

From: [Moore, Stephen](#)
To: [Hutchinson, Peter](#); [Ireland Rebecca \[FCO GSI UKREP Brussels\]](#)
Cc: [Ryan, Damien](#); [Hepper, Fiona](#); [McCutcheon, Joanne](#); [Stewart, Susan](#); [Harris, Michael](#); [Porter Kate \(CCP\)](#)
Subject: RE: Case SA.34140 - Renewable Heat Incentive (Northern Ireland)
Date: 27 April 2012 15:02:48

Peter

Many thanks.

Rebecca

Over to you now.

i). Yes, DETI can confirm that if generation capacity exceeds the thresholds set for individual aid, as set out in section 5 of EAG, DETI will notify the aid separately to the Commission. DETI does not expect this situation to arise, however will ensure the Commission is notified if it does.

ii). Yes, DETI can confirm that as part of the reviews of the RHI it will be essential to monitor all costs associated with renewable heating technologies, including production costs. This will be required to inform any potential alterations to the existing tariffs, bands or technologies. In terms of early reviews, DETI will retain the right to carry out such reviews if evidence suggested that tariffs had been set at incorrect levels or if production costs changes rendered the tariffs inappropriate. If reviews lead to any changes in tariffs the Commission will be informed and, if necessary, notified, in advance of these changes being implemented.

iii). Yes, DETI can confirm that we will respect the annual reporting and monitoring provisions set out in Sections 7.1 and 7.3 of the EAG.

Stephen

Stephen Moore
European Support Unit
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9415 (ext: 29415)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

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-----Original Message-----

From: Hutchinson, Peter [<mailto:Peter.Hutchinson@detini.gsi.gov.uk>]
Sent: 27 April 2012 14:59
To: Moore, Stephen; Porter Kate (CCP)
Cc: Ryan, Damien; Hepper, Fiona; McCutcheon, Joanne; Stewart, Susan; Harris, Michael; Hutchinson, Peter; Ireland Rebecca [FCO GSI UKREP Brussels]
Subject: RE: Case SA.34140 - Renewable Heat Incentive (Northern Ireland)

Stephen,

Happy with the proposed re-draft - we can keep this under review.

Content that this response is issued to the Commission.

Thanks,

Peter

Peter Hutchinson
Renewable Heat
Department of Enterprise, Trade & Investment Netherleigh Massey Avenue Belfast, BT4 2JP
Tel: 028 9052 9532 (ext: 29532)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

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-----Original Message-----

From: Moore, Stephen [<mailto:Stephen.Moore@detini.gsi.gov.uk>]
Sent: 27 April 2012 14:39
To: Porter Kate (CCP)
Cc: Ryan, Damien; Hepper, Fiona; McCutcheon, Joanne; Stewart, Susan; Harris, Michael; Hutchinson, Peter; Ireland Rebecca [FCO GSI UKREP Brussels]
Subject: RE: Case SA.34140 - Renewable Heat Incentive (Northern Ireland)

Kate

Yes - Let's press on and see what the Commission can live with.

I think the main thing it to keep this moving forward and get some momentum.

Clearly, it would be better if we don't have to notify if tariff levels reduce, but I accept the point you are making re reduced tariff levels still possibly resulting in overcompensation and hence the Commission wanting to take a look.

What if we commit to informing the Commission of any changes and, if necessary, notifying these? See redraft of the last sentence of (ii) below.

i). Yes, DETI can confirm that if generation capacity exceeds the thresholds set for individual aid, as set out in section 5 of EAG, DETI will notify the aid separately to the Commission. DETI does not expect this situation to arise, however will ensure the Commission is notified if it does.

ii). Yes, DETI can confirm that as part of the reviews of the RHI it will be essential to monitor all costs associated with renewable heating technologies, including production costs. This will be required to inform any potential alterations to the existing tariffs, bands or technologies. In terms of early reviews, DETI will retain the right to carry out such reviews if evidence suggested that tariffs had been set at incorrect levels or if production costs changes rendered the tariffs inappropriate. If reviews lead to any changes in tariffs the Commission will be informed and, if necessary, notified, in advance of these changes being implemented.

iii). Yes, DETI can confirm that we will respect the annual reporting and monitoring provisions set out in Sections 7.1 and 7.3 of the EAG.

Peter are you happy Rebecca sends the slight redraft above?

