

From: [Cairns, Timothy](#)
To: ["andrew crawford"](#)
Subject: RE: Renewable Heat Incentive
Date: 07 August 2015 13:22:00

Andrew

I think officials view is that we need to move on the tariff changes by 1st October and I am exploring how we can put the tariff limits up to 3000. I understand DFP are pressing for some change and efforts to be made.

I will see what comes of this internally

T

From: andrew crawford [mailto:Personal information redacted by the RHI Inquiry]
Sent: 31 July 2015 22:04
To: Cairns, Timothy
Subject: Fwd: Renewable Heat Incentive
Tim,

I think that you will need to make changes from the 1st October as the system at the moment has no upper limit to the amount of support.

One thing to consider is increasing the number of hours from moving from the higher to lower tariff. Moy Park houses currently run for approximately 6000 hrs for a 99 kW boiler when in their normal production cycle. The current problem is that it pays producers to heat houses when their houses are empty as the rates are attractive and some use boilers for more than 6000 hrs per annum.

If a Moy Park producer puts in a 199 kW boiler he can expect it to run for approximately 3000 hours. From these calculations you can see why Moy Park producers will be in a rush to refit their houses before the 1st October. If you increased the step from 1314 to 3000 there will be no incentive for producers to install before the 1 October.

There is going to be a massive spike in applications before the 1 October. There is currently a shortage of the necessary pipe work required to install boilers.

Hope this makes sense

Andrew

Sent from my iPad

Begin forwarded message:

From: "Crawford, Andrew" <Andrew.Crawford@dfpni.gov.uk>
Date: 31 July 2015 09:40:18 BST
To: Andrew Crawford Personal information redacted by the RHI Inquiry
Subject: **Fw: Renewable Heat Incentive**

Sent from my BlackBerry 10 smartphone.

From: Cairns, Timothy <Timothy.Cairns@detini.gov.uk>
Sent: Thursday, 30 July 2015 23:23
To: Crawford, Andrew
Subject: FW: Renewable Heat Incentive

Latest.

It's an introduction of tariff controls to stop misuse rather than full reform from 1st Oct
Any thoughts

T

Sent from my iPhone managed by BlackBerry Enterprise Service

----- Original Message -----

From: Mills, John (DETI) <John.Mills@detini.gov.uk>
Date: 30 July 2015 17:23 BST
To: Cairns, Timothy <Timothy.Cairns@detini.gov.uk>
CC: Hughes, Seamus <Seamus.Hughes@detini.gov.uk>, McCoy, Laura <Laura.McCoy@detini.gov.uk>, Stewart, Chris (DETI) <Chris.Stewart@detini.gov.uk>
Subject: Renewable Heat Incentive

Timothy

We discussed the need to introduce measures to manage expenditure on the Renewable Heat Incentive (RHI) which are set out in our submission of 8 July. You asked for a short note on arrangements which need to be brought in from 1 October 2015 (as opposed to those which might be introduced). There is an urgent need to put appropriate measures in place to ensure proper control of budgets and comply with approvals. Part of this means introducing measures set out in the submission.

You made the point that there was virtue in making sure NI was able to make best use of the AME funding available to achieve the Executive's Renewable Heat targets. While noting that the scheme had taken off you rightly said that we would not want to over-react by introducing restrictions too suddenly which took us back to previous under-performance.

However, both Chris and I emphasised that we had to demonstrate that measures were being taken to ensure proper controls and Chris pointed out that the AME arrangements may have additional caveats. While we need to take action urgently we do not necessarily need to try to do everything at once. There is a sound case for giving longer consideration to more complex tariff digression arrangements or a basis for making tariff reductions. These arrangements could be assessed over the following six months.

This would leave us to proceed with alterations to tariff tiers for non domestic RHI biomass tiered tariff arrangements.

The introduction of a tiered tariff structure for the medium size biomass technology is required to manage NI RHI spending and bring us more into line with the tier and banding arrangements in place under the GB scheme.

The first 1314 peak hours will be paid at the standard tariff of 6.4 pence per kWh, thereafter reducing to the lower tariff of 1.5 pence per kWh. These arrangements will apply to biomass boilers in the 20kW to 199kW range which is the most popular installation range. In addition the final policy will include a tariff cap of 400,000kWh as a maximum annual heat payment. This cap limit is based on an assessment provided by DARD on the poultry industry which is considered to be the sector with the highest heat requirement.

The arrangements will not reduce the current tariff but are an important safeguard against over-use. We would not expect this to be any surprise to the industry as they apply in GB. It would be very

difficult to justify inaction in relation to this particular measure.