

McNaught, Jonathan

From: Mills, John (DETI)
Sent: 18 September 2014 18:00
To: Crawford, Andrew
Cc: Wightman, Stuart; Harris, Michael; Stewart, Chris (DETI)
Subject: RHI etc

Andrew

Non-domestic RHI, in place since 2012, supports biogas, biomass, ground heat pumps and solar. Tariffs haven't been reduced (they've risen with inflation) and aren't proposed for reduction in the RHI Phase II consultation that went out in Autumn last year. Anyway, you are quite right, we haven't sought clearance on the outcome as far as non-domestics are concerned. (Concentrating on the domestics – finally got DFP approval the other day).

Our guess is that the issue may be combined heat and power systems. CHPs are currently incentivised through ROCs where there's an extra half ROC for high efficiency CHP in recognition of the renewable heat aspect. From 2015 the extra half ROC (over and above the normal ROC level for biomass) is being removed but the heat aspect will become eligible under the revised non-domestic RHI. So in these circumstances you will be able to get both RHI (for heat) and ROCs (for power) – which you cannot at the moment. Not sure how this works out in terms of money for developers but we need to claim the relevant benefits for our respective heat and renewables targets and it's consistent with GB. This was covered in the RHI consultation paper so might be why someone's raising it under the guise of RHI.

Other relevant point on RHI tariffs might be a complaint that ours are lower than GB but this is because of the oil (as opposed to gas) counterfactual.