

From: [Hughes, Seamus](#)
To: [Briggs, Peter](#)
Subject: FW: HPRM: Closing Correspondence : COR-0051-2016 : Renewable Heat Incentive
Date: 10 March 2016 09:38:42
Attachments: [COR 0051 Min signed.pdf](#)
[COR 0051 Min content.pdf](#)

Peter

For info.

Regards

Seamus

Seamus Hughes
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Please consider the environment - do you really need to print this e-mail?

-----Original Message-----

From: private.office@detini.gov.uk [<mailto:private.office@detini.gov.uk>]
Sent: 10 March 2016 09:27
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: HPRM: Closing Correspondence : COR-0051-2016 : Renewable Heat Incentive

Date: 10/03/2016

Raised By: John McCallister MLA
Reference: COR-0051-2016

Subject: Closing Correspondence : COR-0051-2016 : Renewable Heat Incentive

To: JOHN MILLS

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

Please see final response as amended and 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 0051/2016

John McCallister MLA
South Down Constituency Office
29a Central Promenade
NEWCASTLE
BT33 0AA

10 March 2016

Dear John

Thank you for your email of 8 February 2016 in relation to the proposed closure of the Northern Ireland Renewable Heat Incentive (RHI).

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 though I will continue to explore every opportunity as you suggest.

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 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.

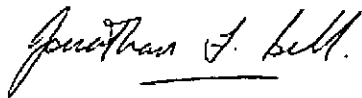
I can confirm that the relevant legislation was passed by the Assembly on 15 February 2016. A Notice was published confirming both RHI schemes will close from 29 February 2016. Any renewable heating systems installed, commissioned and applied for on or before this date will be eligible for RHI payments.

You refer to the need to introduce a unit limit. I can confirm that the tariff changes I brought forward in November 2015 already include a tiered tariff and annual cap. The tiered tariff means RHI payments reduce after 1,314 hours. The cap means payments stop after 400,000 KWh each year.

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.

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

A handwritten signature in black ink that reads "Jonathan J. Bell". The signature is written in a cursive style with a horizontal line underlining the name.

JONATHAN BELL MLA
Minister of Enterprise, Trade and Investment

0 *elthlyld*
22/02/16

RESTRICTED - POLICY

*Minor amendment
Re notice he new
Dear subject,*

From: John Mills
Date: 22 February 2016
To: 1. Timothy Cairns
2. Jonathan Bell MLA

*Minister contact
with amended letter
SK 9/3/16*

** Amended edite
opposite for considerati
+ if contact signature
please.
D Hegarty 9/3*

COR 0051/2016 RENEWABLE HEAT INCENTIVE

- Issue:** Correspondence from John McCallister, MLA 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 you respond to Mr John McCallister, MLA using the draft provided at Annex A.

Background

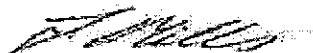
1. John McCallister, MLA has written to you about closure of the RHI which he has wrongly indicated to be on 31 March 2016. He cites issues with a number of constituents working with Moy Park. He says the firm requires its producers to install RHI in terms of animal welfare and performance issues. He is asking about the possibility of leeway for those currently in the process and who will not be completed at 31 March 2016. He goes on to ask if any representations were made to Westminster with a view to accessing additional funding given lower uptake under the equivalent scheme in England. He also indicates that Moy Park is writing in a limit of 1,300 to 1,400 units within their own contracts and asks if given the importance of the Agri food sector and to maintain the sustainability of

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the scheme you would consider introducing a unit limit. Following a conversation with Mr McAllister's office, we can confirm that the units he's referring to are in fact units of heat (KWh) which are already restricted through the tiered biomass tariff you introduced in November 2015 (**Annex B**).

Recommendation

2. That you respond to Mr McCallister using the draft provided at **Annex A**.



JOHN MILLS
ENERGY DIVISION

Distribution List

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