



The Rt. Hon Greg Barker MP
Department of Energy and Climate Change
3 Whitehall Place
London
SW1A 2AW

26th April 2013

Dear Minister,

Enhanced Renewable Heat Premium Payment

Industry was naturally disappointed with the recent announcement of further delay to the Renewable Heat Incentive. However, Micropower Council members also recognise the efforts of Government to maintain market volumes and assist consumers who wish to install renewable heat prior to RHI introduction. The extension to the Renewable Heat Premium Payment was one such measure which has been introduced to demonstrate the Government's support.

An extension to the RHPP is positive; however there is widespread view in industry that an enhanced level of the RHPP grant values should be introduced if adequate support is to be provided for industry. **We are therefore writing to you in support of the STA-led campaign to introduce an enhanced Renewable Heat Premium Payment.** We have attached their letter for ease of reference.

The overall cost to existing budgets to implement this change would be neutral in the context of the RHI scheme as a whole. An enhanced grant would utilise the existing (unspent) RHI budget and consumers receiving an RHPP grant would have the money given in their voucher deducted from their RHI payments. An enhanced RHPP would put the budget to use now rather than in 2014 to relieve the current market stagnation.


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Whilst we welcome a continuation of the RHPP scheme, it is notable that the last two years of RHPP support at current grant levels have not been enough to support the market. If current volumes persist then it will be difficult for industry supply chains to deliver a fast start once the Domestic RHI is introduced. Therefore not only extending the RHPP scheme but also enhancing the voucher levels makes commercial sense.

In the interim period between now and the long-awaited implementation of the RHI policies, we ask Government to reinforce their support for industry. The Trade Associations campaigning on this issue would be happy to discuss this issue with you or with your colleagues at DECC.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Sowden', with a horizontal line underneath.

Dave Sowden
Chief Executive