

minutes: for your consideration and if content approval please.

From: Stuart Wightman

17/21/14

Tel No: 29425

Date: 16 September 2014

To: 1. Andrew Crawford
2. Arlene Foster MLA

- Need to get this launched
Can we not open the scheme before Nov 2014
What are we doing about the non-domestic RHI
21/9/14

DETI SUB 464/2014

NI RENEWABLE HEAT INCENTIVE – DOMESTIC ASPECT OF PHASE 2 – BUSINESS CASE APPROVAL AND INITIAL SCHEME ANNOUNCEMENT

Response from officials attached.
22/9.

Issue: Approval of Domestic RHI Business Case and announcement of Scheme

Timing: Routine.

Executive Committee Referral: N/A

PFG Implications: The PSA targets for renewable heat are 4% by 2015 and 10% by 2020.

Presentational Issues: Interest from key stakeholders and the media. There has been interest from the public in relation to the scheme, particularly in relation to proposed tariffs and eligible technologies.

FOI Implications: Not discloseable on grounds of policy development.

Financial Implications: HMT has advised that £25m of AME is available over the spending period for a Northern Ireland RHI.

Legislation Implications: Domestic Renewable Heat Regulations will be laid through draft affirmative resolution procedure under the powers conferred by section 113 of the Energy Act 2011.

Statutory Equality Obligations: Equality screening shows that the proposed Regulations do not have a significant equality impact.

Recommendation: That you approve:

- The Domestic RHI Business Case; and
- Publication of a press release on the proposed Domestic RHI scheme which will be forwarded separately via the Press Office.

29/9 get this kicked ASAP.
content

Background

1. In June 2014, you approved the final policy proposals for the NI Domestic RHI scheme (SUB 338/2014). The scheme will provide upfront support with ongoing tariff payments for 7 years for domestic renewable heat installations. Technologies supported are Air to Water Heat Pumps, Biomass (including condensing boilers), Ground Source or Water Source Heat Pumps and Solar Thermal (domestic hot water only.) All technologies with the exception of solar thermal must be able to provide heat for the entire home.

Legislation

2. The domestic RHI scheme requires secondary legislation which is subject to approval by the Assembly. The ETI Committee has approved the policy (SL1) for this legislation. We are working with DSO to prepare draft Domestic RHI Scheme Regulations (Northern Ireland) 2014. It is hoped that draft Regulations will be laid before the Assembly in October and come into force in time for the scheme to be launched in November 2014.

Financial Approvals

3. While the funding for the domestic RHI is provided directly from HMT, the scheme is subject to DFP approval and DETI's own internal governance controls. These approvals have now been received. A copy of the Business Case for the domestic RHI Scheme and associated papers are attached for your approval.
4. The scheme will be administrated in-house by the Energy Division team who have been administering the domestic RHPP scheme. Additional resource of two Staff Officers is however required due to the complexity and anticipated workload of the new scheme. Work is underway to secure these posts.

Initial Scheme Announcement

5. The scheme will not be open to applications until the legislation comes into force in November. An announcement could be criticised for pre-empting the Assembly's approval of the legislation. However, the Committee has approved the policy, the need for Assembly approval is acknowledged in the announcement and it will be general in nature. It will alert potential applicants to the necessary documentation before the scheme opens for applications. Guidance for applicants will be available on the DETI website. Our suggested draft Press Release will be sent via the Press Office.

Attachments

6. The attachments include:
 - the Final Synopsis for Casework (a summary of the business case submitted to DETI casework and DFP for approval);
 - the original business case;
 - the Consultant's report recommending the preferred option;
 - the Risk Register; and

- the DFP approval.

Recommendation

6. That you approve:

- the attached Domestic RHI business case and
- publication of a press release which will be forwarded separately via the Press Office.

Stuart Wightman
Energy Division
Ext. 29425

cc: Andrew McCormick
Chris Stewart
John Mills
Trevor Cooper
David McCune
Alistair Ross MLA APS
Alan Smith
Glynis Aiken
Press Office
Neth energy