

**From:** [Wightman, Stuart](#)  
**To:** [Brankin, Bernie](#)  
**Cc:** [Cooper, Trevor](#); [Partridge, Jeff](#); [Conliffe, David](#); [Mills, John \(DETI\)](#); [Thompson, Sandra](#); [Hughes, Seamus](#)  
**Subject:** RE: RHI Applications and Estimated Payments  
**Date:** 11 March 2016 16:04:49  
**Attachments:** [image001.gif](#)

---

Hi Bernie

The basis of the most recent forecast of £49m on 2016/17 is set out in my email below. As you can see, this is a quick calculation which:

- (i) Estimates the total annual commitments for installations made before November's tariff changes by multiplying the average annual payment (£21,600) made to date by the total number of applications (including those not yet processed). Of the 1,810 applications received before the 18 November 2015, around 800 aren't yet processed so the average payment could go up or down.
- (ii) Estimates the annual commitments for installations made after 18 November by assuming a maximum annual payment of £18,813.
- (iii) Assumes full annual payments for the 6 large 'preliminary' biomass installations during 2016/17. However, these installations are likely to be completed at different times during the year and will therefore not attract a full annual payment in 2016/17.
- (iv) Assumes that the two large 'preliminary' CHP installations will be completed early in 2018 and will attract full annual payments from 2018/19 onwards. Unlike the large biomass installations, the likelihood of both these installations proceeding is much less.

Because I've used the average annual payment for forecast purposes, seasonal variations are already factored into the figures. I hope my assumptions above are clear.

We can provide a revised forecast using our RHI spreadsheet once we've caught up with the further spike in applications received before scheme closure. But again, with such a large number of applications still to be processed, our forecast will no doubt change as these installations are accredited and we start to receive actual meter readings.

Happy to discuss.

Thanks, Stuart

---

**From:** Brankin, Bernie  
**Sent:** 11 March 2016 15:06  
**To:** Wightman, Stuart; Thompson, Sandra  
**Cc:** Cooper, Trevor; Partridge, Jeff; Conliffe, David; Mills, John (DETI)  
**Subject:** FW: RHI Applications and Estimated Payments  
Stuart/Sandra

Thanks for Energy Divisions latest forecasts on RHI annual commitments.

It would be helpful if you could set the context of how you forecast RHI commitments, what assumptions are being made and is it a worst, medium or best case scenario? Some immediate questions include are the forecasts based on the total number of applications which have been verified by Ofgem up to and including the close of the scheme, has a season level of fluctuation in the annual cost of the scheme been built into the forecasts, and what is the position and timing around preliminary applications for 2018?

If you would provide the context of the forecasts, we will consider and then I will set up a meeting as David and I would like to discuss.

Bernie

**Bernie Brankin**

Finance Branch

Department of Enterprise, Trade & Investment

Netherleigh  
Massey Avenue  
Belfast, BT4 2JP  
Tel: 028 9052 9417 (ext: 29417)  
TextRelay: 18001 028 9052 9417  
Web: [www.detini.gov.uk](http://www.detini.gov.uk)

cid:image001.gif@01D17AEC.AE774E60



[NI Year of Food & Drink 2016](#)

## **Please consider the environment - do you really need to print this e-mail?**

---

**From:** Thompson, Sandra  
**Sent:** 04 March 2016 18:44  
**To:** Brankin, Bernie  
**Cc:** Wightman, Stuart  
**Subject:** FW: RHI Applications and Estimated Payments  
**Importance:** High

Bernie – please see estimates below – doesn't include any annual inflation rate increases.

Sandra

---

**From:** Wightman, Stuart  
**Sent:** 04 March 2016 14:53  
**To:** Thompson, Sandra  
**Cc:** Hughes, Seamus; Briggs, Peter; Willis, Adele  
**Subject:** RHI Applications and Estimated Payments  
Sandra

My calculations below provide an annual commitment of £48.9m for both schemes in from 2016/17 onwards. This will increase by up to £3m / yr from 2018 onwards if two large biomass plants proceed for which preliminary applications have been received.

Happy to discuss.

Stuart

### **(1) Non Domestic Installations made before 18 November 2015**

1,810 applications

Average Annual Payment = £21,600 (based on average payments made to date on the 1,100 accredited installations. 710 applications have yet to be approved.)

**Estimated Annual Total = £1,810 x £21,600 = £39.1m**

### **(2) Non Domestic Installations made after 18 November 2015**

310 applications

Maximum Possible Annual Payment (factoring in the tier and cap) =  $(1314 \times 199 \times 0.064) + (400,000 - (1314 \times 199) \times 0.015) = £16,735 + £2,078 = £18,813$  per installation per year

**Total Maximum annual payment = 310 x 18,813 = £5.83m**

### **(3) Preliminary Applications (Large plants (>199kw) not yet installed)**

Applications received for 2 Large CHP plants (8MW and 4MW) to come online in 2018

**- Estimated Annual Payment = 12,000 x 80% x 365 x 24 x 0.35 = £2.95m / yr (from 2018 onwards)**

Applications received for 6 large biomass plants (6 x 1MW) to come online during 2016

- **Estimated Annual Payment = 6,000 x 90% x 365 x 24 x .015 = £0.7m / yr**

**(4) Domestic Installations**

2,631 applications

Average annual payment of 1,200 / year

**Total Annual Commitment = 2,631 x 1,200 = £3.2m / yr**

**TOTAL ESTIMATED ANNUAL RHI COMMITMENTS = £39.1m + £5.83m + £0.7m + £3.2 = £48.9m / yr from 2016/17 onwards**

**PLUS additional commitment of up to £3m / yr for preliminary applications from 2018 (subject to full accreditation)**