

Notes on RHI Phase 2 Consultation events

DOMESTIC

Technologies

- **Is solar electricity with emersion conversion unit eligible? (Armagh)**
Would qualify under NIRO, not under RHI
- **Solar thermal space heating? (Armagh)**
DETI are looking at whether it could be included and have spoken to DECC, who were supportive. DETI need information on new technologies to be able to consider them, and would welcome any comments on new technologies.
- **Most people don't know the difference between solar PV and solar hot water – PV should be included for comparison. (Armagh)**
Different arrangements.
- **Are there any proposals in relation to accreditation of over 45kw biomass installations? (Belfast)**
DETI are looking at options regarding this, and suggest checking with the Department regarding this before installation.
- **Will solar thermal dynamic be included if they receive MCS approval? (Belfast)**
Not necessarily. Not all technologies approved by MCS are eligible.
- **A manufacturer's representative asked if there was any scope for alternative (i.e. non MCS) accreditation. (Belfast)**
DETI would need to look at the details and be sure that it's equivalent to MCS in terms of standards. EU requirements would need to be met.
- **There is an issue with manufacturers having to bear the expenses for MSC registration for a range of products, e.g. different pumps. (Belfast)**
Feedback evidence of this and DETI will consider.

Options/Proposed Approach

- **RHPP options 50%?(Armagh)**
Any evidence that using an option other than preferred option would be better will be considered.

- **Is there a risk of people removing RH systems after 7 years and re-installing their old system because of hassle of maintaining eg biomass boiler? (Armagh)**

NI differs from GB in that we are much more reliant than oil, and biomass fuel is cheaper than oil. DETI's view is that the cheaper fuel prices will keep people on RH systems.

- **More people are on oil in GB than in NI in raw numbers. (Armagh)**

Percentages are 77% in NI and 10% in GB.

- **Could you choose to forego upfront grant for higher repayments and if not, why? (Belfast)**

Not under current proposals. DETI would be happy to look at views on whether there should be more options around how grant is paid, but wary of the complication that more options would introduce.

Tariffs

- **Tariffs – why the big difference between air to water and ground to water? (Armagh)**

Mainly down to difference in capital costs. Any evidence that tariffs should be different than proposed will be looked at.

- **GB tariffs on GSHP higher, why? (Armagh)**

Capital costs are different. GSHP also run on electricity, and higher electricity costs in NI has an impact.

- **How was the biomass boiler figure arrived at? (Armagh)**

Figure is explained in Economic Appraisal published on DETI website.

- **Comment – Biomass differences between NI and GB – bigger properties taking up in GB, not as much in NI, smaller boilers. (Armagh)**

- **The average cost of installing a biomass boiler is cited as being £6k. Several people are finding that the cost is much higher than that. People may also move to more expensive fully automated systems. (Armagh)**

Welcome written comments and evidence for this.

- **Why is there such a big difference between ASHP and GSHP? (Belfast)**

Economic appraisal published on website explains how figures have been arrived at.

- **Is the rate for heat pumps based on the house or on the heat produced by the technology? (Belfast)**

Will check and get back.

- **Doubt accuracy of the figures in the EA. (Belfast)**

Welcome any comments about the figures in the EA as part of the consultation responses.

- **Why are the proposed rates higher in the GB RHI? (Belfast)**

The figures are based on the same rate of return. DETI don't consider this to be an issue for NI.

- **Are heat pump rates based on the output of the technology? (Belfast)**

Could be EPC for biomass, output needs to come in from technology. Not confirmed yet.

- **Were EPCs or heat output used in the Economic Appraisal? (Belfast)**

May be appropriate to discuss offline – more than happy to take views on assumptions used in the EA.

Deeming/metering

- **Contact for systems of 45kw? (Armagh)**

Will need to issue guidance, esp for domestic market

- **Why is metering needed for bivalent systems? (Armagh)**

DETI need to be able to be sure that systems aren't being installed and not used.

- **Would a built in system that measures the running hours of a biomass boiler be possible instead of a meter? (Armagh)**

Happy to hear more about alternative measuring systems.

- **How will air to air be measured? (Armagh)**

Air to air will only be deemed.

- **Confidence in technologies may be an issue and customers may retain traditional heating systems for a short time before removing it. Can they move from metered to deemed? (Armagh)**

Interesting question, the confidence factor may need to be looked at.

