

From: [Ryan, Damien](#)
To: [Hutchinson, Peter](#); [Moore, Stephen](#)
Cc: [Hepper, Fiona](#); [McCutcheon, Joanne](#)
Subject: RE: Renewable Heat Initiative - NI scheme State Aid notification
Date: 21 December 2011 08:24:05

Thanks for this Peter.
I've forwarded this onto Stephen as I think this is the final information he needs to notify

Regards

Damien

Damien Ryan

European Support Unit
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9384 (ext: 29384)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

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From: Hutchinson, Peter [mailto:Peter.Hutchinson@detini.gsi.gov.uk]
Sent: 20 December 2011 17:40
To: Ryan, Damien
Cc: Hepper, Fiona; McCutcheon, Joanne
Subject: RE: Renewable Heat Initiative - NI scheme State Aid notification

Damien,

In terms of the additional information required, please see below;

5. Amount of Aid.

The current planned budget for the delivery of the Northern Ireland RHI is as follows;

- 2011/2012: £2m
- 2012/2013: £4m
- 2013/2014: £7m
- 2014/2015: £12m

This money comes directly from Her Majesty's Treasury (UK) as a pro-rata share of the budget allocated to the GB RHI (circa 3%)

Post 2015 additional budget will be required and will be continued through DECC, via HMT, as this money has been allocated. Considering DECC's expected budget the NI RHI budget could be in the order of the following;

- 2015/2016: £15m
- 2016/2017: £21m
- 2017/2018: £30m
- 2018/2019: £41m
- 2019/2020: £53m

The money is Annually Managed Expenditure (AME) and will need to be managed and monitored within existing financial guidelines.

The details of the maximum aid intensity is detailed in the supporting notification form.

6. Form of the aid and means of funding

The form of aid is through incentive payments made to generators of renewable heat through eligible technologies and for useful practises. The level of incentive payments is determined by the size and type of technology and paid on the amount of actual useful heat generated.

The tariffs are set to compensate for the differences in the capital and operating costs of the renewable technology and the fossil fuel counterfactual. In addition, certain 'hassle' factors are considered and monetised to compensate for having to switch fuel supplier, investigate and install new equipment or make alterations to a premises for the renewable heat technology. Finally, a rate of return of 12% is provided to assist with financing costs and to ensure the uptake of renewable heat is appropriately attractive to investors. Full details of the tariff setting methodology are available within the draft notification at Annex A.

The scheme is financed through central Government funds provided by HMT as a pro-rata share of budget allocated to DECC for the GB Renewable Heat Incentive.

7. Duration

Last date – At this stage the scheme is expected to close to new entrants on 31 March 2020.

Explanation – Given the infancy of the renewable heat market and the need to increase sustainable heating solutions, especially considering Northern Ireland is currently dependent on heating oil, it is essential that a long-term approach is developed to supporting the uptake of renewable technologies. The proposed Northern Ireland RHI is largely similar to the GB RHI scheme (already approved) and is consistent with other renewable incentive schemes that provide long-term support for those switching to renewable energy. The Northern Ireland RHI will provide consistent levels of support for those wishing to

deploy innovative technologies with tariffs designed to provide adequate incentive over the entire lifetime of the technology. Previous experience has demonstrated that 'stop-start' capital grant schemes have not affected long-term behaviour change or a wholesale switch to alternative technologies, therefore Northern Ireland proposes to introduce the RHI.

Thanks,

Peter

Peter Hutchinson

Sustainable Energy
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9532 (ext: 29532)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

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

From: Ryan, Damien [mailto:Damien.Ryan@detini.gsi.gov.uk]
Sent: 20 December 2011 12:25
To: Hutchinson, Peter
Subject: RE: Renewable Heat Initiative - NI scheme State Aid notification

Peter

Not sure if Stephen gave you a heads up but we're completing the info on SANI and we need some additional information.

I believe you have access to SANI (if not, happy for you to call up here) so could you check Q5 - Q7 and provide answers please.

Regards

Damien

Damien Ryan

European Support Unit
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9384 (ext: 29384)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

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From: Hutchinson, Peter [mailto:Peter.Hutchinson@detini.gsi.gov.uk]
Sent: 20 December 2011 11:49
To: Porter Kate (CCP); Moore Stephen ()
Cc: Ryan, Damien; Carr, Paul; McCutcheon, Joanne; Hutchinson, Peter; Hepper, Fiona; [irrelevant information redacted by the RHI Inquiry]
Subject: RE: Renewable Heat Initiative - NI scheme State Aid notification

Kate,

DECC are aware of the detail of our scheme, the tariffs, banding, technologies etc and have seen the consultation document that precedes this application. Also, the application follows largely the format used by DECC in their application.

I am happy to share the this DECC for their information however I would not want this to delay the submission of the application given the very challenging timescales.

Thanks,

Peter

Peter Hutchinson

Sustainable Energy
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9532 (ext: 29532)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

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From: Porter Kate (CCP) [mailto:Kate.Porter@bis.gsi.gov.uk]
Sent: 20 December 2011 11:35
To: Moore Stephen ()
Cc: Ryan, Damien; Carr, Paul; McCutcheon, Joanne; Hutchinson, Peter; Hepper, Fiona; [irrelevant information redacted by the RHI Inquiry]
Subject: RE: Renewable Heat Initiative - NI scheme State Aid notification