

**From:** [Brankin, Bernie](#)  
**To:** [Mills, John \(DETI\)](#)  
**Cc:** [McCormick, Andrew \(DETI\)](#); [Rooney, Eugene](#); [Stewart, Chris \(DETI\)](#); [Cooper, Trevor](#); [Wightman, Stuart](#); [Partridge, Jeff](#); [Hughes, Seamus](#); [Hill, Janice](#); [McIlwrath, Linda](#)  
**Subject:** FW: Update on RHI  
**Date:** 24 August 2015 16:08:50

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John

Finance Branch put forward a technical adjustment in the June Monitoring Technical exercise to increase RHI AME in 2015-16 in line with forecast requirements in this financial year. DFP and Treasury approved this technical adjustment. I have checked with DFP to ensure that we definitely have secured the required budget cover in 2015-16 as initially DFP advised that they would not help us until all RHI issues had been resolved. I have confirmed with DFP that the RHI AME budget in 2015-16 has been increased to reflect the £23.178m forecast requirements for the current financial year. However, RHI AME is not standard AME. DECC has confirmed that penalties are applied for overspending. We have a number of supplementary questions around when and how penalties are applied. We think the best way forward is for Sarah Redwood to provide a finance contact so that DETI finance may engage directly with DECC's Finance Team initially by phone and then we will follow up in writing. I would be grateful if you would consider sending the draft follow up email to Irrelevant information redacted by the RHI Inquiry.

Bernie

Irrelevant information redacted by the RHI Inquiry

Thanks for your email. There are a few financial points we would like to discuss. It may be best that our respective finance colleagues discuss by telephone. Could you advise on who we should contact within your finance team.

### **Bernie Brankin**

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

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**From:** McCormick, Andrew (DETI)  
**Sent:** 20 August 2015 17:43  
**To:** Mills, John (DETI); Stewart, Chris (DETI)

I will need to speak to Tim myself as the position re the need for change is crystal clear – may need to ask you come to Issues on Monday if we need a more substantive discussion with the Minister.

Copying to Finance re the last point – is the AME in the baseline because HMT has accepted the amended forecast and consciously given us the extra? – if that is confirmed then one of the three critical points has been resolved.

**Cc:** Wightman, Stuart; McIlwrath, Linda; Hill, Janice; Hughes, Seamus; Cooper, Trevor; Brankin, Bernie

**Subject:** RE: Update on RHI

Please raise at SMT.

Many thanks.

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**From:** Mills, John (DETI)  
**Sent:** 20 August 2015 17:05  
**To:** McCormick, Andrew (DETI); Stewart, Chris (DETI)

**Cc:** Wightman, Stuart; McIlwrath, Linda; Hill, Janice; Hughes, Seamus

**Subject:** FW: Update on RHI

Andrew/Chris,

Not sure how to take forward, will raise at SMT if content for me to do so

The current position with the various RHI work streams is set-out below (thanks Stuart).

We have effectively done everything we can and now await clearance of the Submission. The team is fielding daily telephone queries on when our proposed changes will happen. Even if we receive clearance this week and publish the final policy, we're only effectively giving the industry 6 weeks notice and risking legal challenge. Stuart has been speaking informally to Moy Park who are supportive of our proposals for a tariff tier and cap. It is the individual applicants and installers where we're liable to receive flack. Stuart tells me some have these have declined work on the expectation of the introduction of additional measures to manage the scheme.

### **RHI Issues**

- (1) **RHI Submission** – we are still awaiting Ministerial clearance on the proposals. We have responded to various SpAD queries and Chris has highlighted to SpAD the need for this to be cleared asap.
- (2) **Legislation for Tariff Changes in October** – Paul McGinn (DSO) is scrutinising our draft regulations himself. We expect a response this week. ETI Committee need to clear SL1 (policy) at its first meeting on 15 September to meet our October deadline. SL1 cannot be sent to ETI Committee until Submission is cleared.
- (3) **Administrative Changes for Tariff Changes** – we have instructed Ofgem to update their administrative IT systems and processes to ensure the proposed tariff changes can be implemented from 5 October 2015.
- (4) **RHI business case** – We've taken this as far as we can. Sandra is to provide up-to-date figures later this week on her return. Alan/Shane have completed the VFM section which show a positive NPV for commitments post 1 April 2015. We can't submit Business Case until Minister has cleared submission.
- (5) **Budget** - Irrelevant information redacted by the RHI Inquiry has responded to our correspondence confirming that there is no spare GB funding and arrangements need to be made with HMT. This DECC response was shared with Trevor Cooper. The additional AME required for this year has now appeared in our baseline.