

From: [Moore, Stephen \(DETI\)](#)
To: [Hughes, Seamus](#); [Wightman, Stuart](#)
Cc: [Pauley, Alberta](#); [Brush, Paul](#); [Mills, John \(DETI\)](#)
Subject: FW: Correspondence -- Ref. Number: COR/444/2014 : irrelevant information redacted by the RHI Inquiry - RENEWABLE HEAT
Date: 02 October 2014 17:48:56
Attachments: [COR 444.pdf](#)
[COR 444 attachment.pdf](#)
[RHI Statutory Review.msg](#)
[2008 Environmental aid guidelines.pdf](#)
[SA.34140 – RHI Northern Ireland.pdf](#)
[Draft response to COR 444 2014 - Sammy Wilson](#) - irrelevant information redacted by the RHI Inquiry [.RHI.DOCX](#)

Stuart / Seamus

Many thanks for copying me in on this submission.

As discussed with Stuart, if you are sending any further submissions on RHI to the Minister and will be referring to the State aid rules, would you send me a draft first, so that we can agree the references State aid. Thanks.

In particular, I am concerned that paras 2, 3 & 4 of the covering submission to the Minister may be misunderstood and possibly gives the impression that the root cause of this problem is the European Commission's State aid rules.

I am sure this is not what you intended.

I am also worried that even mentioning the EU and the de minimis rules in the letter to Sammy Wilson might result in irrelevant information redacted by the RHI Inquiry complaining to the Commission that they are being denied access to the NI RHI scheme because of the State aid rules. This is something I am sure we all want to avoid.

In relation to the Commission, DETI has not told the Commission anything about this cumulation problem and, while I and DSO and BIS are happy the State aid de minimis solution is legal and State aid compliant, as we have previously told the Commission, in the NI RHI notification, there will be no cumulation (see State aid decision), I really don't give them any cause to 'monitor' or 'investigate' the NI RHI scheme.

My understanding of the facts is that DETI decided to follow the GB RHI scheme almost exactly and therefore to not allow any possibility of cumulation of aid from the NI RHI scheme with any other type of aid (e.g. de minimis aid from the Carbon Trust loans). However, unfortunately, the way the scheme was implemented through the 'Renewable Heat Incentive Scheme Regulations (Northern Ireland) 2012' created the problem we are now trying to address. Therefore, I think it is important to highlight that the problem has come about because of the way Regulations were drafted and it is also important to highlight the Regulations were drafted this way based on advice of OFGEM – see attached briefing note (RHI Statutory Review) prepared by Joanne McCutcheon.

It is also important to remember that the State aid rules would have allowed cumulation, just as is the case with ROCs, and had we not decided to follow the GB RHI scheme as closely as possible, this problem could have been avoided in all of the non-agricultural cases.

For your information I am also attaching the NI RHI State aid decision and the 2008

Environmental Aid Guidelines. The RHI scheme was notified under the 2008 Environmental Aid Guidelines and you will see these give aid providers a number of options. In the NI RHI case we told the Commission there would be no cumulation, but, importantly, we could have told the Commission that there was the possibility RHI aid might be cumulated with other types of 'investment' aid (e.g. interest free Carbon Trust loans). As you will see in para 109 (b), this would have been permissible if we then had a mechanism in place for providing a reduced RHI tariff.

In relation to issue covered in the submission, Carbon Trust loans to companies that may be subject to the agricultural State aid rules, as you are aware DETI does not police State aid, so we cannot take any action directly to prevent the Carbon Trust from doing this.

However, as Invest NI provided the Carbon Trust with the funds that were lent out, it may be accountable for ensuring the Carbon Trust is complying with the State aid rules and, in this case, if the conclusion of DSO and DARD is that the loan to [Irrelevant information redacted by the RHI Inquiry] should have been treated as agricultural de minimis, then Invest NI and the Carbon Trust must be made aware of the situation and asked to ensure the Carbon Trust takes appropriate steps to ensure there is no reoccurrence.

Happy to discuss.

Stephen

Stephen Moore

European Support Unit
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9415 (ext: 29415)
Mob: [Personal information redacted by the RHI Inquiry]
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Visit the website for the *European Sustainable Competitiveness Programme for NI* -
www.eucompni.gov.uk

Please consider the environment - do you really need to print this e-mail?

