

PRIORITY 3: IMPROVING ACCESSIBILITY AND PROTECTING AND ENHANCING THE ENVIRONMENT

Name of implementing body: DETI Sustainable Energy Branch

Name of scheme / operation: Economic Appraisal of a Northern Ireland Renewable Heat Incentive (RHI)

Description of scheme / operation: To carry out a full economic appraisal of a potential RHI for Northern Ireland which would support the uptake of renewable heat technologies with the domestic, public, commercial and industrial sectors. This in turn would assist the achievement of the Executive endorsed target of 10% renewable heat by 2020, as well as reducing carbon emissions, increasing fuel security and providing opportunities for new 'green jobs'.

Selection Criteria	Assessment / Comment
<p>Potential to increase the protection and enhancement of the natural environment.</p>	<p>Currently Northern Ireland is overly reliant on fossil fuels to satisfy heating demand with over 98% of heating demand being met through oil, gas, coal and electricity, only 1.7% comes from renewable sources. The EU Renewable Energy Directive (2009/28/EC), published in the Official Journal of the European Union on 5 June 2009, requires that member states ensure that 15% of their energy consumption comes from renewable sources by 2020. This requirement extends beyond electricity to heating and cooling and to transport. In line with this, DETI has committed in the recently published Strategic Energy Framework 2010, to achieving a renewable heat target of 10% by 2020.</p> <p>In order to support this target DETI proposes to incentivise/reward renewable heat installations. The Department of Energy and Climate Change (DECC) has already made clear plans to introduce a Renewable Heat Incentive (RHI) in Great Britain in</p>

Selection Criteria	Assessment / Comment
	<p>June 2011. This RHI does not apply to Northern Ireland as the differences between the heat market here and in GB meant that it was more appropriate to carry out a separate assessment. This assessment was carried out by AECOM Ltd and Pöyry Energy Consulting through a study funded by the ERDF Competiveness Fund. This study has demonstrated that a RHI, specifically tailored for Northern Ireland, would have the potential to increase the level of renewable heat and support the target included in the SEF and endorsed by the Executive.</p> <p>By increasing the level of renewable heat there is significant potential to decrease the level of carbon emissions in Northern Ireland. It is estimated that if a RHI was introduced and the 10% target achieved that cumulative CO₂ savings over the period 2011-2022 would be around 2,153,500 tCO₂. Using an assumed traded carbon price of £22/tCO₂ this implies a quantified benefit over the period to 2020 of around £48m.</p> <p>The report also demonstrated the potential for increase renewable heat in Northern Ireland and the existing indigenous resources that could be used. The study highlighted the potential for using biomass and biogas to generate renewable heat as well as utilising geothermal resource.</p> <p>In order for a RHI to be introduced an economic appraisal of the policy must be carried out in order for tariffs to be set, various options/scenarios considered, cost/benefit analysis to be carried out and a firm policy position agreed.</p>
<p>Viability and additional benefits of application.</p>	<p>By carrying out an economic appraisal on a potential RHI for Northern Ireland DETI will ensure that the most cost-effective and appropriate method of supporting the renewable heat industry is implemented. The main elements of the terms of reference are as follows;</p>

Selection Criteria	Assessment / Comment
	<ul style="list-style-type: none"> • <i>Identify the strategic context within which this policy sits, specifically identifying the particular EU, UK and NI policy that is relevant.</i> • <i>Determine the need for Government intervention in the renewable heat industry in Northern Ireland.</i> • <i>Outline the objectives of Government's support of the renewable heat industry and the associated benefits in particular.</i> • <i>Identify a full list of potential options for future delivery of a Northern Ireland Renewable Heat Incentive.</i> • <i>Provide a detailed analysis of the economic cost/benefit of implementing a renewable heat incentive in domestic, non-domestic and the large industrial sector in NI.</i> • <i>Identify and quantify the monetary costs and benefits for each option.</i> • <i>Assess and identify the potential risks in delivery in a future support scheme.</i> • <i>Outline the non-monetary costs and benefits of delivering a RHI support scheme and increasing renewable heat levels to 10% by 2020.</i> • <i>Calculate net present values and assess uncertainty.</i> • <i>Make recommendations, based on the evidence gathered and the economic analysis carried out, on the most cost effective structure of a Northern Ireland RHI to increase the level of renewable heat to 10%.</i> <p>A service provider to carry out this economic appraisal will be appointed following a competitive tender process.</p> <p>Once an appropriate incentive scheme is agreed there will be a need for a full public consultation, development of a renewable heat route map and the drafting of appropriate legislation. Executive approval will also be required.</p>

