

From: [Rooney, Eugene](#)
To: [McCormick, Andrew \(DETI\)](#)
Cc: [Stewart, Chris \(DETI\)](#); [Mills, John \(DETI\)](#); [Murphy, Shane](#); [Cooper, Trevor](#); [Johnston, Iris](#); [Wightman, Stuart](#)
Subject: Non-Domestic RHI
Date: 16 June 2015 15:47:13
Attachments: [Memo from Trevor Cooper to Michelle Scott - Non-domestic RHI - approvals \(2\).docx](#)

Andrew

At SMT you asked for an internal meeting to be set up to take stock of action on the non-domestic RHI. There was a meeting yesterday with DFP with follow up action required (see Trevor's draft note).

Immediate steps are to:

- provide the business case to DFP for approval.
- Notify NIAO of the forward year commitments for the Accounts which is now £200m over 20 years based on current commitments. This is the first time NIAO will be aware of the scale of fwd commitments. – Trevor is going to make contact this afternoon.
- Consider changes to the Governance Statement for the Accounts.
- The Accounts are due for sign off with the DAC next week so that they can be formally agreed by the end of the month.
- DFP have advised that DETI needs to make its case to DECC for the share of the UK budget allocation – Trevor is seeking to confirm that is the formal position with DFP.

Iris is arranging a suitable time for the internal stocktake.

From: Cooper, Trevor
Sent: 16 June 2015 13:55
To: Mills, John (DETI); Wightman, Stuart
Cc: Rooney, Eugene; Murphy, Shane; McFarlane, Iain; Brankin, Bernie
Subject: Non-Domestic RHI
John, Stuart

At meeting with DFP ref approvals for RHI it was confirmed that best approach around initial formal contact ref approvals would be note which set out position and proactive actions dept is taking in terms of exploration of options to minimise additional commitments during period within which approval is being sought plus period during which tariffs cannot be amended. I have drafted note which provides assurance DFP wanted in note around exploration of legal position around suspension of scheme, legal position around slowing down accreditation, action on suspension of promotion of scheme, and an affirmation that appropriate approvals are in place for all other projects/programmes on which involve spend/forward commitments to spend.

Can you confirm that these actions are accurately described and also affirm the position around other approvals.

Trevor

From: Trevor Cooper

Date: XX June 2015

To: Michelle Scott
DFP

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NON-DOMESTIC RENEWABLE HEAT INCENTIVE (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 on the basis that any decision to continue the scheme beyond 2015 would require further/separate DFP approval and arrangements are put in place for scheduled reviews to allow the progress of the scheme to be monitored, assessed and if necessary, changes implemented with the first review scheduled to start in in 2014.
3. The Department undertook work on a review of the Non-Domestic RHI with potential proposals for Phase II 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 proposed actions on the Non-Domestic RHI within the public consultation were not implemented pending further analysis and preparation of a full business case. Regrettably the necessary DFP approval for additional commitments under the Non-Domestic Scheme beyond 31 March 2015 has not been sought.
5. Given this oversight, the Department is urgently taking forward work to provide a business case, or update / addendum to the original 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. **DN : Energy Division to confirm.**

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. **DN: Energy to confirm position here**
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. **DN Energy to confirm position here.**
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