

From: [McLaughlin, Christine](#)
To: [Hepper, Fiona](#)
Cc: [Thomson, David](#); [McCutcheon, Joanne](#); [Clydesdale, Alison](#); [Press Office](#); [Baxter, Clare](#); [Harris, Michael](#); [Hutchinson, Peter](#); [Stewart, Susan](#); [Neth Energy](#); [Aiken, Glynis](#); [Stevenson, Valerie](#)
Subject: COR case 1046/2011 re: Lack of Renewable Energy Strategy in NI
Date: 24 June 2011 15:52:23
Attachments: [COR 1046 GA signed.pdf](#)
[COR 1046 Minister content.pdf](#)

I refer to COR case 1046/2011 re: Lack of Renewable Energy Strategy in NI. Please find attached, for your information.

Christine McLaughlin

Private Office

Department of Enterprise, Trade & Investment

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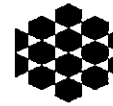
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From the Office of the Minister



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Our Ref: DETI COR 1046/2011

Mr Martin Rodgers

Personal information redacted by the RHI
Inquiry

24 June 2011

Dear Mr Martin

LACK OF A RENEWABLE ENERGY STRATEGY IN NORTHERN IRELAND

Your email of 6 June 2011 to Minister Attwood was passed to Arlene Foster MLA, Minister of Enterprise, Trade and Investment (DETI) as the Minister with the lead responsibility for the development of renewable energy in Northern Ireland. The Minister has read your correspondence and has asked me to respond on her behalf.

Firstly, let me assure you that DETI is committed to the development of renewable energy in Northern Ireland and has set challenging targets for renewable energy generation in the Strategic Energy Framework (SEF), published in September 2010. The SEF sets out plans for DETI to achieve 40% renewable electricity and 10% renewable heat by 2020; these are stretching and ambitious targets. The development of renewable energy is essential to increase fuel security in Northern Ireland and reduce carbon emissions; there are also opportunities for 'green jobs' within this sector.

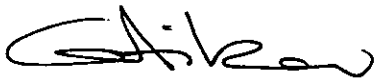
DETI has an excellent track record in supporting the deployment of renewable energy installations. Since the introduction of the Northern Ireland Renewables Obligations (NIRO), the primary incentive for renewable electricity generation, in 2005, the level of electricity generated from renewable sources has increased from 3% to 9%. In addition, the 'Reconnect' scheme, which was in operation between July 2006 and November 2008, supported the installation of over 4,000 micro-generation renewable energy technologies with funding of over £10m provided.

DETI is currently considering the most appropriate method of incentivisation for the renewable heat market, including technologies such as air-source-heat-pumps (ASHPs). Northern Ireland will not be part of the Renewable Heat Incentive (RHI) to be launched in Great Britain given a number of key differences between the heat markets in Northern Ireland and Great Britain. These differences have meant that it is more appropriate for a RHI to be specifically developed and tailored to suit the needs of the Northern Ireland market. Funding of £25m for an incentive scheme has been secured from Her Majesty's Treasury for a Northern Ireland scheme and DETI will be consulting on the design and implementation of the incentive measures shortly. I will ensure that you receive a copy of the consultation once it is launched.

Of course financial incentives can only take us so far and a number of other policy measures will be required to ensure that barriers to renewable energy deployment are identified and, where possible, removed. Officials within DETI will endeavour to raise the issue of connection charges of ASHPs with NIE to understand this issue better.

I trust that this response has been useful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Aiken', written in a cursive style.

GLYNIS AIKEN
Private Secretary to Minister Arlene Foster MLA

Minister: for your consideration and if correct for PS/Signature. **DFE-29578**

From: Fiona Hepper

*checked
16/06/11*

Date: 15 June 2011

1. Andrew Crawford

2. Arlene Foster MLA

A 22/6

A 23/6 correct

COR 1046/2011: LACK OF RENEWABLE ENERGY STRATEGY IN NORTHERN IRELAND

Issue: Mr. Martin Rodgers has written regarding a perceived lack of support for renewable energy in Northern Ireland. This letter was initially addressed to Department of the Environment but it is appropriate that DETI respond.

Timing: Routine

Need for referral to the Executive: Not applicable at this stage.

Presentational Issues: None.

Freedom of Information: None.

Financial Implications: None

Legislation Implications: Not applicable.

PSA/PFG Implications: None.

Statutory Equality Obligations: Not applicable.

Recommendation: That you reply to Mr Rodgers using the draft attached at Annex A.

Background

Mr Martin Rodgers has written regarding a perceived lack of a renewable energy strategy in Northern Ireland and has asked for increased financial support for the deployment of renewable energy technologies. Mr Rodgers' letter follows on from his desire to install an air-source-heat-pump (ASHP) which would provide space heating for his home. Due to a lack of financial incentive and difficulties encountered with NI Electricity (NIE) in connecting the heat pump, Mr Rodgers is now planning to install oil fired central heating.

2. Mr Rodgers encourages the adoption of the Renewable Heat Incentive (RHI) scheme which will shortly be operating in Great Britain and asks that the Department encourages NIE to look favourably on renewables-based installations.

GB Renewable Heat Incentive

3. You will be aware from previous submissions that the Department of Energy and Climate Change (DECC) intend to introduce a RHI Great Britain in July 2011. The GB RHI will be rolled out in two phases, with only the non-domestic market being able to avail of the scheme from its beginning. The domestic market will then be eligible for support from October 2012 at the same time as the Green Deal is launched in GB. In the interim DECC intend to provide "Renewable Heat Premium Payments", basically a capital grant, for early adopters within the domestic market from July 2011.
4. It should be noted that the technology that Mr Rodgers hoped to install (ASHPs) is not currently eligible for support under the GB RHI, DECC intend to delay incentivising ASHPs until further research is carried out and expect to introduce a tariff for ASHP sometime in 2012. Under the "Renewable Heat Premium Payments" scheme, Mr Rodgers could however be entitled to a grant of up to £850 for the ASHP.

DETI Support for Renewable Energy

5. As you will be aware, DETI is committed to the development of renewable energy in Northern Ireland and has set ambitious targets of 40% renewable electricity and 10% renewable heat by 2020. These targets were endorsed by the Executive and published in the Strategic Energy Framework (SEF) in September 2010.
6. Financial incentives are well established within the renewable electricity sector. Since the introduction of the Northern Ireland Renewables Obligations (NIRO) in 2005, the level of electricity generated from renewable sources has increased from 3% to 9%.
7. You are up to speed on the work currently underway in designing a RHI for Northern Ireland. It has been appropriate to specifically tailor a RHI for Northern Ireland, rather than adopting the GB model, due to the variances between the Northern Ireland and GB heat markets, namely, Northern Ireland's dependence on oil, the nature of the emerging natural gas industry, the rural nature of Northern Ireland and the different costs of energy. Energy Division intend to launch the consultation on the development of the renewable heat sector in Northern Ireland in July 2011, this document will provide details of the design and implementation of the NI RHI. Previous financial assistance for this sector had largely been in the form of the 'Reconnect' funding which assisted over 4,000 installations within the domestic sector.

Connection charges with NIE

8. Mr Rodgers also mentions prohibitive connection charges from NIE to connect his ASHP as being a significant barrier to installation. This is not an issue that Energy Division has previously been aware of and is enquiring with NIE as to the background of the issue.

Recommendation

9. I would recommend that you approve the draft letter attached at **Annex A** for signature by your Private Secretary.

(signed)
FIONA HEPPER
ENERGY DIVISION
(Ext 29215)

Distribution List:

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