

**Paul Snowdon**

---

**From:** John Batch  
**Sent:** 04 February 2016 10:28  
**To:** 'Hughes, Seamus'  
**Cc:** Jim Clarke (james.clarke@investni.com)  
**Subject:** FW: IMP 885 Biomass vs. Natural Gas Heating and Lighting Upgrade Assessment  
**Attachments:** Invest NI - Carella Laminate Systems Ltd Rev B.pdf

Dear Seamus

Apologies I am having some conflicting information from one of our consultants regarding RHI calculations. See his email below and Page 17 of the attached and my email thread below.

My challenge was that there was apparently no Tier 2 RHI calculated for this 199kW Biomass Boiler – the site demand is 581,136 kWh/yr. I indicated that total RHI was capped at 400,000 kWh and that this would be split between both Tier 1 at 1314 hrs and Tier 2.

Can you throw any light on his assertion below that Tier 1 is only payable?

I realise this is irregular but we need to be clear as a Team of the calculations. I know you have already advised us previously but it appears strange that Nigel is coming back with this.

Any help much appreciated

Regards

John

---

**From:** Nigel McCormick [mailto:nigel.mccormick@sdsenergy.com]  
**Sent:** 02 February 2016 13:24  
**To:** John Batch <john.batch@investni.com>  
**Cc:** Sustainable Development Tenders <susdevetenders@investni.com>  
**Subject:** Re: IMP 885 Biomass vs. Natural Gas Heating and Lighting Upgrade Assessment

Hi John

Please find attached Revised report.

The report includes the oil at 6p/kWh and I have revised the costs accordingly. It had previously included at 5p/kWh given the low rate that is at currently.

With regards to the Tier 1 and Tier 2 I have spoken with both DETI and Ofgem this morning, and Ofgem confirmed that it is simply the load of the boiler (199kW in this case) multiplied by the 1314 hours for the Tier 1 payment. We have already included the boiler efficiency and seasonal efficiency in our overall kWh calculation. Therefore this does not need to be applied again.

Our table for comparison against both gas and oil baselines indicate savings against these fossil fuels. Therefore the cost of oil has been included for the additional 191,136kWh used of oil/gas over and above the biomass heat generated.

Kind Regards,

**Nigel McCormick** BEng (Hons) MSc