Selection Criteria	Assessment / Comment
	<p>Funding for this scheme has already been secured via Her Majesty's Treasury (HMT). HMT has indicated that should Northern Ireland implement a RHI then funding of £25m will be available for the period 2011-2015. This funding will be split £2m/£4m/£7m/£12m. If an economic appraisal is not carried out and a RHI not implemented in Northern then this funding will be lost.</p> <p>The development of the renewable heat industry in Northern Ireland has the significant potential to increase fuel security in Northern Ireland, decrease carbon emissions and provide opportunities for new 'green jobs'. The positive impact of the NI Renewables Obligation Certificates on renewable electricity generation is an example of how incentivisation of renewable technologies can result in widespread uptake.</p>
Competence of promoter.	<p>Sustainable Energy Branch will act as the promoter for this project. Staff in this branch have experience in EU funding through both the BSP and the Interreg IIIa programme as well as the first stage of this work (the study into the potential development of renewable heat in Northern Ireland, AECOM / Poyry 2010) which was funded through the Competitiveness Programme.</p> <p>In the future development and implementation of a Northern Ireland incentive scheme a cross-departmental group may be required. This group would be chaired by DETI and include all relevant departments and NDPB that would be expected to contribute to this work, i.e. DSD, DOE, DARD, Invest NI etc.</p>
Wider economic benefits of application.	<p>The three main benefits of this work are;</p> <ul style="list-style-type: none"> i) increased fuel security ii) reduced carbon emissions

Selection Criteria	Assessment / Comment
	<p data-bbox="994 331 1653 363">iii) opportunites within the 'green economy'</p> <p data-bbox="801 443 2029 692">Currently Northern Ireland is overly reliant on foreign fossil fuels for its heating demand with only 1.7% of heating demand being met by renewable sources. In particular, the dominance of oil within the domestic market leads to higher carbon emissions and leaves domestic customers vulnerable to fluctuating prices based on global markets. Within the Executive endorsed Strategic Energy Framework fuel security is highlighted as a priority for Northern Ireland and increasing the levels of renewable heat is a key part of this.</p> <p data-bbox="801 740 2029 948">As already detailed, the introduction of a RHI and an increase in renewable heat presents the opportunity to realise significant carbon savings. It is estimated that if a RHI was introduced and the 10% target achieved that cumulative CO₂ savings over the period 2011-2022 would be around 2,153,500 tCO₂. Using an assumed traded carbon price of £22/tCO₂ this implies a quantified benefit over the period to 2020 of around £48m.</p> <p data-bbox="801 995 1993 1203">The introduction of a RHI and development of renewable heat also presents opportunities for the 'green economy' and new 'green jobs'. The renewable heat industry has already been critical of the absence of clear policy on this issue in comparison to GB. The introduction of a RHI will ensure that the growing renewable heat market is encouraged with opportunities for growers of energy crops, manufacturers of technologies, suppliers and installers and many others.</p>
<p data-bbox="188 1257 757 1315">Potential to achieve objectives of the Priority.</p>	<p data-bbox="801 1257 2038 1315">Activities that develop support mechanism to encourage / pilot renewable energy and energy efficiency programmes.</p>

