

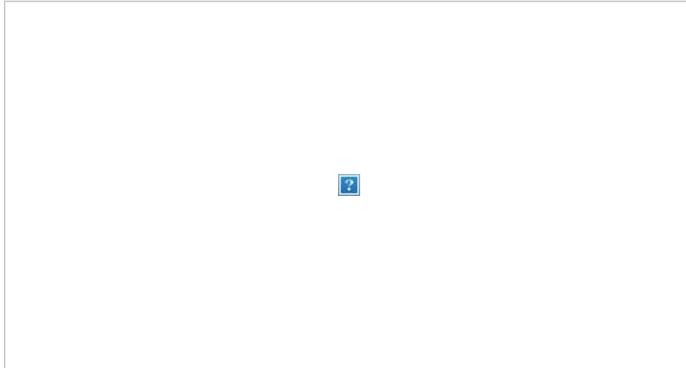
**From:** [Iain Morrow](#)  
**To:** [Hutchinson, Peter](#)  
**Cc:** [McCutcheon, Joanne](#)  
**Subject:** RE: RHI - Follow up report - comments  
**Date:** 07 February 2012 14:40:50  
**Attachments:** [image004.png](#)  
[image001.png](#)

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Peter

The fuel costs DECC used are in Annex 4 of the analytical annex to the RHI impact assessment (so fairly deep within their reports!). It is on their website here:  
<http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20Energy%20supply/Energy%20mix/Renewable%20energy/policy/renewableheat/1385-analytical-annex-rhi-ia.pdf>

I've pasted in a copy of the relevant table below. Figures are in £/MWh, so the current central case figure below of £21 corresponds to 2.1p/kWh. This is lower than the 2.5-3p that we assumed for NI.



Iain

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**From:** Hutchinson, Peter [<mailto:Peter.Hutchinson@detini.gov.uk>]  
**Sent:** 07 February 2012 12:45  
**To:** Iain Morrow  
**Cc:** McCutcheon, Joanne  
**Subject:** RE: RHI - Follow up report - comments

Iain – thanks for this and for explaining the fuel costs for large biomass.

It might be useful to include some wording on this in your report if you are still to recommend no tariff over 1mw – i.e. explain that using a wood chip ref installation means that over the lifetime of the technology no subsidy is required, however using a wood pellet reference a small subsidy would be needed, and then make Oliver's point re most installations are currently wood chip but if this were to change (or if wood chip increased significantly in price) then DETI may need to review the need for a tariff for larger installations?

Out of interest – what fuel cost did DECC assume for wood chip for 1MW + banding?

As you have suggested, if there were to be no tariff above 1MW then a banding similar to GB would be better so larger installations are included in some way. Grateful if you could do this. The GB band is 200-1000, would you propose that with a 20-200 band or 100-1000 with the existing 20-100 band?

Thanks,

Peter

**Peter Hutchinson**  
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**From:** Iain Morrow [<mailto:Iain.Morrow@cepa.co.uk>]  
**Sent:** 07 February 2012 12:23  
**To:** Hutchinson, Peter