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From: Marcus Porter
Sent: 2012-10-18T17:55:34Z
Importance: Normal
Subject: RE: response to draft guidelines
Received: 2012-10-18T17:55:35Z
[BENI.DOCX](#)

All

Attached are my comments on the BENI document in readiness for tomorrow's meeting.

I ought to mention that a meeting with Bob is scheduled for 9.05 a.m tomorrow that Keith and I (or perhaps it's Mary) have to attend. It's possible, therefore, that we may be a few minutes late. If so then hopefully DETI will agree to delay the start for a short while.

Marcus

From: Marcus Porter
Sent: 18 October 2012 16:33
To: Michelle Murdoch; Keith Avis; Paul Heigl; Rita Chohan; Mavreen Ananura; Lindsay Goater
Subject: FW: response to draft guidelines

All

Interestingly this appears to be the mirror image of a suggestion made by "Action Renewables" and I assume that they have been in touch or that "Green Energy Technology" have in some other way heard what A.R are proposing. Be that as it may, whilst it is easy to sympathise with the "fairness" argument put forward below by G.E.T, I suggest that, assuming A.R. are to be rebuffed on this point, the better grounds for doing so are those referred to in my comments on their responses sent in my earlier email relating to those.

Marcus

From: John Martin [<mailto:john@greenenergytechnologyltd.com>]
Sent: 17 October 2012 11:02
To: NI RHI
Subject: response to draft guidelines

Dear Sir/Madam,

Our company is in full support of the forthcoming NI RHI scheme and the work that DETI is undertaking to achieve a successful implementation of the scheme.

However we have a concern over clause 4.52 which refers to MCS accreditation and the possibility that this is extended to include installations which have been installed previously, by installers who were not MCS registered at the time, but who have subsequently been accredited with MCS certification.

Gaining MCS accreditation is both costly and time consuming for our company. We have had MCS biomass accreditation since 2009 and have been following the strict guidelines on boiler installations throughout. To allow non MCS installations to be included for RHI is unfair, even though the company may have since gained MCS approval. Either the old installations must be checked to make sure they comply with all the rules of MCS and necessary paperwork, or they will not qualify.

For companies like ourselves who have from day one complied with the rulebook on MCS installations, it is totally unfair to allow other installations to be approved for the RHI scheme.

I personally have seen many installations from other companies which are a disgrace and are detrimental to the whole renewable and biomass industry.

Either a company and their installations are fully MCS approved or not - no in between measures.

Kind regards,

John

John Martin
Director
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Green Energy Technology - Specialists in renewable heat & power

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Response to the DETI Consultation on the Development of the Northern Ireland Renewable Heat Incentive submitted on behalf of the Biomass network for Northern Ireland (BENI)

1. General Comments.

BENI is an organisation funded by its members to promote biomass energy and the interest of biomass producers in Northern Ireland. Members include biomass suppliers who produce biomass from both forest timber and farm based energy crops in Northern Ireland. Their activities have a particular focus on --

- Facilitating sustainable supply chains for biomass.
- Providing benchmark performance indicators
- Adopting and promote quality standards for wood chip.

We therefore have deep personal and business commitments to the development of renewable energy as both a low carbon source of energy but also through the development of the green economy with its huge potential for sustainable economic development in rural areas.

We are therefore pleased to note the progress made in introducing the RHI Scheme to Northern Ireland and welcome the opportunity to comment on the recently published daft !!!! guidelines (Volumes 1 and 2) relating to the Scheme.

Renewable Heat Incentive Scheme – Implementation procedures.

We understand that Ofgen will be administering the scheme in Northern Ireland through offices in Glasgow and London. The seminars on the Implementation raised a number of issues which required clarification for which the approach appeared to be to put the issue in writing to Ofgen for consideration.

This approach is excessively bureaucratic and will be very ponderous and slow to achieve decisions. Oh dear! It is inappropriate for a region such as NI with a high proportion of SMEs and Sole Trader businesses and where the Executive is striving to stimulate and encourage the use of renewable heat. This approach will lead to the bureaucratic burden being increased rather than reduced and may cause many businesses to be discouraged from adopting Renewable Heat. See comments below as to the constraints on DETI administering the scheme.

