

From: [Forsythe, Nicola](#)
To: [Hutchinson, Peter](#)
Cc: [McCutcheon, Joanne](#)
Subject: FW: CLOSING Correspondence -- Ref. Number: COR/148/2013 : Poultry Litter Combustion Units
Date: 01 May 2013 14:31:19
Attachments: [COR 148 VS signed.pdf](#)
[COR 148 MIn content.pdf](#)
[image001.jpg](#)
[image002.png](#)

For information

Nicola Forsythe

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

From: Christine.McLaughlin@detini.gov.uk [mailto:Christine.McLaughlin@detini.gov.uk]
Sent: 01 May 2013 13:59
To: Hepper, Fiona
Cc: Dolaghan, Paul; Neth_Energy; Sterling, David; Thomson, David; Aiken, Glynis; Stevenson, Valerie (DETI Private Office); DG_DETI Press Office; Hegarty, Damien; McLaughlin, Christine (DETI)
Subject: CLOSING Correspondence -- Ref. Number: COR/148/2013 : Poultry Litter Combustion Units

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

CLOSING - CORRESPONDENCE

Reference: COR/148/2013
Raised By: Colin Turkington

Subject: Poultry Litter Combustion Units

Answer: The Minister is content. The response will issue today.

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

From the Office of the Minister



Department of

**Enterprise, Trade
and Investment**

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Our Ref: DETI COR 148/2013

Colin Turkington
Managing Director
Renewable Energy Manufacturing
14 Tullylagan Road
Sandholes
COOKSTOWN
Co Tyrone
BT80 9AZ

1 May 2013

Dear Mr Turkington

RENEWABLE HEAT INCENTIVE

Your letter of 26 March 2013 to the Minister of the Environment, Alex Attwood MLA, has been passed to DETI to consider and respond as it relates primarily to the Renewable Heat Incentive (RHI). The DETI Minister has considered your letter and asked that I respond on her behalf.

In your correspondence you raise a number of concerns regarding the Northern Ireland RHI. Firstly, you raise the issue of two or more smaller systems being installed and receiving a much higher incentive than a similar system comprising only one installation i.e. a 200kw system in comparison to two 99kw systems. I can assure you that this is not the case and that under the Regulations where two or more plants are using the same energy source and form part of the same heating system that they are treated as a "component plant" and the total capacity is assessed. This means that two biomass 99kw systems that form the same heating system would receive the tariff appropriate for a 198kw system. I hope that this addresses your concerns. If you have further questions on the administration or guidelines for the scheme you should contact Ofgem (RHI.Enquiry@Ofgem.gov.uk) who act as the scheme's administrators.

You also raised concerns about the tariff levels in Northern Ireland in comparison to levels of support available in Great Britain. In designing the tariff levels for the Northern Ireland RHI a number of factors had to be considered. Firstly, they had to be appropriate for the Northern Ireland heating market, secondly, they had to provide sufficient support to achieve the target of 10% by 2020 and finally budgetary issues had to be considered. The tariffs for Northern Ireland were designed in the same way as GB tariffs were designed, in that the support levels ensure all additional costs involved in deploying renewable heat are met plus a rate of return of 12%. The difference in tariffs with GB result from the fact that Northern Ireland consumers will be moving to renewable heating from oil heating rather than natural gas in GB. As oil heating is more expensive than natural gas, less of an incentive is required to ensure all additional costs are covered.

If Northern Ireland adopted GB tariff levels the budget limits would be breached and less renewable heat would be delivered. It is also worth noting that whilst GB consumers might receive greater incentive payments they benefit far less in terms of ongoing savings. When considering incentive payments and ongoing savings DETI is confident that Northern Ireland consumers are not disadvantaged. If you have any further queries on RHI policy issues you can contact officials working in this area by emailing ni.rhi@detini.gov.uk.

The Northern Ireland RHI is an important policy as DETI seeks to develop a more sustainable, diverse and secure heat market. It is expected that the RHI could support around 20,000 new renewable heat technologies by 2020 as well as deliver over 10% renewable heat. The development of this sector has the potential to deliver real benefits in terms of energy security, reduced carbon emissions and new 'green jobs'.

Yours sincerely



GLYNIS AIKEN

Private Secretary to Arlene Foster MLA

PS/ signature please.

From: Joanne McCutcheon *elc/lylhw*
Energy Division *11.04.13*

Date: 10 April 2013 ** 2 boilers installed at different times (5/12) with the*

To: 1. Andrew Crawford *attract greater support than a single boiler?*
2. Arlene Foster MLA *Do we need to be referring to the RHI consultation*

COR/148/2013: POULTRY LITTER COMBUSTION UNITS

Issue: Colin Turkington, Managing Director, Renewable Energy Manufacturing, wrote to the DOE Minister following a meeting on environment issues. The letter focuses primarily on the Renewable Heat Incentive (RHI) and therefore has been passed to DETI to respond. ** Response attached on right hand*

Timing: Routine

*Side for your consideration please.
elc/lylhw 16/04/13*

Need for referral to the Executive: N/A

*1/5
cont*

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 respond to Mr Turkington's letter using the draft response at **Annex B**.

BACKGROUND

Mr Colin Turkington, Managing Director of Renewable Energy Manufacturing Ltd, wrote to the Minister of the Environment, Alex Attwood raising concerns about the Northern Ireland Renewable Heat Incentive (RHI) and the poultry industry. The letter, attached at **Annex A** for your information, has been passed to DETI for a response.

RESPONSE

2. Mr Turkington's concerns relate to a perceived flaw in the RHI whereby installers are incentivised to install multiple smaller boilers instead of a single large boiler – this is not the case. The Regulations that underpin the scheme state that where two or more boilers are used in the same heating system the total heat capacity is used to determine the tariff rather than incentives paid for the individual boilers. This prevents an applicant installing multiply boilers in place of a single larger system.
3. Secondly, Mr Turkington has concerns about the levels of tariff in NI, in comparison to support available GB. The NI RHI tariff levels are designed in the same way as the GB levels insofar that all additional costs involved in renewable heating are accounted for plus a rate of return of 12%. Actual tariff levels in Northern Ireland are lower than GB levels as consumers in Northern Ireland will primarily be switching from oil rather than natural gas in GB – as oil is more expensive than natural gas there is less of a difference in costs in comparison to renewables.

RECOMMENDATION

4. It is recommended that you respond to Mr Turkington using the draft reply at **Annex B**.

Joanne McCutcheon
Energy Division (EXT 29215)

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