

From: [Wightman, Stuart](#)
To: [Stewart, Chris \(DFE\)](#)
Cc: [Mills, John \(DETI\)](#); [Hughes, Seamus](#); [Dolaghan, Paul](#)
Subject: RE: PRIORITY WRITTEN: AQW 53731/11-16 : To ask the Minister of Enterprise, Trade and Investment to outline the rationale for the proposed cl...
Date: 04 February 2016 09:49:35
Attachments: [Response re AQW 53731 11-16 - Closure of RHI.tr5](#)
[Response re AQW 53731 11-16 - Closure of RHI.DOCX](#)

Chris

I've amended to highlight that NI will continue to receive and use its AME allocations to fund existing RHI installations.

Stuart

From: Stewart, Chris (DETI)
Sent: 04 February 2016 08:53
To: Mills, John (DETI); Wightman, Stuart
Cc: Dolaghan, Paul; Hughes, Seamus; McIlwrath, Linda
Subject: RE: PRIORITY WRITTEN: AQW 53731/11-16 : To ask the Minister of Enterprise, Trade and Investment to outline the rationale for the proposed cl...

Stuart

Thank you. This has been somewhat overtaken by events. I would be inclined to follow the wording in the draft Executive papers as closely as possible, and to omit references to changes in the source or quantum of available funding, i.e. simply stating that the sharp rise in demand means that cost now exceeds available funding.

You could add a line to the effect that investment is not 'lost', given that existing installations will continue to receive their payments for 7 or 20 years.

C

From: Mills, John (DETI)
Sent: 03 February 2016 22:36
To: Wightman, Stuart; Stewart, Chris (DETI)
Cc: Dolaghan, Paul; Hughes, Seamus
Subject: Re: PRIORITY WRITTEN: AQW 53731/11-16 : To ask the Minister of Enterprise, Trade and Investment to outline the rationale for the proposed cl...

Also the stuff about preliminary decisions is now otiose given the kamikaze approach to legal issues.

Will need to be clear whether it's 18 or 30m going forward. Is it clear?

Appreciate pressure u under, sorry not there, but got to prioritise Regs. This question gets answered late, that,'s unfortunate. But Regs on critical path now.

Sent from my BlackBerry 10 smartphone.

From: Wightman, Stuart
Sent: Wednesday, 3 February 2016 23:12
To: Stewart, Chris (DETI)
Cc: Mills, John (DETI); Dolaghan, Paul; Hughes, Seamus
Subject: FW: PRIORITY WRITTEN: AQW 53731/11-16 : To ask the Minister of Enterprise, Trade and Investment to outline the rationale for the proposed cl...

Chris

Please revised draft response to Priority AQW on RHI closure.

Happy to discuss.

Thanks, Stuart

From: Wightman, Stuart
Sent: 02 February 2016 21:01
To: Mills, John (DETI)
Cc: Stewart, Chris (DETI); Hughes, Seamus; Dolaghan, Paul
Subject: FW: PRIORITY WRITTEN: AQW 53731/11-16 : To ask the Minister of Enterprise, Trade and

Investment to outline the rationale for the proposed cl...

Importance: High

John

Draft response to urgent AQW. Will need revised if public consultation not launched.

Stuart

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

From: Dolaghan, Paul

Sent: 02 February 2016 16:47

To: Wightman, Stuart

Cc: Hughes, Seamus

Subject: PRIORITY WRITTEN: AQW 53731/11-16 : To ask the Minister of Enterprise, Trade and Investment to outline the rationale for the proposed cl...

Importance: High

Stuart, Seamus,

Please see attached Priority AQW for action please - due with ALU noon tomorrow (3 Feb)

Thanks

Paul.

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

From: alu@detini.gov.uk [<mailto:alu@detini.gov.uk>]

Sent: 02 February 2016 16:44

To: Mills, John (DETI)

Cc: Robson, Rod; Dolaghan, Paul; McCormick, Andrew (DETI); Kerr, Sean; Private Office DETI; Rooney, Eugene; Stewart, Chris (DETI); DG_DETI Press Office; Assembly Liaison Unit; DETI Energy Mailbox

Subject: PRIORITY WRITTEN: AQW 53731/11-16 : To ask the Minister of Enterprise, Trade and Investment to outline the rationale for the proposed cl...

Importance: High

PRIORITY WRITTEN QUESTION FOR ANSWER ON 05/02/2016

Tabled by: Steven Agnew MLA

Constituency: North Down

Political Party: Green Party

Reference: AQW 53731/11-16

Question: To ask the Minister of Enterprise, Trade and Investment to outline the rationale for the proposed closure of the Renewable Heat Incentive; and whether the RHI was funded by the UK government and its closure means a loss of investment in Northern Ireland.