Recommendation 1. Ofgen or DETI need to have a local office with an official / officials who can provide face to face definitive advice and interpretation quickly and easily to potential applicants. If this is not done by Ofgen then DETI will inevitably end up fielding the calls. Presumably if that happens DETI will, equally inevitably, pass them on to us! DETI are not in a position to field the calls, as they have only two staff responsible for this work, neither of whom is full time and presumably they have little familiarity with the scheme. Moreover, decisions as to interpretation and application of provisions in the Regs will be for Ofgem rather than for DETI. DETI will have no legal authority to decide such matters unless and until they terminate the "arrangements" entered into under section 114 and themselves take over the running of the scheme. Organisations such as BENI and CAFRE / AFBI will no doubt help with communication but ultimately interpretation of scheme requirements rests with Ofgen / DETI.

2. Volume 1. Eligibility and How to apply.

2.1 The Guidance states that application will have to be made on-line but the seminars suggested that until systems are established then this will be by hard copy.

Recommendation 2. Published guidance must relate to the actual situation with dates of change over to on-line application etc. I haven't waded through the guidance to check but I had it in mind that, somewhere in the guidance, we do specify when we anticipate the changeover will take place.

2.2 There are several references throughout the document to other statutory requirements. e.g. Par 5.47 requires participants to retain documents such as Planning Consents / Permits under Pollution Prevention and Control Regulations. Table 3 also refers to the need to have on file a health and safety assessment of the flue stack design. The concern amongst members is that these documents will not be asked for at accreditation (par 5.47) but may be "asked for at follow up to verify details etc.". implication presumably is that they wouldn't be concerned if these documents were asked for at the accreditation stage and, if that's indeed the case, it's not clear why simply retaining those documents for future use at a later date should be regarded as being so onerous. After all it is simply a matter of careful record keeping. This raises the possibility that a participant may be disallowed or even asked to pay back payments already made, on a technical infringement of some statute of which he/she was not aware if the legislation concerned is relevant to that business then the proprietor of the business ought to be aware and after the capital expenditure has been made. The owner of the business must take care to keep proper records. It is not unreasonable that we should ask for sight, before or after accreditation, of any documentation that may have a bearing on eligibility/ continued compliance/ our administration of the scheme, given that payments will be over a 20 year period and may total a significant amount.

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Recommendation 3. To encourage participation, in line with the Executive’s declared policy of encouraging the use of renewable heat, cross-Department guidance and a check list should be made available urgently to ensure participants know, from the beginning of the process, what specific statutory requirements relate to the scheme and will be sought by Ofgen on follow up/ verification visits. I suppose some sort of list could be produced but I imagine it would have to be indicative only as it would be difficult to be sure that it was comprehensive. Moreover I do wonder whether anyone involved in the development of this process is really in a position at present “urgently” to provide participants with details of related legislation for which DETI may not be responsible and of which the participants should arguably already be aware themselves.

2.3. Par 5.55 to 5.61 – Eligible installations must have boilers which are “specifically designed and installed to use solid biomass as its primary fuel source”.

We do not profess to be boiler experts and the guidance provided is comprehensive but we wonder how feasible it will be to satisfy the requirements that only it doesn’t say “only”, it says “primary” biomass fuels can be used. The requirement is not as to what fuel can be used. Rather it is concerned with what the installation is designed and installed to do. Presumably it must be “feasible” to satisfy the requirement as otherwise surely it wouldn’t have been included as a requirement in the GB scheme and wouldn’t now be being replicated in the NI one. There seems to be a big difference between product warranty /tests etc. stating that biomass fuels are to be used and the requirement that fossil fuels should not be used. Again, not concerned with what can be used by way of fuel, the actual requirement being as stated above. It is for the applicant to satisfy himself that this requirement is met in order that he can in turn satisfy Ofgem as to it and, if he lacks the necessary expertise to determine whether his installation complies then he will need to take advice from some appropriately qualified person who is able to assist him in that regard. The term Technical Evidence is used throughout this section without any explanation as to what that means. No explanation is called for. In the context it’s plain that it means evidence to establish that the “primary” requirement is met. The guidance provides a number of examples of documentation that may suffice by way of evidence and it’s not clear what further help we could provide. As already stated, anyone without the necessary technical expertise will need to presumably enlist the services of someone who does possess it.

