

From the Office of the Minister



Department of

**Enterprise, Trade
and Investment**

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Our Ref: DETI COR 0050/2016

Jonathan McGroggan
FG Plumbing, Heating & Renewables Ltd

Email address: info@fjplumbingandheating.co.uk

04 March 2016

Dear Mr McGroggan

Thank you for your email of 8 February 2016 in relation to the Minister about the closure of the Northern Ireland Renewable Heat Incentive, (RHI). The Minister has read your correspondence and asked me to reply on his behalf.

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.

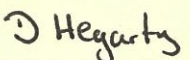
In the circumstances the Minister felt he had no choice but to close both RHI schemes. There appears to be some confusion within the industry that the non domestic RHI scheme was closing on 31 March 2016. This is not the case. The legislation provided for the scheme to continue indefinitely, that is 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 has been 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 the Minister has taken lightly. He recognises the impact that this will have on homeowners, the local economy and wider industry. However, his immediate priority is to prevent further financial pressures in the short term. Once this is achieved he will consider wider proposals on the scheme's long term future.

The Minister believes that the renewable sector can play a part in helping to reduce our CO2 emissions and bring investment to our economy. He is 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 could involve consulting on the long term position, looking at developments in other jurisdictions or considering options.

Yours sincerely


pp **SEÁN KERR**

Private Secretary to Jonathan Bell MLA

minister: For your consideration and if content **DFE-128490**

for PS signature please.

RESTRICTED - POLICY

electlylw
24/02/16

Carlton
1/3
Jonathan Bell

From: John Mills

Date: 23 February 2016

Copy Distribution List Below

To: 1. Timothy Cairns
2. Jonathan Bell MLA

COR 0050/2016 NI RENEWABLE HEAT INCENTIVE – SCHEME CLOSURE

- Issue:** Correspondence from Jonathan McGroggan on RHI closure.
- Timing:** Due for reply 15 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 the P/S/Minister responds to Mr McGroggan using the draft provided at **Annex A**.

Background

1. Mr McGroggan from F G Plumbing, Heating and Renewables Ltd has written to you on foot of your Press Release advising of the proposed closure of the RHI as the available budget has been exhausted. He is seeking clarification on the closure date for the RHI and cites the difficulties that closure will present for his company with the potential loss of £1m and 25 jobs. His immediate concern is around having enough time to enable ongoing jobs and those with confirmed orders to be completed, (**Annex B**).

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Recommendation

2. That the P/S/Minister responds to Mr McGroggan using the draft provided at Annex A.



**JOHN MILLS
ENERGY DIVISION**

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