

From: [Stewart, Chris \(DFE\)](#)
To: [Wightman, Stuart](#)
Cc: [McIlwrath, Linda](#); [Hughes, Seamus](#); [McIlwrath, Linda](#)
Subject: RE: NI RHI - Approach to EU Commission
Date: 26 July 2016 09:05:44
Attachments: [image001.gif](#)
[image002.png](#)
[image003.jpg](#)

Stuart, Seamus

That you, I am content.

C

From: Wightman, Stuart
Sent: 25 July 2016 18:11
To: Stewart, Chris (DFE)
Cc: McIlwrath, Linda; Hughes, Seamus
Subject: FW: NI RHI - Approach to EU Commission

Chris

I've included a tracked change to address your concerns below. If you're content, we'll get Stephen to issue.

Thanks, Stuart

Stuart Wightman

Energy Efficiency
Department for the Economy
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9425 (ext: 29425)
Mob: Personal information redacted
TextRelay: 18001 028 9052 9425
Web: www.economy-ni.gov.uk

[cid:image001.gif@01D1E66C.A7860650](#)



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

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

From: Stewart, Chris (DFE) [<mailto:Chris.Stewart@economy-ni.gsi.gov.uk>]
Sent: 25 July 2016 12:09
To: Hughes, Seamus
Cc: Wightman, Stuart; Marten, Lucy; Moore, Stephen (DFE); Briggs, Peter; McIlwrath, Linda
Subject: RE: NI RHI - Approach to EU Commission

Seamus

Thank you. I am largely content, but have a slight concern that we may be narrowing the question a little too much. I preferred the previous version, in which we proposed to seek a view on whether the changes under consideration might require notification, and 'for any other comments or views'.

Whilst one would not want to leap up onto the gallows with an injudicious question, I think we must seek views on the matter of the acknowledged fact that the rate of return for biomass is beyond the terms of the original notification.

C

From: Hughes, Seamus
Sent: 25 July 2016 09:50
To: Stewart, Chris (DFE)
Cc: Wightman, Stuart; Marten, Lucy; Moore, Stephen (DFE); Briggs, Peter
Subject: FW: NI RHI - Approach to EU Commission

Chris

Stuart asked me to send the attached revised RHI paper which we have agreed with Stephen Moore for your consideration and clearance. If you are content Stephen will forward to UKrep. As you can see below DBEIS, (DECC), has confirmed that they are content with our proposed approach.

Many thanks

Regards

Seamus

Seamus Hughes

Energy Efficiency
Department for the Economy
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9532 (ext: 29532)
TextRelay: 18001 028 9052 9532
Web: www.economy-ni.gov.uk

[cid:image001.gif@01D1E657.DACA9DB0](#)



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

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

From: Wightman, Stuart

Sent: 25 July 2016 09:35

To: Redwood Sarah (Heat & Business Energy)

Cc: [Redacted] Irrelevant information redacted by the RHI Inquiry
[Redacted] Stewart, Chris (DFE); Marten, Lucy; Clydesdale, Alison; [Redacted] Irrelevant information redacted by the RHI Inquiry); Moore, Stephen (DFE); Hughes, Seamus

Subject: RE: NI RHI - Approach to EU Commission

Sarah

Thanks very much for coming back. This is very helpful.

Thanks, Stuart

Stuart Wightman

Energy Efficiency
Department for the Economy
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9425 (ext: 29425)
Mob: [Redacted] Personal information redacted
TextRelay: 18001 028 9052 9425
Web: www.economy-ni.gov.uk

[cid:image001.gif@01D1E657.DACA9DB0](#)



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

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

From: Redwood Sarah (Heat & Business Energy) [<mailto:sarah.redwood@decc.gsi.gov.uk>]

Sent: 25 July 2016 08:55

To: Wightman, Stuart

Cc: [Redacted] Irrelevant information redacted by the RHI Inquiry
[Redacted] Stewart, Chris (DFE); Marten, Lucy; Clydesdale, Alison; [Redacted] Irrelevant information redacted by the RHI Inquiry

Subject: RE: NI RHI - Approach to EU Commission

Stuart

Thanks for your e-mail and giving us forewarning of your intention to engage with the Commission.

The timing is slightly awkward as we are currently pre-notifying the Commission of changes that we plan to make to the RHI. We will need UKREP to help us with handling the two cases with DG COMP not least to help us to both meet our timetables for reform. Our state aid team will speak to UKREP next week and I'd encourage you to do the same. I understand that UKREP and the Commission will then be off for August.

We are not planning to make changes to existing participants on the RHI but I do not consider you notifying on this principle to be a conflict.

For interest, some of the lessons that we've learnt from our experiences are:

- Consider sending the pre-notification to the Commission after the consultation to avoid having to submit a revised pre-notification if any positions change following the consultation
- Consider carefully what really needs to be notified and what changes are administrative or in line with the original notification
- Consider notifying a target rate of return, rather than a specific number which all installations are expected to achieve.

I suggest that we keep each other updated with progress. I've copied in Ian Henderson who leads on this in my team.

Sarah



Sarah Redwood
Deputy Director RHI and Heat in Buildings
Tel: 0300 068 5272 | Mobile: Personal information redacted
3 Whitehall Place, London, SW1A 2AW
sarah.redwood@decc.gsi.gov.uk
www.gov.uk/beis | <https://twitter.com/beisgovuk>

From: Wightman, Stuart [<mailto:Stuart.Wightman@economy-ni.gsi.gov.uk>]

Sent: 20 July 2016 15:35

To: Redwood Sarah (Heat & Business Energy)

Cc: Irrelevant information redacted by the RHI Inquiry

Stewart, Chris (DFE); Marten, Lucy; Clydesdale, Alison

Subject: NI RHI - Approach to EU Commission

Good Afternoon Sarah

I am hoping that you are the right person in DBEIS to answer my query below on the RHI or can direct me to the right person to do so.

As you will be aware the Northern Ireland RHI had to close to new applications on 29 February 2016 due to budgetary constraints. You may also have seen some recent media coverage on the NI Renewable Heat Incentive following publication of a Northern Ireland Audit Office (NIAO) Report on the scheme which questioned the scheme's value for money and governance controls. An NI Assembly Public Accounts Committee (PAC) hearing on the NI RHI has been scheduled for the 28 September 2016.

In advance of the PAC, the Department is undertaking a detailed evaluation of the RHI scheme which will assess the scheme's value for money and examine the rate of return received by existing RHI recipients to ensure it is in line with our original EU State Aid approval received in 2012. However, our initial analysis would suggest that the rate of return enjoyed by existing RHI recipients is much higher than the 12% rate of return agreed by the Commission. We are therefore exploring possible cost control measures that could reasonably be made to existing RHI recipients such as a tiered tariff (like the GB scheme) or annual cap on future payments. Despite the "grandfathering" principle of the scheme, our legal advice suggests that such changes might be possible after public consultation if it can be demonstrated that recipients will continue to enjoy a reasonable rate of return after the changes are made. We are likely to go out to consultation on any such changes later in the year.

While the NI scheme is separate to the GB scheme and indeed has its own state aid approval, there is a possibility that we may need to re-notify the NI RHI scheme to address issues around rates of return and to notify any cost control measures that we are planning. We are still carrying out our analysis work, but are