

Analysing the Economic Impact of a Renewable Heat Incentive

Analysis validated in collaboration with

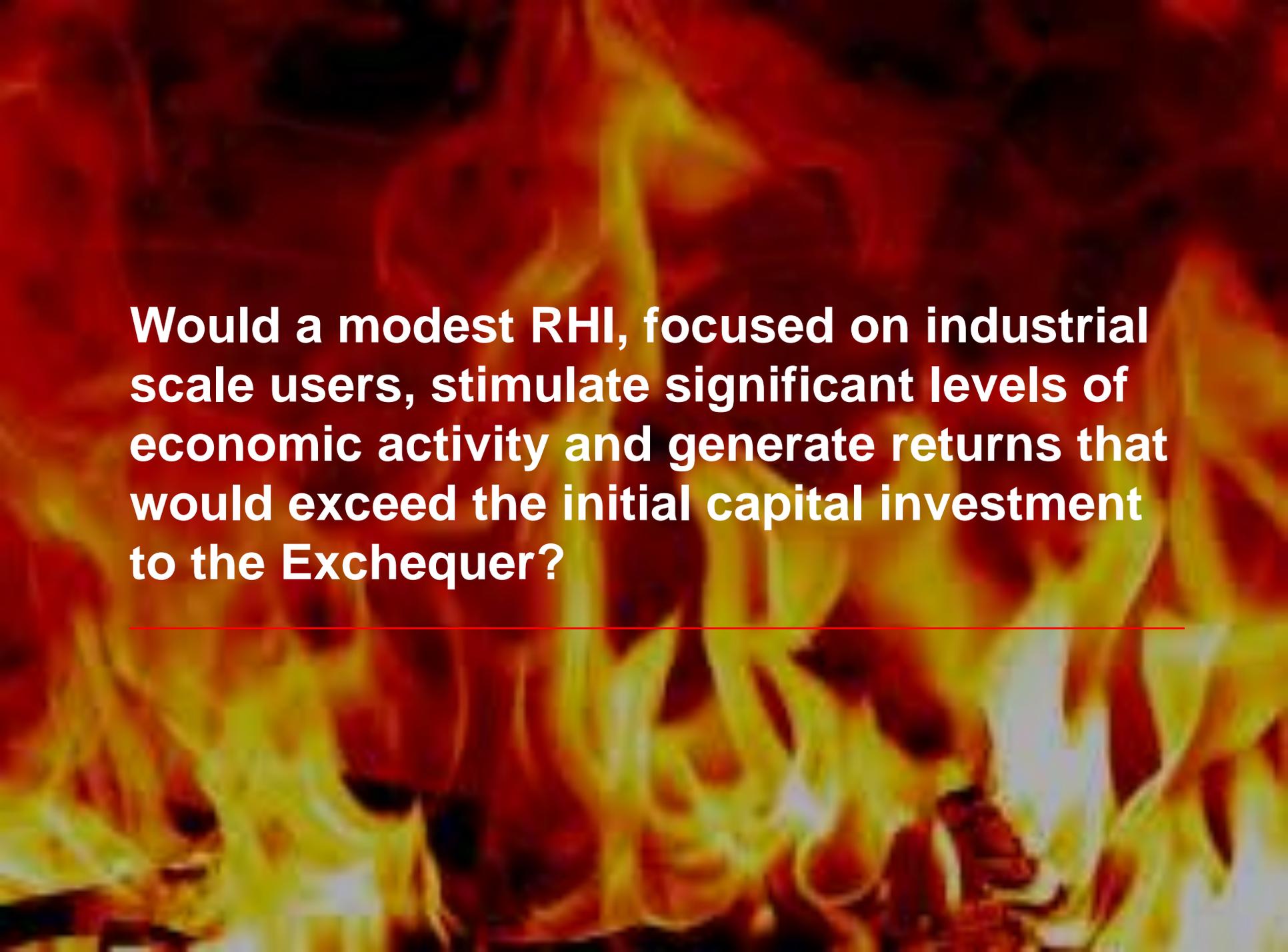




<http://youtu.be/7BKz3GbUIZU>







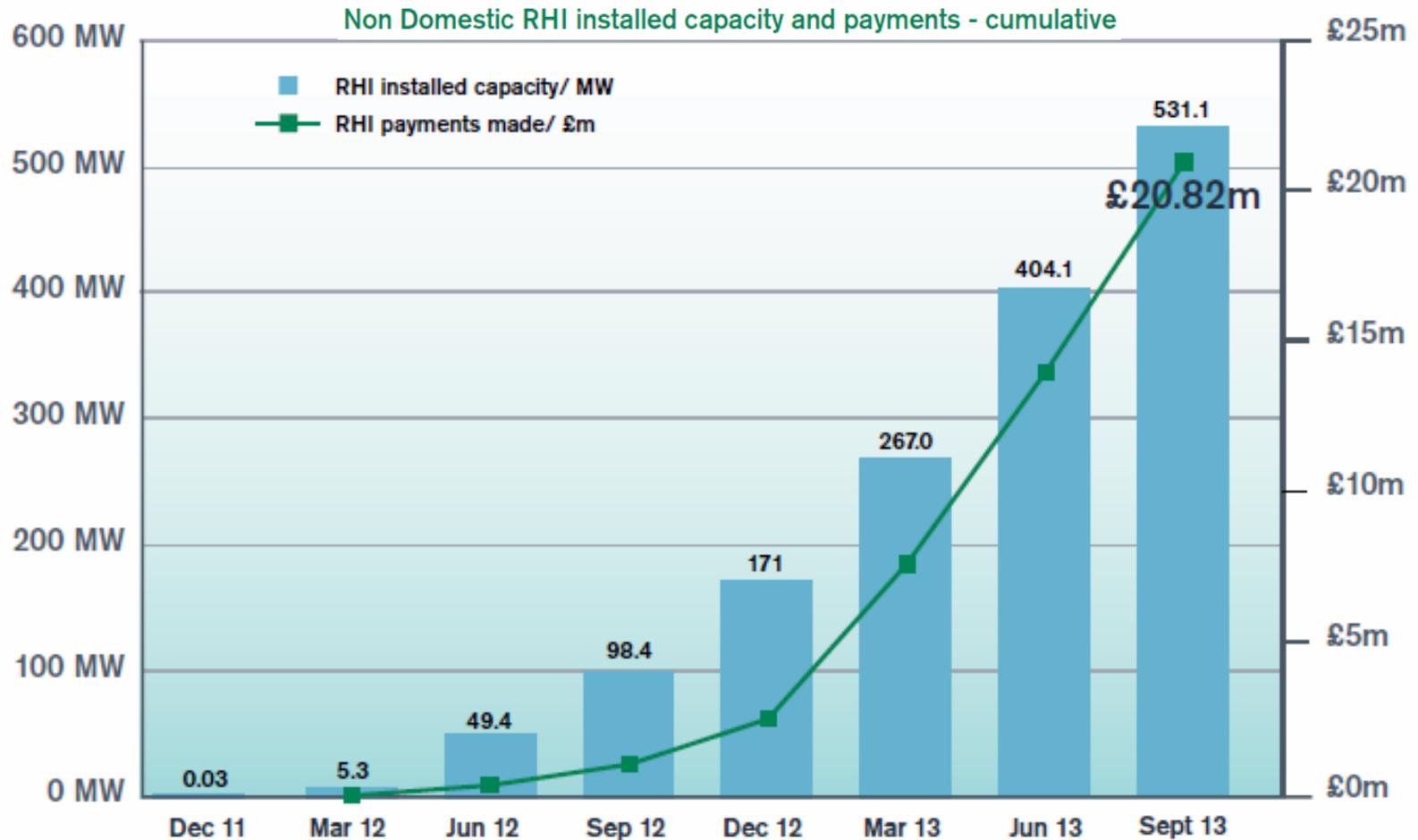
Would a modest RHI, focused on industrial scale users, stimulate significant levels of economic activity and generate returns that would exceed the initial capital investment to the Exchequer?

What is a RHI?