Referred To: JOHN MILLS

Date Referred: 02/02/2016

ACTION REQUIRED

Please provide draft reply and background note to alu@detini.gov.uk not later than 03/02/2016 12:00

For further information etc. contact:

Janet McCrum

Assembly Liaison Unit

29492

Copied To For Information:

Robson, Rod; Dolaghan, Paul; McCormick, Andrew (DETI); Kerr, Sean; Private Office DETI; Rooney, Eugene; Stewart, Chris (DETI); Press Office, DETI; Assembly Liaison Unit; DETI Energy Mailbox

Department of Enterprise, Trade and Investment

ASSEMBLY QUESTIONS WRITTEN (AQW)

Due for answer on: Friday 5 February 2016

AQW No: 53731/11-16

Put Down By: Mr S Agnew

Political Party: Green Party

Constituency: North Down

Question:

To ask the Minister of Enterprise, Trade and Investment to outline the rationale for the proposed closure of the Renewable Heat Incentive; and whether the RHI was funded by the UK government and its closure means a loss of investment in Northern Ireland.

Answer:

As I set out in the plenary debate on The Renewable Heat Incentive Schemes (Amendment) Regulations (Northern Ireland) 2016, the reason for closing the schemes is to prevent additional pressure on the Executive's budget from 2016/17. This arises from increased uptake of the scheme and confirmation that HM Treasury require all NI RHI expenditure above 3% of the reduced GB RHI budget to be met from NI DEL. Until 2016/17 all costs have been funded by the UK government from AME.

The closure of the scheme does not represent a loss of investment in NI. On the contrary, continuing payments under the scheme for existing participants will bring around an additional £130 million into NI over the next five years to add to the £50 million already supplied under the schemes.

Jonathan Bell MLA
Minister of Enterprise, Trade and Investment

Date: _____

Department of Enterprise, Trade and Investment

ASSEMBLY QUESTIONS WRITTEN (AQW)

AQW No:53731/11-16

Background

Reply prepared by: John Mills, Head of Energy Division

**Further information available from: Stuart Wightman, Energy Efficiency
Branch, Ext: 29425**

SPECIAL ADVISER CLEARANCE:

Signed: _____

Date: _____

Department of Enterprise, Trade and Investment**ASSEMBLY QUESTIONS WRITTEN (AQW)**

Due for answer on: Friday 5 February 2016

AQW No: 53731/11-16

Put Down By: Mr S Agnew
Political Party: Green Party
Constituency: North Down

Question:

To ask the Minister of Enterprise, Trade and Investment to outline the rationale for the proposed closure of the Renewable Heat Incentive; and whether the RHI was funded by the UK government and its closure means a loss of investment in Northern Ireland.

Answer:

I have had to announce my intention to close both RHI schemes. Both schemes have been very successful with the non domestic scheme in particular seeing significant uptake during the last 12 months and more so in the run up to the recent scheme changes introduced in November 2015. With over 3,500 renewable heating installations incentivised to date, uptake has been higher than GB. We've exceeded the Executive's 2015 target of 4% with around 6% of Northern Ireland's heating needs now provided through renewable heating technologies.

Over the last 18 months the number of non-domestic RHI applications has grown from around 200 to over 1,800. Over 900 of these applications were received in the run up to the scheme change I introduced on 18 November 2015. However, this, together with reductions in available funding means we now face significant budgetary pressures. Although both RHI schemes (non-domestic and domestic) are paid out of Annual Managed Expenditure, (AME) which is additional to the NI Block funding, the available AME budget for the next 5 years is now already committed to meeting payments for existing RHI installations.

In the circumstances I have no choice but to propose immediate closure of the scheme to prevent further overspend. The urgent need to manage the financial risk means that I must bring forward the legislation at the earliest possible juncture.

Jonathan Bell MLA
Minister of Enterprise, Trade and Investment

Date: _____

Department of Enterprise, Trade and Investment

ASSEMBLY QUESTIONS WRITTEN (AQW)**AQW No:53731/11-16****Background**

1. Forecast expenditure has now increased with an unprecedented number of applications received, (around 900), during the 6 week period prior to the introduction of tariff changes and cost controls on 18 November 2015. The forecast expenditure for 2015/16 has increased from £11m to £30m.
2. Even if no more new commitments are entered in to, (i.e. both schemes closed), annual expenditure of some £45m will be required from 2016/17 and onwards for 20 years.
3. The Chancellors autumn statement included what appears to be a positive outlook around RHI, namely government expenditure to increase to £1.15billion by 2020/21. However, with the Barnett principle applied, this translates to a 30% reduction and a capped AME funding profile of £18.3M in 2016-17, £22.3M in 2017-18, £25.7M in 2018-19 and £28.9M in 2019-20.
4. Any difference between actual spend in any of these years and the capped AME amount would fall to NI Block Resource DEL.
5. Prospective scheme approval has been obtained from October 2015 through to March 2016. However, scheme approval ended in March 2015 and we are currently working with DFP to secure retrospective approval for this period.

Reply prepared by: Stuart Wightman, Head of Policy Group**Further information available from: Stuart Wightman, Energy Efficiency
Branch, Ext: 29425****SPECIAL ADVISER CLEARANCE:****Signed:** _____**Date:** _____