

**From:** [Iain Morrow](#)  
**To:** [Hutchinson, Peter](#); [Clydesdale, Alison](#); [Connolly, Samuel](#)  
**Subject:** Our conversation yesterday on GB RHI  
**Date:** 11 March 2011 09:58:45

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Peter, Alison, Sam

Thanks for the very useful call yesterday. I'll continue to study the new GB RHI proposals at this end, but here's a short note on what I think we decided yesterday about the implications of those proposals. Please let me know if I've missed anything, or if anything is wrong.

1. DECC has abandoned the idea of a consumer levy, and the GB RHI will be funded from general taxation. This means that we should not explore the option of a consumer levy in NI. One result of this is that the only impact on consumer bills will be any reduction in fuel costs as a result of a move away from oil/ gas.
2. This change in funding arrangements means that DETI would have to rely on funding from HMT beyond 2015 to deliver a long-term RHI. Our report will (as previously agreed) look at the case where only agreed funding is available, and what additional funding might be needed to 2020. In the former case, it will look at a challenge fund. In the latter, it will look at some form of NI RHI.
3. DECC is looking at focusing on the non-domestic sector first, with a small challenge fund for domestics and the promise of an RHI for domestic installations as part of the Green Deal from 2012. This approach does not make sense for NI, since targeting the non-domestic sector would conflict with the objective of rolling out the gas network further. The Green Deal does not apply to NI, and there is no desire to have an RHI that is part of the Green New Deal. So, we will continue to look at an RHI for NI that targets all sectors, including domestic customers. We will mention the Green New Deal as part of the policy context, but will not propose that an NI RHI should be part of it.
4. DECC's view is that it may be sensible to focus on off-gas grid areas first. This could well make economic sense for NI, and we will make that point in our report.
5. Some technologies are excluded from the GB RHI for now. This might make sense for GB, but we shouldn't assume that it does for NI, and so will continue to look at all technologies.

Regards

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