Selection Criteria	Assessment / Comment
	<p>The Northern Ireland RHI will encourage the uptake of renewable heat technologies in the domestic, public, commercial and industrial sectors. The RHI, as it stands in GB, will reward those who install renewable heat technologies via a set tariff, determined by the size and type of technology, to be paid either quarterly or annually. A NI equivalent RHI will be designed to do likewise. Just as the NIRO has encourage the uptake of renewable electricity in Northern Ireland the RHI will encourage the uptake of renewable heat.</p> <p>Support actions to increase the more efficient and effective use of energy.</p> <p>The economic appraisal of the Northern Ireland RHI will ensure that the final scheme will be the most cost effective and most appropriate for Northern Ireland. The RHI will be tailored to accessible to all and will ensure that the levels of renewable heat are increased and that consumers begin heating their homes and businesses in more efficient ways.</p> <p>Activities that raise awareness and knowledge of both renewable energy and energy efficiency.</p> <p>This project will assist in the development of a RHI for Northern Ireland. The roll-out of a RHI across Northern Ireland will raise awareness of alternative heating methods and support the uptake of renewable technologies. The RHI will also encourage energy efficient behaviours through the eligibility and standards within the scheme. The RHI has the potential to increase the level of renewable heat from its current standing of 1.7% to 10% by 2020. This increase would be part of a massive change in energy using behaviours in relation to how we heat our homes and our businesses.</p>

Selection Criteria	Assessment / Comment
Equality and good relations	This project has been equality screened and is considered that there are no differential equality impacts of this proposal on the different Section 75 groups. It will not present a risk to DETI's statutory obligation to have due regard to the need to promote equality of opportunity or good relations.
Promoting sustainable development and the creation of sustainable communities	<p>The NI Sustainable Development Strategy defines sustainable development as "development which meets the needs of the present without compromising the ability of future generations to meet their own needs." The current mix of heating fuels in Northern Ireland is clearly unsustainable. Northern Ireland can not continue to rely on foreign fossil fuels as these resources become scarcer and it can not ignore the indigenous heating sources that currently exist.</p> <p>Heat demand in Northern Ireland is around 17.4 Twh in comparison to 8Twh of electricity. It is essential that renewable technologies in heating are incentivised in the same way that electricity technologies have been encouraged. The introduction of a RHI has been identified as the appropriate method to support these technologies by providing long-term stable support for domestic customers, businesses and investors the confidence to invest. In advance of such a scheme being developed and implemented it is vital that a full economic appraisal is carried out.</p>

Financial Profile

2010/11 - £ Sensitive commercial information redacted by the RHI Inquiry

DETI EQUALITY SCREENING FORM

Part 1. Policy scoping

The first stage of the screening process involves scoping the policy under consideration. The purpose of policy scoping is to help prepare the background and context and set out the aims and objectives for the policy, being screened. At this stage, scoping the policy will help identify potential constraints as well as opportunities and will help the policy maker work through the screening process on a step by step basis.

Public authorities should remember that the Section 75 statutory duties apply to internal policies (relating to people who work for the authority), as well as external policies (relating to those who are, or could be, served by the authority).

Information about the policy

Name of the policy

Economic Appraisal of a Northern Ireland Renewable Heat Incentive (RHI)

Is this an existing, revised or a new policy?

New

What is it trying to achieve? (intended aims/outcomes)

This piece of work will inform the design and implementation of a RHI for Northern Ireland. The aim of this policy is to significantly increase the level of renewable heat in Northern Ireland, currently only 1.7% of Northern Ireland's heat demand is met by renewable sources with the rest met from foreign fossil fuels. By increasing the level of renewable heat there is significant potential to reduce carbon emissions, increase fuel security and develop opportunities within the 'green economy'.

Ultimately this policy will support the achievement of the Executive endorsed

target of 10% renewable heat by 2020 (as part of the Strategic Energy Framework). This, in turn, will feed into the United Kingdom's binding commitment of 15% renewable energy (electricity, **heating and cooling** and transport) by 2020 as part of the EU Renewable Energy Directive.

Are there any Section 75 categories which might be expected to benefit from the intended policy?

