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**From:** Peter Hutchinson  
Sustainable Energy

**Date:** 25 February 2010

**Copy Distribution List Below**

**To:** 1. Andrew Crawford  
2. Arlene Foster MLA

**COR/77/2010: ASSISTANCE FOR SOLAR HEATING**

**Issue:** Nigel Dodds OBE MP MLA has written to you seeking information on available support for people wishing to install solar thermal technology

**Timing:** Routine.

**PfG implications:** Not applicable

**Need for referral to the Executive:** Not applicable.

**Presentational Issues:** Not applicable.

**Freedom of Information:** This submission is fully disclosable.

**Financial Implications:** None.

**Statutory Equality Obligation:** Compliant; there are no Section 75 implications.

**Legislation Implications:** None.

**Recommendation:** That you respond to Mr Dodds using the attached draft at Annex A.

**BACKGROUND**

Nigel Dodds OBE MP MLA has written to you, on behalf of his constituents, seeking information on available grants for those wishing to install solar panels for the purpose of heating their homes.

2. Solar thermal technology is primarily used to supplement domestic hot water systems. During the period when a Reconnect grant was available, solar thermal was the most popular technology and indeed equated to 50% of the total 4,168

Reconnect installations. A major influencing factor was that solar thermal technology was one of the more affordable household micro generation technologies. Solar thermal technologies still remain popular and the most commercially viable in the absence of a grant.

### **LOW CARBON BUILDINGS PROGRAMME**

3. Grant assistance does however technically remain available through the Low Carbon Building Programme (LCBP) which is managed by the Energy Savings Trust on behalf of DECC. The LCBP offers grants of up to £2,500 across the UK to householders to install household microgeneration technologies such as solar thermal.
4. However as a result of the recent announcement by DECC regarding the introduction of Feed-In-Tariffs (FITs), from 1 April 2010 the LCBP will close to all new applications for grants for electricity producing microgeneration technologies such as wind turbines, solar pv and hydro. DECC has however indicated that applications for heat generating microgeneration technologies such as solar thermal will continue until April 2011.
5. DETI had sought to have the LCBP retained for Northern Ireland for all forms of generation in the absence of a FIT and whilst DECC were open to this suggestion limitations on funding make this impossible. In fact, DECC have indicated that they are likely to run out of funds for 2010/11 renewable heat applications as early as April 2010.

### **RENEWABLE HEAT INCENTIVE**

6. You will be aware that DECC has also recently announced that it intends to incentivise low carbon heating technologies through a Renewable Heat Incentive (RHI) from April 2011. The incentive will apply across England, Scotland and Wales and will be open to individuals, community groups and businesses and is intended to increase the uptake of technologies such as solar thermal, as well as air source and ground source heat pumps, and biomass boilers.
7. Under the RHI, solar thermal installations under 20kW would be eligible for a payment of 18 pence per kWh for a period of twenty years. In a scenario using a three bed semi detached house it may be expected that a householder might be entitled to around £400 per year for 20 years under the RHI. Co-incidentally the LCBP offered a one off payment of £400 against the capital cost of installing a solar thermal system, and so clearly the proposed RHI does appear to offer a better deal for consumers and a more long term method of encouraging the uptake of renewable energy in this sector.
8. You are aware that work is underway by Sustainable Energy Branch to identify the most appropriate method for incentivising the local heat market, and is due to complete by April. If this work indicates that a RHI would be the most effective way of developing renewable heat in NI then a legislative timetable will need to be developed. Consideration is also being given as to the need to pursue options for encouraging the market in the short term to ensure that NI is not unduly disadvantaged by the introduction of the RHI in GB.

9. However, if the funds under the LCBP become fully committed as early as April 2010 as DECC suggest, then there is no further method currently in place to support the installation of heat producing micro generation technologies until an RHI comes into effect. While this is planned for April 2011 in GB, it is unlikely similar legislation will be in place in NI before 2012 due to the necessary consultation process that will be required, should you be content that an RHI is the way forward.

## **RECOMMENDATION**

10. I recommend that you respond to Mr Dodds along the lines of the attached draft letter (**Annex A**).

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**Sustainable Energy**  
**Tel: 028 9052 9532**

cc: David Sterling  
David Thomson  
Jenny Pyper  
Alison Clydesdale  
Olivia Martin  
Michael Harris  
Ann Williamson  
Dan Sinton  
Neth Energy

**Draft letter from Minister to Nigel Dodds OBE MP MLA**

Nigel Dodds OBE MP MLA  
39 Shore Road  
Belfast  
BT15 3PG

February 2010

Thank you for your letter of 15<sup>th</sup> February 2010 regarding possible support for your constituents considering using solar technology to heat their homes.

Grant assistance for the installation of solar thermal technologies is available through the Low Carbon Building Programme (LCBP) which is managed by the Energy Savings Trust on behalf of DECC. The LCBP offers grants of up to £2,500 across the UK to householders to install household microgeneration technologies.

However from 1 April 2010 the LCBP will close to all new applications for grants for electricity producing microgeneration technologies such as wind turbines, solar pv and hydro but will continue until April 2011 for heat generating microgeneration technologies such as solar thermal, subject to the availability of funding.

The LCBP can be contacted on 0800 915 0990 or by email at [info@lowcarbonbuildings.org.uk](mailto:info@lowcarbonbuildings.org.uk).

**ARLENE FOSTER MLA**  
**Minister of Enterprise, Trade and Investment**