From: Hughes, Seamus
Sent: 01 October 2014 15:28
To: Private Office DETI
Cc: McCormick, Andrew (DETI); Stewart, Chris (DETI); Mills, John (DETI); Wightman, Stuart; DG_DETI Press Office; Neth_Energy; Moore, Stephen (DETI)
Subject: FW: Correspondence -- Ref. Number: COR/444/2014 : [Irrelevant information redacted by the RHI Inquiry] - RENEWABLE HEAT

Private Office

Please find attached draft response to cor 444/2014 from Stuart Wightman

Regards

Seamus

Seamus Hughes

Renewable Heat
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9532 (ext: 29532)
TextRelay: 18001 028 9052 9532
Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?

From: Forsythe, Nicola **On Behalf Of** Neth_Energy
Sent: 24 September 2014 14:43
To: Wightman, Stuart
Cc: Hughes, Seamus; McCay, Davina
Subject: FW: Correspondence -- Ref. Number: COR/444/2014 : Irrelevant information redacted by the RHI Inquiry -
RENEWABLE HEAT

Stuart

Please see correspondence case below, due by 1st October.

Nicola

Nicola Forsythe

Energy Co-ordination
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9295 (ext: 29295)
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Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?

From: Christine.McLaughlin@detini.gov.uk [<mailto:Christine.McLaughlin@detini.gov.uk>]
Sent: 24 September 2014 14:32
To: Mills, John (DETI)
Cc: McCormick, Andrew (DETI); Dolaghan, Paul; Neth_Energy; Rooney, Eugene; Aiken, Glynis; Stevenson, Valerie (DETI Private Office); DG_DETI Press Office; Stewart, Chris (DETI); Hegarty, Damien; McLaughlin, Christine (DETI)
Subject: Correspondence -- Ref. Number: COR/444/2014 : Irrelevant information redacted by the RHI Inquiry -
RENEWABLE HEAT

DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT

URGENT - CORRESPONDENCE

Reference: COR/444/2014

Raised By: Sammy Wilson

Subject: Irrelevant information redacted by the RHI Inquiry - RENEWABLE HEAT

Referred To: MILLS JOHN (MR) (Energy Branch)

Date Referred: 24/09/2014

ACTION REQUIRED

Please provide advice and a draft reply for signature by the Minister.

To be with Private Office not later than 01/10/2014 before Close of Play

For further information etc. contact :

Christine McLaughlin (Private Office)
Netherleigh House Tel : Ext 29222

Copied To For Information:
cc Energy
Hegarty Damien (Mr)
McLaughlin Christine (Mrs)

Sammy Wilson MP MLA
Member of Parliament for East Antrim



HOUSE OF COMMONS
LONDON SW1A 0AA

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(028) 2826 7722

smytha@parliament.uk
www.sammywilson.org

22 September 2014

Ref: SW/SL/L/14/4125

Mrs Arlene Foster MLA, Minister
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast
BT4 2JP



Dear Minister

I have been contacted by the owners of [redacted] regarding an ongoing problem between OFGEM and the Department of Enterprise, Trade & Investment for Northern Ireland.

Basically the [redacted] installed a wood pellet heating system to heat their [redacted] so that they could move away from their expensive oil burning unit.

OFGEM had agreed to pay the [redacted] for a number of kilowatts of heat that would be produced over a 20 year period and that was designed to enable them to repay the [redacted] capital costs of the installation.

It now appears there is a problem with the renewable heat initiative payments that OFGEM had originally promised. The dispute is between OFGEM and DETI, though it is not clear to me what the dispute is about, other than whether or not [redacted] is eligible.

Being a huge consumer of energy for [redacted] and also being a producer that can cut down on the number of imports [redacted] especially and create local employment, I would have thought there should not have been any dispute at all about a measure such as this which is designed to cut the cost of imported fuel and reduce [redacted] into Northern Ireland.

I am enclosing a copy of the letter which the Company have sent me and would ask for your immediate attention to this since it appears to have been going on for some time now and is placing [redacted] in a financial difficulty they had not anticipated.

