
From: Hepper, Fiona

Sent: 31 December 2012 15:12

To: Private Office DETI

Cc: Sterling, David; Thomson, David; McCutcheon, Joanne; Hutchinson, Peter; Clydesdale, Alison; Harris, Michael; Sinton, Dan; Aiken, Glynis; Fullerton, Karen; Wallwin, Judith; Ross, Alastair

Subject: LETTER TO FINANCIAL INSTITUTIONS REGARDING RENEWABLE INCENTIVE SCHEMES

Private Office

Please see attached for consideration

Fiona

<< File: Incentives Financial Institutes.DOC >>

Fiona Hepper

Head of Energy Division

Department of Enterprise, Trade & Investment

Netherleigh

Massey Avenue

Belfast, BT4 2JP

Tel: 028 9052 9215 (ext: 29215)

Textphone: 028 9052 9304

Web: www.detini.gov.uk

The new website for the European Sustainable Competitiveness Programme for NI is now available - visit www.eucompni.gov.uk

<< OLE Object: Picture (Metafile) >>

www.ni2012.com

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

From: [McCoy, Laura](#) on behalf of [Hepper, Fiona](#)
To: [Private Office DETI](#)
Cc: [Sterling, David](#); [Thomson, David](#); [Clydesdale, Alison](#); [McCutcheon, Joanne](#); [McCune, David](#); [Dolaghan, Paul](#); [Harris, Michael](#); [Robson, Rod](#); [Ross, Alastair](#); [LMU](#); [DG_DETI Press Office](#); [Neth_Energy](#)
Subject: FW: ETI Committee enquiry - response
Date: 28 January 2013 10:51:35
Attachments: [image003.jpg](#)
[image004.png](#)
[Submission to Minister response to ETI Committee queries on EMR small scale FIT study and RHI.DOCX](#)

Private Office

Please see attached submission from Fiona Hepper for the attention of the Minister.

Regards,

Laura McCoy

Personal Secretary
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9200 (ext: 29200)
Textphone: 028 9052 9304
Web: www.detini.gov.uk



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

From: Murray, John (DETI)
Sent: 18 January 2013 16:08
To: Hepper, Fiona
Cc: Aiken, Glynis; Ross, Alastair; Crawford, Andrew; Sterling, David; Lewis, Colin; Thomson, David; McCune, David; Dolaghan, Paul; Robson, Rod; Clarke, Rosie; Private Office DETI; DG_DETI Press Office; Neth_Energy
Subject: LMU 15-13 - Energy inquiry

Please see attached request from David McCune in respect of a query from the ETI Committee.

Thanks

John

John Murray
Legislative Monitoring Unit
Ext: 29637



From: Fiona Hepper
Energy Division

Date: 28 January 2013

To: 1. Andrew Crawford
2. Arlene Foster MLA

Copy Distribution List Below

QUERY FROM THE ETI COMMITTEE IN RELATION TO UPDATES ON THE REPORT ON THE INQUIRY INTO RENEWABLE ENERGY AND THE STRATEGIC ENERGY FRAMEWORK (SEF) IMPLEMENTATION PLAN

Issue: At its meeting on 17 January 2013 the ETI Committee considered briefing on the report into Renewable Energy and the SEF implementation plan. Further information was sought by the Committee and this is attached for consideration and approval.

Timing: The reply to The ETI Committee is due with the Committee Clerk by Friday 1 February 2013.

Need for referral to the Executive: None.

Presentational Issues: None

Freedom of Information: Fully discloseable.

Financial Implications: None.

Statutory Equality Obligations: There are no Section 75 implications.

PFG/PSA implications: None.

Legislation Implications: None.

Recommendation: A draft response to the ETI Committee queries is provided at Annex A for your consideration.

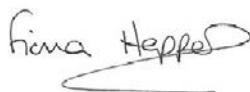
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At its meeting on 17 January, the ETI Committee considered updates from the Department on the Committee's report on the Inquiry into Renewable Energy and also the Strategic Energy Framework (SEF) Implementation Plan. A number of subsequent queries have been raised by the Committee:

- a. an update on the Electricity Market Reform seminar held with the financial sector;
- b. an update on when the Committee will receive the outcome of the commissioned analysis on a small scale FIT for Northern Ireland; and
- c. an update on uptake in the first phase of the NI RHI.

Recommendation

2. The information sought by the ETI Committee is included at Annex A for your consideration and approval.



FIONA HEPPER
Energy Division

cc: David Sterling
David Thomson
Alison Clydesdale
Joanne McCutcheon
David McCune
Paul Dolaghan
Michael Harris
Rod Robson
Alastair Ross
DETI LMU
Private Office
Press Office
Neth Energy

REQUEST TO DETI FROM THE ETI COMMITTEE

Members asked for:

- a. briefing on the outcome on the EMR seminar in June held with the financial sector;
- b. an update on when the Committee will receive the outcome of the commissioned analysis into a small scale Feed-In Tariff; and
- c. an update on uptake in the first phase of the NI RHI.

