

From: [Sinton, Dan](#)
To: [Private Office DETI](#); [Hepper, Fiona](#)
Cc: [Dolaghan, Paul](#); [Neth_Energy](#); [Sterling, David](#); [Lewis, Colin](#); [Thomson, David](#); [Aiken, Glynis](#); [Stevenson, Valerie \(DETI Private Office\)](#); [DG_DETI Press Office](#); [Hegarty, Damien](#); [McLaughlin, Christine \(DETI\)](#); [McCutcheon, Joanne](#); [Hutchinson, Peter](#)
Subject: RE: (PETER / DAN - extended to 8 APRIL) Correspondence -- Ref. Number: COR/138/2013 : RENEWABLE HEAT PREMIUM PAYMENT SCHEME
Date: 08 April 2013 13:25:55
Attachments: [Arlene Foster.docx](#)
[COR 138 2013 Renewable Heat Premium Payment Scheme.DOCX](#)
[COR 138 2013 Renewable Heat Premium Payment Scheme.tr5](#)

Please see attached advice and draft reply.

From: Christine.McLaughlin@detini.gov.uk [mailto:Christine.McLaughlin@detini.gov.uk]
Sent: 26 March 2013 15:05
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; Hegarty, Damien; McLaughlin, Christine (DETI)
Subject: (PETER / DAN - extended to 8 APRIL) Correspondence -- Ref. Number: COR/138/2013 : RENEWABLE HEAT PREMIUM PAYMENT SCHEME

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

URGENT - CORRESPONDENCE

Reference: COR/138/2013
Raised By: Rt Hon Gregory Barker MP

Subject: RENEWABLE HEAT PREMIUM PAYMENT SCHEME

Referred To: HEPPEL FIONA (MRS) (Energy Branch)

Date Referred: 26/03/2013

ACTION REQUIRED

Please provide advice and a draft reply for signature by the Minister.

To be with Private Office not later than 04/04/2013 before Close of Play

For further information etc. contact :

Christine McLaughlin (Private Office)
Netherleigh House Tel : Ext 29222

Copied To For Information:
cc Energy
Hegarty Damien (Mr)
McLaughlin Christine (Mrs)



Department
of Energy &
Climate Change

The Rt Hon Gregory Barker MP
Minister of State

Department of Energy & Climate Change
3 Whitehall Place,
London
SW1A 2AW

Arlene Foster MLA
Minister of Enterprise, Trade and Investment
Northern Ireland Executive
Netherleigh
Massey Avenue
Belfast
BT4 2JP

www.gov.uk/decc

26 March 2013

Dear Arlene

EXTENSION TO THE RENEWABLE HEAT PREMIUM PAYMENT SCHEME

I am writing to inform you of my intention to extend the current Renewable Heat Premium Payment (RHPP) scheme for the next financial year. This will continue support for the deployment of renewable heat technologies in the domestic sector.

The Government continues to make progress towards finalising all the details of the domestic renewable heat incentive scheme. We intend to announce the final details of the policy this summer and deliver this scheme in spring 2014. To provide continued support to the renewable heat market in the interim period we will extend the RHPP scheme for a further year to March 2014.

The current RHPP is on track to deliver over 5,000 installations through the householder voucher scheme and, through the social landlords element of the scheme, is expected to deliver a further 4,500 installations. The scheme is also providing important information about the performance of the heat pump technologies and the customers' interaction with new technologies through metering and questionnaires.

Subject to meeting certain milestones in the broader RHI delivery timeline, it is my intention to launch the extension of the RHPP from 1 April.

I am copying this letter to the Secretary of State for Northern Ireland.

Yours ever



From: Joanne McCutcheon
Energy Division

Copy Distribution List Below

Date: 8 April 2013

To: 1. Andrew Crawford
2. Arlene Foster MLA

COR/138/2013 : RENEWABLE HEAT PREMIUM PAYMENT SCHEME

Issue: Gregory Barker MP, Minister of State for Energy and Climate Change has written to inform you of DECC's decision to extend the GB RHPP scheme until the introduction of the GB RHI for domestic installations in Spring 2014.

Timing: Routine

Need for referral to the Executive: N/A

Presentational issues: None

FOI implications: This submission is fully disclosable.

Financial Implications: None

Legislation Implications: N/A

PSA/PFG Implications: None

Statutory Equality Obligations: None.

Recommendation: That you acknowledge Mr Barker's letter (draft reply attached at **Annex A**) and approve the issue of the attached press release (**Annex B**) which clarifies the Northern Ireland position.

BACKGROUND

The Rt Hon Gregory Barker MP, Minister of State for Energy at the Department of Energy and Climate Change wrote to you on 26 March 2013 to inform you of his plans to extend the GB RHPP until March 2014.

2. The first phase of the GB RHPP opened to applications on the 1 August 2011. A second phase was launched in the summer of 2012. The plan to extend the scheme until March 2014 is to facilitate the ongoing policy work taking place to develop the domestic RHI in GB. DECC has not provided any specific reason as to why the introduction of the GB domestic RHI has been delayed (beyond its expected launch date of summer 2013), other than to say the process is more complex than it was first thought to be.