If so, explain how.

The policy will be open to, and for the benefit of, the entire population of Northern Ireland. None of the Section 75 categories will specifically benefit from the policy however there may be scope for the policy to help those currently in 'fuel poverty'.

Who initiated or wrote the policy?

The Renewable Heat Incentive (RHI) policy was first developed by the Department of Energy and Climate Change (DECC) as the preferred method of supporting the uptake of renewable heat technologies in Great Britain. However, as Energy is a transferred matter DETI is responsible for developing the renewable heat market in Northern Ireland. Research has been carried out that demonstrates that a RHI specifically tailored for Northern Ireland is the most appropriate method of supporting the local heat market. DETI will, therefore, be responsible for this policy in Northern Ireland.

Who owns and who implements the policy?

The policy will be owned and implemented in Northern Ireland by DETI Energy Division.

Implementation factors

Are there any factors which could contribute to/detract from the intended aim/outcome of the policy/decision?

Yes

If yes, are they

X financial

*Funding for this scheme has been secured through HMT, funding for the period 2011-15 is available in the order of £2m/£4m/£7m/£12m.

X legislative

*Legislation on this matter will be forthcoming.

other, please specify _____

Main stakeholders affected

Who are the internal and external stakeholders (actual or potential) that the policy will impact upon?

- staff
- X service users
- X other public sector organisations
- X voluntary/community/trade unions
- X other, please specify _____

*This policy will be open to individuals, groups and businesses within the domestic, public, commercial and industrial sectors. There will be opportunities within each sector to avail of a NI RHI. There will be a full public consultation in advance of the implementation of the final policy.

Other policies with a bearing on this policy

n/a

- what are they?

- who owns them?

Available evidence

Evidence to help inform the screening process may take many forms. Public authorities should ensure that their screening decision is informed by relevant data.

What evidence/information (both qualitative and quantitative) have you gathered to inform this policy? Specify details for each of the Section 75 categories.

Section 75 category	Details of evidence/information
Religious belief	Research to date (AECOM / Poyry study into the development of the Northern Ireland renewable heat market 2010) has not indicated any specific impact on this category. This further piece of proposed research (Economic Appraisal of a Northern Ireland RHI) will assist in determining the impact of the policy on this S75 category.
Political opinion	As above
Racial group	As above
Age	As above
Marital status	As above
Sexual orientation	As above
Men and women generally	As above
Disability	As above
Dependants	As above

Needs, experiences and priorities

Taking into account the information referred to above, what are the different needs, experiences and priorities of each of the following categories, in relation to the particular policy/decision? Specify details for each of the Section 75 categories

Section 75 category	Details of needs/experiences/priorities
Religious belief	The economic appraisal of a RHI for Northern Ireland does not impact on this S75 category. If a RHI is introduced it will be open to the entire population.
Political opinion	As above
Racial group	As above
Age	As above
Marital status	As above
Sexual orientation	As above
Men and women generally	As above
Disability	As above
Dependants	As above

Part 2. Screening questions

Introduction

In making a decision as to whether or not there is a need to carry out an equality impact assessment, the public authority should consider its answers to the questions 1-4 detailed below.

If the public authority's conclusion is **none** in respect of all of the Section 75 equality of opportunity and/or good relations categories, then the public authority may decide to screen the policy out. If a policy is 'screened out' as having no relevance to equality of opportunity or good relations, a public authority should give details of the reasons for the decision taken.

If the public authority's conclusion is **major** in respect of one or more of the Section 75 equality of opportunity and/or good relations categories, then consideration should be given to subjecting the policy to the equality impact assessment procedure.

If the public authority's conclusion is **minor** in respect of one or more of the Section 75 equality categories and/or good relations categories, then consideration should still be given to proceeding with an equality impact assessment, or to:

- measures to mitigate the adverse impact; or
- the introduction of an alternative policy to better promote equality of opportunity and/or good relations.

