

From: [McCoy, Laura](#) on behalf of [Mills, John \(DETI\)](#)
To: [DfE Private Office](#)
Cc: [McCormick, Andrew \(DFE\)](#); [Stewart, Chris \(DFE\)](#); [Wightman, Stuart](#); [Hughes, Seamus](#); [McCrea, Ian](#); [Kerr, Sean](#); [DfE Energy Mailbox](#)
Subject: FW: COR-0055-2016 : R H I Scheme Issues
Date: 18 February 2016 15:26:47
Attachments: [image001.gif](#)
[Draft response COR_0055-2016_M_Ritchie_MP.tr5](#)
[Response COR_0055-2016_M_Ritchie_MP.DOCX](#)
Importance: High

RESTRICTED POLICY

Private Office

Please see attached advice and draft reply from John Mills.

Regards,

Laura McCoy

Personal Secretary

Department of Enterprise, Trade & Investment

Netherleigh

Massey Avenue

Belfast, BT4 2JP

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[cid:image001.gif@01D16A5F.D9566410](#)



[NI Year of Food & Drink 2016](#)

Please consider the environment - do you really need to print this e-mail?

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

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

Sent: 10 February 2016 12:11

To: Mills, John (DETI)

Cc: McLaughlin, Christine (DETI); Hegarty, Damien; Stevenson, Valerie (DETI Private Office); Dolaghan, Paul; McCormick, Andrew (DETI); Kerr, Sean; Rooney, Eugene; Stewart, Chris (DETI); DG_DETI Press Office; DETI Energy Mailbox

Subject: COR-0055-2016 : R H I Scheme Issues

Raised By: Margaret Ritchie MP

Reference: COR-0055-2016

Subject: COR-0055-2016 : R H I Scheme Issues

Referred To: JOHN MILLS

Date referred: 10/02/2016

ACTION REQUIRED

Please provide advice and a draft reply for signature by the Minister (in respect of both emails)

To be with private.office@detini.gov.uk not later than 17/02/2016

For further information etc. contact:
Christine McLaughlin
Private Office
29222

Copied To For Information:
McLaughlin, Christine (DETI); Hegarty, Damien; PO CC Energy Division

Energy



From: John Mills

Date: 18 February 2016

Copy Distribution List Below

To: 1. Timothy Cairns
2. Jonathan Bell MLA

COR 0055 2016 RENEWABLE HEAT INCENTIVE

Issue: Correspondence from Margaret Ritchie MP on RHI closure.

Timing: Due for reply 17 February.

Need for referral to the Executive: N/A

Presentational Issues: High interest from stakeholders and the media in relation to closure of the RHI schemes.

Freedom of Information: Not disclosable

Financial Implications: Closure required to prevent further pressure on budgets.

Statutory Equality Obligations: N/A.

PFG/PSA implications: NI Renewable Heat Incentive supports the PFG interim target of 4% renewable heat by 2015 and the SEF 10% target by 2020.

Legislation Implications: Closure to take effect from 29 February.

Recommendation: That you respond to Margaret Ritchie MP using the draft provided at **Annex A**.

Background

1. Margaret Ritchie, MP has written to on three occasions you in relation to the closure of the RHI highlighting the impact that it will have on businesses, jobs and families across Northern Ireland many of who she indicates are in South Down. She refers to investments that businesses and home owners have made in renewable technology in anticipation of the RHI. She goes on to say her understanding that an assurance was given in November that the scheme would be secure at least until 31 March 2016 and adds that the sudden closure of the scheme will put many families in debt. In many cases traders will be forced into administration. She asks that you consider these points and as a matter of priority and withdraw proposals to close the RHI schemes. She also references, in a separate email, communication she has had from a constituent who stands to lose out as her house won't be completed until the end of March 2016. She also references the plight of two installers who have invested in equipment that may now be unsaleable. In a further letter she also says she "noted" investment being made available in the Autumn Statement. Sadly, this is not correct. (**Annex B**).

Recommendation

2. That you respond to Margaret Ritchie MP using the draft provided at **Annex A**.



JOHN MILLS
ENERGY DIVISION

Distribution List

cc: Andrew McCormick
Chris Stewart
Seamus Hughes
Ian McCrea MLA APS
Sean Kerr
Neth Energy

ANNEX A

Margaret Ritchie MP
South Down

By email
m.ritchie@sdlp.ie

xx February 2016

Dear

Thank you for your recent correspondence on the closure of the Northern Ireland Renewable Heat Incentive, (RHI). As I said in the recent Assembly debate on closure, I very much regret having to take this action. I know that this will impact on some people very negatively. This is why I have decided to defer closure until 29 February. I have immense sympathy with those who have been adversely affected and hope that this will give them time to decide whether to proceed with their applications.

I am afraid that I had no choice but to bring forward closure. Increased demand for both RHI schemes, together with reductions in available funding means the available budget for new applications has been exhausted. To meet RHI commitments for existing installations, significant levels of additional funding will have to be found from within the NI Executive's budget for the next five years.