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Recommendation 4. A statement from the installer supported by the manufacturers agent (where not the same organisation) should be sufficient “Technical Evidence” to satisfy this requirement. The guidance is fairly circumspect as regards what may and may not be acceptable by way of evidence but, whilst this may give rise to a degree of uncertainty, that is only to be expected given that each case must be considered on its own merits and that there may be a wide range of factual scenarios. At then end of the day it is for the applicant to decide whether otr not the evidence he can muster is likely to be sufficient to convince us.

2.4. Par 5.63. This states that the location of suitable biomass fuels may be found on the Biomass Energy Centre website.

Recommendation 5. Biomass Energy NI also provides a list of local suppliers and reference should be made to the BENI website www.biomassenergyni.com, in this paragraph. Others would need to consider whether this source of information would be useful to the reader in addition to the BEC website

2.5. Par 5.48 etc. We note that direct air heating is not eligible but that this will be considered in the next phase of the RHI development. Not sure whether that's the case or not. Lindsay may know. Direct air heating is used on an industrial scale by some of our members in wood chip and other commercial drying installations, so early inclusion of this technology is desirable. We assume the exclusion is due to heat monitoring issues but technical solutions does anyone know what the reason is? I do not. to this issue should be possible.

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Recommendation 6. Direct air heating systems should be included within the scheme as soon as practicable, for commercial installations.

2.6 Par 6.3. We are pleased to note the specific mention within Par 6.3 of the eligibility of "drying (including drying of wood and other biomass fuels)". This is of considerable significance to the direct cut SRC willow growers and the clarification is extremely helpful. Yes but need to point out that the heat delivery requirement in reg 12(1)(c) must still be satisfied

Recommendation 7. The application of the RHI scheme to drying of all agricultural crops should be actively encouraged as this is a high energy application with fuel use close to point of production.

2.7 Par 6.10. We note and understand the requirement that temporary structures such as polytunnels are not eligible on the basis that they are not "permanent or long lasting building or structure". However this raises two causes of concern for the agriculture / horticulture sector.

i) Plastic covered structures on a permanent site are often considered to be permanent by planning authorities and will have a life far exceeding the 2 years suggested in Par 6.9. Such structures may on occasions be heated to extend the growing season -- a priority by the sector as identified in a recent review of the industry by the Horticulture Forum for NI.

ii) Mushroom production in Northern Ireland is based almost exclusively in plastic (polythene) double skin insulated buildings with a steel hoop structural frame. These are on a concrete base, are subject to planning consents and so are to all intents and purposes permanent buildings. This industry is worth about £20M to NI economy, is a major user of heat and is well suited to using renewable heat. It is imperative that such structures and businesses are considered eligible under the RHI scheme. We have to take the Regulations as we find them and form a view as regards what criteria to apply for the purpose of determining whether or not a structure is "permanent or long lasting".

We have done that in the guidance and it is clear from that (see para 6.7) that cases will be assessed on a case by case basis and that there may be various factual scenarios, some of which will result in a conclusion that the structure is a “building “ and some of which will not. The guidance states that poly tunnels will not “normally” be regarded as having sufficient permanence, which suggests that there may be cases where a polytunnel amounts to a “building”. We cannot make any advance commitment in this regard, however, given that each case must be assessed on its own merits. If it transpires in time that most polytunnels are being deemed not to be buildings and that is regarded as unsatisfactory as a matter of policy then DETI may wish to consider amending the Regs

Recommendation 8. Structures such as mushroom houses and plastic covered horticulture houses on permanent sites need to be included within the category of eligible buildings.

2.8 Par 7.39 and 7.56 to 7.60. Simple and complex metering requirements.

The requirement in 7.39 is very specific in stating that where heat is produced in one building and used in another and/or used in a number of buildings, then multiple metering of each building will be required – even if the heat is transported only a short distance and / or is transported underground. Unfortunately there is nothing we can do about this pending amendment of the GB Regulations by DETI and the making in consequence by DETI of corresponding amendments to the NI Regulations. Metering difficulties are the major issue for the GB Regs and, given the decision by DETI not to await DECC’s amendments before making the NI Regulations, they are set to become that for the NI Regulations also, at least in the short term.

