

Coyne, Terence

Subject: FW: Renewable Heat Incentive NI

From: Hutchinson, Peter
Sent: 26 April 2012 16:02
To: Hawthorne, Jill; Hepper, Fiona
Cc: McCutcheon, Joanne; Stewart, Susan; McAvera, Gerry
Subject: RE: Renewable Heat Incentive NI

Jill,

In regards to the query on the RHI tariffs query, we can confirm that DETI is content with the assumptions underpinning the CEPA model and view the CEPA/AEA research as robust and accurate. In addition, DETI economists were involved at all stages of the process and were also content with the assumptions, as was the DETI Casework Committee.

If you need anything further or more detail please let me know.

Thanks,

Peter

Peter Hutchinson
 Renewable Heat
 Department of Enterprise, Trade & Investment
 Netherleigh
 Massey Avenue
 Belfast, BT4 2JP
 Tel: 028 9052 9532 (ext: 29532)
 Textphone: 028 9052 9304
 Web: www.defini.gov.uk



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From: Hawthorne, Jill
Sent: 26 April 2012 15:48
To: Hepper, Fiona
Cc: McCutcheon, Joanne; Hutchinson, Peter; Stewart, Susan; McAvera, Gerry
Subject: RE: Renewable Heat Incentive NI

Fiona,

Thanks - I have everything I need on the approvals point so will just require input on the RHI tariffs query.

Jill

Jill Hawthorne

Finance Accounts/Accountability/Invest NI Casework
 Department of Enterprise, Trade & Investment
 Netherleigh
 Massey Avenue
 Belfast, BT4 2JP
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 Textphone: 028 9052 9304
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From: Hepper, Fiona
Sent: 26 April 2012 15:47
To: Hawthorne, Jill
Cc: McCutcheon, Joanne; Hutchinson, Peter; Stewart, Susan; McAvera, Gerry
Subject: RE: Renewable Heat Incentive NI

Thanks Jill - we'll answer. But, on the approvals point, we do have Ministerial approval and I sent this through a few days ago to you. We can send again in answering below.

Thanks again

F

Fiona Hepper

Head of Energy Division
 Department of Enterprise, Trade & Investment
 Netherleigh
 Massey Avenue
 Belfast, BT4 2JP
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Please consider the environment - do you really need to print this e-mail?

From: Hawthorne, Jill
Sent: 26 April 2012 14:33
To: Hepper, Fiona
Cc: McCutcheon, Joanne; Hutchinson, Peter; Stewart, Susan; McAvera, Gerry
Subject: FW: Renewable Heat Incentive NI

Fiona,

DFP Supply is seeking clarification on two points, detailed below.

With regards to the second point, I am aware that the appointment of Ofgem has been endorsed by the AO, but formal Ministerial approval has not yet been secured.

Jill

Jill Hawthorne

Finance Accounts/Accountability/Invest NI Casework

Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
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Please consider the environment - do you really need to print this e-mail?

From: McAteer, Ronnie
Sent: 26 April 2012 14:17
To: Hawthorne, Jill
Cc: Stevenson, Stuart; Sands, Sylvia
Subject: Renewable Heat Incentive NI

Jill,

As discussed, grateful for confirmation/clarification on the following points.

RHI Tariffs

The proposed approach is largely consistent with the GB scheme. The method of calculating the tariff rates is the primary difference between the NI and GB schemes. Moreover, the economic analysis used to design support levels under the NI scheme is based upon a financial model developed by CEPA (section 7.44). Please confirm that DETI is satisfied that the assumptions underpinning this model are robust.

Delivery

It is proposed that Ofgem are given responsibility for the administration of the NI RHI via Direct Award Contract. This is based upon their experience in effectively and efficiently developing and administering other Government environmental schemes including the GB RHI and NIRO (section 13.6). Delivery by Ofgem appears to offer the most cost-effective delivery solution. Section 13.29 states, "*Central Procurement Directorate have been kept informed throughout the process and are content with this course of action.*" Importantly, please provide clarification as to whether approval has been obtained from the DETI Accounting Officer and DETI Minister for the appointment of Ofgem via Direct Award Contract (section 13.30 of the appraisal refers).

Regards

Ronnie

Hutchinson, Lee-Anne

From: Hawthorne, Jill
 Sent: 26 April 2012 16:06
 To: McAteer, Ronnie
 Cc: Stevenson, Stuart; Sands, Sylvia; McAvera, Gerry
 Subject: RE: Renewable Heat Incentive NI

Ronnie,

In response to your email:

RHI Tariffs

I can confirm that the Department is content with the assumptions underpinning the CEPA model and considers the CEPAAEA research to be robust and accurate. In addition, DETI economists, who were involved at all stages of the process, were also content with the assumptions, as was the DETI Casework Committee that approved the proposal.

Delivery - Ofgem

I can confirm that the DETI Accounting Officer and Minister have approved the appointment of Ofgem to administer the NI RHI (attached submission refers).



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 Content.pdf

Jill

Jill Hawthorne

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Delivery

It is proposed that Ofgem are given responsibility for the administration of the NI RHI via Direct Award Contract. This is based upon their experience in effectively and efficiently developing and administering other Government environmental schemes including the GB RHI and NIRO (section 13.6). Delivery by Ofgem appears to offer the most cost-effective delivery solution. Section 13.29 states, "*Central Procurement Directorate have been kept informed throughout the process and are content with this course of action.*" **Importantly, please provide clarification as to whether approval has been obtained from the DETI Accounting Officer and DETI Minister for the appointment of Ofgem via Direct Award Contract (section 13.30 of the appraisal refers).**

Regards

Ronnie