- **Why does traditional system need removed when there is a risk eg of a pellet shortage? Can't we trust the people of Northern Ireland not to abuse a deeming system? (Armagh)**

DETI will need to be able to account for the use of public money and need to be sure that steps have been taken to ensure that the risk of abuse of the system has been mitigated.

- **Metering for over 45 – concerns on capping for large houses with swimming pools etc, as they might not be adequately incentivised to take up RHI. (Armagh)**

Might consider deeming for these houses, but payment will be based on the assumption that they are very energy efficient. DETI are working on the basic premise that something should be done for over 45 domestics, but that it should be done fairly.

- **Will stoves count as a bivalent system? (Armagh)**

If a stove has a back boiler then it will have to be declared.

- **Will an open fire with a back boiler have to be declared? (Armagh)**

Could be seen as a primary heat source. Guidance on what needs to be declared will be issued.

- **Metering a bivalent system won't prevent people moving back to oil after 7 years. (Armagh)**

Metering more about DETI making sure that we know what we're paying out on, and can account for use of back-up system eg to use up remaining oil or as a backup when eg run out of pellets.

- **How will deeming be done? (Armagh)**

It could be done either through Standard Assessments or EPCs.

- **EPCs don't contain enough information for an MCS calculation. (Armagh)**

MCS are looking at this.

- **Is there a figure for deeming, eg per m²? (Armagh)**

No figure yet, DECC are working through this as well.

- **Could receipts (eg for chips or pellets) be an alternative to metering? (Armagh)**

DETI will consider suggestions fed back as part of the consultation responses.

- **How will the deeming levels be arrived at? (Belfast)**

DETI welcome feedback comments on whether deeming should be done through standard assessments or EPCs.

- **Deeming needs to be specific to account for houses that need more heat, eg stone built, hard to insulate, unconventional shapes. (Belfast)**

Welcome feedback on how these issues could be addressed.

- **Deeming doesn't take into account the use of the house, eg whether a disabled person lives in it or if it is occupied by day. (Belfast)**

Welcome comments on these issues as part of the consultation responses. Should there be revisions to the policy to account for issues like extensions, or people moving out of the house, or would metering every property be more appropriate?

- **Installers could be put in the difficult position of having to guess at costs before installing. (Belfast)**

One possibility is to make available more detail to installers on what information will be used in the calculations for standard assessments.

- **If only installers have access to more detailed information on standard assessments there is a danger of installers “talking things up”. (Belfast)**
- **Two potential RHI applicants and one installer agreed that although EPC approach wouldn't be perfect, it would be simple to use, would remove uncertainty and could have energy efficiency benefits as well. (Belfast)**

Regarding energy efficiency, homes with low energy efficiency will be eligible to apply but will receive the same amount of grant as an energy efficient home, which incentivises people to ensure a higher level of energy efficiency.

Applications & Payments

- **Application process should be more streamlined and should take into account things like tax, planning permission etc. (Armagh)**

DETI work with a cross-departmental group on these issues. DETI can only raise these issues with the competent authorities.

- **Will people who have applied for RHPP need to fill in an RHI application? (Belfast)**

DETI hope to be able to simply request any additional information needed for the RHI application. Administration has not yet been procured, and that level of detail will be unknown until administration procedures are further developed.

- **There is a rumour that it is disadvantageous to apply for the RHPP now and subsequently the RHI when it comes in. (Belfast)**

DETI's intention is to incentivise everyone equally. Any evidence that the current proposals will not achieve this will be looked at by DETI.

- **When will RHPP payments finish? (Armagh)**

RHPP will continue until the RHI is in place.

- **Payments on a quarterly basis would be more attractive to customers. (Armagh)**

More frequent payments would be more resource intensive. DETI open to suggestions, and welcomes views as part of consultation responses.

- **If a customer has already installed a biomass boiler will there be a delay in claiming? (Belfast)**

When the legislation is in place there will be no delay as a result of a boiler having already been installed – this will be treated the same as any other application.

- **Issue with customer having to install technology before finding out whether the grant application has been successful. (Belfast)**

Customers should have a good idea before installing whether or not they will be eligible.

- **Is the grant paid to the home or technology owner? (Belfast)**

Based on premise that owner of technology, might need clarification if home owner is different than the technology owner.

Next Steps

- **Critical of the amount of time taken to introduce of the RHI. (Belfast)**

Implementation of RHI may even happen ahead of GB scheme.

Other queries

- **One participant highlighted the variable building control costs depending on council area. Another participant said that installers should be able to tell you what building control will cost in your area. (Armagh)**

Welcome views on this in consultation responses.