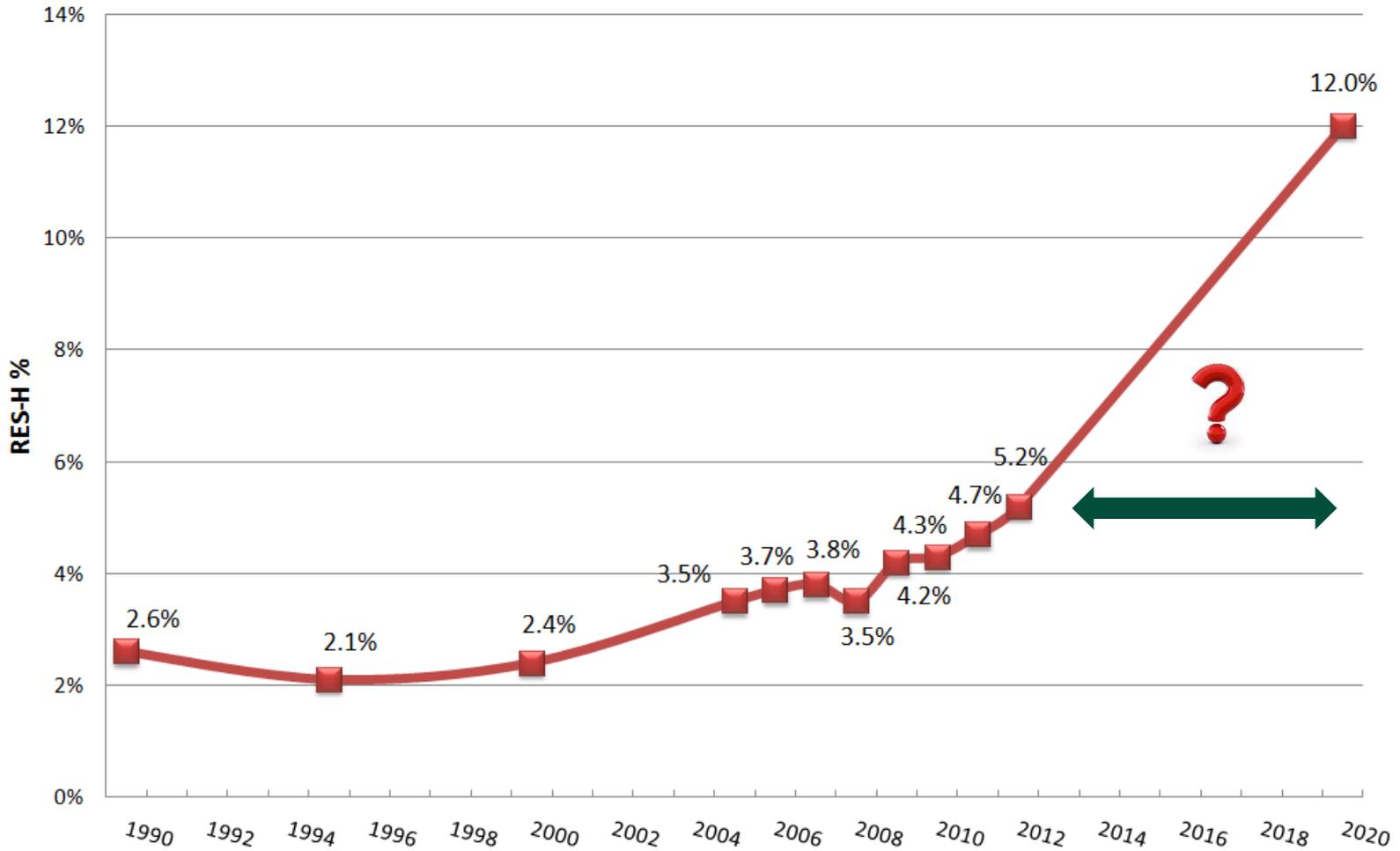


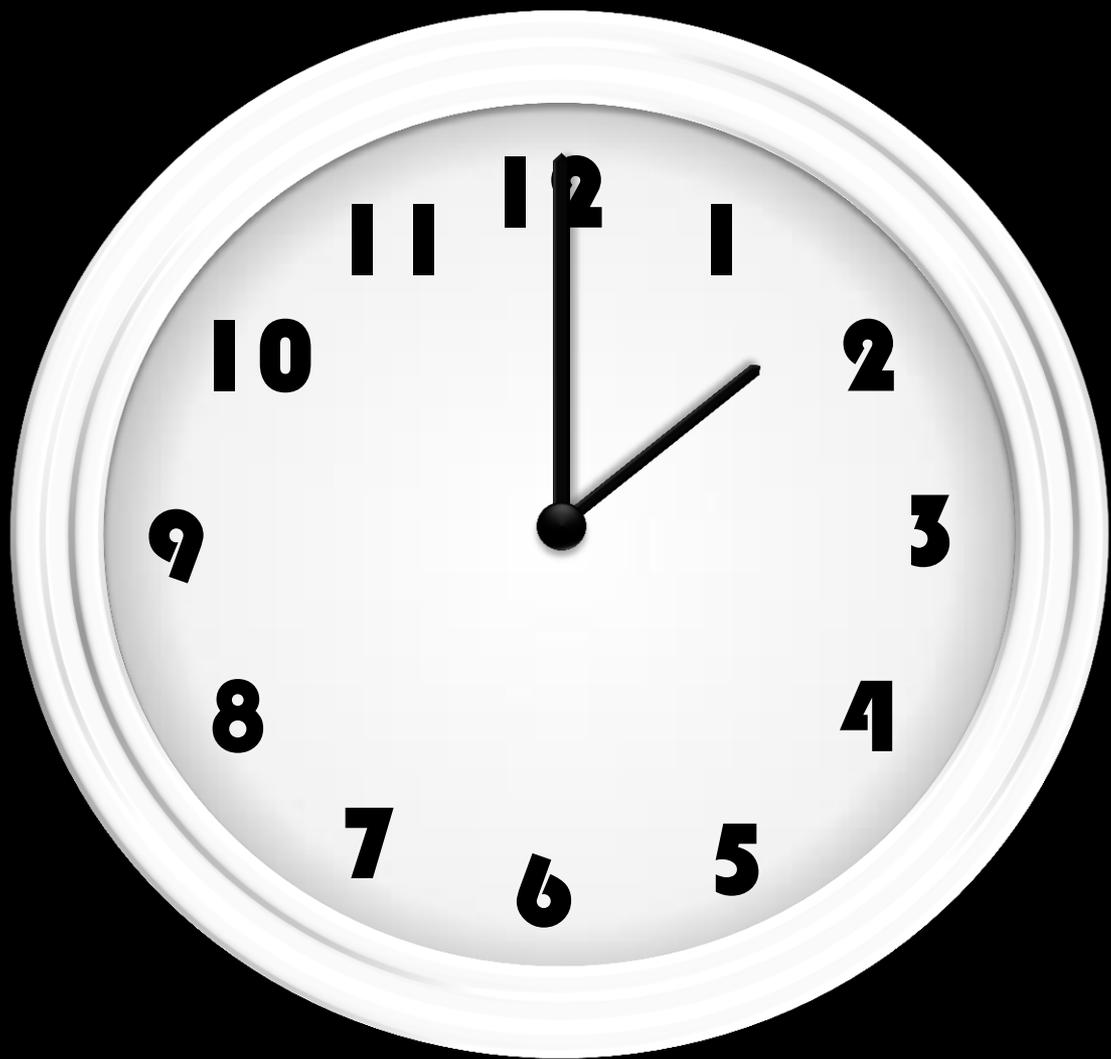
UK Experience



OfGem UK RHI Progress Report - Nov 2013

Why Target RES-H?