In favour of a 'major' impact

- a) The policy is significant in terms of its strategic importance;
- b) Potential equality impacts are unknown, because, for example, there is insufficient data upon which to make an assessment or because they are complex, and it would be appropriate to conduct an equality impact assessment in order to better assess them;
- c) Potential equality and/or good relations impacts are likely to be adverse or are likely to be experienced disproportionately by groups of people including those who are marginalised or disadvantaged;

- d) Further assessment offers a valuable way to examine the evidence and develop recommendations in respect of a policy about which there are concerns amongst affected individuals and representative groups, for example in respect of multiple identities;
- e) The policy is likely to be challenged by way of judicial review;
- f) The policy is significant in terms of expenditure.

In favour of 'minor' impact

- a) The policy is not unlawfully discriminatory and any residual potential impacts on people are judged to be negligible;
- b) The policy, or certain proposals within it, are potentially unlawfully discriminatory, but this possibility can readily and easily be eliminated by making appropriate changes to the policy or by adopting appropriate mitigating measures;
- c) Any asymmetrical equality impacts caused by the policy are intentional because they are specifically designed to promote equality of opportunity for particular groups of disadvantaged people;
- d) By amending the policy there are better opportunities to better promote equality of opportunity and/or good relations.

In favour of none

- a) The policy has no relevance to equality of opportunity or good relations.
- b) The policy is purely technical in nature and will have no bearing in terms of its likely impact on equality of opportunity or good relations for people within the equality and good relations categories.

Taking into account the evidence presented above, consider and comment on the likely impact on equality of opportunity and good relations for those affected by this policy, in any way, for each of the equality and good relations categories, by applying the screening questions detailed below and indicate the level of impact on the group i.e. minor, major or none.

Screening questions

1 What is the likely impact on equality of opportunity for those affected by this policy, for each of the Section 75 equality categories? minor/major/none		
Section 75 category	Details of policy impact	Level of impact? minor/major/none
Religious belief	Possible introduction of a RHI which will incentivise people, groups and businesses to switch from existing heat technologies to renewable heating technologies. This policy will be open to all and will be the choice of the individual, group or business in question whether they move to renewable heating.	None
Political opinion	Possible introduction of a RHI which will incentivise people, groups and businesses to switch from existing heat technologies to renewable heating technologies. This policy will be open to all and will be the choice of the individual, group or business in question whether they move to renewable heating.	None
Racial group	Possible introduction of a RHI which will incentivise people, groups and businesses to switch from existing heat technologies to renewable heating technologies. This policy will be open to all and will be the choice of the individual, group or business in question whether they move to renewable heating.	None
Age	Possible introduction of a RHI which will incentivise people, groups and businesses to switch from existing heat technologies to renewable heating technologies. This policy will be open to all and will be the choice of the individual, group or business in question whether they move to renewable heating.	None

Marital status	Possible introduction of a RHI which will incentivise people, groups and businesses to switch from existing heat technologies to renewable heating technologies. This policy will be open to all and will be the choice of the individual, group or business in question whether they move to renewable heating.	None
Sexual orientation	Possible introduction of a RHI which will incentivise people, groups and businesses to switch from existing heat technologies to renewable heating technologies. This policy will be open to all and will be the choice of the individual, group or business in question whether they move to renewable heating.	None
Men and women generally	Possible introduction of a RHI which will incentivise people, groups and businesses to switch from existing heat technologies to renewable heating technologies. This policy will be open to all and will be the choice of the individual, group or business in question whether they move to renewable heating.	None
Disability	Possible introduction of a RHI which will incentivise people, groups and businesses to switch from existing heat technologies to renewable heating technologies. This policy will be open to all and will be the choice of the individual, group or business in question whether they move to renewable heating.	None
Dependants	Possible introduction of a RHI which will incentivise people, groups and businesses to switch from existing heat technologies to renewable heating technologies. This policy will be open to all and will be the choice of the individual, group or business in question whether they move to renewable heating.	None

