

From: [McFarlane, Iain](#)
To: [Cooper, Trevor](#)
Cc: [Conliffe, David](#); [Brankin, Bernie](#)
Subject: FW: Urgent - Note to DFP on Non-Domestic
Date: 15 June 2015 15:33:27
Attachments: [Memo from Trevor Cooper to Michelle Scott - Non-domestic RHI - approvals.docx](#)
Importance: High

Some tracked changes and insert

IAin

From: Cooper, Trevor
Sent: 15 June 2015 15:15
To: McFarlane, Iain; Brankin, Bernie; Conliffe, David
Subject: Urgent - Note to DFP on Non-Domestic
Importance: High

Attached draft note to DFP on RHI.

Any comments/amends welcome but no later than cop today. Iain can you insert the dfp conditions of approval at para 2, and David the position around forecast commitments between now and the earliest point in time at which we believe we could amend tariffs.

Thanks

Trevor

From: Trevor Cooper

Date: XX June 2015

To: Michelle Scott
DFP

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NON-DOMESTIC RENEWABLE HEAT INCENTIVE (R_rHI) - APPROVALS

1. Thank you for meeting on 15 June to provide DETI an opportunity to update you on the position around approvals in relation to the Non-Domestic RHI.
2. DFP approval for the Scheme was granted on 27 April 2012~~X~~ on the basis that:
 - Whilst the scheme is envisaged to be open to new installations until 2020, approval is given for the period 1 July 2012 to 31 March 2015 representing the period for which HMT funding has been secured. Any decision to continue the scheme beyond 2015 would require further/separate DFP approval; and
 - As outlined in Section 7.53 of the Business Case, arrangements are put in place for scheduled reviews to allow the progress of the scheme to be monitored, assessed and if necessary, changes implemented. It is noted that the first review is scheduled to start in 2014 and that the reviews will be carried out by DETI.....
3. ~~Whilst~~ the Department ~~did~~ undertook~~ake~~ work on a review of the Non-Domestic RHI with potential proposals for Phase ~~1144~~ being subject to public consultation in October 2013. Following on from this consultation, Energy Division's focus was on agreement and implementation of the Domestic Scheme and the proposed actions on the ~~Non-D~~omestic RHI within the public consultation were not implemented pending further analysis and preparation of a full business case. That being the case the necessary DFP approval for additional commitments under the Non-Domestic Scheme beyond 31 March 2015 was not sought by Energy Division.
5. Given this oversight, the Department is urgently taking forward work to provide a business case to you that will seek to regularise the position in relation to the Scheme.

Separately, Energy Division has reconfirmed that all necessary approvals are in place for expenditure on projects and programmes within its remit.

7. -At this point in time applications under the non-domestic scheme are running at circa X per month. Given the position on approvals the Department has been urgently reviewing options that could minimise additional commitments being entered into pending the position being rectified. Energy Division has stated that given that the scheme and tariffs are the subject of Primary Legislation, it is not possible to suspend the Scheme without notice of at least DN **Energy to confirm position here**. DSO advice is currently being taken on this point.
8. Additionally the Department is seeking DSO advice on any other actions that may be taken to slow down the level of additional commitment. This includes advice on whether action can be taken to slow down or suspend further accreditation of plants under the scheme. Action is also being taken to suspend promotion of the scheme pending confirmation of DFP approval.
9. The case under development within Energy Division will incorporate amendments to tariffs on foot of a current review. Additionally officials are exploring possible legislative cost control options which might be introduced within the Scheme going forward.
10. I trust you find this update to be helpful and I can assure you that the Department is urgently progressing a case that will be submitted as soon as is possible so that the position can be regularised.

TREVOR COOPER