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To: [Stewart, Chris \(DETI\)](#)
Cc: [McCormick, Andrew \(DETI\)](#); [Mills, John \(DETI\)](#); [Rooney, Eugene](#); [Cooper, Trevor](#); [McIlwrath, Linda](#); [Johnston, Iris](#); [Hughes, Seamus](#)
Subject: RHI Expenditure - Need for Further Legislation
Date: 13 November 2015 09:44:04

Chris

As you are already aware the uptake of the non domestic Renewable Heat Incentive, (RHI), has exceeded all expectations and we are currently in the process of introducing amendment regulations to provide for cost control measures to try to bring the budget back into line.

The target was to have the required changes introduced from 4 November 2015 but this was delayed by the progressing of legal and financial approvals. We did try to recoup some lost time by seeking to get the SR to the ETI Committee this week but the Clerk refused to allow this and it is now to be considered at the Tuesday 17th meeting to be followed by the motion debate in the afternoon. The scheme changes will come into effect on Wednesday 18th assuming Assembly approval.

The surge of applications over the last 6 weeks, (some 800 received), is unprecedented. Our forecast for October had been 150 applications, (a 300% increase) but this is clearly well below the 800 actually received. This could see RHI expenditure increase to over £30m in 2015/16 and to over £40m from 2016/17, even with both schemes closed from April 2016. We are currently running at over 10% of the GB application numbers against the expected 3%.

I feel that in light of this situation regardless of what impact the amendment regulations might bring there is no choice now but to move to close both RHI schemes from 31 March 2016.

I am presenting this for your urgent consideration. It will be important for the Minister to be aware that further 'unpopular' legislative changes are needed early in the New Year.

Thanks

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