

**From:** [Barber Nicola \(Heat & Industry\)](#)  
**To:** [Hutchinson, Peter](#)  
**Cc:** Irrelevant information redacted by the RHI Inquiry; [McCutcheon, Joanne](#)  
**Subject:** RE: RHI Update - Tariff Review Consultation & Budget Management Announcement - Restricted Policy  
**Date:** 29 May 2013 15:46:17  
**Attachments:** [image001.jpg](#)  
[image002.png](#)

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Peter

Thanks for your e-mail. I'd be happy to organise monthly teleconferences or more often if there is something which needs more urgent discussion. I'll send over this week's update later this afternoon and also a list of contacts for our team. We've expanded quite a bit over the last year and although I will provide a central point of contact you may want to speak with the relevant policy leads from time to time and they with you depending on what we've got going on.

In answer to your question about the large biomass tariff – we feel fairly confident that the latest evidence which shows limited deployment of large biomass will support our review of the tariff though as yet we haven't started negotiations with the Commission on this.

Nicola

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**From:** Hutchinson, Peter [mailto:Peter.Hutchinson@detini.gsi.gov.uk]  
**Sent:** 24 May 2013 10:23  
**To:** Barber Nicola (Heat & Industry); Hutchinson, Peter  
**Cc:** Irrelevant information redacted by the RHI Inquiry; [McCutcheon, Joanne](#)  
**Subject:** RE: RHI Update - Tariff Review Consultation & Budget Management Announcement - Restricted Policy

Nicola,

Many thanks for your email and the update on work on the GB RHI – I agree that it would be very useful if we kept in touch over the next weeks / months as work is carried out on issues such as domestic RHI, expansion of the current scheme, review of tariffs, degression etc. Whilst we operate a different scheme there are many areas of overlap and therefore it would be very helpful if you kept us informed of your planned announcements, consultations etc. and vice versa. We often get many stakeholder queries following DECC announcements as to the impact / relevance to Northern Ireland therefore some advance notification is much appreciated.

In terms of keeping in touch, I would be content with weekly updates via email correspondence and then, possibly, monthly teleconferences to talk over the issues? This arrangement is only a suggestion and happy for your views, teleconferences could be used more often if you feel it is appropriate?

Thank you for sharing your tariff review consultation – I will of course keep confidential. Interested to learn of the review of large biomass tariff and wondered if you have engaged already with EU Commission regarding the likelihood of this tariff being approved given the issues previously? As you will be aware the NI tariffs tend to be lower than GB given the fact the vast majority of installations in NI will be displacing oil given our limited natural gas market. We currently don't have a large biomass tariff as research had shown that systems over 1MW were already cost effective when wood chip replaced oil, however we are revisiting this any potential

tariff will be well short of 2p and likely to be under 1p still.

As I mentioned, we have recently carried out work on expanding our scheme (including the review of the large biomass tariff) and extending it to domestic customers. This work is nearing its completion and will inform a public consultation which we hope to issue over the next few weeks – this will deal with new tariffs in the non-domestic RHI (biomass direct air, biomass/bioliquids CHP, bioliquids heat only, ASHPs, deep geothermal) and the design of a domestic RHI scheme. We have also considered the issue of a district heating ‘uplift’ however this is proving complex. Finally the consultation will likely cover administrative issues that you have recently consulted on or implemented eg, simplifying metering arrangements; enhanced preliminary accreditation; relocation of accredited plants; inflationary increases; defining an installation; changes to eligibility for process heating within/outside of buildings etc. Happy to keep you updated as our consultation process proceeds.

Thanks again for your email and update and I look forward to having more regular contact over the next weeks / months.

Regards,

Peter

**Peter Hutchinson**

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

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**From:** Barber Nicola (Heat & Industry) [<mailto:Nicola.Barber@decc.gsi.gov.uk>]

**Sent:** 21 May 2013 15:32

**To:** Hutchinson, Peter

**Cc:** Irrelevant information redacted by the RHI Inquiry

**Subject:** RHI Update - Tariff Review Consultation & Budget Management Announcement - Restricted Policy

Hi Peter

I have recently returned to the RHI Team after a year away and am working in our Communications Team alongside Nicola Martin, who I expect you have dealt with until now. Nicola is [irrelevant information redacted by the RHI Inquiry].

The next few months on the RHI is going to be a fairly busy period in terms of announcements and I wondered whether a weekly update to you would be helpful – even if we haven't made much progress in the previous week it would ensure that you are always kept informed of where we are up to with various issues. I'd be grateful for your thoughts on this approach.

As well, I wanted to let you know about an announcement on the non-domestic RHI we are expecting to make at the end of this week, subject to final clearance processes. This announcement is in two parts, firstly, a consultation on an early review of existing RHI tariffs in which we propose increases for the GSHP, solar thermal and large biomass tariffs (subject to final clearances). Secondly, the publication of the results of our first assessment of performance relative to expected expenditure, as part of the scheme's budget management mechanism. We are expecting the results to trigger a degression of medium biomass. However, this is still subject to change as deployment is only just over the triggers and we are currently cleaning the data, so it is possible that a degression will be avoided this time. I would be grateful if you do not circulate this information more widely as the possible degression is not public knowledge and market sensitive.

You should also be aware that there is a possibility that if we do not obtain the appropriate clearance of the tariff review consultation by the end of this week then this announcement will be delayed. In this case it is likely that the two announcements will be split out as the budget management announcement must happen by 31<sup>st</sup> May as set out in the Regulations. I will keep you posted on this.

For information I have attached the latest version of the consultation document and would draw your attention to pages 41 and 42 which includes the evidence we have been gathering on RHI costs that led us to conclude that an early review is required. Deployment data and progress towards the degression triggers, which also supports the decision to review tariffs, can be found on page 12. Please note that this is a draft consultation which is currently being finalised within DECC and should not be circulate outside Government.

If it would be helpful for us to provide more background on the degression announcement and the tariff review consultation or talk through any of the detail please let me know.

Our Minister will be writing to yours on this matter and I will send you a copy of this once it has been signed as well as a final version of the consultation document.

Kind Regards

Nicola

**Nicola Barber** | Renewable Heat Incentive | Department of Energy & Climate Change | 3 Whitehall Place | London | SW1A 2AW | 0300 068 6147