2 Are there opportunities to better promote equality of opportunity for people within the Section 75 equalities categories?		
Section 75 category	If Yes , provide details	If No , provide reasons
Religious belief		Tariffs will be set by technology size and type. It will be up to the individual, group or business in question as to whether they wish to avail of the incentive by switching to renewable heating.
Political opinion		Tariffs will be set by technology size and type. It will be up to the individual, group or business in question as to whether they wish to avail of the incentive by switching to renewable heating.
Racial group		Tariffs will be set by technology size and type. It will be up to the individual, group or business in question as to whether they wish to avail of the incentive by switching to renewable heating.
Age		Tariffs will be set by technology size and type. It will be up to the individual, group or business in question as to whether they wish to avail of the incentive by switching to renewable heating.
Marital status		Tariffs will be set by technology size and type. It will be up to the individual, group or business in question as to whether they wish to avail of the incentive by switching to renewable heating.
Sexual orientation		Tariffs will be set by technology size and type. It will be up to the individual, group or business in question as to whether they wish to avail of the incentive by switching to renewable heating.
Men and women		Tariffs will be set by technology size and type. It will be up to the

generally		individual, group or business in question as to whether they wish to avail of the incentive by switching to renewable heating.
Disability		Tariffs will be set by technology size and type. It will be up to the individual, group or business in question as to whether they wish to avail of the incentive by switching to renewable heating.
Dependants		Tariffs will be set by technology size and type. It will be up to the individual, group or business in question as to whether they wish to avail of the incentive by switching to renewable heating.

3 To what extent is the policy likely to impact on good relations between people of different religious belief, political opinion or racial group?		
Section 75 category	Details of policy impact	Level of impact minor/major/none
Religious belief	This policy is unlikely to have any impact on good relations between the various S75 categories.	None
Political opinion	This policy is unlikely to have any impact on good relations between the various S75 categories.	None
Racial group	This policy is unlikely to have any impact on good relations between the various S75 categories.	None

4 Are there opportunities to better promote good relations between people of different religious belief, political opinion or racial group?		
Good relations category	If Yes, provide details	If No, provide reasons
Religious belief		This policy is unlikely to have any impact on good relations between the various S75 categories.
Political opinion		This policy is unlikely to have any impact on good relations between the various S75 categories.
Racial group		This policy is unlikely to have any impact on good relations between the various S75 categories.

Additional considerations

Multiple identity

Generally speaking, people can fall into more than one Section 75 category. Taking this into consideration, are there any potential impacts of the policy/decision on people with multiple identities? *(For example; disabled minority ethnic people; disabled women; young Protestant men; and young lesbians, gay and bisexual people).*

NO

Provide details of data on the impact of the policy on people with multiple identities. Specify relevant Section 75 categories concerned.

N/A

Part 3. Screening decision

If the decision is not to conduct an equality impact assessment, please provide details of the reasons.

This current piece of work is solely for a economic appraisal of a future Northern Ireland RHI, no equality impact assessment is therefore required.

If the decision is not to conduct an equality impact assessment the public authority should consider if the policy should be mitigated or an alternative policy be introduced.

This economic appraisal will advise on the future policy to be introduced.

If the decision is to subject the policy to an equality impact assessment, please provide details of the reasons.

All public authorities' equality schemes must state the authority's arrangements for assessing and consulting on the likely impact of policies adopted or proposed to be adopted by the authority on the promotion of equality of opportunity. The Commission recommends screening and equality impact assessment as the tools to be utilised for such assessments. Further advice on equality impact assessment may be found in a separate Commission publication: Practical Guidance on Equality Impact Assessment.

Mitigation

When the public authority concludes that the likely impact is 'minor' and an equality impact assessment is not to be conducted, the public authority may consider mitigation to lessen the severity of any equality impact, or the introduction of an alternative policy to better promote equality of opportunity or good relations.

Can the policy/decision be amended or changed or an alternative policy introduced to better promote equality of opportunity and/or good relations?

