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Subject: RHI State aid decision
Date: 29 February 2016 10:38:00
Attachments: [image001.gif](#)
[SA_34140 – RHI Northern Ireland.pdf](#)
[simplified procedure \(2009_C 136\).pdf](#)
[Implementing Regulation - No 794-2004.pdf](#)

Stuart

Following our very brief chat this morning about the Simplified procedure consultation, I had a quick look at the RHI decision and the other related Commission Regulations to remind myself just what we said at the time of the notification and what we are required to do.

If the RHI budget increases by more than 20%, the Commission's Implementing Regulation (see attached) requires us to re-notify.

But, if the only change is to the budget, we could probably use the Simplified procedure.

The main paragraph relating to the RHI budget is para 17 and, as you will see below and attached, it doesn't look like we have notified an annual budget, so this may give you more room for manoeuvre

17. As regards the budget of the notified measure, the UK authorities have allocated a budget of GBP 25 million from 2011 to 2015 specifically to renewable heat in NI. The budget is expected to increase by GBP 5 million per year from 2015 until 2020, which would imply approximately a total of about GBP 184 million in funds from the scheme to be paid until 2020. After 2020, the UK authorities expect to continue to provide funding only as necessary based on the on-going stream of payments for the installed technologies, in which case they would notify the Commission of any such measures. The overall subsidy is estimated by the UK authorities to be about GBP 157 million in net present value terms.

However, please also note para 15.

15. The UK authorities are minded to review the scheme periodically, including renewed analyses of tariffs, technologies and the overall results achieved. Upon the need to commence such reviews, UK authorities committed to re-notify the scheme to the Commission.

If we are changing any other aspects of the scheme (e.g. tariffs), these other changes may also require us to re-notify, which we committed to do.

Hopefully, depending on what it is we are doing, we may still be able to utilise the Simplified Procedure.

For example, Category 3(c) of the procedure allows the Simplified Procedure to be used

for the tightening of the criteria for the application of an authorised aid scheme, a reduction of aid intensity or a reduction of eligible expenses.

Happy to discuss further as necessary

Stephen

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