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Fw: Renewable Heat Incentive



Crawford, Andrew

Fri 31/07/2015, 08:40

You

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Flag for follow up. Start by 29 November 2016. Due by 29 November 2016.

sent from my BlackBerry 10 smartphone.

From: Cairns, Timothy <Timothy.Cairns@detini.gov.uk>
Sent: Thursday, 30 July 2015 23:23
To: Crawford, Andrew
Subject: FW: Renewable Heat Incentive

Latest.

It's an introduction of tariff controls to stop misuse rather than full reform from 1st Oct

Any thoughts

T

sent from my iPhone managed by BlackBerry Enterprise Service

----- Original Message -----

From: Mills, John (DETI) <John.Mills@detini.gov.uk>
Date: 30 July 2015 17:23 BST
To: Cairns, Timothy <Timothy.Cairns@detini.gov.uk>
CC: Hughes, Seamus <Seamus.Hughes@detini.gov.uk>, McCoy, Laura <Laura.McCoy@detini.gov.uk>, Stewart, Chris (DETI) <Chris.Stewart@detini.gov.uk>
Subject: Renewable Heat Incentive
Timothy

We discussed the need to introduce measures to manage expenditure on the Renewable Heat Incentive (RHI) which are set out in our submission of 8 July. You asked for a short note on arrangements which need to be brought in from 1 October 2015 (as opposed to

those which might be introduced). There is an urgent need to put appropriate measures in place to ensure proper control of budgets and comply with approvals. Part of this means introducing measures set out in the submission.

You made the point that there was virtue in making sure NI was able to make best use of the AME funding available to achieve the Executive's Renewable Heat targets. While noting that the scheme had taken off you rightly said that we would not want to over-react by introducing restrictions too suddenly which took us back to previous under-performance.

However, both Chris and I emphasised that we had to demonstrate that measures were being taken to ensure proper controls and Chris pointed out that the AME arrangements may have additional caveats.

While we need to take action urgently we do not necessarily need to try to do everything at once. There is a sound case for giving longer consideration to more complex tariff digression arrangements or a basis for making tariff reductions. These arrangements could be assessed over the following six months.

This would leave us to proceed with alterations to tariff tiers for non domestic RHI biomass tiered tariff arrangements.

The introduction of a tiered tariff structure for the medium size biomass technology is required to manage NI RHI spending and bring us more into line with the tier and banding arrangements in place under the GB scheme.

The first 1314 peak hours will be paid at the standard tariff of 6.4 pence per kWh, thereafter reducing to the lower tariff of 1.5 pence per kWh. These arrangements will apply to biomass boilers in the 20kW to 199kW range which is the most popular installation range. In addition the final policy will include a tariff cap of 400,000kWh as a maximum annual heat payment. This cap limit is based on an assessment provided by DARD on the poultry industry which is considered to be the sector with the highest heat requirement.

The arrangements will not reduce the current tariff but are an important safeguard against over-use. We would not expect this to be any surprise to the industry as they apply in GB. It would be very difficult to justify inaction in relation to this particular measure.