DEPARTMENTAL RESPONSE

FOI Status: Fully discloseable

EMR seminar

1. Along with stakeholders in the energy sector, representatives from the financial sector were invited to the Electricity Market Reform (EMR) seminar held on 22 June 2012 in Belfast Metropolitan College. The purpose of the event was to update attendees on developments since the previous event in November 2011. Specifically, the event was used to clarify the Minister's announcement in May 2012 that the EMR proposals would be implemented in Northern Ireland subject to the approval of the Assembly by way of a Legislative Consent Motion. The ETI Committee considered and approved the LCM at its meeting on 10 January 2013. A further briefing event, focused on those developers expected to seek Contracts for Difference (CfD) before 2017 was held in December following publication of the Department of Energy and Climate Change's Energy Bill and associated documents which provided more detail on how CfDs will work.
2. Separately, the DETI Minister wrote to representatives of the financial sector in January reinforcing her commitment to the Strategic Energy Framework renewable energy targets and to encourage them to look favourably on approaches from businesses that are seeking finance to install renewable technologies. The Minister also indicated her officials' willingness to arrange a further seminar/series of meetings for financial institutions, to explain again the current and proposed financial mechanisms. To date, several banks have responded favourably and arrangements are being made for a briefing session which will cover the Renewable Heat Incentive, the Northern Ireland Renewables Obligation and the future moves to CfDs and a small scale Feed-In Tariff.

Analysis of small scale FIT study

3. DETI is commissioning a study which will assess the suitability and cost effectiveness of options for introducing a small scale Feed-In Tariff mechanism in Northern Ireland. The study will research the implications of the introduction of a new small scale incentive scheme before 2017 based on the small scale Feed-In Tariff already established in the rest of the United Kingdom. The study will also assess any potential implications for Northern Ireland's target of 40% electricity consumption from renewable sources by 2020.

4. The study is currently out to tender and it is anticipated that the contract will be awarded by end February, subject to procurement timescales. It is likely that the study will not complete therefore until end May. The Department will use the study findings to progress the development of a small scale FIT. This will include the need to set FIT support levels and, in parallel, revised ROC banding levels for small scale renewables. It is expected that this work will continue through 2013 into 2014 culminating in a public consultation in mid 2014 on support levels for small scale renewables under the NIRO and small scale FIT for introduction before the closure of the NIRO in 2017. The Minister confirmed in the NIRO consultation response, (published on 24th January) that there would be no further small scale banding changes before 2015 in order to create certainty for small scale investors.
5. The Department will update the Committee in due course on the findings of the FIT study and progress towards its introduction.

Update on Renewable Heat Incentive

6. The first phase of the Northern Ireland Renewable Heat Incentive (RHI) was launched on 1 November 2012. The primary objective for the Northern Ireland RHI is to increase the uptake of renewable heat to 10% by 2020 (baseline position of 1.7% in 2010). The first phase provides long term financial support for non-domestic properties wishing to switch from conventional heating to renewable heating solutions, such as biomass; heat pumps and solar thermal. Payments are made quarterly, for the lifetime of the installation (maximum 20 years) and are determined by the heat output of the installation and the relevant tariff.
7. A publicity campaign ran alongside the launch. This included TV advertising, 48 sheet posters across Northern Ireland, 125 bus streetliners, online presence and print media. The advertising directed potential installers to the NIDirect 'Energywise' website for further information. Visits to the landing site increased dramatically during the advertising period, peaking at around 950 per week. The website then directs those who wish to proceed to application to contact Ofgem (the GB Energy regulator) who are administering the scheme. Ofgem estimates that it has received around 100 enquiries which has resulted in over 40 application packs being issued with 3 applications being returned (as at 23/1/13).
8. While the number of applications remains small it must be remembered that applications cannot be submitted until the technology has been installed and commissioned. Therefore there is a fairly long lead in time and people responding to the launch of the scheme may not be in a position to apply for some time yet. The Department of Energy and Climate Change (DECC) launched the GB RHI in November 2011 and also found that applications took some time to materialise. Indeed by the end March 2012, the GB scheme had only received 300 applications so on a pro-rata (3%) basis we could expect 9 applications by end March 2013.

