



Consultation response

**Friends of
the Earth**
Northern Ireland

Proposed Changes to the Northern Ireland Renewables Obligation

Friends of the Earth welcomes this opportunity to respond to the Department of Enterprise Trade and Investment's consultation on the proposed changes to the Northern Ireland Renewables Obligation.

Our response sets out our views on several key aspects of the consultation, however, we have not attempted to answer every question. The Department's questions and comments are in italics.

Friends of the Earth inspires solutions to environmental problems, which make life better for people.

Friends of the Earth is:

- dedicated to protecting the environment and promoting a sustainable future for Northern Ireland**
- the UK and Ireland's most influential environmental campaigning organisation**
- the most extensive environmental network in the world, with over 60 national organisations across five continents**
- a unique network of campaigning local groups working in over 200 communities throughout the UK and Ireland**
- dependent upon individuals for over 90 per cent of its income.**

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Q18 Do you believe a Feed-In Tariff form of assistance should be introduced in Northern Ireland? Please provide an explanation for your view.

- a) Feed-In Tariffs (FIT) have been proven successful in many countries throughout the world in cost-effectively incentivising renewables. We believe that Northern Ireland should follow its neighbours in Britain and Ireland in adopting a FIT for small-scale renewables.
- b) The GB-FIT has been designed to increase the generation from small-scale renewable energy from 2.2GWh to 7.9GWh by 2020, nearly quadrupling the installed capacity from the base scenario. There are currently 719 registered small-scale renewables installers in NI, each likely to employ a number of staff, therefore if a similar FIT was introduced in NI, the job growth potential would be several thousand jobs.

Q19 If a FIT were to be introduced, should it apply to

a. microgenerators only (ie up to 50kW capacity);

b. small scale generators (up to what size?);

c. other generators?

Please elaborate on your response.

- c) An extensive and exhaustive study was complete by Department of Energy and Climate Change to determine the scale and type of generators that are eligible for GB-FIT. We recommend that a FIT (or equivalent) in NI should match as closely as possible the scale and generator types from Britain.

Q20 Do you agree that enhanced support form 2010 should meet the above criteria?

- d) Yes, the solution should meet the criteria specified.

Q21 Are there any other criteria that need to be taken into account?

- e) The minimum standard for FIT in NI should mirror the GB-FIT, with an option to increase financial support higher than the GB-FIT.

Q22 Does the support proposed in Table 3.1 represent an appropriate interim level for Northern Ireland in the event of a FIT being introduced in GB from April 2010? Please explain fully

- f) The proposed interim support levels are inadequate. The future shape of the small-scale renewable energy industry in NI will be very heavily influenced by proposed interim levels. The GB-FIT was based on a comprehensive small-scale renewable energy study, and without a similar study in NI, DETI is in danger of proposing inappropriate support in NI. The currently proposed interim level of support would severely disadvantage our growing small-scale renewable energy industry compared to our English, Scottish and Welsh counterparts. The most appropriate interim level of support is to mirror as closely as possible the GB proposals.
- g) The Renewable Energy Association with industry backing is urging MPs to sign Early Day Motion (EDM) 276, in support of more ambitious GB-FIT to further incentivise small-scale renewable energy schemes. MP Mark Durkan from NI is currently in support of this motion and Friends of the Earth will be lobbying for other NI MP's to support this EDM.

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- h) NI consumers will not pay anything additional on their electricity bills by the introduction of interim proposal based on ROCs, because the number of ROCs that electricity suppliers in NI have to submit is fixed.
- i) The GB-FIT has been designed to increase the generation from small-scale renewable energy from 2.2GWh to 7.9GWh by 2020, nearly quadrupling the installed capacity from the base scenario. There are currently 719 registered small-scale renewables installers in NI, each likely to employ a number of staff, therefore if a similar GB-FIT was introduced in NI, the job creation potential would be several thousand jobs.
- j) The GB-FIT consultation was published in July 2009 and final FIT tariffs have not yet been published. DECC have agreed in meetings with the Renewable Energy Association that depression will not be applied for two to three years, to secure high initial up-take of the GB-FIT.
- k) As the final GB-FIT tariffs may vary from the figures published in July 2009, a calculation methodology is proposed to mirror the GB-FIT using ROCs, so if the final GB tariffs are changed this methodology can still apply.
- a. Assume the life of the interim proposal is 3 years, therefore apply appropriate depression for 3 years
 - b. Calculate ROC equivalent (1 ROC = 4.5p/kWh)
 - c. Round to nearest 0.5 ROC
 - d. Simplify into a maximum of three bands per technology, rounding down the number of ROCs in the smaller scale categories to achieve three bands.

Scenario 1 – No depression (as per updated DECC position)			Scenario 2 – Original proposed depression		
Revised ROCs	Technology	Scale	Revised ROCs	Technology	Scale
2	Anaerobic Digestion	Electricity only	2	Anaerobic Digestion	Electricity only
2.5	Anaerobic Digestion	CHP	2.5	Anaerobic Digestion	CHP
2	Biomass	<50kW	2	Biomass	<50kW
1	Biomass	>50kW	1	Biomass	>50kW
2	Biomass	CHP	2	Biomass	CHP
4	Hydro	<10kW	4	Hydro	<10kW
2	Hydro	10kW – 1MW	2	Hydro	10kW – 1MW
1	Hydro	>1MW	1	Hydro	>1MW
7	Photo Voltaics	<10kW	5	Photo Voltaics	<100kW
6	Photo Voltaics	10kW – 5MW	4.5	Photo Voltaics	100kW – 5MW
1	Photo Voltaics	>5MW	1	Photo Voltaics	>5MW
4	Wind	<250kW	4	Wind	<250kW
3.5	Wind	250 – 500kW	3.5	Wind	250 – 500kW
1	Wind	>500kW	1	Wind	>500kW

Q24 Does retention of a support mechanism based on the current offering of 2 NI ROCs and availability of capital support (Option 2) represent an appropriate support measure for NI if a FIT introduced in GB from 2010? Please provide a rationale for your response.

- 1) It is unlikely that capital support scheme could be in place for the April 2010 GB FIT launch, therefore a FIT equivalent as detailed in Option 1 is more appropriate.

Q25 Does it represent a better longer term solution than the interim proposal at 3.17 above

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(Option 1)?

- m) Feed-In Tariffs (FIT) have been proven successful in many countries throughout the world in cost-effectively incentivising renewables. We believe that Northern Ireland should follow its neighbours in Britain and Ireland in adopting a FIT for small-scale renewables, rather than a capital support scheme.

Q26 What do you think is the most appropriate way to support microgeneration in the longer term in Northern Ireland? Please give a rationale for your answer.

- n) Feed-In Tariffs (FIT) have been proven successful in many countries throughout the world in cost-effectively incentivising renewables. We believe that Northern Ireland should follow its neighbours in Britain and Ireland in adopting a FIT for small-scale renewables.

Q.27 Do you agree that any projects being supported under the proposed new interim arrangements (if implemented) should be grandfathered in the event of a new support mechanism being introduced?

- o) To obtain project finance for small community or business schemes, or to allow small residential properties to add renewable energy schemes to their mortgage, grandfathering would be essential.