that the Executive faces difficult budgetary issues and that, to some extent, its hand was forced by DECC and Treasury. However, he expected an earlier decision from DETI and a phased closure to ensure businesses were not negatively impacted. Finally he asks that the Department urgently reviews the impact of this decision and seeks to find some resolution / support / compensation to those organisations that have made contractual commitments, including early stage deposits on boilers. (**Annex B**).

## RESTRICTED - POLICY

3. The issue of additional funding has been explored but in the absence of this being secured you have agreed to close the RHI as the budget is already exceeded and there will be a significant impact on the NI block for the next 5 years. There is currently no provision for any form of compensation.

**Recommendation**

4. That you respond to Nigel Smyth using the draft provided at **Annex A**.



**JOHN MILLS**  
**ENERGY DIVISION**

Distribution List

cc: Andrew McCormick  
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