

Date : 18/10/2016 16:18:37

From : "iain morrow"

To : "Mark Cockburn" , "Paget Fulcher"

Subject : RE: Link to the report

My memory is a little hazy since it was a while ago but yes, that's my recollection – there was no incentive for running at above 15% load (the Tier 1 threshold in GB). The NAO report does recognise that. However, the NAO report seems to suggest that the real problem was that the question of tiering wasn't revisited during our second piece of work for DETI when we revised the tariffs. By that time, the cost of biomass had gone up.

But wasn't that second piece of work a very small narrow project? I have a figure of £10-15k in mind, and I seem to remember a long discussion with Peter Hutchinson about how little we could do the work for and how the scope could be limited to fit within that. I think all we did in the end was essentially to re-crunch the numbers through our model to update the existing tariffs, rather than a redesign of the scheme that would have looked at whether tiers were required. It certainly wasn't a wholesale review of our earlier work, just a minor update.

So my recollection is that for the first piece of work, our analysis was reasonable (as the NAO seems to recognise) and for the second one, the question of introducing tiering was out of scope.

Paget - does any of that ring a bell? It was 5 years ago...

From: Mark Cockburn [mailto:mark.cockburn@cepa.co.uk]

Sent: 18 October 2016 15:17

To: iain morrow <iain.morrow@[redacted]>; Paget Fulcher <paget.fulcher@cepa.co.uk>

Subject: FW: Link to the report

If I have to appear in front of the PAC in Northern Ireland to explain / defend the initial design of the RHI I would appreciate being fore-armed. The main criticism would appear to be our decision not to implement a Tier 2 tariff for biomass as was the case in GB. In the main it seems we did so because at the time the costs of fuel was greater than that of the subsidy. When you have time, if either of you could remember the discussion around this it would be useful to know!

I'm attaching the link to the NI NAO report:

<https://www.niauditoffice.gov.uk/publication/renewable-heat-incentive-scheme>

From: Mark Cockburn

Sent: 18 October 2016 14:49

To: 'iain morrow' <iain.morrow@[redacted]>

Subject: FW: Link to the report

From: Ian Alexander

Sent: 18 October 2016 14:00

To: Mark Cockburn <mark.cockburn@cepa.co.uk>

Subject: Link to the report

<http://data.niassembly.gov.uk/HansardXml/committee-19139.pdf>