

From: [Hepper, Fiona](#)
To: [McCutcheon, Joanne](#); [Hutchinson, Peter](#)
Subject: FW: CLOSING Invitation -- Ref. Number: INV/1091/2012 : Renewable Heat Incentive: Biomass Installations exceeding 1MW -Magherafelt District Council
Date: 28 January 2013 16:48:19
Attachments: [INV 1091-12 Response.pdf](#)
[Brand-Derry-Londonderry.jpg](#)
[firegameslogo.gif](#)

letter has issued

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Fiona Hepper

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

From: gillian.cahoon@detini.gov.uk [mailto:gillian.cahoon@detini.gov.uk]
Sent: 28 January 2013 16:40
To: Hepper, Fiona
Cc: Dolaghan, Paul; Neth_Energy; Sterling, David; Lewis, Colin; Thomson, David; Aiken, Glynis; Stevenson, Valerie (DETI Private Office); DG_DETI Press Office; Cahoon, Gillian
Subject: CLOSING Invitation -- Ref. Number: INV/1091/2012 : Renewable Heat Incentive: Biomass Installations exceeding 1MW -Magherafelt District Council

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

CLOSING - Invitation

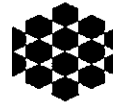
Reference: INV/1091/2012
Raised By: John McLaughlin

Subject: Renewable Heat Incentive: Biomass Installations exceeding 1MW -Magherafelt District Council

Answer: Please see attached response issued to John McLaughlin today.

Copied To For Information:
cc Energy; Cahoon Gillian (Miss)

From the Office of the Minister



Department of
**Enterprise, Trade
and Investment**

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INV 1091-12

John McLaughlin
Chief Executive
Council Offices
50 Ballyronan Road
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28 January 2013

Dear Mr McLaughlin

Thank you for your letter 19 November 2012 regarding the Northern Ireland Renewable Heat Incentive (RHI), specifically relating to the installations at the newly refurbished Greenvale Leisure Centre. I was interested to hear about the renovation work at the Leisure Centre and the utilisation of renewable heating.

In terms of the RHI and the limit on support for installations over 1MW in size, I am sure you will appreciate that a great deal of work has been carried out to assess the appropriate levels of support under the scheme. The consultation in July 2011 set out the proposed policy for stakeholders to consider and comment. Following the consultation process some changes were made to the banding approach and additional research was carried out to ensure the final tariffs were appropriate. Given the finite budget and the need for approvals from the EU Commission, all tariffs had to be based on sound evidence and provide a suitable incentive for installers whilst not acting as an 'over-incentive'.

When agreeing the final policy, it was determined that biomass installations over 1MW in size were already cost effective in Northern Ireland over the lifetime of the technology. This was based on the assumed cost differential between oil and wood chip. When using the consistent methodology across all technologies and all bands, no tariff could be generated for biomass over 1MW. I understand that a similar issue arose in the GB RHI, where the Department of Energy and Climate Change had proposed a tariff of 2.6p/kwh however, following consideration by the EU Commission this tariff was reduced to 1p/kwh.

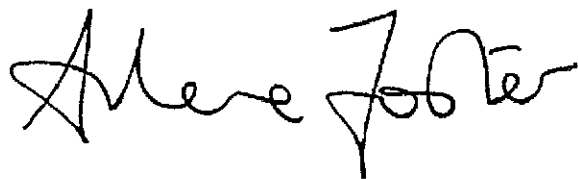
We will, however, be considering this matter further as part of the second phase of the NI RHI. Phase 2 of the scheme will largely focus on the extension of the scheme to the domestic sector, but consideration will also be given to the issue of support for installations over 1MW in size, like the one at Greenvale Leisure Centre. Phase 2 will be implemented in 2013 and will be preceded by a public consultation to gather the views of key stakeholders such as yourselves. In advance of this it might be useful for you to share information with my officials on the actual costs involved in your installation – this could support work to develop appropriate support for large biomass systems.

If you are willing to share such information please contact ni.rhi@detini.gov.uk, information shared will be treated in confidence if necessary.

In the interim, I would encourage you to engage with Ofgem, as the administrator of the NI RHI, to explore whether support for one of your 800kw boilers can be accredited under the scheme and begin to receive support.

Thank you for your invitation to visit yourselves and see at first-hand the newly refurbished centre which is heated by biomass. I am sure you will appreciate my diary is very busy currently and therefore I must decline at this stage. However, if I am able to schedule a visit in the future my office will be in contact.

Yours sincerely

A handwritten signature in black ink that reads "Arlene Foster". The signature is written in a cursive, flowing style.

Arlene Foster MLA
Minister of Enterprise, Trade and Investment