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Dr Denis McMahon
Department of Agriculture, Environment and Rural Affairs
Ballykelly House
111 Ballykelly Road
Limavady BT49 9HP

2nd April 2021

Dear Denis,

Re Grants to wind turbines

I understand that the C&AG mentioned to you in your recent meeting that we had some queries in relation to the potential grant funding of small standalone wind turbines by DAERA / DARD. These queries relate to concerns we have received about possible duplicate funding.

We believe from our initial work that there were around 140 payments of around £50,000 each that were made under the Rural Development fund between 2007 and 2013. However there may also be other grant payments made under this or other schemes that we are not aware of.

Therefore I would be very grateful if you could help us with the following questions:

- What grants have been paid by DARD / DAERA, either directly or indirectly, to help fund wind turbines since 2005, what schemes were these paid under and the amount of grant paid to each turbine;
- What were the eligibility criteria to qualify for the grant payments under each scheme? Specifically, did the criteria contain any requirement that in claiming the DARD / DAERA grant for the turbine no other government funding should be claimed;
- What period did the grant schemes for the wind turbines operate and why were they closed?; and
- At any stage are you aware if there was any interaction with DETI / DFE at any stage over the operation of these grant schemes.

Thank you very much for your help. It would be very helpful if you could provide the answers to the questions above by Friday April 16th. If you have any queries in relation to this please don't hesitate to call.

Yours sincerely

A handwritten signature in blue ink that reads "Tomas Wilkinson". The signature is written in a cursive style with a long horizontal stroke at the end.

TOMAS WILKINSON
Director

From: Paul Donnelly
Director of Rural Affairs



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Date: 20 April 2021
Our Ref: STOF-0025-2021

Dear Tomas,

RE GRANTS TO WIND TURBINES

Your letter of the 2 April 2021 to DAERA Permanent Secretary, Denis McMahon, regarding 'Grants to Wind Turbine' has been passed to me to reply on his behalf. In your letter you raised a number of questions in relation to grant funding of small standalone wind turbines made available under the NI Rural Development Programme 2007-2013. A response to your questions is set out below in bold italics:

- What grants have been paid by DARD / DAERA, either directly or indirectly, to help fund wind turbines since 2005, what schemes were these paid under and the amount of grant paid to each turbine;

Support for Renewable technologies was available from the NIRDP 2007-2013, under Measure 3.1 'Diversification into non-agricultural activities' delivered through the EU LEADER methodology. The Department entered into a contract with 7 Joint Council Committees (JCC) established across Northern Ireland and each of these worked in partnership with 7 Local Action Groups coterminous with the JCC Council areas. Together they developed a Local Development Strategy for their rural areas. Following an assessment process each JCC was awarded a capital budget allocation. This funding was made available to projects that were successful following open calls for applications under the Schemes that made up Axis 3 of the RDP. Measure 3.1 'Diversification into non-agricultural activities' was one of 6 Axis 3 Schemes.

The objective of Measure 3.1 was to assist farm households to diversify into non-agricultural activities on farm. The establishment of renewable energy sources was considered eligible under this Measure. The maximum grant available was £50k at an intervention rate of 50% of eligible total costs. Feasibility studies were limited to a maximum grant of £5,000 at an intervention rate of 50%.

Measure 3.1 - Thirty Seven (37) wind turbine projects were funded by JCCs and the total grant paid by the Department was £2,470,407. The list

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of beneficiaries of the grant towards purchase and installation of wind turbines is included in the spreadsheet which also provides details of all renewal projects funded.

- What were the eligibility criteria to qualify for the grant payments under each scheme? Specifically, did the criteria contain any requirement that in claiming the DARD / DAERA grant for the turbine no other government funding should be claimed;

Under Measure 3.1 eligible applicants were the farm owner or members of a farm family who have written permission to carry out the diversification activities from the farm owner. A standalone renewable project could be funded at up to 50% grant aid to a maximum grant level of £50,000 providing the diversification project is for the farm owner or farm family member to become an energy producer and 100% of the output is sold to a third party e.g. NIE (none of the energy produced could be used to reduce farm running costs or reduce any farm home domestic running costs).

The Measure sheet for 3.1 stated under non eligible activities ‘Any activity that could be funded by another statutory body/Council’.

The Terms and Conditions of the Letter of Offer stated at paragraph 3.1

‘The Applicant must not seek or make an application for any financial assistance from any other Government Department, public body or agency in respect of expenditure for which the Grant Aid is or may become payable under the terms of this letter of offer without written notification to the Joint Council Committee’.

Both of these conditions would be in respect of the capital costs of the equipment being funded through the RDP.

- What period did the grant schemes for the wind turbines operate and why were they closed?;

The period of the NIRDP ran from 2007-2013 at which point the programme had ended. The purchase and installation of renewable energy technologies is not an eligible cost under the current Northern Ireland Rural Development Programme 2014-2020.

- At any stage are you aware if there was any interaction with DETI / DFE at any stage over the operation of these grant schemes.

In drafting the Measure Sheet for Measure 3.1 officials did have discussions with DETI to obtain an understanding of ROC’s. All grants paid under Measure 3.1 were De-Minimis funding and the ROCs calculations were considered at assessment stage and where necessary the capital grant was reduced to comply with de-Minimis rules.

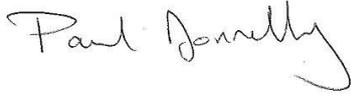
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I hope this answers your queries, if you require any further information please do not hesitate to contact gareth.evans@daera-ni.gov.uk who should be able to be of further assistance if required.

Yours sincerely,



PAUL DONNELLY
Director of Rural Affairs

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