

From: [Johnston, Iris](#) on behalf of [Rooney, Eugene](#)
To: [Hutchinson, Lee-Anne](#)
Cc: [Murphy, Shane](#); [Mills, John \(DETI\)](#); [Cooper, Trevor](#); [Wightman, Stuart](#); [Linton, Rachel](#); [Manikpure, Francine](#); [McCoy, Laura](#)
Subject: FW: DETI casework minutes - RHI
Date: 02 November 2015 15:25:51
Attachments: [Minutes - DETI HQ - RHI updated.doc](#)

Lee-Anne

Please see attached tracked changes from Eugene.

Many thanks

Iris

Iris Johnston

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From: Hutchinson, Lee-Anne

Sent: 28 October 2015 12:00

To: Rooney, Eugene; Murphy, Shane; Mills, John (DETI); Wightman, Stuart

Cc: Linton, Rachel; Manikpure, Francine; Johnston, Iris; Cooper, Trevor; McCoy, Laura

Subject: DETI casework minutes - RHI

Dear All

Please find attached the draft casework minutes iro RHI. Please confirm if you are content or provide any changes in tracked changes mode.

Many thanks

LA

Lee-Anne Hutchinson

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**MINUTES OF DETI CASEWORK ~~COMMITTEE MEETING~~
RENEWABLE HEAT INCENTIVE (RHI) SCHEME
21 October 2015**

COMMITTEE:	Eugene Rooney	(Chairperson, DETI)
	Trevor Cooper	(Head of Finance, DETI)
	Shane Murphy	(Head of ASU, DETI)
PROJECT TEAM:	John Mills	(Head of Energy Division, DETI)
	Stuart Wightman	(Energy Division, DETI)
	Alan Smith	(Energy Division, DETI)
	Seamus Hughes	(Energy Division, DETI)
DFP :	Emer Morelli	(DFP)
	Angela Millar	(DFP)
	Michelle Scott	(DFP)
	Noel McNally	(DFP)
SECRETARIAT:	Lee-Anne Hutchinson	(ACB - DETI)

Introduction

- ER welcomed everyone to the DETI casework meeting to discuss the RHI scheme. ER ~~suggested~~ explained that the aim of the meeting was required to discuss the cover as many issues which needed to be resolved urgently for the RHI scheme given the imminent proposed legislative changes. as possible and conformed he was content for DFP to ask questions at any stage during the meeting.
- It was confirmed by all attendees that there were no conflicts of interests to declare.

Background

- ER asked what was the current position regarding the legislation on the RHI scheme. JM said that a notice had been issued two months earlier to say the legislation changes would be made in early November. He confirmed that it is currently with the legal advisors and it will go to the Assembly in November 2015. JM confirmed the Minister has cleared the policy and the Committee have cleared the ~~SLISL1~~. He confirmed that the last legal issues are being scoped and are on track. JM explained that the main change in the legislation relates to the change in tariff, capping the hours.
- EM asked if the proposals required consultation. SW said that a consultation had taken part place in 2013. He said that the final

policy was in line with legal advice. ER ~~confirmed~~ felt that DFP approval needed to be in place before the legislation ~~can~~ could be laid.

