

Energy



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14 September 2015

Dear Mr Agnew

### **DOMESTIC RENEWABLE HEAT INCENTIVE**

Thank you for your letter dated 20 August 2015 regarding changes to the Northern Ireland Renewable Heat Incentive (RHI). I am replying as the Department does not currently have a Minister in post.

Changes are planned to the non-domestic RHI in early November as part of the outworking of the phase 2 review consultation undertaken in late 2013. The final policy for these changes was published on 4 September 2015.

The first change will see the introduction of two new tariffs for Combined Heat and Power, (CHP) installations. These are 3.5 pence per kWh for new renewable installations, and 1.7 pence per kWh for installations converting from fossil fuels.

The other changes concern cost control measures for biomass. This is to ensure the RHI remains affordable and delivers value for money going forward. The current medium biomass banding will be extended upwards from 99kW to 199kW in line with GB to encourage the installation of larger and more efficient boilers. In addition a two tier tariff structure will be introduced which will see the first 1314 hours paid at the standard tariff and hours thereafter at a lower 1.5 pence per kWh rate. Again this is in line with the position in GB. A cap of 400,000 kWh will also apply.

There is no statutory requirement for DETI to give notice periods for tariff reductions. I take your point about giving notice, in this instance it will be two months.

Yours sincerely



**JOHN MILLS**  
Director of Energy Division