Stephen

Stephen Moore
European Support Unit
Department of Enterprise, Trade & Investment Netherleigh Massey Avenue Belfast, BT4 2JP
Tel: 028 9052 9415 (ext: 29415)

Textphone: 028 9052 9304
Web: www.detini.gov.uk

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-----Original Message-----

From: Porter Kate (CCP) [<mailto:Kate.Porter@bis.gsi.gov.uk>]
Sent: 27 April 2012 14:24
To: Moore Stephen (); Hutchinson, Peter; Ireland Rebecca [FCO GSI UKREP Brussels]
Cc: Ryan, Damien; Hepper, Fiona; McCutcheon, Joanne; Stewart, Susan; Harris, Michael
Subject: RE: Case SA.34140 - Renewable Heat Incentive (Northern Ireland)

Stephen,

It would certainly save us a lot of hassle if we only had to notify increases and I think it's definitely worth asking this - but the answer could be a no, they might want to check that where there are these significant cost reductions that we are reducing the tariff enough. How important is this for you? To save time in case it's a no are you ok for us to indicate that we could live without this if it's very difficult for them?

Kate

Kate Porter | Assistant Director | State Aid | Department for Business, Innovation & Skills | 1 Victoria Street | London | SW1H 0ET | Tel: 44 (0) 20 7215 2298 | Fax: 44 (0) 20 7215 0357 | kate.porter@bis.gsi.gov.uk | www.bis.gov.uk

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-----Original Message-----

From: Moore, Stephen [<mailto:Stephen.Moore@detini.gsi.gov.uk>]
Sent: 27 April 2012 14:07
To: Hutchinson, Peter; Porter Kate (CCP); Ireland Rebecca [FCO GSI UKREP Brussels]
Cc: Ryan, Damien; Hepper, Fiona; McCutcheon, Joanne; Stewart, Susan; Harris, Michael
Subject: RE: Case SA.34140 - Renewable Heat Incentive (Northern Ireland)

Peter

Many thanks. As discussed, see point below for Kate / Rebecca to consider.

Kate / Rebecca

To clarify the part of Peter's answer to question (ii) that relates to notifying any changes in tariff levels, I think we should only offer to 'notify' the Commission if any review of the tariff levels results in an increase.

As appears to be the case in relation to the Renewables Obligation, it is possible that the tariff levels may go down (i.e. less State aid) in which case a commitment by us to 'notify' the Commission should be unnecessary and sets an unhelpful precedent.

I would therefore suggest we advise the Commission we will only 'notify' and seek Commission approval for any increases in tariff levels.

If the casehandler is sticky about this, I would be content that we agree to notify any increases and provide

summary information on any decreases.

Happy to discuss further if necessary.

Stephen

Stephen Moore
European Support Unit
Department of Enterprise, Trade & Investment Netherleigh Massey Avenue Belfast, BT4 2JP
Tel: 028 9052 9415 (ext: 29415)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

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-----Original Message-----

From: Hutchinson, Peter [<mailto:Peter.Hutchinson@detini.gsi.gov.uk>]
Sent: 27 April 2012 10:02
To: Porter Kate (CCP); Moore Stephen (); Ireland Rebecca [FCO GSI UKREP Brussels]; Hutchinson, Peter
Cc: Ryan, Damien; Hepper, Fiona; McCutcheon, Joanne; Stewart, Susan
Subject: RE: Case SA.34140 - Renewable Heat Incentive (Northern Ireland)

Kate / Rebecca,

In regards to three questions asked by the Case Handler, I would be grateful if you could respond with the following answers:

i). Yes, DETI can confirm that if generation capacity exceeds the thresholds set for individual aid, as set out in section 5 of EAG, DETI will notify the aid separately to the Commission. DETI does not expect this situation to arise, however will ensure the Commission is notified if it does.

ii). Yes, DETI can confirm that as part of the reviews of the RHI it will be essential to monitor all costs associated with renewable heating technologies, including production costs. This will be required to inform any potential alterations to the existing tariffs, bands or technologies. In terms of early reviews, DETI will retain the right to carry out such reviews if evidence suggested that tariffs had been set at incorrect levels or if production costs changes rendered the tariffs inappropriate. If reviews lead to any changes in tariffs the Commission will be notified, in the normal way, in advance of these changes being implemented.

iii). Yes, DETI can confirm that we will respect the annual reporting and monitoring provisions set out in Sections 7.1 and 7.3 of the EAG.

If you require anything further please let me know.

Thanks,

Peter

Peter Hutchinson
Renewable Heat
Department of Enterprise, Trade & Investment Netherleigh Massey Avenue Belfast, BT4 2JP
Tel: 028 9052 9532 (ext: 29532)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

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-----Original Message-----

From: Porter Kate (CCP) [<mailto:Kate.Porter@bis.gsi.gov.uk>]

Sent: 26 April 2012 13:37

To: Moore Stephen (); Ireland Rebecca [FCO GSI UKREP Brussels]; Hutchinson, Peter

Cc: Ryan, Damien; Hepper, Fiona; McCutcheon, Joanne

Subject: RE: Case SA.34140 - Renewable Heat Incentive (Northern Ireland)

Stephen,

You are right about point i, 160 of the EAG says when the Commission needs to do the detailed assessment which is set out in section 5 of EAG. If you can confirm that the measure won't hit these thresholds (or you will individually notify any projects above this level) then it's just going to undergo the standard assessment - i.e. checking that the standard provisions in section 3 of the EAG are met. You could seek approval for a scheme which could exceed these thresholds without further need to go to the Commission (like ROCs), but this will obviously take longer as the assessment will apply to the scheme as a whole.