5. ER asked if DECC views had been ~~involved~~ sought in any discussions on the proposed changes. JM said they hadn't but they had been dealing with OFGEM and they had numerous discussions with them on the practicalities. ER asked if there had been any ~~issues~~ concerns raised. JM confirmed there had been issues but they had been worked through.
6. ER noted that ~~a lot~~ much of the take-up in technology related to biomass and questioned whether England has ~~the same~~ similar issues. JM said that the vast majority in GB is biomass with 90% in the non-~~domestic~~ market with the domestic market being more balanced. He confirmed they did have ~~the same~~ similar issues.
7. EM asked were Energy Division relying on the 2013 consultation. JM confirmed that they were that they would look at the wording and update as necessary but no additional consultation would be carried out. He said if a consultation was to be carried out now it would add time to the scheme and working with the industry indicated it was not a ~~shock~~ surprise.
8. TC asked if Energy ~~d~~Division had held discussions with the industry. SW confirmed they held discussions with suppliers and installers. He said they had spoken to some clients after the notice had been issued.
9. MS enquired about the trigger points that were not implemented in 2013 and should they not have been included. JM said that it was a Ministerial decision to look at the domestic scheme rather than pushing through the trigger points on non-domestic which would have significantly delayed the implementation of the domestic scheme.
10. SW confirmed that there had not been enough resources to do both and that it had taken to December 2014 to introduce the domestic scheme.
11. ER asked if any other industry, than poultry, in England used biomass. SW said that it wasn't just the poultry industry there but other agriculture industries, and hotels.
12. MS asked what triggered the cost control measures that were implemented in UK-England in 2012. SW was unsure and confirmed they would check to identify the trigger. He assured the panel that at that stage there was limited application in NI at the end of November 12.

Action Point: Energy to identify the trigger of the cost controls in UK England in 2012.

13. NMcN asked about the tariff digression and if the band widths were to be widened how had this been taken into account. SM said this ~~will-would~~ reduce any quirks in the installations. NMcN asked how this change ~~will-would~~ be fed into the forecast. SW said the forecast has the higher expenditure amount included for the 199 KW boiler. SW said in the forecasts incorporated this increase.
14. EM asked if the tariff change is the most effective way to control the scheme at this time. SW confirmed this to be the case pending the further review and proposals for next year.
15. MS enquired if any more discussions had been held with DECC as the ~~sS~~pending ~~rR~~review will be concluded in November. JM said that there had been nothing as yet.
16. JM indicated DETI would be happy if approval has a caveat and ~~eE~~nergy ~~dD~~ivision can report to DFP after November.
17. JM said that it was a Ministerial agreement that the legislative changes be taken forward as a priority.
18. TC asked DFP if a multiyear position would be received from Treasury in November. MS said they were unsure how much information would be provided by Treasury as in previous years they hadn't provided much information. DFP may need to get further advice from Treasury.
19. ER asked if the renewable targets were being reported against PFG and JM confirmed ~~it-wasthey were~~.
20. ER asked ~~a query~~ about the reference to security of supply in the business case addendum ~~and what is it in relation too~~. SW said that this would be removed from the business case.
21. ER asked ~~in relation to~~ about the contract with OFGEM ~~was it a contract~~. SW said it is under the ~~eE~~nergy ~~aA~~ct that it is an agreement in legislation. SH said that it is an indefinite agreement but that it can be stopped in 60 days. ER said the approval ~~request sought~~ around administration of the scheme should be clarified.
22. TC clarified that the information included in the casework on the Domestic Scheme was for purposes of looking at affordability of both schemes going forward, not around any approval for the Domestic Scheme as this was already in place.

Conclusion and recommendation

23. ER ~~confirmed~~ summarised the position that DETI had been examining the options for managing the scheme in the short term pending a full review and in light of a rapid acceleration in demand for biomass technology in recent months. ~~t~~The DETI Casework

Committee ~~was content~~had concluded, that, at this time, the proposed changes in the business case seemed to be ~~were~~ the best way of approaching the Non-Domestic Scheme in the short term.

24. ER noted that DFP approval is required before the legislation could be laid and the Minister needs to be informed.

24.25. MS said that DFP required more time to review the business case and provide comments. She asked that DETI provide DFP with the reasons why the scheme went outside the previous approvals period and what is in place to prevent it happening again.

~~25. ER said that the scheme exists in legislation and the legislation requires to be changed. He said that the priority was on the domestic scheme as NI was behind GB and this became the priority.~~

~~26. ER confirmed that DETI would take on board any DFP changes required for the business case. ER told DFP if they have further comments regarding the business case to inform DETI through ACB.~~

~~27. ER confirmed DFP approval is required before the legislation can be laid and the Minister needs to be informed.~~

EUGENE ROONEY

XX OCTOBER 2015