- **Why is planning permission needed for ASHP? Someone suggested that it could be because of the noise. (Armagh)**

DETI have raised this with DOE colleagues, and would welcome comments on this in consultation responses.

- **In relation to fuel poverty, there could be an issue with people having to take out loans to install RH systems. Could more upfront grant be made available for people under a certain level of income, particularly with fuel poverty being a bigger issue in NI than in GB? (Belfast)**

Although fuel poverty is within the remit of DSD, DETI takes their views on RHI issues through the interdepartmental working group. People installing technologies are not always a

tenant, and there is a possibility of ESCOs arising (depending on network). DETI are considering uplifts for district heating under the commercial RHI.

- **It is hard to find information on renewable heat. (Belfast)**

Departments working on getting everything into one place under the Energywise branding.

NON-DOMESTIC

Armagh

- **Question about agricultural buildings such as mushroom and chicken houses.**
Some types of buildings might fall between the domestic and non-domestic arrangements. DETI would be grateful for views on this in consultation responses.
- **How will the RHI help address fuel poverty?**
The primary aim of the RHI is not to address the fuel poverty issue, however DETI work with DSD in a cross-departmental group on these issues.
- **Advice specifically for the agriculture sector would be helpful as there is a lot of interest from farmers but a lot of questions from them on the detail.**
- **If a grant has already been received for the installation of biomass boilers, does that rule the boilers out of eligibility for the RHI?**
If the technology was installed after 1/9/2010 and the grant was paid before 1/11/2012 then the original grant can be paid back and the RHI claimed instead.
- **If the body that paid the original grant is no longer in existence how can the original grant be repaid?**
DETI will check this with GB and respond.
- **Will mushroom houses and hothouses be eligible?**
They should be eligible but will need to be fully enclosed and permanent. Polytunnels and greenhouses can possibly be eligible.
- **Is there any information on the expected future price of wood chips for biomass boilers?**
DARD will be able to provide information on growing.
- **There appears to be a jump in the tariffs which results in a gap between 99kw and 6-8mw, which will exclude the whole SME sector in Northern Ireland. A slight difference in the size of two businesses could result in a big advantage to one of them and hence a competitive advantage.**
DETI will look any evidence provided in relation to issues with the tariffs.
- **What would the position be for a factory with 2 99kw boilers separated hydraulically but under the same roof?**
Ofgem would need to look at these types of arrangements – they might be seen as separate heating systems.
- **One participant felt that in the case of an owner/provider who could provide their own fuel, for example farmers with hedge trimmings, there may be a risk of them not taking up the RHI if the regulations are too restrictive on what fuel can be used. Another**

participant did not agree that this was a significant issue, and felt that it was important that people weren't using whatever fuel was available, e.g. chopped up pallets.

- The television advertisement for Phase 1 was good but a bit vague. The advertisements on busses appeared to be more effective.
- What is the timeframe for the introduction of Phase 2 of the non-domestic RHI? Would expect to see an indicative timeframe as part of the government response as the industry will need to take into account any possible delays.
The introduction of Phase 2 will depend on consultation responses, ministerial and legal approval, and state aid approval, which is likely to be the biggest stumbling block.
- There is a perception that DETI can stop payments at any time. It should be made clear in publicity that the full payments will be made.
- What would happen if a boiler breaks after a couple years of installation and a new boiler has to be installed? (Personal information redacted by the RHI Inquiry)
This would probably mean a new accreditation for a new boiler – DETI will check this and respond.

Belfast

- What happens if an asset breaks after 18 years of use? (Personal information redacted by the RHI Inquiry), Belfast)
If an installation is not being used to generate heat payments won't be made.
- Why biomass for district heating rather than heat pumps? (Belfast)
This is based on what is likely to happen in NI. DETI happy to look at views on whether large heat pumps could be used for district heating.
- GSHP should be treated equally to biomass. (Personal information redacted by the RHI Inquiry), Belfast)
DETI working off the evidence that we have at the minute, and would consider other technologies if evidence is produced.
- Mixed use, e.g. ground floor shop with an apartment above it? (Belfast)
Anything that's not 1 boiler in 1 domestic property will be treated under the commercial scheme.

Housing Executive pellet boilers installed at the request of the tenant. Will provide comments in response to the consultation. (Armagh)

Belfast

Q. Could a standard [something] not be used for heat pumps? (Belfast)

A. Not consistent enough yet – DECC and Ofgem are working on.

Q. Electrical backups for heat pumps? Efficiency – shouldn't there be higher incentive for EE home/tiered incentive? (Belfast)

A.

