

**From:** [McCoy, Laura](#) on behalf of [Hepper, Fiona](#)  
**To:** [Private Office DETI](#)  
**Cc:** [Sterling, David](#); [Thomson, David](#); [McCutcheon, Joanne](#); [Hutchinson, Peter](#); [Sinton, Dan](#); [DG DETI Press Office](#); [Aiken, Glynis](#); [Ross, Alastair](#); [Neth Energy](#)  
**Subject:** Renewable Heat Incentive - Update for ETI Committee  
**Date:** 26 November 2013 16:34:47  
**Attachments:** [image002.jpg](#)  
[Ministerial Submission - Update for ETI Committee.DOCX](#)

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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](http://www.detini.gov.uk)



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**From:** Fiona Hepper  
Energy Division

**Date:** 26 November 2013

**To:** 1. Andrew Crawford  
2. Arlene Foster MLA

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**RENEWABLE HEAT INCENTIVE – UPDATE FOR ETI COMMITTEE**

**Issue:** The ETI Committee is due to receive an update on the Northern Ireland Renewable Heat Incentive.

**Timing:** Routine

**Need for referral to the Executive:** None.

**Presentational Issues:** None.

**Freedom of Information:** Fully discloseable.

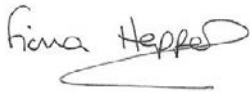
**Financial Implications:** None.

**Statutory Equality Obligations:** There are no Section 75 implications.

**PFG/PSA implications:** None.

**Legislation Implications:** None.

**Recommendation:** That you approve the issue of the RHI update to the ETI Committee. Draft is attached at Annex A



**FIONA HEPPER**  
Energy Division

cc: David Sterling  
David Thomson  
Joanne McCutcheon  
Peter Hutchinson  
Dan Sinton  
Press Office  
Glynis Aiken  
Alastair Ross, MLA, APS

## **Update on Renewable Heat Incentive**

### **Background**

The Northern Ireland Renewable Heat Incentive (RHI) is a DETI scheme that provides financial support to non-domestic renewable heat generators and producers of biomethane.

The primary objective for the RHI is to increase the uptake of renewable heat to 10% by 2020 (baseline position of 1.7% in 2010).

### **Renewable Heat Incentive – Phase 1**

1. The first phase of the Northern Ireland Renewable Heat Incentive (RHI) was launched on 1 November 2012. This 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 for the technology installed.
2. The scheme is administered by Ofgem (the GB Utility Regulator) and as at mid November they have received 65 applications. Of these applications 45 have been accredited, 19 are currently being processed and one installation has been rejected (this decision is currently under review by DETI).
3. All 65 applications are for solid biomass boilers and the majority have installation capacity in the 20-99 kWh range. The total capacity of the applications to date is in the order of 9.8 MW, with 6.7 MW accredited.
4. The applications received are from across Northern Ireland as shown in the following diagram.



7. Of the 1,009 vouchers issued, 714 have made claims to date. As at 25 November 2013, 568 claims amounting to a total of £977k have been paid.
8. Four types of technology are supported by the RHPP; Air Source Heat Pumps, Biomass Boilers, Ground Source Heat Pumps and Solar Thermal Panels.
9. The breakdown of offers and installations by technology is given in the table below.

<b>Technology*</b>	<b>Offers of Support</b>	<b>Installations Made</b>
<b>Air Source Heat Pumps</b>	10%	9%
<b>Biomass Boilers</b>	48%	43%
<b>Ground Source Heat Pumps</b>	10%	9%
<b>Solar Thermal Panels</b>	32%	39%

*\* Different technologies have different lead in times which may account for the different technology splits between offers and installations*

10. The RHPP scheme will remain in place until the final domestic RHI policy is developed and all RHPP installations will remain eligible to apply for the RHI.

### **Renewable Heat Incentive Phase 2**

11. Development work for the second phase of the RHI is ongoing. It is proposed that Phase 2 will extend the scheme to domestic installations and will consider some amendments to the non domestic scheme which may include a specific tariff level for deep geothermal heating (currently treated like ground source heat pumps); the introduction of a tariff for additional technologies e.g. air source heat pumps and bioliquids; support for large biomass installations and the potential development of an “uplift” to for community or district heating schemes.
12. Policy proposals were subject to a public consultation which closed on 14 October 2013. During the consultation process, DETI held stakeholder events in Belfast, Armagh and Coleraine which were generally well attended. The Department received 50 responses to the consultation; these included responses from installers, trade bodies, public sector organisations

and members of the public. DETI is currently considering these responses prior to developing the final policy position which will then require the appropriate approvals (including EU State Aid approval for the non domestic elements). The current legislation will then need to be amended for the changes to the non domestic scheme and new legislation will need to be laid for the domestic RHI.

13. Given that the domestic RHI does not require State Aid approval, it is likely that it can be launched earlier than the non domestic aspects of phase 2 - probably Spring 2014.

### **Publicity**

14. DETI continues to promote the scheme under the 'EnergyWise' sustainable messaging brand. A publicity campaign was run alongside the launch and also in Spring 2013. A fresh campaign is planned for Jan/Feb 2014 which will include TV advertising, 48 sheet posters across Northern Ireland, bus streetliners, on line presence and print media. DETI continues to attend a number of events, organised by local councils and trade bodies, to promote both the RHI and the RHPP.

**Energy Division, DETI**

**xx November 2013**