NI POSITION

3. The NI RHPP was launched on 24 May 2012 some 10 months after the GB scheme. We always planned to run our scheme into this financial year and to continue with it until such time as we were ready to extend the NI RHI to domestic installations (RHI Phase 2). Development for Phase 2 is underway and we hope to have proposals ready for public consultation by the Summer. We will then need to secure the appropriate approvals and adapt the legislation but we hope to be ready to launch the scheme by the end of the year.
4. It will help to clarify matters for NI homeowners if we issue a press release detailing the current position in NI.

RECOMMENDATION

5. I recommend that you acknowledge Mr Barker's letter (draft reply attached at **Annex A**) and approve the issue of the attached press release (**Annex B**) which clarifies the Northern Ireland position.

Joanne McCutcheon
Energy Division (EXT 29215)

cc: David Sterling
David Thomson
Fiona Hepper (o/r)
Paul Dolaghan
David McCune
Peter Hutchinson
Dan Sinton
Rod Robson
Press Office
Glynis Aiken
Alistair Ross MLA, APS

DRAFT REPLY

The Rt Hon Gregory Barker MP
Minister of State
Department of Energy & Climate Change
3 Whitehall Place,
London
SW1A 2AW

RE: EXTENSION TO THE RENEWABLE HEAT PREMIUM PAYMENT SCHEME

Dear

Thank you for your letter of 26 March 2013 advising on the progress of Phase 2 of the Renewable Heat Incentive (RHI) in Great Britain and the proposed delay in the introduction of a domestic RHI scheme until Spring 2014.

I appreciate the complexities of designing the domestic RHI and the necessity of setting appropriate incentive levels to generate investment whilst remaining within the set budget. My Department is currently carrying out analysis work with the view to designing a domestic RHI scheme specific to Northern Ireland as well as expanding our commercial scheme to include more innovative technologies. This work will be informed by a public consultation process, currently scheduled for Summer 2013.

Whilst the NI and GB RHI schemes are separate, I think it would be of great benefit if our respective officials kept in close contact over the next few months as our respective development work continues. I note your intention to publish tariff levels in the Summer and look forward to hearing more about your proposals.

Arlene Foster
Minister of Enterprise, Trade and Investment

DRAFT PRESS RELEASE**Foster highlights support for new heating systems for homeowners**

Energy Minister Arlene Foster has today highlighted the support available for domestic energy users wishing to switch to innovative renewable heating technologies.

The Renewable Heat Premium Payment (RHPP) scheme has been in place since May 2012 and already over 700 people have begun the process of introducing more environmentally friendly heating systems in their homes.

The Premium Payment scheme provides support for those wishing to move away from fossil fuels and instead utilise renewable technologies such as biomass boilers, heat pumps and solar thermal panels. To date, DETI has committed in excess of £1.2m worth of grant support for new installations; this represents an overall investment in the market of over £4.1m.

Arlene Foster said: **“It is encouraging to see more and more people embrace new innovative methods to heat their homes.**

“For too long, Northern Ireland consumers have had limited choice when it came to how their homes and businesses were heated. With the support available from my Department for renewable technologies, as well as the continued expansion of the natural gas network, the energy market in Northern Ireland is becoming more diverse, more competitive and more sustainable.”

The Premium Payment scheme will continue in Northern Ireland until a longer term scheme is designed and developed. Work is underway to implement a Domestic Renewable Heat Incentive (RHI) whereby consumers installing renewable heat would receive ongoing payments rather than upfront grant support. A similar mechanism has been in place for non-domestic customers since November 2012 and a number of businesses have already moved to renewable heat and availed of ongoing support via the RHI.

Arlene Foster added: **“I hope to soon launch a consultation on the expansion of the RHI and the introduction of a long term scheme for domestic customers. I believe that an ongoing support mechanism is favourable to a grant scheme as it demonstrates my Department’s continued commitment to this sector. The RHPP scheme has been successful in generating momentum in the market and increased consumer confidence; I expect the scheme to remain in place until a clear position on the domestic RHI is announced.**”

It is anticipated that a public consultation will be held shortly to gather views on the potential design of the domestic RHI. In addition, DETI plans to bring in support for more innovative technologies that could be used in the commercial sector. Support levels under the RHI recently increased in line with inflation and further information can be found at www.nidirect.gov.uk/energywise.

The Minister concluded: **“It is vital that Northern Ireland begins developing a more sustainable heating market rather than relying solely on imported fossil fuels. Already a number of businesses and homeowners are considering switching to renewable heating and utilising the support available through DETI via the RHI and RHPP. Hopefully others will do likewise and Northern Ireland consumers will be able to take advantage of the many benefits of renewable energy.”**

Notes to Editors

1. The Renewable Heat Premium Payment scheme has been open since 24 May 2012 and provides support of up to £3500 for new renewable heating installations. The scheme is administered by DETI.
2. The Northern Ireland RHI has been open to applications since November 2012. The GB Energy Regulator, Ofgem, acts as the scheme administrator. Support is for a maximum of 20 years and tariffs are amended on an annual basis in line with the Retail Price Index (the increase for 2012/13 was 3.1%).
3. Details of both schemes can be found at <http://www.nidirect.gov.uk/energywise>

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