Q. (Housing Executive?) What will ESCOs be allowed to do? (Belfast)

A. there is no issue with Housing Associations using the RHI.

Coleraine

- **Concerns have been raised at the biomass workshops run at Greenmount about the over 45kw domestic sector, and how these properties will be accredited. Clarification on these properties would be welcome. (Cathal Ellis, Coleraine)**
- **Concern that the cost of obtaining an EPC might be a difficulty for potential applicants on low incomes. (Cathal Ellis, Coleraine)**
- **District heating cap. Will district heating apply to buildings other than residential, e.g. a group of mushroom houses? (Cathal Ellis, Coleraine)**
Would like to hear from people involved in district heating in response to the consultation. Eligibility of properties will be down to the heat demand of the property.
- **Cost control and life of scheme – concerns about the rate going down in a few years (Coleraine)**
DETI can only consider tariffs as they will be when Phase 2 comes into operation.

- **The square footage and habitable rooms information on an EPC is likely to be the only useful information for RHI purposes. The cost of obtaining an EPC varies but is approximately £75. (Estate Agent and EPC Assessor, Coleraine)**

- **How were tariffs arrived at? Is there an issue with a short supply of people qualified to maintain biomass boilers, and is there a list of MCS approved installers? (Coleraine)**
DETI will forward the list of installers along with a link to the EA on the website.

- **There may be a danger of people moving back to traditional heating systems after 7 years because of the compressed domestic tariffs (Personal information redacted by the RHI Inquiry), Coleraine)**

DETI conscious of the risk of reverting to previous system, but have to balance against factors such as uptake of the scheme.

- **Pre-accreditation for large projects is essential because of the length of time, at least 2 years in some cases, to get the project into place. (Personal information redacted by the RHI Inquiry), Coleraine)**

This is a bigger issue for GB than for NI because of digression, but take the point that it is still an issue for NI.

- **Issue about co-firing, for example where there is more than one furnace, and a company does not change all furnaces all at once, and different fuels are used in the furnaces. There should be provision for the renewable heat element to be accounted for on a pro-rata basis. (Personal information redacted by the RHI Inquiry), Coleraine)**

DETI need to gain a better understanding of the definition of co-firing. The RHI legislation will be linked to the NIRO legislation where co-firing is probably also an issue. DETI welcome comments on this.

- **Anecdotal evidence of an expensive biomass installation being removed after a few years because of issues with damp pellets. (Potential domestic applicant, Coleraine)**

Cathal Ellis advised that there have been problems in the past with pellets, often related to storage. Balcas provide a free service for advice on storage of pellets.

- **Issue of MCS registered installers over-selling the benefits of e.g. biomass boilers.**

There are examples from the RHPP of customers happy with their RH installations. There is a body in place called RECC that can take complaints in relation to MCS registered installers.

- **Issues of publicity around RH incentives – one participant said none of his friends or family had heard of the RHI. Is there a possibility of a “one-stop shop” that gives details of all available schemes?**

DETI ran advertising campaigns for Phase 1 which included bus side advertising, posters, television adverts and online advertising under the Energywise branding, and DETI will be arranging more publicity in relation to Phase 2. Regarding the “one-stop shop, Bryson Energy have a contract in place with DSD and can offer advice on schemes that are available.

- **Will micro-hydro be included?**

Not under the RHI, may be eligible under the NIRO.

- **Would someone removing a heat pump and replacing it with a new one be eligible for the grant?**

There are no plans for a blanket ban on replacing renewables with renewables.

- **People would like to know exactly what they will be getting.**

It would not be advisable for people to make installations on the basis of the proposals – these are being consulted on and are subject to change.

- **When will the final proposals be available?**

The final policy position will depend on the responses received to the consultation. For the non-domestic sector, there will be the additional approval of state aid to secure.

- **Would AD be eligible for district heating?**

AD is incentivised through ROCS. If there was to be an RHI tariff on AD then DETI would have to look at reducing the ROCS level for it. DETI would welcome views to inform future policy in this area, but ROCS appears to be working well for AD for now.

- **Would a turbine that powers a heat pump be eligible?**

Not under RHI, but under NIRO.

- **If a person who is not MCS registered has installed a technology themselves will they be eligible for RHI grant?**

RHPP required installation by a MCS registered installer but RHI only requires accreditation and commissioning by an MCS registered installer.