

To: Keith Avis[Keith.Avis@ofgem.gov.uk]
From: Mary Smith
Sent: 2012-11-01T19:26:15Z
Importance: Normal
Subject: RE: Proposed paras for GEMA
Received: 2012-11-01T19:26:17Z

Thanks Keith, just included some initial thoughts below.

From: Keith Avis
Sent: 01 November 2012 16:58
To: Mary Smith
Subject: Proposed paras for GEMA

Mary

Bob mentioned a couple of days ago that he would need to send a half page update report to GEMA on NIRHI. Given where we are I am not sure if he still needs this, but I have worked up the following in any case. I'd be grateful for your thoughts:

Background

"In September 2011 the Northern Ireland Department for Enterprise, Trade and Investment (DETI) asked Ofgem to undertake a feasibility study into Ofgem administering the £25m NI RHI scheme alongside the GB RHI scheme. Following the completion of the Feasibility Study, GEMA agreed to Ofgem administering the Northern Ireland RHI, subject to appropriate funding and resolution of remaining uncertainties. DETI formally confirmed on 4 May that they wished to enter into an agreement with Ofgem for the administration of NIRHI. The scheme closely mirrors the GB RHI scheme, although there are differences, specifically in how solid biomass and large heat pumps are dealt with.

The scheme went live on 1 November [could include as at the time of sending this we've received x no of queries]. The Administrative Arrangements [can you include a short explanation of what these are] have been sent to DETI for signature, along with an update to the original feasibility study for the scheme.

Amendments to DETI guidance, following consultation, were approved by Ofgem and supplementary guidance documents have been published on the Ofgem website. Internal Ofgem procedural documents have been updated, RHI ops team trained and the manual operational solution has been put in place, which will run until IT changes are delivered [need to add in something around them currently being planned to be introduced alongside the GB changes, which are dependent on Legislation, timing of this is tbc] at the end of January 2013. Estimated costs for running the scheme are 2012-13 (£573,000) and 2013-14 to 2015-16 (£730,084) [may want to take this out as it highlights that costs are still to be agreed with them have been sent to DETI for approval], costs for any further development to the scheme will be in addition.

DETI intend to introduce the NIRHI in two phases. The scheme will currently be available to non-domestic generators with eligible installations, and to non-domestic producers of biomethane. Through phase two of the scheme, which is planned to come into force summer next year, DETI has stated that in addition to expanding eligibility criteria for the non – domestic scheme it intends to introduce support for domestic generators. We have made clear that if they wished us to administer the second phase of the scheme we would need a period to scope out the process and costs."

Rgds

Keith

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