

From: [McCormick, Andrew \(DETI\)](#)
To: [Mills, John \(DETI\)](#)
Cc: [Stewart, Chris \(DETI\)](#); [Wightman, Stuart](#); [Rooney, Eugene](#); [Cooper, Trevor](#); [Hill, Janice](#)
Subject: RE: Submission - Future of RHI
Date: 23 December 2015 16:18:41

Many thanks, this is very helpful.

Please proceed (though I did delete the “ ” around overspend in a couple of places..

From: Mills, John (DETI)
Sent: 23 December 2015 16:03
To: McCormick, Andrew (DETI)
Cc: Stewart, Chris (DETI); Wightman, Stuart; Rooney, Eugene; Cooper, Trevor; Hill, Janice
Subject: RE: Submission - Future of RHI
 Andrew

Thanks, you’ve a couple of DN’s which I can address in the document. But couple of points: difficult to assess 20 year impacts because we don’t know what the budget is beyond 20/21. If we suspend immediately our costs will remain flat but our HMT allocation increases year on year so our “overspend” reduces from something like £23m in 16/17 to £7m in 20/21. If this trend continued beyond 20/21, we would eventually cease to overspend but we’ve no evidence to assume that will be the case. You asked if the “close” option and “open” option was the difference between £23m and £15m – it’s not; it’s just that the £23m is the year 1 figure and £15m is the average figure for the same scenario. I averaged to simplify and enable comparison. The rough comparison between “open” and “close” is c £30m p.a. v £15m p.a. over the next 5 years. There’s an unhelpful paragraph earlier in the submission which refers to costs of up to £23m over 20 years which has caused confusion which I will amend.

From: McCormick, Andrew (DETI)
Sent: 23 December 2015 15:14
To: Mills, John (DETI)
Cc: Stewart, Chris (DETI); Wightman, Stuart; Rooney, Eugene; Cooper, Trevor; Hill, Janice
Subject: FW: Submission - Future of RHI
 Many thanks. Please see my suggestions.

From: Mills, John (DETI)
Sent: 23 December 2015 14:00
To: Stewart, Chris (DETI); McCormick, Andrew (DETI)
Cc: Wightman, Stuart; Rooney, Eugene; Cooper, Trevor
Subject: Submission - Future of RHI

As discussed, I attach draft submission inviting Minister to agree to closure of RHI schemes. 1) I am not sure what to say about the lack of retrospective approval, 2) we are working on how to effect closure (see below) and 3) not sure if we should get Minister to write to FM making case for different HMT outcome – however forlorn .

Have pondered Andrew’s question on comparison with NIRO closure. It may be possible to speed things up by announcing closure concurrently with the legislative process. Thus, let’s say the legislation comes into effect at the start of March, notice of closure could be given for the next day instead of giving 6/4 weeks notice as long as the Minister had made an announcement 4/6 weeks prior to this giving notice of closure. The legislation might be able to say that notice can be given before or after the legislation comes into effect.

This is similar to what the SofS did in GB on NIRO. In effect she said, “As of today (18 June 2015) I am warning you that by March 2016 you won’t be able to get ROCs unless you have planning, land and connection sorted out.” The legislation will say, “as of today (or some future point) you have to have land, planning, connections in place to get ROCs.” That’s why it’s not retrospective. If the legislation doesn’t get through, DECC won’t be able to “turn the tap off” regardless of what the SofS has said and their £2bn “overspend” will continue to grow.

The risks for us of this course (if it's possible) are similar. We could announce, provoke a spike in applications to meet the deadline and then fail to deliver our own deadline.