This has major implications for biomass users since in many cases the boiler is housed separated from the point of use – for practical and safety reasons. In addition, the mushroom industry, as described earlier, is typically based around multiple houses on a single site to allow continuity of supply through having houses on different production cycles. Typical units will have 8-12 houses supplied from a single boiler of 100 – 150kWth fed through an insulated underground pipeline.

If Par 7.39 is applied literally to such units they will be faced with having up to 13 meters (one on each house and one on the boiler) and making returns for each of these meters. The same will apply to multiple glasshouse and pig/poultry units fed from a central boiler

Fortunately Pars 7.57 through to 7.60 allow Ofgen to consider alternative arrangements, where it would be “unduly burdensome, highly impracticable or disproportionately expensive” to meter each building. Par 7.59 suggests that each situation will be considered on a case by case basis, while Par 7.58 raises the possibility of an approach based on agreed pipeline heat loss figures etc. NB that this para is being/has been amended in the GB guidance and I would appreciate confirmation (I haven’t checked)

that this is replicated in the GB guidance. Indeed I would appreciate confirmation that all the recent changes have been replicated.

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Recommendation 9. It is imperative that an approach is agreed which will allow the mushroom sector and other multiple production units to avail of the RHI scheme without incurring disproportional expense and imposing excessively bureaucratic obligations on what are small family business operations. In general terms we cannot "agree approaches". The Regs have to be administered as they are, not as we might wish them to be

3. Volume 2. Ongoing Obligations , Payments.

The following points relate primarily to the small business situations common in rural Northern Ireland.

3.1 Par 2.6. Evidence of maintenance. This mentions service receipts etc. as examples of evidence required. Where the service is carried out by a competent owner / operator a simple record of the work done should be sufficient. The evidence put forward would have to be assessed at the time. It is not possible to make definitive commitments in advance as to what categories of evidence will suffice

Recommendation 10. Self servicing by competent individuals should be acceptable when suitable records are kept.

3.2 Par 2.9. Internal processes to ensure that meter readings are accurate.

Recommendation 11. In a one man business this cannot require countersigning etc so simple self certifying procedures must be acceptable. No mention is made of countersigning in para 2.9 but only that evidence may be required as to the "internal processes" that are in place to ensure reliability of the data. Even a one man business should surely have such processes, though they may not take the same form as they might in a larger business and it is not unreasonable that Ofgem may require evidence as to the efficacy of these processes, given that it will be making NI RHI payments, perhaps totalling a substantial sum, over a period of 20 years.

3.3 Par 2.26. Authorised signature on annual declaration cannot be delegated.

Recommendation 12. Again for one man business units provision must be made to allow the authorisation to be assigned to another . e.g in case of inheritance / illness / death. In exceptional circumstances such as these there may be no choice but to allow that (though the matter would have to be considered at the time) but the general rule remains. Presumably such exceptional circumstances are unlikely to occur frequently in practice.

3.4 Par 4.4. We note and appreciate the concession that where the fuel is not purchased a boiler log will suffice along with records of when the harvesting took place. Presumably the same will apply when the fuel is purchased in log form and subsequently chipped after drying. A record of log purchase supported by the boiler log would seem to be sufficient. This is reg 33(a). Where there is no purchase there clearly cannot be any evidence of such purchase so there needs to be an alternative and the guidance provides for that in this way. The log purchase situation appears to be just one kind of fuel purchase and it's not clear to me why it should be any different from the purchase of any other fuel type.

Recommendation 13. Where fuel is home produced the boiler log must accept simple records based on volumes or estimated weights / moisture contents, since other measurements will not be made or the information available to the scheme participant.

Conclusion.

These comments are made on behalf of BENI members and in the best interests of a vibrant and viable Renewable Heat sector in Northern Ireland. We will be happy to discuss these issues with others or participate in future consultation should this be helpful.

John C Martin. Chairman, Biomass Energy Northern Ireland.

15 October 2012.