

From: [McCoy, Laura](#) on behalf of [Mills, John \(DETI\)](#)
To: [DfE Private Office](#)
Cc: [McCormick, Andrew \(DFE\)](#); [Stewart, Chris \(DFE\)](#); [Robson, Rod](#); [Hughes, Seamus](#); [McCrea, Ian](#); [Kerr, Sean](#); [DfE Energy Mailbox](#)
Subject: FW: LMUOC 1/16: ARD Committee - Proposals to Close the Renewable Heat Incentive Scheme
Date: 23 February 2016 12:29:29
Attachments: [image001.gif](#)
[Draft response LMUOC 1 - 16 Committee for Agriculture and Rural Development.tr5](#)
[Draft response LMUOC 1 - 16 Committee for Agriculture and Rural Development\(2\).DOCX](#)

RESTRICTED POLICY

Private Office

Please see attached briefing and draft response 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@01D16E29.8EE67F00](#)



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

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

From: Murray, John (DETI)

Sent: 10 February 2016 14:53

To: Mills, John (DETI)

Cc: McCormick, Andrew (DETI); Rooney, Eugene; Stewart, Chris (DETI); Dolaghan, Paul; Robson, Rod; Wightman, Stuart; Hughes, Seamus; Kerr, Sean; Clarke, Rosie; Private Office DETI; DG_DETI Press Office; DETI Energy Mailbox

Subject: LMUOC 1/16: ARD Committee - Proposals to Close the Renewable Heat Incentive Scheme
John

Please see attached request from the ARD Committee.

The response is due with the Committee by **Wednesday 24 February 2016**.

(Note: This should be quoted at the "Timing" section of your Ministerial submission).

Please send your response to the Private Office (cc: Imu@detini.gov.uk, and rod.robson@detini.gov.uk), for Minister's consideration and clearance) by Wednesday 17 February 2016. When cleared by the Minister, LMU will arrange for this to be issued to the Committee and copied to the ETI Committee.

Thanks

John

John Murray

Legislative Monitoring Unit

ext: 29637

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Energy

**From:** John Mills**Date:** 23 February 2016

Copy Distribution List Below

To: 1. Timothy Cairns
2. Jonathan Bell MLA

**LMUOC 1/16 CORRESPONDENCE FROM AGRICULTURE COMMITTEE-
RENEWABLE HEAT INCENTIVE SCHEME (RHI)**

Issue:	Correspondence from the Committee for Agriculture and Rural Development.
Timing:	Response due with Committee 24 February 2016.
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 prevents 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 agree the DALO responds to the Committee for Agriculture and Rural Development using the draft provided at Annex A .

Background

1. Stella McAde Clerk to the Committee for Agriculture and Rural Development has written to the DALO about the closure of the RHI. She indicates that the Committee discussed the intention to close the RHI at its meeting on 9 February 2016 and expressed concern at the potential impact of the closure of the scheme on the local poultry industry. The Committee agreed to write to DETI to ascertain the rationale for closing the RHI and also to request details of any assessment of the potential impact on business carried out by DETI, and what consultation with stakeholders took place prior to this decision being taken (**Annex B**).

Recommendation

2. That you agree the DALO responds to the Committee for Agriculture and Rural Development using the draft provided at **Annex A**.



JOHN MILLS
ENERGY DIVISION

Distribution List

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

ANNEX A

Stella McArdle
Clerk, Committee for Agriculture and Rural Development
Room 244
Parliament Buildings
Ballymiscaw
Stormont
Belfast
BT4 3XX

xx February 2016

Dear

Thank you for your recent correspondence about the closure of the Northern Ireland Renewable Heat Incentive, (RHI). As the Minister said in the recent Assembly debate on closure, he very much regrets having to take this action. He knows that this will impact on some people and businesses including the poultry sector negatively. This is why he decided to defer closure until 29 February. The Minister has 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.

The Minister felt he 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.

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.

The Minister's immediate priority has been to prevent further financial pressures in the short term. If he had not taken this course of action, other priority areas could be deprived of funding. Unfortunately due to the urgency of the situation it was not possible to have a formal consultation and the Minister had to seek Executive approval through the urgent procedure process. Copies of the Regulatory Impact Assessment and Rural Proofing will be published.

The relevant legislation was passed by the Assembly on 15 February 2016. A Notice has been published confirming both RHI schemes will close from 11.59 hours on 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 the Minister 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. The Minister is 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.

A copy of this letter goes to the Committee for Enterprise, Trade and Investment and the Department of Agriculture and Rural Development.

ROD ROBSON

Departmental Assembly Liaison Officer.

Committee for Agriculture and Rural Development

Room 244, Parliament Buildings, Ballymiscaw, Stormont, Belfast, BT4 3XX Telephone: (028) 9052 1475 E-mail: committee.agriculture@niassembly.gov.uk

Mr Rod Robson
Departmental Assembly Liaison Officer,
Assembly Liaison Unit
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP

10 February 2016

Dear Mr Robson,

Renewable Heat Incentive Scheme

At its meeting of the 09 February 2016, the Committee discussed the intention of the Department of Enterprise, Trade and Investment to close the renewable heat incentive scheme, announced by Minister Bell in a press release on 08 February 2016. The Committee expressed concern at the potential impact of the closure of this scheme on the local poultry industry.

The Committee agreed to write to the Department of Enterprise, Trade and Investment to ascertain the rationale for closing the renewable heat incentive scheme. The Committee also agreed to request details of any assessment of the potential impact of this closure on business carried out by DETI and what consultation with stakeholders took place prior to this decision being taken.

The Committee has written in a similar vein to the Department of Agriculture and Rural Development.

I have copied this correspondence to the Committee for Enterprise, Trade and Investment for its information.

Yours sincerely,

Stella McArdle
Clerk, Committee for Agriculture and Rural Development