9. DETI will continue to promote the scheme and a second phase of publicity started end Jan/Feb 2013. In addition, conversations are taking place between DETI and prospective installers and we are being told there is considerable interest which we hope will result in further applications.
10. Meanwhile, DETI has commenced the development work for the second phase of the scheme. Phase 2 will extend the scheme to domestic installations and will consider some additional technologies. Policy proposals should be developed by April 2013 and will then be subject to public consultation. The final policy will then require appropriate approvals (likely to include EU State Aid approval) and may require changes to the legislation. It is therefore likely to be at least Autumn 2013 before the second phase is introduced.
11. In the meantime, the Renewable Heat Premium Payment (RHPP) scheme, which was launched in May 2012, will continue to provide grant support to eligible domestic installations. To date, the RHPP scheme has issued over 530 vouchers representing support in excess of £810k.

Energy Division, DETI

January 2013

From: Christine.McLaughlin@detini.gov.uk
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](#); [McCune, David](#); [Robson, Rod](#); [Murray, John \(DETI\)](#); [Clarke, Rosie](#); [Hegarty, Damien](#); [McLaughlin, Christine \(DETI\)](#)
Subject: Submission: SUB/46/2013 ETI COMMITTEE - UPDATE INTO THE REPORT ON THE INQUIRY INTO RENEWABLE ENERGY & THE STRATEGIC ENERGY FRAMEWORK
Date: 30 January 2013 14:47:14
Attachments: [SUB 046 Min Content.pdf](#)
[SUB 046.docx](#)

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

Unclassified

From: Christine McLaughlin
Private Office
To: Hepper Fiona (Mrs)
Date: 30/01/2013

Action Copy: cc Energy
McCune David (Mr)
Robson Rod (Mr)
Murray John (Mr)
Clarke Rosie (Ms)
Hegarty Damien (Mr)
McLaughlin Christine (Mrs)

SUB/46/2013:ETI COMMITTEE - UPDATE INTO THE REPORT ON THE INQUIRY INTO RENEWABLE ENERGY & THE STRATEGIC ENERGY FRAMEWORK

The Minister has seen and read your submission of 28/01/2013 and is content.

NB: David McCune will arrange for this briefing to go to the ETI Committee.

Christine McLaughlin (Private Office)

Netherleigh House Tel: Ext 29222

OffName

Minister: for your consideration and if content approved
please.

From: Fiona Hepper
Energy Division

Date: 28 January 2013

To: 1. Andrew Crawford
2. Arlene Foster MLA

DETI SUB 046/2013

Copy Distribution List Below

QUERY FROM THE ETI COMMITTEE IN RELATION TO UPDATES ON THE REPORT ON THE INQUIRY INTO RENEWABLE ENERGY AND THE STRATEGIC ENERGY FRAMEWORK (SEF) IMPLEMENTATION PLAN

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Timing: The reply to The ETI Committee is due with the Committee Clerk by Friday 1 February 2013.

Need for referral to the Executive: None.

Presentational Issues: None

Freedom of Information: Fully discloseable.

Financial Implications: None.

Statutory Equality Obligations: There are no Section 75 implications.

PFG/PSA implications: None.

Legislation Implications: None.

Recommendation: A draft response to the ETI Committee queries is provided at Annex A for your consideration.

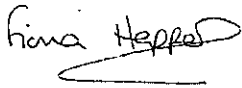
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- c. an update on uptake in the first phase of the NI RHI.

Recommendation

2. The information sought by the ETI Committee is included at Annex A for your consideration and approval.



FIONA HEPPER
Energy Division

cc: David Sterling
David Thomson
Alison Clydesdale
Joanne McCutcheon
David McCune
Paul Dolaghan
Michael Harris
Rod Robson
Alastair Ross
DETI LMU
Private Office
Press Office
Neth Energy

REQUEST TO DETI FROM THE ETI COMMITTEE

Members asked for:

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3. DETI is commissioning a study which will assess the suitability and cost effectiveness of options for introducing a small scale Feed-In Tariff mechanism in Northern Ireland. The study will research the implications of the introduction of a new small scale incentive scheme before 2017 based on the small scale Feed-In Tariff already established in the rest of the United Kingdom. The study will also assess any potential implications for Northern Ireland's target of 40% electricity consumption from renewable sources by 2020.

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Energy Division, DETI

January 2013

From: Fiona Hepper
Energy Division

Date: 28 January 2013

To: 1. Andrew Crawford
2. Arlene Foster MLA

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DETI SUB 046/2013

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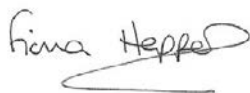
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Recommendation

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FIONA HEPPER
Energy Division

cc: David Sterling
David Thomson
Alison Clydesdale
Joanne McCutcheon
David McCune
Paul Dolaghan
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Energy Division, DETI

January 2013