

To: Committee Members
From: Sohui Yim, Assistant Committee Clerk
Date: 27 June 2011
Subject: **Renewable Heat Incentive: Written briefing**

Background and Content

1. The Department has submitted a written briefing with an update on a renewable heat incentive (RHI) scheme in NI. Members will recall that at last week's meeting, DETI Energy officials gave a brief background of the RHI.
2. Historically, DETI had no powers to legislate for renewable heat in NI, therefore there was no way to create a mechanism for incentivising renewable heat generation. However, in 2010 the coalition government offered £25m to NI to implement a renewable heat incentive (RHI). In light of this, the DETI Minister tabled a legislative consent motion in March 2011 that would allow NI to legislate for and create an RHI. The £25m is subject to Executive approval. The Department is currently working to create and implement a scheme that is best suited for NI.
3. The Department's briefing paper details the economic appraisal that DETI commissioned of various methods of potential renewable heat incentive schemes (para 12). DETI will launch a public consultation over the summer to receive views on the proposals. It is envisaged that an appropriate scheme will be in place starting April 2012.

Suggested way forward

4. Members may wish to receive the outcomes of the consultation when they become available, before the final scheme is developed and finalised by the Department.