

From: [McCoy, Laura](#) on behalf of [Mills, John \(DETI\)](#)
To: [DfE Private Office](#)
Cc: [Sterling, David](#); [Thomson, David](#); [McCutcheon, Joanne](#); [Hutchinson, Peter](#); [Sinton, Dan](#); [DG DETI Press Office](#); [Aiken, Glynis](#); [Ross, Alastair](#); [Neth_Energy](#)
Subject: FW: Correspondence -- Ref. Number: COR/167/2014 : RENEWABLE HEAT INCENTIVE SCHEME
Date: 16 April 2014 10:47:00
Attachments: [COR 167 2014.tr5](#)
[COR 167 2014.DOCX](#)

Private Office

Please see attached advice and draft reply from John Mills for the attention of the Minister.

Regards,

Laura McCoy

Personal Secretary
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
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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: 07 April 2014 16:45
To: Mills, John (DETI)
Cc: Dolaghan, Paul; [Neth_Energy](#); [Sterling, David](#); [Thomson, David](#); [Rooney, Eugene](#); [Aiken, Glynis](#); [Stevenson, Valerie \(DETI Private Office\)](#); [DG_DET1 Press Office](#); [Hegarty, Damien](#); [McLaughlin, Christine \(DETI\)](#)
Subject: Correspondence -- Ref. Number: COR/167/2014 : RENEWABLE HEAT INCENTIVE SCHEME

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

URGENT - CORRESPONDENCE

Reference: COR/167/2014
Raised By: Mr Norman Blair
MD
Eglinton (Timber Products Ltd)

Subject: RENEWABLE HEAT INCENTIVE SCHEME

Referred To: MILLS JOHN (MR) (Energy Branch)

Date Referred: 07/04/2014

ACTION REQUIRED

Please provide advice and a draft reply for clearance by the Minister and PS/Signature

To be with Private Office not later than 14/04/2014 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)

From: John Mills
Energy Division

Date: 16 April 2014

To: 1. Andrew Crawford
2. Arlene Foster MLA

Copy Distribution List Below

COR/167/2014: RENEWABLE HEAT INCENTIVE

Issue: Norman Blair, Eglinton Timber Products, has written to you regarding an issue with his application to the NI Renewable Heat Incentive.

Timing: Routine

Need for referral to the Executive: None.

Presentational Issues: None

Freedom of Information: Elements of this submission may not be discloseable at present on grounds of policy development.

Financial Implications: None.

Statutory Equality Obligations: There are no Section 75 implications.

PFG/PSA implications: None.

Legislation Implications: None.

Recommendation: A draft response to Mr Blair is attached at Annex A.

Background

Mr Norman Blair, Managing Director of Eglinton Timber Products, has written to you regarding an application his company has made for support under the Renewable Heat Incentive (RHI) scheme. Mr Blair previously wrote to you in December 2013 on the same matter (COR 611/13). Mr Blair has applied for support under the RHI however he indicates that there has been a delay in receiving accreditation under the scheme as he has received support from the Carbon Trust.

RHI and Carbon Trust loan

2. An issue previously arose regarding the compatibility of RHI support and Carbon Trust 0% interest loans. After discussions involving Ofgem/DETI and State Aid colleagues, it was agreed that the two were compatible but that in such cases the RHI aid would be classified as 'de minimis' aid.
3. Under EU guidelines a company cannot receive more than €200,000 of *de minimis* aid over a 3 year period. Ofgem is in the process of putting in place new procedures for dealing with applicants who have received a Carbon Trust loan. Where it is clear that the EU limits will not be breached (when combining all aid) the process is straightforward. In cases where it is possible the limit will be breached some further work is required to establish where the onus to comply lies. Ofgem has indicated that Mr Blair falls into the second category,
4. Under the RHI Regulations, the option to repay grant funding is only available to applicants who commissioned their technology before 1 November 2012 i.e. the launch of the scheme.

Recommendation

5. It is recommended that you respond to Norman Blair using the draft attached at **Annex A**.



JOHN MILLS
Energy Division

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

DRAFT REPLY FROM PS/MINISTER TO NORMAN BLAIR

Mr Norman Blair
Eglinton (Timber Products) Ltd
Longfield Industrial Estate West
Eglinton
County Londonderry
Northern Ireland
BT47 3PY

RE: RENEWABLE HEAT INCENTIVE APPLICATION

Thank you for your letter of 2nd April 2014 regarding the Renewable Heat Incentive (RHI) and your own particular application. The Minister has read your correspondence and asked that I provide a response on her behalf.

As you are aware Ofgem is the appointed administrator for the RHI scheme. It is responsible for receiving applications, advising on eligibility issues, accrediting eligible installations and making payments. DETI was previously asked to review a decision by Ofgem that the Carbon Trust 0% interest loan was not compatible with the RHI. As a result of the review it was determined that an installation that avails of a Carbon Trust loan can be eligible to be considered for accreditation as long as there is no breach of the European Commission's 'de minimis' regulation, Commission Regulation (EC) No 1998/2006 of 15 December 2006 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32006R1998:EN:NOT>).

This is a complex area and you will wish to note that it is the EU, not DETI, that set the limits on how much *de minimis* aid can be received (the limit is, in many cases, €200,000 over a 3 year period). DETI cannot change this limit.

On the issue of repaying the loan, the Regulations set out scenarios where grant funding can and cannot be repaid. As you will have been advised by Ofgem, this is dependent on the date on which your system was first commissioned.

DETI continues to work with Ofgem on all issues relating to the RHI. Ofgem has indicated that your application is 'with the applicant pending further information'. I suggest that you contact Ofgem in the first instance to see what is required. In the meantime officials from Energy Division will discuss your case with Ofgem and contact you in due course.

Glynis Aiken

Private Secretary to the Minister of Enterprise, Trade and Investment