

Northern Ireland RHI : Background To Feasibility Costs

- Costs calculated as a percentage (3%) of GB installations at the time of drafting the Feasibility Study (October 2011) based on assumption that NI is 3% of heat market of UK and that overall NI subsidy allocation is 3% of UK total subsidy spend allocation.
- Consultancy Costs (covering audit and ID verification) not included as part of operating costs. DETI informed that these costs would be confirmed once NIRHI risk assessment completed.
- Legal Costs based on low level option, assuming that NI RHI regulations remain broadly in line with GB RHI regulations.
- IT costs based on year 1 forecasts, to be reassessed pending final IT requirements

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Headline Cost Differentials

Cost Against Feasibility Study

	2013/14	2014/15	2015/16
Feasibility Study	102,721	143,135	193,714
Updated Costs Keith – think we need to put the comparison of installation no forecasts in here too	494,945	820,833	1,235,878

Reasons for increased costs since provision of feasibility study figures

- Accreditation times are now known to be longer than provided for in the feasibility study. More staff will therefore be needed and costs have therefore gone up.
- Installations numbers provided by DETI are c10% of the UK installation numbers rather than the expected 3% (this is because UK estimates were reduced after the feasibility study). It would be reasonable to assume that the costs of operating the scheme would be 10% rather than 3% of UK costs.
- Costs are, in fact, in the region of xxx% of UK costs
- Given our early experiences of delivering GBRHI we are able to predict figures with greater accuracy and consider the efficiency saving that can be made as the scheme matures.

Notes Summary:

No speaker notes are contained in this presentation.