Additional funding was sought but could not be secured from Treasury. Although the UK Spending Review in November 2015 referred to the GB RHI budget increasing from £430 million (2015/16) to £1.15 billion in (2020/21), this represented a reduction of over 30% against DECC's previous investment plans. This reduction in funding together with confirmation from Treasury that future NI RHI funding will be capped at the Barnett's consequential (less than 3% of DECC's budget) now means we face these budgetary pressures.

My immediate priority has been to prevent further financial pressures in the short term. If I had not taken this course of action, other priority areas could be deprived of funding.

I can confirm that the relevant legislation was passed by the Assembly on 15 February 2016. A Notice will be published confirming both RHI schemes will close from 29 February 2016. Any renewable heating systems installed, commissioned and applied for on or before this date will be eligible for RHI payments.

Once the immediate risk of increased financial pressures is addressed I will consider wider proposals on the scheme's long term future.

The renewable heat scheme will continue to support existing participants for up to 20 years. This will help to reduce our CO2 emissions and bring investment to our economy. I am therefore open to suggestions on how we might engage with developers and installers and others to see where we might go in the future on renewable heat.

Jonathan Bell, MLA

Minister for the Department for Enterprise Trade and Investment

10th of February 2016

Our Ref; ID.C.R.4.16

Jonathan Bell MLA
Minister
Department for Enterprise Trade and Investment
Netherleigh
Massey Avenue
Belfast
BT4 2JP

Dear Minister,

I would ask you to urgently reconsider proposals to bring forward legislation to close both Renewable Heat Initiatives Schemes, to the Assembly.

The closure of these schemes would have a devastating effect on businesses, jobs and family life across Northern Ireland; many of whom are in South Down. Individual home owners and business proprietors have invested heavily in renewable technology in anticipation of the RHI.

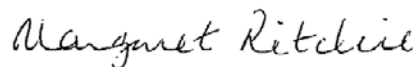
As assurance was previously given in November that the scheme would be secure until at least the 31st of March. To suddenly withdraw the scheme in mid February, would leave businesses and families in considerable debt, and in many cases, may force traders into administration.

The RHI has had significant positive environmental impact with benefits in terms of lower emissions and assisting to achieve the renewable heat target included in the Programme for Government.

I would ask you to consider these points as a matter of priority and withdraw proposals to close the RHI schemes.

I await your urgent response.

Yours sincerely,



Margaret Ritchie MP

From: m.ritchie [mailto:m.ritchie@sdlp.ie]

Sent: 09 February 2016 16:39

To: Private Office DETI

Subject:

Good afternoon

I have been contacted by my constituent [redacted] who is building a house at [redacted] and intends to apply to the RHI scheme but has received an email below stating the scheme is due to close subject to Assembly approval. May I ask you in the first instance to clarify this is the case?

Further, this grant funding is worth a minimum of £7,000 to my constituent and I understand she has signed to a contract for renewable energy on the grounds that this incentive would be in place to assist with costs. [redacted] house is due to be completed by the end of March.

Could you please urgently review this matter and ensure my constituent is concerns for this scheme and grant funding.

Yours sincerely,

Margaret Ritchie MP

Margaret Ritchie MP (South Down)

15th of February 2016

HOUSE OF COMMONS

LONDON SW1A 0AA

Please quote Our Reference on all correspondence
Our Ref; ID/C/S/4/16



Jonathan Bell MLA
 Minister
 Department of Enterprise Trade and Investment
 Netherleigh
 Massey Avenue
 Belfast
 BT4 2JP

Dear

Further to my letter of the 10th of February regarding the Renewal Heat Incentive, I am writing to you to outline the cases of Alternative Heat, Burrenreagh Road, Castlewellan and CHP Mechanical, Dromara Road, Dundrum.

Both businesses, based in my constituency, will be detrimentally affected should the RHI schemes be withdrawn following the Assembly vote on the 29th of February. I understand both have purchased boilers and buffer tanks, which will be unusable and represent significant financial loss should the scheme be withdrawn.

Furthermore, both businesses had previously received guarantees the incentive would run until 2021. Please advise me, what will happen after the 29th of February, should these schemes be withdrawn to orders already made by both businesses for boilers and other equipment, much of which is order 10 weeks in advance.

With respect to the Spending Review and Autumn Statement, there was noted investment in this sector. I would submit to you that under the Barnett formula and consequentials, this money could be used to extend the scheme.

As per my earlier correspondence, the withdrawal of RHI will have a considerable devastating impact on the local economy. I would urge you to withdraw any proposals to remove this Incentive.

I await your response.

Yours sincerely,

Margaret Ritchie MP, My Office, 32 Saul Street, Downpatrick, Co Down BT30 6NQ
 Telephone: (028 44) 612882 Fax: (028 44) 619574 e-mail: m.ritchie@sdlp.ie
 Web Page: www.margaretritchie.com

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