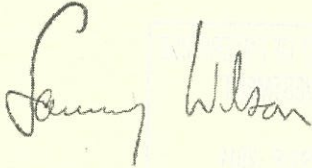
/cont

Please quote our reference on all correspondence

I will treat as confidential all personal information you give me or my staff. I may need to pass on this information to others so they can help you. I undertake to handle the information you give me in line with the Data Protection Act 1998.

Thank you for your attention to this.

Yours sincerely



Sammy Wilson MP MLA

Enc

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

17/09/14

Hi Sammy

I have enclosed documents which I Hope explain the difficulty I am having. I would very much appreciate it if you could help me. It seems to be two groups of civil servants who just will not put their name to a decision.

I have copied the enclosed email to

George.healy@investni.gov.uk

seamushughes@detni.gov.uk

Edmund.ward@ofgem.gov.uk

Abigail.hermon@carbontrust.com

If I can add any further information, please contact me on my mobile

Irrelevant information redacted by the RHI Inquiry

Personal Information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

Renewable Heat Initiative

We installed a wood pellet heating system in January 2014 to heat our ^{Irrelevant information redacted by the RHI Inquiry} to move away from the oil burning unit. This will reduce our carbon footprint from 120 tons of CO2 per year to approx. 20 tons.

OfGEM pay the ^{Irrelevant information redacted by the RHI Inquiry} for the number of KWatts of heat we produce for a period of 20 years, this payment will allow us to repay the ^{Personal Information redacted by the RHI Inquiry} capital cost.

We took out a loan of ^{Personal Information redacted by the RHI Inquiry} from the Carbon Trust to fund part of the cost. This loan was under the ^{Irrelevant information redacted by the RHI Inquiry} section of their scheme.

Note this does not come under Agriculture, as Agriculture is not included in the scheme.

Having done the installation Ofgem now tell us that there is a problem with the Renewable Heat Initiative payments, and are saying we are not eligible.

There has been a debate going on since January between Ofgem and DETNI about how to resolve this and we have been told regularly since then that it would be sorted in a few weeks.

Ofgem raised our eligibility for payments with DETNI but were overruled, in an email from Peter Hutchinson on 16/12/2013 in which he confirmed that DETNI revoked the decision by Ofgem not to accredit an installation.

We are caught in the middle of a disagreement between two sets of civil servants which shows little sign of being resolved.

This is putting the ^{Irrelevant information redacted by the RHI Inquiry} in a difficult position as we are making repayments of ^{Personal Information redacted by the RHI Inquiry} per month to the Carbon Trust with no sign of the promised RHI payments.

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Irrelevant information redacted by the RHI Inquiry

Irrelevant information redacted by the RHI Inquiry

COPY OF EMAIL

NIRHI Personal Information redacted by the RHI Inquiry

NIRHI Personal Information redacted by the RHI Inquiry

Sir

I am in the unfortunate position of being caught in the middle of the debate on how the rules are interpreted on whether a CTL denies RHI payments.

The email from Peter Hutchinson of DETI on 16/12/2013 categorically states, and I quote, "that a CTL does not forbid RHI payments".

On the strength of this commitment I invested £ Personal Information redacted by the RHI Inquiry (partially funded by a CTL of £ Personal Information redacted by the RHI Inquiry in a Biomass heating system for my Irrelevant information redacted by the RHI Inquiry

This means that I have to fully repay the CTL over a period of three years, without the RHI payments this will bankrupt my business

This has been a small family concern since Irrelevant information redacted by the RHI Inquiry I am a sole trader with my two sons working fulltime and employing six seasonal workers in the busy spring period.

We have Irrelevant information redacted by the RHI Inquiry which can not be sold at a profit if it has to be heated at the fuell costs I was paying last year. This crop will directly replace Irrelevant information redacted by the RHI Inquiry into NI this December.

There is considerable further scope to reduce the large amount of imports into NI if I had a lower heating cost base.

This delay in releasing the RHI payments is already having a problem with my bank overdraft as the CTL repayments started in May.

I have no desire whatever to go down the political / legal route to the highest level needed to get this resolved.

I am in an impossible position financially and am facing a bleak future.

I urgently request that this hiatus between Ofgem and Deti can be resolved and the RHI scheme can proceed as promised.

Irrelevant information redacted by the RHI Inquiry