
From: Hughes, Seamus <Seamus.Hughes@detini.gov.uk>
Sent: 06 August 2015 15:49
To: John Batch
Cc: Peter Larmour; Jim Clarke; Wightman, Stuart
Subject: RE: RHI - Feedback from Business

Hi John

Thanks for your email. I honestly don't know where some of this stuff comes from but the rumours just seem to grow. Hopefully we will be in a position to publish the final policy soon and then the proper detail will be out there.

In terms of feedback on your 4 specific issues below I have provided a brief comment which hopefully will be helpful to you.

Regards

Seamus

Seamus Hughes

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From: John Batch [<mailto:john.batch@investni.com>]
Sent: 06 August 2015 15:13
To: Hughes, Seamus
Cc: Larmour, Peter (InvestNI); Jim Clarke
Subject: RHI - Feedback from Business

Hi Seamus

Thanks for your reply through Jim.

I have been across much of what is being talked about regarding RHI and potential changes.

This is just a short note to let you know the growing uncertainty that is emerging and developing for businesses considering deploying Biomass Heating Systems.

Just today a large animal feed producer who we are working with and who is considering installing a large Biomass plant has been advised by a supplier that RHI is ending beginning of September

I realise that none of this is official and as Technical Advisors we are not confirming any of this to business and at the same time trying to ensure that business is not taking decisions based on any of this. Over sizing Biomass Boilers does not deliver efficiency renewable heat and the expected cost reductions.

1. RHI is ending at beginning of September (Animal Feedstock Producer – Large Biomass Plant Installation Project)

RHI is not ending in September or on any other date

2. RHI incentive to 199kW from 99kW from 1st October (Suppliers talking to Businesses)

Consideration is being given to extending the current 20-99kW biomass banding upwards, perhaps to 199kW

3. RHI will be reduced significantly during summer months. (Suppliers talking to Businesses)

There are no reductions in tariffs planned. Consideration is being given to the introduction of a two tier tariff system whereby the first peak 1314 operating hours would be paid at the standard tariff rate, and hours over this at a lower tariff rate.

4. RHI is reducing to 1.5p/kWhr for under 99kW (Suppliers talking to Businesses)

There is no such reduction planned.

I hope we can all meet soon to help us manage business expectations. DETI are the lead on this and we look to you for your advice on these matters.

Regards

John

From: Hughes, Seamus [<mailto:Seamus.Hughes@detini.gov.uk>]
Sent: 04 August 2015 11:55
To: Jim Clarke
Subject: RE:

Hi Jim

Yes, happy to discuss these issues when we meet but I thought it might be useful to give you some initial feedback so see responses under your items below.

Regards

Seamus

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From: Jim Clarke [<mailto:james.clarke@investni.com>]
Sent: 31 July 2015 10:17
To: Hughes, Seamus
Subject: RE:

Hi Seamus

Following on from my email yesterday, I have a few other points for our proposed meeting in late August/early September.

Grace period

I was wondering if there would be merit in having a grace period of several months for the forthcoming changes to RHI for biomass boilers. I have clients who are rushing to install boilers before a perceived October deadline in which the RHI change for a given boiler size and start date for this change is as yet unconfirmed. I am very concerned that biomass boilers are being installed irrespective of technical suitability for a given boiler size just to get the RHI payment. A grace period would be beneficial in that it would allow companies time to correctly assess optimum biomass boiler solutions and enable supplier companies to prepare for the changes.

This is a difficult issue which we are currently exploring with DSO. If something could be accommodated it would be for a short period of time for a small number of projects at an advanced stage of development.

Eligibility dates

Is it be correct that RHI payments are eligible from the date of commissioning of RHI meters? If this is the case would the new regulations be applied from the date of installation of the RHI meter?

It is our understanding that Ofgem uses the application date in terms of accreditation so all completed applications submitted prior to October would proceed at the current RHI rates.

Biomass Boiler Efficiency

In addition to help address incorrect boilers sizing, you may wish to consider requiring an independent biomass boiler assessment to support RHI applications. Invest NI can help with this. The rationale would be to ensure that the boiler system installed is correctly sized to deliver maximum efficiency and carbon savings. This is similar to what is in place in Germany. We are aware that DECC reviewed the carbon savings in UK and noted that many systems under performed in terms of efficiency and carbon reductions.

This is something that you would need to take up with Ofgem. I understand that they already undertake some assessment in this regard but it is certainly an area that could be explored further.

For discussion when we have our meeting, hopefully late August/early September.

Regards

Jim.

From: Hughes, Seamus [<mailto:Seamus.Hughes@detini.gov.uk>]
Sent: 30 July 2015 10:39
To: Jim Clarke
Subject:

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