

ENERGY EFFICIENCY (STUART)**RHI Phase 1**

- Unprecedented increase in uptake of the Non-domestic Scheme - total applications have more than tripled.
- On track to achieve 4% target during 2015, however committed monthly non-domestic RHI payments have risen from £430k to £1.5m over past 11 months. Forecast RHI expenditure in 2015/16 now expected to be £23.2m. Barnett consequential RHI budget for 2015/16 expected to be £12.8m.
- Issue has also arisen over original Non-domestic Business Case with DFP approval only covering applications received during 2011/12-2014/15 period.
- Working with Finance Division to try and urgently secure additional AME funding to cover overspend and to secure necessary DFP approvals for expenditure on new applications during 2015/16. Business Case seeking DFP approval to an 18 month extension to Non-domestic Scheme to 30/9/16 and increased expenditure for both schemes is being finalised.

RHI Phase 2 (Domestic)

- Over 300 applications received to date, rising quickly after slow start.
- Significant issue has arisen over how annual RHI payments are calculated. EPCs in NI are produced using an older (2009) version of the software than GB (2012) and don't report heat information needed for deeming RHI payments. A work around has been put in place to calculate RHI payments until new EPC are available in NI.
- Resource pressures - Minister has agreed for backlog of work associated with RHPP transfers and site checks to be prioritised over processing of new applications. New applicants will be advised of longer processing times.

RHI Phase 2 (Non-Domestic)

- Final policy for Biomass tariff changes and new CHP tariff has been cleared by Minister and ETI Committee (SL1). Draft Regulations currently being finalised with Ofgem and DSO. Regulations to be laid before Assembly in October and Motion Debate to be arranged for 3 November 2015.
- In light of current budgetary issues the remaining Phase 2 proposals have been deferred until 2016.

Energy Efficiency Directive

- Previous Minister had agreed in principle that DETI lead on EnergyWise (formerly 'HEaT') project. Meeting to be arranged to brief new Minister / SpAd.
- EnergyWise Scheme now a DETI project with CS the SRO. Work underway to finalise business case for pilot scheme to be introduced later this year, and also to complete other project documentation – PID, Risk Register etc.
- DETI/DSD/OFMDFM have agreed to share SIB costs during 2015/16 until scheme is launched in April 2016. £100k budget to be transferred to SIB for this. Draft OBC being finalised – Preliminary Casework discussion arranged for 17 September.
- Casework Committee to be arranged for early October.
- Gateway 1 / 2 Review arranged for 27/28/29 October.

2015/16 Budgets

- Work ongoing with DETI Finance in bid to secure additional AME funding and necessary DFP approvals.
- Revised RHI AME forecasts of £23m for 2015/16 provided as part of current exercise to inform Chancellor's July Budget