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From the Office of the Minister

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Chairman
Enterprise, Trade and Investment Committee
Room 375
Northern Ireland Assembly
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Our Ref: DETI SUB 250/2012

21 May 2012

Dear Alban

RENEWABLE HEAT PREMIUM PAYMENT SCHEME

I am writing to formally notify the ETI Committee of the soon to be launched Renewable Heat Premium Payment (RHPP) scheme. This scheme will allow all private sector domestic energy consumers to obtain financial support towards installing biomass boilers, heat pumps and thermal solar panels in place of their existing fossil fuel heating systems.

DFP clearance was given to the entire Renewable Heat project (ie the RHPP and the Renewable Heat Incentive) on 27 April 2012. The Northern Ireland Renewable Heat Incentive (NI RHI) is set to be launched later this year, once State Aid approval has been obtained and the appropriate legislation is in place. The RHI will be introduced in two phases. The first phase will include non domestic installations and a certain number of renewable technologies; phase two may incorporate additional technologies and will extend the scheme to the domestic sector. As proposed in the RHI Consultation, the RHPP scheme will be launched to serve as an interim measure for domestic consumers until the introduction of the second phase of the RHI.

As the RHPP scheme does not require state aid clearance or the introduction of legislation, preparations to launch the scheme are currently underway. I am hopeful that all necessary arrangements will be in place to enable a launch of the RHPP scheme during the week commencing 21 May 2012.

The RHPP aims to provide a capital incentive to all private households in Northern Ireland to replace their fossil fuelled heating and hot water systems with renewable heating alternatives. The RHPP will extend to all areas of Northern Ireland and cover electricity and fossil fuel private domestic consumers including natural gas consumers.

Below are the technologies and premium payment support that we will offer to successful applicants to the RHPP scheme:

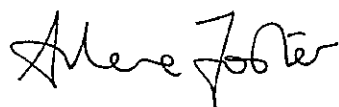
Technology	Support per unit (£)
Air Source Heat Pump	1700
Biomass boiler	2500
Ground Source Heat Pump	3500
Solar Thermal	320

The NI RHPP scheme will be administered within DETI Energy Division. Householders will apply directly to DETI where an assessment of eligibility will be undertaken. Successful applicants will then be issued with a time bound voucher, entitling them to a premium payment once their chosen technology has been suitably installed.

It is envisaged that the scheme will run for a period of at least one year from the launch date. Once the RHI is extended to the domestic sector, the RHPP will cease to operate. Installations made with the support of the RHPP scheme will remain eligible for an RHI but any future RHI support will be reduced to take account of payments under the RHPP.

I consider the introduction of the RHPP to be an important step towards meeting our targets for Renewable Heat. I am providing this information in confidence to the Committee ahead of my announcement and I would ask that you and members respect an embargo on this information until my announcement.

Yours sincerely



ARLENE FOSTER MLA
Minister of Enterprise, Trade and Investment