I would assume the reference to "electricity" was a typo and was supposed to be "heat" or "energy" - dealing with lots of different energy things I make this mistake myself from time to time (and english is my first language)!

Kate

-----Original Message-----

From: Moore, Stephen [<mailto:Stephen.Moore@detini.gsi.gov.uk>]

Sent: 26 April 2012 13:06

To: Ireland Rebecca [FCO GSI UKREP Brussels]; Hutchinson, Peter; Porter Kate (CCP)

Cc: Ryan, Damien; Hepper, Fiona; McCutcheon, Joanne

Subject: RE: Case SA.34140 - Renewable Heat Incentive (Northern Ireland)

Rebecca

Many thanks. Yes, these 'appear' to be simple questions.

In respect of question (i), whilst a UK confirmation will suffice, I am a bit confused. Of course we will individually notify a project if it exceeds the thresholds set for individual notification in the Environmental Aid Guidelines (EAG). But, where are these thresholds in the EAG? Also, why the reference to renewable 'electricity' generation?

Our scheme relates to renewable 'heat'.

Is this a specific reference to the 125MW detailed assessment threshold para 160(b)(iii) in the EAG?

i.e. where the project involves the production of renewable electricity and/or combined production of renewable heat and the renewable electricity generation capacity exceeds 125 MW, the Commission will undertake a detailed assessment of the project.

Could you (or Kate) clarify this question further? Is there a similar requirement in the GB RHI decision?

Re question (ii), seems straightforward. Peter - could you please answer this question?

In relation to (iii), yes, I can confirm that we will respect the annual reporting and monitoring provisions set out in Sections 7.1 and 7.3 of the EAG.

Many Thanks

Stephen

PS - I will be out of the office the rest of today and tomorrow, but I can be reached on my mobile and I will be

picking up emails occasionally.

Stephen Moore
European Support Unit
Department of Enterprise, Trade & Investment Netherleigh Massey Avenue Belfast, BT4 2JP
Tel: 028 9052 9415 (ext: 29415)
Textphone: 028 9052 9304
Web: www.detini.gov.uk

www.ni2012.com

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

From: Rebecca.Ireland@fco.gsi.gov.uk
[<mailto:Rebecca.Ireland@fco.gsi.gov.uk>]
Sent: 26 April 2012 08:59
To: Stephen.Moore@detini.gsi.gov.uk; Kate.Porter@bis.gsi.gov.uk
Subject: FW: Case SA.34140 - Renewable Heat Incentive (Northern Ireland)

Dear All,

Good signs on this case. We've been asked a few very simple questions. For the first of these I think a couple of lines in an email from me would suffice! Once we submit these Luca expects to send an invitation to notify shortly afterwards. Of course the Inter-Service might throw up a few more, but Luca is happy on his side and noted that the tariffs were lower than for the UK scheme anyway.

Looking forward to receiving your answers - shouldn't be too arduous!

Best wishes,

Rebecca

Rebecca Ireland

+32 (0)2 282 8926

From: Luca.DI-MAURO@ec.europa.eu [<mailto:Luca.DI-MAURO@ec.europa.eu>]
Sent: 25 April 2012 18:40
To: Rebecca Ireland (Restricted)

Cc: Brigitta.Renner@ec.europa.eu;
Patricia.SAENZ-DE-MATURANA@ec.europa.eu
Subject: Case SA.34140 - Renewable Heat Incentive (Northern Ireland)

Dear Rebecca,

The Commission has been assessing the information submitted in the pre-notification on the above case and, in order to complete its assessment, it would require the following information/clarifications:

- i. Could you please confirm that in case the renewable electricity generation capacity of an installation exceeded the thresholds set for individual notification of the aid, the UK authorities will notify the aid individually to the Commission?

- ii. Reviews of the scheme are scheduled to take place periodically to monitor the performance of the tariffs and the development of the underlying costs. Could you please confirm that the UK authorities will use such reviews to monitor the development of production costs, and may carry out early reviews if significant changes in production costs were to arise?

- iii. Could you please confirm that the UK authorities will respect the annual reporting and monitoring provisions of the Environmental aid guidelines as laid down in Sections 7.1 and 7.3?

We would need the above-mentioned information in order to complete our assessment of the pre-notification. Please, do not hesitate to contact me for any clarification or further information you may need.

Best regards,

Luca

LUCA DI MAURO
State aids - Energy and Environment

European Commission
DG Competition
Unit B.2

J-70 04/240
B-1049 Brussels/Belgium

luca.di-mauro@ec.europa.eu

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