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To: [Morelli, Emer](#)
Subject: RHI Paragraph
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Emer

We discussed whether it would be appropriate to include a paragraph in the first day brief document. This is clearly an evolving picture, and by the time a new Minister is in receipt of this brief HMT will have delivered their final verdict on the funding. I suspect this will not be favourable, therefore I have drafted accordingly.

I have kept this very high level – and can add more detail if necessary.

Michelle

Renewable Heat Incentive

The Renewable Heat Incentive (RHI) is a DETI scheme designed to financially reward businesses and households who use renewable energy to heat their buildings. The scheme, which is a localised version of a GB initiative, has to date been funded by HMT through Annually Managed Expenditure (AME). As part of the 2015 Spending Review, HMT introduced an annual cap on expenditure which is significantly below the level of expenditure forecast in NI. PSD is currently engaging with HMT on this issue, however it appears likely that any expenditure incurred on the scheme above the AME allocation will have to be funded from the NI Executive's DEL allocation.

This could be a £24m per annum resource pressure, starting in 2016-17. The payments to the non-domestic sector, which make up the vast majority of these costs, continue for twenty years.