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**To:** [Mills, John \(DETI\)](#)  
**Cc:** [Private Office DFP](#); [McLaughlin, Christine \(DETI\)](#); [Hegarty, Damien](#); [Hughes, Seamus](#); [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:** Closing Correspondence : COR-1191-2015 : Renewable Heat Incentive Scheme  
**Date:** 11 November 2015 12:27:16  
**Attachments:** [COR 1191 Min signed.pdf](#)  
[COR 1191 Min content.pdf](#)

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Date: 11/11/2015

Raised By: Simon Hamilton MLA  
Reference: COR-1191-2015

Subject: Closing Correspondence : COR-1191-2015 : Renewable Heat Incentive Scheme

To: JOHN MILLS

CC: McLaughlin, Christine (DETI); Hegarty, Damien; Hughes, Seamus; PO CC Energy Division ; Private Office DFP

The Minister is content. Response issued.

Regards,  
Christine McLaughlin  
Private Office  
29222

From the Office of the Minister



Department of

**Enterprise, Trade  
and Investment**

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**Our Ref: DETI COR 1191/2015**

Simon Hamilton MLA  
DUP Advice Centre  
7 The Square  
Town Parks  
Comber  
BT23 5DX

November 2015

*Dear Simon,*

#### **DOMESTIC RENEWABLE HEAT INCENTIVE**

Thank you for your correspondence dated 13 August 2015 about the operation of the Northern Ireland Domestic Renewable Heat Incentive (RHI).

The domestic RHI provides for an upfront payment and 7 years of support payments depending on technology employed. These payments are based on the household's annual heating requirements which are calculated using information in the property's Energy Performance Certificate (EPC). The heating requirement for each property is different and the EPC provides the relevant energy efficiency information for all property types. Newer and more energy efficient properties will have lower heat requirements and lower fuel costs. This is therefore reflected in the level of RHI payments.

However, an issue has arisen with RHI payments for properties with either Solar PV or heat pumps, as is the case of your constituent. I can confirm that annual payments for all domestic RHI customers affected by the solar PV/heat pump issue will be recalculated to remove these anomalies. Annual payments for domestic RHI customers will begin in December 2015.

I hope that this is helpful to you and your constituent.

Yours sincerely

*Jonathan F. Bell*

**JONATHAN BELL MLA**  
**Minister of Enterprise, Trade and Investment**

Heagerty  
4/9/2015

Submission

From: **Stuart Wightman**

Tel No: Ext 29425

Date: **3 September 2015**

cc: Copy distribution list below

To: **1. Timothy Cairns  
2. Jonathan Bell MLA**

*Cairns*  
*5/9*  
*BB*

**COR 1191/ 2015 DOMESTIC RENEWABLE HEAT INCENTIVE**

- Issue:** Correspondence from Simon Hamilton, MLA about the Domestic Renewable Heat Incentive Scheme, (RHI).
- Timing:** Routine
- Executive Committee Referral:** N/A
- PFG Implications:** None
- Presentational Issues:** None
- FOI Implications:** Fully disclosable
- Financial Implications:** None
- Legislation Implications:** N/A
- Statutory Equality Obligations:** N/A
- Recommendation:** To note the background to the query and to reply to Simon Hamilton, MLA using the draft provided at **Annex A**

**BACKGROUND**

1. Simon Hamilton, MLA has written to you on behalf of an unnamed constituent about the level of support under the Domestic Renewable Heat Incentive (RHI) (see **Annex B**).

**DETAIL**

2. The crux of the issue is an assertion that (virtuous) energy efficiency houses (often new builds) are penalised compared to inefficient (often older) properties. Mr Hamilton's constituent says this favours those who use heat profligately as opposed to those who are 'green'. He suggests different regimes for old and new properties and that his investment in renewable heating (a ground source heat pump in this case) will not be covered by the RHI payments he receives. This is because the level of support is calculated on the basis of the heat usage and an energy efficient house will require less heat. The main aim of the RHI is to replace heating from

- fossil fuels with renewable heating technologies. Therefore, where there is less fossil fuel to replace, the support is less.
3. We acknowledge that energy efficient premises will require less RHI support. However, their fuel costs are much less to begin with. The Executive has set a PfG target of 4% renewable heat by 2015 and, from our point of view, there is only a small amount of fossil fuel to be replaced in highly energy efficient premises. It should be noted that the RHI does not reward thermally inefficiently premises. Payments are based on the Energy Performance Certificates (EPCs) which estimate a property's potential energy usage. This assumes, for example, that necessary standards of insulation are met. If these standards are not met, the RHI does not compensate households for having inefficiently heated premises.
  4. Officials are in discussion with colleagues in the Department of Finance and Personnel, (DFP), to introduce changes to the Northern Ireland EPC to bring it into line with that in use in GB. This will provide a more accurate assessment of heat requirements. Working towards this change has revealed some minor anomalies. Once these are addressed, a number of RHI customers will receive slightly higher payments including Mr Hamilton's constituent.

**RECOMMENDATION**

5. To reply to Simon Hamilton using the draft provided at **Annex A**

**Stuart Wightman**  
**Head of Energy Efficiency Branch**

**Distribution List:**

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