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To: [Cooper, Trevor](#); [Brankin, Bernie](#)
Cc: [Millar, Angela \(DFP\)](#)
Subject: RHI
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Trevor/Bernie

Angela and I had a quick discussion about the latest position vis-a-vis RHI. As discussed at our meeting on 12 June , there are two issues which we need to resolve – affordability and approvals.

On approvals, we agreed at that meeting that you would write to us setting out the position and proposed way forward.

On affordability, we agreed that DETI Energy Branch would engage with DECC to clarify the exact nature of the funding agreement – specifically in relation to the Capital/Resource split and the funding profiles. We also agreed that DETI would open new record lines to split Capital and Resource AME to ensure transparent reporting going forward.

We have discussed this internally, and we really do need more information on the original agreement between DECC and DETI. Specifically we need clarity on the profiles for both capital and resource AME – from our reading of the emails the £25.5m appears to be the upfront *capital* expenditure which was available to 2014/15 however we need confirmation that this assumption is valid. The Barnett consequential of the £430m GB RHI scheme was £12.8m - again it would be useful to understand of this is purely capital AME. We also need to understand if the resource consequentials of the capital investment are treated as standard AME.

The business case states that DETI will need to secure additional funding from DECC to continue the scheme to 2020 – again we assume this relates to capital AME (with resource being automatic) however this will also need to be confirmed.

I do think DECC are best placed to answer these questions. Once we have clarity on the arrangements in place on the affordability side we can discuss the way forward.

Many thanks

Michelle