

**From:** [Stewart, Chris \(DFE\)](#)  
**To:** [Clydesdale, Alison](#); [Marten, Lucy](#)  
**Cc:** [McIlwrath, Linda](#)  
**Subject:** RE: State Aid  
**Date:** 07 July 2016 13:30:40  
**Attachments:** [image001.gif](#)

---

Alison

Thank you; I'm happy with the logic of the steps, but a bit worried by the timescale – we will need to be in a position to respond definitively to questions on this at PAC. A September approach to UKREP may be too late.

The action point was to make an initial informal contact – could we clear the lines with BIS and DECC for that, and then simply put the initial question: 'if the rate of return remains within the approved envelope, is there any further action required?'

C

---

**From:** Clydesdale, Alison  
**Sent:** 07 July 2016 12:24  
**To:** Marten, Lucy  
**Cc:** Stewart, Chris (DFE)  
**Subject:** RE: State Aid

Lucy

Thanks – yes I agree that we need to await the outcome of the initial rate of return work that Alan is doing before we can shape the paper to UK rep. Is there a timescale for that ?

Before we go to UK Rep I think it would be best to speak to Renewable Heat colleagues in DECC – as they could have concerns about any wider implications for the GB RHI scheme . It will also be necessary to co-ordinate any approaches to UK rep through BIS - I would think they would have a keen interest in all approaches to UKrep at the moment, due to Brexit.

If the paper is to cover remedial actions on introducing cost controls, it might be best also to get a DSO view on the paper before we send it to Ukrep as well.

I would think that we should aim for approaching UKrep in September if that is possible.

Chris - are you content with this approach ?

Alison

---

**From:** Marten, Lucy  
**Sent:** 07 July 2016 10:27  
**To:** Clydesdale, Alison  
**Subject:** State Aid

Alison

I spoke with Stephen Moore before he went on leave regarding our approach to the Commission.

He has advised that we need to determine whether or not a discussion with the Commission is necessary and that will be largely based around the analysis of the rate of return and whether or not it is outside the envelope that the State Aid covers (8-22%) and corrective action is necessary.

He also advised that the Commission may be happy that no revision is necessary because of the actions we are planning and the actions we have already taken, in particular the fact that we have closed the scheme. In which case our paper to the Commission should be shaped around confirming that the Commission is happy we don't have to notify any of the actions we are taking, as the existing State aid decision provides sufficient legal cover.

If the decision is to arrange a meeting with the Commission, then Stephen will email UKRep, however I would think that it would be wise to wait for the initial investigation into the rate of return that Alan is taking forward before determining the course of action.

Grateful for your thoughts.

Thanks

Lucy

**Lucy Marten**

Energy Efficiency

Department for the Economy

Netherleigh

Massey Avenue

Belfast, BT4 2JP

Tel: 028 9052 9251 (ext: 29251)

Mob: Personal information redacted by the RHI Inquiry

TextRelay: 18001 028 9052 9251

Web: [www.economy-ni.gov.uk](http://www.economy-ni.gov.uk)



[NI Year of Food & Drink 2016](#)

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