

Jane Pierce

From: Nadia Carpenter
Sent: 18 December 2014 13:37
To: Hughes, Seamus
Cc: Edmund Ward
Subject: RE: RHI question

Hi Seamus,

I have spoken to Edmund about this and we think that before either Ofgem or DETI responds to the enquirer we need to make sure we agree the position on this matter.

Ofgem's current position

RHI Regulation 14(2) states that:

"where two or more plants – a) use the same source of energy and technology; b) form part of the same heating system; and c) are not accredited RHI installations; those plants (the "component plants") are to be regarded as a single plant".

Therefore, unless plants of the same technology are hydraulically linked, we consider them separate plants for RHI purposes, requiring separate applications and accredited separately on individual tariffs. It would not matter that the installations are heating the same space.

This is down to the fact that the term "heating system" is not currently defined in the regulations.

A matter of interpretation

If the above position does not reflect your policy intent, it may be that you would wish to consider an amendment to the regulations to reflect this. This interpretation question arises due to the lack of a definition of 'heating system'. [We note we are currently engaging with DECC who may consider changes in this regard in the future]. Alternatively, if this is an area where you would take a different interpretation, we may wish to explore mechanisms to reach a common understanding on this point, or potentially consider amending the Administrative Arrangements to reflect any outstanding interpretations.

If you wish to pursue, may I suggest having a joint meeting on this issue early in the New Year. That would also give us the opportunity to illustrate the scale and impact of this interpretation based on our experience of administering the GB scheme for DECC.

I look forward to hearing your thoughts.

Kind regards,

Nadia

From: Hughes, Seamus [<mailto:Seamus.Hughes@detini.gov.uk>]
Sent: 16 December 2014 13:14
To: Nadia Carpenter
Subject: RE: RHI question

Nadia

Many thanks. I appreciate it can be difficult when dealing with "what if" scenarios.

Regards

Seamus

Seamus Hughes

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From: Nadia Carpenter [<mailto:Nadia.Carpenter@ofgem.gov.uk>]

Sent: 16 December 2014 12:56

To: Hughes, Seamus

Subject: RE: RHI question

Hi Seamus,

I am checking on this for you. It is a bit of a tricky area which has had some changes in approach suggested of late.

I will come back to you asap.

Thanks,

Nadia

From: Hughes, Seamus [<mailto:Seamus.Hughes@detini.gov.uk>]

Sent: 16 December 2014 10:41

To: Nadia Carpenter

Subject: FW: RHI question

Nadia

Please see query below from Mr David Hamilton. I understand that Mr Hamilton has previously raised the issue with Ofgem but was referred to the guidance material which he has not found helpful. I would be grateful if his query could be looked at again in the context of the information he has provided below.

I have already clarified to Mr Hamilton that the tariff would be based on the total heat requirement, 500kW in this instance and therefore the appropriate tariff would be 0.015 pence per kWh.

Happy to discuss.

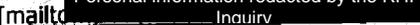
Regards

Seamus

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From: David Hamilton [mailto:] Personal information redacted by the RHI Inquiry

Sent: 12 December 2014 16:16

To: Hughes, Seamus

Subject: RHI question

Seamus

I have been referred to yourself by Cathal Ellis.

I have a question around Biomass Boilers and RHI, i have spoken to Ofgem but they have only referred me to the guidance document which is not very helpful, the question for now is a theoretical one, a large industrial building is in need of being heated, an expert does an assessment and says the building needs 500 kwthr of heat, for various reasons the owner of the building orders 5 99kw boilers and these are all installed into the building separately on separate pipework, all 5 boilers are heating the airspace which is a large open internal area, animals are present in the building and they accustomed to and are in need of being heated, the boilers are applied for accreditation and expect to receive rhi of 0.063 pence per KWHR. The building is of a basic farm construction and is enclosed but it is not insulated. Below are listed my questions.

- 1: Is this the correct tariff?
- 2: the boilers are Hydraulically separate but are heating a common airspace, does this matter or make a difference?
- 3: if the building was in separate compartments would this make a difference?
- 4: will the claimant be asked why he installed 5 small boilers instead of one or two larger boilers?
- 5: Will the building be compliant in its present state?
- 6: if approved under current rules will it have to be insulated at a later date?

David Hamilton

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RHI Inquiry

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