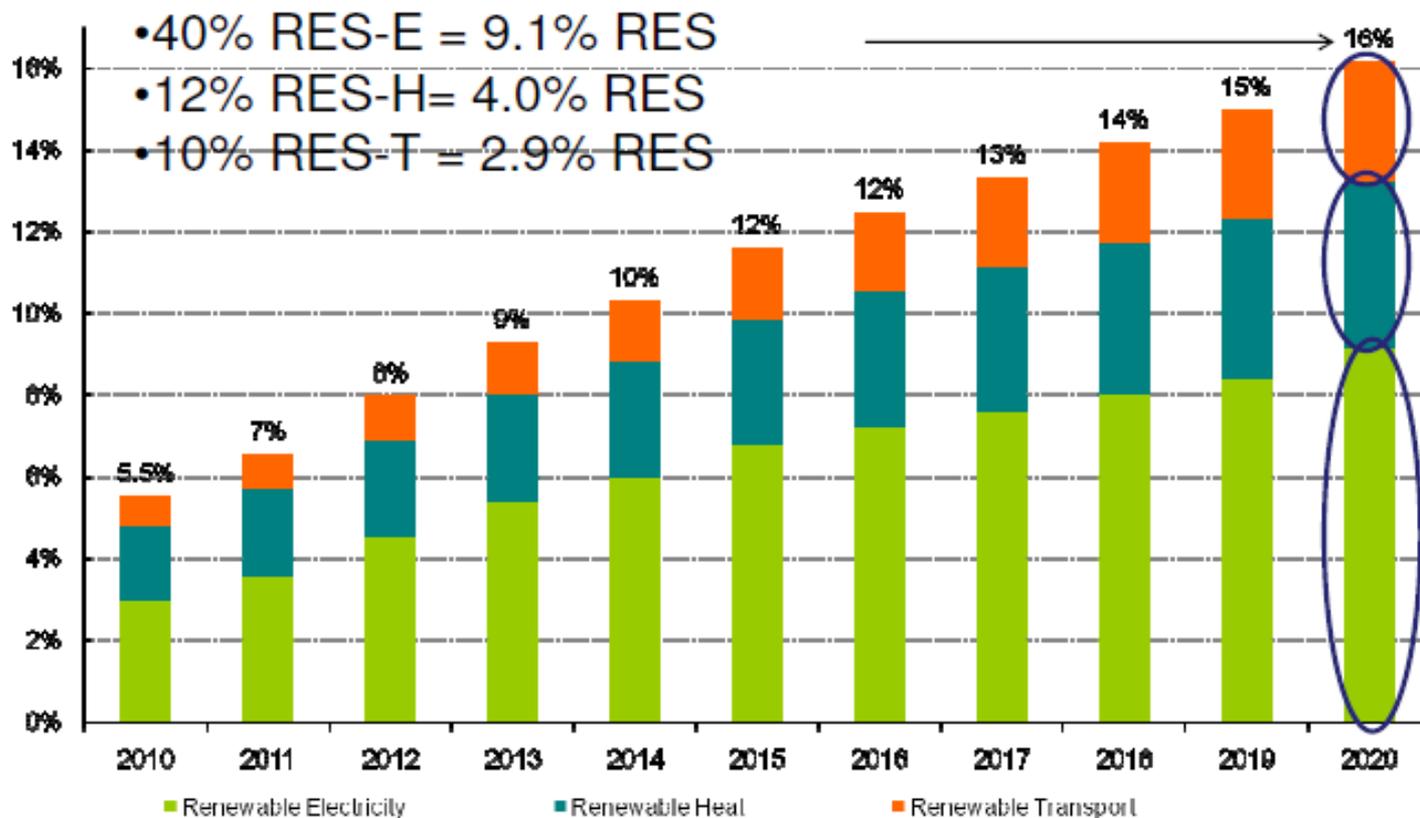
THE IRISH TIMES

Friday, January 24, 2014

EU Commission refers Ireland to European Court of Justice over failure to meet renewable energy targets

State could face fines of €25,000 a day if ruling made in favour of the commission

Model Assumptions



Current RES-H shortfall = 282.8 ktoe

Supporting Evidence

Enhancing the Environment

- Reduced fossil fuel use
- Reduced CO2 emissions
- Increased fuel security

Creating an Indigenous Energy Sector

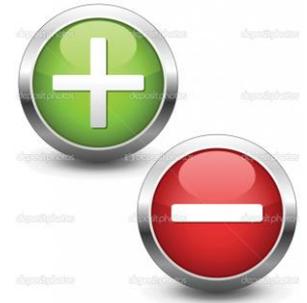
- New jobs
- New skills
- Rural based

Strengthening Irish Industry

- Reduced Costs
- Reduced price volatility
- Increased investment



Exchequer Cash Flows



Positive Impacts

- PAYE Tax
- PRSI Contributions
- Universal Social Charges
- Social Welfare Savings

Negative Impacts

- Lost Excise Duties from HFO
- RHI Subsidy Cost
- EU Fines
- Administration of RHI Scheme*

* Not Yet Included in Study



When the cost of EU fines are considered, in all cases, it resulted in a net positive impact for the Exchequer and towards our RES-H target

One Potential Scenario...

- 120 to 160 MW_{th} of installed capacity by 2020 equates to;
 - An RHI Cost of €13.5 – €18M
 - Progress of 0.55 – 0.75 Percentage Points Against 2020 Target of 16% of TFC
 - 102 – 135 New Jobs with many more indirect
 - Require 255,000 – 340,000 Tonnes of Biomass Fuel
 - Net Benefit to the Exchequer of €9.5 – €217M depending on the level of fines imposed

Conclusions



FINED!

Des O'Toole
Business Development Manager – Biomass

Office : 01 201 1111
Mobile : 086 230 1234
email : otoole_d@coillte.ie



ie.linkedin.com/pub/dir/Des/O'toole



@desotoole1