If so, give the **reasons** to support your decision, together with the proposed changes/amendments or alternative policy.

The proposed economic appraisal will advise on the future shape of the Northern Ireland RHI. When considering the future design and implementation of the scheme the issue of promoting equality of opportunity and/or good relations could be considered, however it is likely that a scheme open to all and consistent to all will be introduced.

Timetabling and prioritising

Factors to be considered in timetabling and prioritising policies for equality impact assessment.

If the policy has been '**screened in**' for equality impact assessment, then please answer the following questions to determine its priority for timetabling the equality impact assessment.

On a scale of 1-3, with 1 being the lowest priority and 3 being the highest, assess the policy in terms of its priority for equality impact assessment.

Priority criterion	Rating (1-3)
Effect on equality of opportunity and good relations	1
Social need	2
Effect on people's daily lives	2
Relevance to a public authority's functions	1

Note: The Total Rating Score should be used to prioritise the policy in rank order with other policies screened in for equality impact assessment. This list of priorities will assist the public authority in timetabling. Details of the Public Authority's Equality Impact Assessment Timetable should be included in the quarterly Screening Report.

Is the policy affected by timetables established by other relevant public authorities?

No

If yes, please provide details

Part 4. Monitoring

Public authorities should consider the guidance contained in the Commission's Monitoring Guidance for Use by Public Authorities (July 2007).

The Commission recommends that where the policy has been amended or an alternative policy introduced, the public authority should monitor more broadly than for adverse impact (See Benefits, P.9-10, paras 2.13 – 2.20 of the Monitoring Guidance).

Effective monitoring will help the public authority identify any future adverse impact arising from the policy which may lead the public authority to conduct an equality impact assessment, as well as help with future planning and policy development.

Part 5. Disability Duties

Under the Disability Discrimination Act 1995 (as amended by the Disability Discrimination (Northern Ireland) Order 2006), public authorities, when exercising their functions, are required to have due regard to the need:

- **to promote positive attitudes towards disabled people; and**
- **to encourage participation by disabled people in public life.**

5. Does this policy/legislation have any potential to contribute towards promoting positive attitudes towards disabled people or towards encouraging participation by disabled people in public life? If yes, please give brief details.

No

Signed: _Fiona Hepper (signed) _____
Head of Division

Division: ___Energy_____

Date: ___8th December 2010_____

PLEASE FORWARD A COPY OF THIS COMPLETED FORM TO:

**DETI EQUALITY & DIVERSITY UNIT
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BELFAST BT4 2JP**

**ANY QUERIES: STEPHEN WILSON EXT 29373
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From June 2011 a Renewable Heat Incentive (RHI) will be introduced in Great Britain in order to support the uptake of renewable heat technologies and, in turn, the achievement of National and European targets. This scheme does not currently apply in Northern Ireland as the differences between the two heat markets meant that it was more appropriate to carry out separate assessment into how the Northern Ireland market should be developed. This research has demonstrated that a RHI specifically tailored for Northern Ireland has the potential to increase the uptake of renewable heat technologies and support the achievement of the Executive endorsed target of 10% renewable heat by 2020 (current level of 1.7%).

In order to design and implement a local RHI scheme a detailed economic appraisal must be carried out. This appraisal will consider all possible methods of supporting the renewable heat market, develop various RHI schemes, assess the cost benefit of each of the options and advise on the most appropriate incentive scheme for Northern Ireland. Once the design of the incentive scheme has been determined the approval of the Executive will be sought and a full public consultation carried out before implementation of the new policy. Funding for this scheme has already been identified through Her Majesty's Treasury.

This project is a key part of the development of the renewable heat market in Northern Ireland. Currently Northern Ireland is overly dependent on foreign fossil fuels, by incentivising domestic, industrial and commercial energy customers to take up new clean technologies there is the potential to support positive behaviour change which will have a positive effect on our environment. This project will ultimately result in increased uptake of renewable heating technologies and a greater understanding amongst energy consumers of the alternative cleaner heating technologies.