

From the Office of the Minister



Department of

**Enterprise, Trade  
and Investment**

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**Our Ref: DETI COR 126/2016**

**Your ref IPJ/33946/16**

Ian Paisley MP  
Constituency Office  
9-11 Church Street  
Ballymena  
BT43 6DD

21<sup>st</sup> April 2016

*Dear Ian,*

Thank you for your letter and enclosures of 21 March 2016 concerning your constituent Mr Sean McNaughton who has experienced problems with his Renewable Heat Incentive (RHI) application.

The key issue with Mr McNaughton's application would appear to be whether it was properly made to Ofgem before the 18 November 2015 when scheme changes were introduced. I appreciate this is a matter of grave concern to him but I am relieved to note that his application has, at least, been accepted prior to scheme closure.

It is suggested that an Ofgem IT problem prevented submission of Mr McNaughton's application before the 18 November RHI tariff changes came into effect. My officials were first alerted to this case in mid January 2016 when it was brought to their attention by Action Renewables who had been in discussion with Ofgem about the problem. I can confirm that my officials engaged with Ofgem at that point and asked that an investigation be carried out. The matter was investigated by Ofgem who concluded that they could find no evidence of an IT failure in their systems. Ofgem advised Action Renewables of its decision on 15 February 2016.

On 24 March 2016 you provided additional information to DETI officials to support the McNaughton case. This information was forwarded to Ofgem and they were asked to reinvestigate this case again on foot of this material. My officials also contacted Action Renewables to advise of this and asked them to check again to see if they had any information not previously provided to Ofgem to support the case.

Ofgem has now completed its further investigations and has confirmed its view that IT issues in its systems were not responsible for preventing an application being properly made. While it may be the case an application was started, Ofgem can only accept properly made applications and as this occurred only after 18 November, they have concluded that Mr McNaughton's application is eligible for the post-November RHI tariffs.

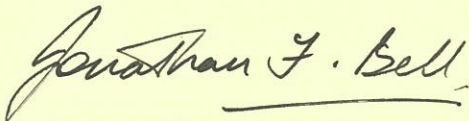
I am sure this is a disappointing outcome for Mr McNaughton but I would suggest that any outstanding information to be provided to Ofgem to enable payments to start being made as soon as possible.

If Mr McNaughton is unhappy with the Ofgem decision he may wish to make a formal complaint to Ofgem by writing to them at the address below:-

Ofgem Complaints  
Ofgem E-Serve  
9 Millbank  
London  
SW1P 3GE

Alternatively he may wish through you as his MP to take a complaint to the Parliamentary Ombudsman <http://www.ombudsman.org.uk/>

Yours sincerely



**JONATHAN BELL**  
Minister of Enterprise Trade and Investment

Minister: for your consideration and if contact signed please

DFE-128573

D Hegarty  
20/4/16

RESTRICTED - POLICY

searched by Tim Cairns  
on e-mail.  
S. Ken 21/4/16

From: John Mills

Date: 20 April 2016

Copy Distribution List Below

To: 1. Timothy Cairns  
2. Jonathan Bell MLA

COR 0126/ 2016 SEAN McNAUGHTON,

Personal information redacted by the RHI Inquiry

**Issue:** Correspondence from Mr Ian Paisley MP regarding constituent Sean McNaughton and his Renewable Heat Incentive Scheme, (RHI), application.

**Timing:** Urgent: due for reply 14 April 2016.

**Need for referral to the Executive:** N/A

**Presentational Issues:** N/A.

**Freedom of Information:** Not disclosable.

**Financial Implications:** N/A.

**Statutory Equality Obligations:** N/A.

**PFG/PSA implications:** NI Renewable Heat Incentive supports the PFG interim target of 4% renewable heat by 2015 and the SEF 10% target by 2020.

**Legislation Implications:** None.

**Recommendation:** That you respond to Ian Paisley, MP, using the draft letter provided at Annex A.



## Background

1. Mr Ian Paisley, MP, has written to you on behalf of a constituent Mr Sean McNaughton who has experienced difficulties with his RHI application. He suggests that there has been a failure in processing Mr McNaughton's application and that the fault lies with Ofgem's, the scheme administrator, IT system.
2. Mr McNaughton's application was made on his behalf by Action Renewables (and, perhaps, via an installer as well) a company specialising in advising on renewables which acts a middleman between applicants and Ofgem on the RHI and NIRO schemes. Action Renewables was formerly part funded by DETI and treated as an arm's length body but is now an independent company. Action Renewables suggests that an IT problem with Ofgem's systems led to non-receipt of the application prior to 18 November 2015.
3. The key issue is when Mr McNaughton's application was properly made. In particular whether it was made before 18 November 2015 when tiered tariffs for the RHI scheme were introduced. Ofgem accept that a valid application has been made before the closure of the RHI at the end of February 2016 (recorded on 1 February 2016) though there seem to be some outstanding points of detail with the application. This is not a question of Mr McNaughton missing the RHI. However, we understand that it is believed that it may make several thousands of pounds difference per annum to Mr McNaughton's potential RHI payments depending on whether the application was submitted before or after 18 November 2016.
4. Mr Paisley says that it has been demonstrated to him that through computer screen shots that his client was properly registered. Any IT failings were not on his constituent's part as they had a reference number and the organisers and managers Action Renewables say they have handled more than 650 applications and this is the only one with an issue. Mr Paisley suggests that the fault lies with the Ofgem computer system and asks that the matter be investigated urgently. He has offered to meet with you along with his constituent if necessary and has further advised that he has intervened with his constituents' bank whilst he tries to organise his farm business until this matter is resolved. (**Annex B**).
5. DETI officials were first alerted to this case in mid January 2016 when it was brought to our attention by Action Renewables who had been in discussion with Ofgem about the problem. Action Renewables had been alerted by the fact that they had received no communication from Ofgem on the application. DETI officials asked Ofgem to carry out an investigation. Following investigation, Ofgem found that there was no evidence to support the claim of a computer system error on their behalf. Ofgem concluded that the fault lay with Action Renewables. Ofgem advised Action Renewables of its decision and confirmed same to DETI on 15 February 2016.
6. Mr Paisley has since provided information to us which he says supports the McNaughton case. Officials forwarded this information, (some of which may have been previously provided), to Ofgem on 24 March and asked that the case be investigated again on foot of this information. Officials also contacted Action

Renewables to advise of this and asked that they check again to see if they had any additional information not previously provided to Ofgem to support the case. Ofgem has now concluded its further investigations and confirmed the previous outcome that there is no evidence to support an Ofgem computer error. They say this is supported by its activity log and enquiries lines which contain no calls raising IT issues when the application would have been made. If an application had been properly submitted, Ofgem has confirmed that the applicant would have received an on-screen confirmation and would have been given the address to send Bank & ID details to. We understand such a confirmation was not received. Their conclusion is that Action Renewables failed to submit the application at the time and that the application wasn't properly made. Legally Ofgem is unable to accept it under the pre November 2015 tariff. The Ofgem position is provided at (Annex C).


7. If Mr McNaughton is unhappy with the Ofgem decision he may wish to make a formal complaint to Ofgem by writing to:-

Ofgem Complaints  
Ofgem E-Serve  
9 Millbank  
London  
SW1P 3GE

Alternatively he may wish to take his complaint through his MP to the Parliamentary Ombudsman <http://www.ombudsman.org.uk/>

#### Recommendation

8. That you respond to Ian Paisley, MP, using the draft letter provided at Annex A.



**JOHN MILLS**  
**ENERGY DIVISION**

#### Distribution List

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