

**From:** Stuart Wightman  
Energy Renewables Division

**Tel No:** 29425

**Date:** 9 September 2016

**cc:** Copy distribution list below

**To:** 1. John Robinson  
2. Simon Hamilton MLA

**COR-1197– RENEWABLE HEAT INCENTIVE AND NORTHERN IRELAND  
RENEWABLES OBLIGATION**

**Issue:** Margaret Ritchie MP has written to the Secretary of State for Business, Innovation and Skills regarding closure of the Renewable Heat Incentive (RHI) and Northern Ireland Renewables Obligation (NIRO) and the impact on renewable energy businesses

**Timing:** Routine

**Executive Committee Referral:** Not applicable

**PFG Implications:** Not applicable

**Presentational Issues:** None

**FOI Implications:** Discloseable

**Financial Implications:** None

**Legislation Implications:** None

**Statutory Equality Obligations:** None

**Recommendation:** That you agree the draft response to Margaret Ritchie MP at **Annex A**.

**Background**

1. Margaret Ritchie MP has written to Sajid Javid MP, Secretary of State for Business, Innovation and Skills (BIS), regarding the closure of the RHI and ROCs payment scheme (NIRO), stating that there has been a considerable negative effect on construction projects and employment created by renewable energy businesses.
2. Mrs Ritchie goes on to describe the issues that are being faced by constituents and suggests to Mr Javid that it is crucial that an extensive plan is put in place to

allow renewable energy businesses in Northern Ireland the opportunity to secure work and tap into potential sources of income.

3. As energy policy is a devolved matter, BIS has transferred the case to you for consideration and response.
4. The letter to Mr Javid is similar to correspondence received by you from Mrs Ritchie on 31<sup>st</sup> August and to which a draft response was provided on 1 September under COR/1182/2016.

**Recommendation**

5. That you agree the draft response to Margaret Ritchie MP at **Annex A**.

**Stuart Wightman**  
**Energy Renewables Division**

**Distribution List:**

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**Annex A****DRAFT RESPONSE - COR-1197-2016 FROM MINISTER TO MARGARET RITCHIE MP**

Margaret Ritchie MP  
Constituency Office  
32 Saul Street  
Downpatrick  
BT30 6NQ

XX September 2016

Dear

Your letter of 18<sup>th</sup> August 2016 to the Secretary of State for Business, Innovation and Skills, regarding the closure of the Renewable Heat Incentive and the Northern Ireland Renewables Obligation (NIRO) refers. As energy policy is a devolved matter, your correspondence has been passed to me for response.

As you will be aware, although the NIRO closed to new large scale onshore wind in April 2016, projects meeting the criteria for the three available grace periods set out in the closure legislation, can continue to accredit until 31 December 2018. This is nine months longer than would have been possible had the NIRO closed to new onshore wind on 31 March 2017 as previously envisaged. Closure arrangements are broadly in line with those to close the Renewables Obligations in the rest of the UK.

The Contracts for Difference (CfD) scheme was introduced in GB to incentivise large scale renewables in 2014. However, as the CfD scheme is based on UK wide competitive auctions there would be no guarantee of any deployment in NI despite electricity consumers having to pay for it. The CFD scheme does not currently include a budget for new onshore wind which accounts for over 95% of renewable electricity generation in NI.

It is against this backdrop that I and Executive colleagues will consider whether to seek Northern Ireland's inclusion in the CFD arrangements in the coming months.

I understand fully the requirement for certainty around renewables policy and support mechanisms post-April 2017 and would advise that the forthcoming refocused Strategic Energy Framework will consider the future direction of renewable energy in NI, including options on incentivisation, within the context of a wider energy strategy.

Yours sincerely

**Simon Hamilton MLA**