

**From:** [Hutchinson, Lee-Anne](#)  
**To:** [Cooper, Trevor](#)  
**Subject:** FW: DETI casework minutes - RHI  
**Date:** 29 October 2015 14:06:50  
**Attachments:** [Minutes - DETI HQ - RHI updated.doc](#)

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Trevor

Please see attached the proposed Energy Division changes.

Thanks  
LA

**Lee-Anne Hutchinson**

Accountability & Casework  
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**From:** Hughes, Seamus [mailto:[Seamus.Hughes@detini.gov.uk](mailto:Seamus.Hughes@detini.gov.uk)]  
**Sent:** 28 October 2015 14:34  
**Subject:** FW: DETI casework minutes - RHI

Lee-Anne

A few tracked changes but otherwise content.

Many thanks

Regards

Seamus

**Seamus Hughes**

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**From:** Mills, John (DETI)  
**Sent:** 28 October 2015 14:27

**To:** Wightman, Stuart  
**Cc:** Hughes, Seamus  
**Subject:** FW: DETI casework minutes - RHI

S, ta  
content

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**From:** Wightman, Stuart  
**Sent:** 28 October 2015 12:24  
**To:** Mills, John (DETI)  
**Cc:** Hughes, Seamus  
**Subject:** FW: DETI casework minutes - RHI

John

I have made some tracked changes to the minutes. If you're content, I'll forward these onto Lee-Anne.

Thx, Stuart

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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**  
Accountability & Casework  
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**MINUTES OF DETI CASEWORK COMMITTEE  
RENEWABLE HEAT INCENTIVE (RHI) SCHEME  
21 October 2015**

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

### Introduction

1. ER welcomed everyone to the DETI casework meeting to discuss the RHI scheme. ER suggested that the meeting was required to cover as many issues as possible and conformed he was content for DFP to ask questions at any stage during the meeting.
2. It was confirmed by all attendees that there were no conflicts of interests.

### Background

3. 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 SLI. He confirmed that the last legal issues are being scoped and are on track. JM explained that the main changes in the legislation relates to the change introducing a tiered tariff and an annual capping cap on the hours.
4. EM asked if the proposals required consultation. SW said that a consultation had taken part in 2013. He said that the final policy was in line with legal advice. ER confirmed that DFP approval needed to be in place before the legislation can be laid.

5. ER asked if DECC had been involved in any discussions. 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. JM confirmed there had been issues but they had been worked through.
6. ER noted that a lot of the technology related to biomass and questioned whether England has the same 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 issues.
7. EM asked were Energy Division relying on the 2013 consultation. JM confirmed that the current legislative proposals are being considered as the outworkings of the 2013 consultation y were that they would look at the wording and update as necessary but and that no additional public consultation would be carried out. He said explained that Energy Officials have ensured that key representatives from the industry were informed of the published final proposals. 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.
8. TC asked if Energy 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 domestic scheme rather than pushing through the trigger points 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 but other agriculture industries and hotels.
12. MS asked what triggered the cost control measures that were implemented in UK in 2012. SW was unsure and confirmed they would check to identify the trigger. He assured the panel that at that the stage there was the NI scheme had received limited application numbers in NI at the end of November 12 in 2012/13.

**Action Point: Energy to identify the trigger of the cost controls in UK 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 reduce any quirks in the installations. NMcN asked how this change will be fed into the forecast. SW ~~said explained that the current DETI forecasts has are based on the higher expenditure amount included for the 199 KW boilers which will generate the largest payments.~~ 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 spending review will be in November. JM said that there had been nothing yet.
16. JM indicated DETI would be happy if approval has a caveat and energy division 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 targets were being reported against PFG and JM confirmed it was.
20. ER asked a query about the security of supply and what is it in relation too. SW ~~confirmed it was relation to availability of biomass fuel but agreed said that this would beto~~ remove ~~thisd~~ from the business case.
21. ER asked ~~in relation to if~~ DETI had a contract with OFGEM ~~was it a contract.~~ SW ~~said confirmed that Ofgem are appointed by DETI under powers in the Energy Act 2011 and that an Adiministrative Agreement was in place with Ofgem. it is under the energy act 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 around administration 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 in place.

### Conclusion and recommendation

23. ER confirmed the DETI Committee was content, that at this time, the proposed changes were the best way of approaching the Non-Domestic Scheme.
24. 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 approvals 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**

**From:** [Mills, John \(DETI\)](#)  
**To:** [Cooper, Trevor](#); [Wightman, Stuart](#)  
**Cc:** [Rooney, Eugene](#); [Murphy, Shane](#); [McFarlane, Iain](#); [Hutchinson, Lee-Anne](#); [Stewart, Chris \(DETI\)](#)  
**Subject:** RE: NON-DOMESTIC RENEWABLE HEAT INCENTIVE: ADDENDUM  
**Date:** 29 October 2015 16:27:18

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Trevor,

Agree first sentence but April '16 on would not be covered. Agree any number of possibilities from CSR.

We can respond to an SR outcome [with legislation](#). Thus, DECC/HMT say no more money. We recommend Minister pushes through urgent legislation (no consultation, no notice, Westminster to blame). At same time we would point out to GB that it would take us time to do legislation and they might legislate for NI as they offered to do on NIRO. But, Minister/Executive may have choice of funding RHI locally.

Compare this with NI choosing to do legislation to suspend/end scheme – as required to meet this DFP point.

But I take your point – the situations, logically, are the same – I was just assuming that the former would be a lot easier to deal with time-wise. Will now take steps to address this risk – get Minister to write to DECC SofS? Probably need to proceed with the current legislation but DFP approval would be better based on longer period but given, “subject to SR outcome and review at March '16” or something like that.

The way the approval's currently worded tells us now there's no money beyond March '16 and we have to act now to suspend/end scheme.

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**From:** Cooper, Trevor  
**Sent:** 29 October 2015 14:02  
**To:** Mills, John (DETI); Wightman, Stuart  
**Cc:** Rooney, Eugene; Murphy, Shane; McFarlane, Iain; Hutchinson, Lee-Anne; Stewart, Chris (DETI)  
**Subject:** RE: NON-DOMESTIC RENEWABLE HEAT INCENTIVE: ADDENDUM  
**Importance:** High

John

Thanks for this.

I do not fully understand what your response means.

The DFP approval would cover us for spend on commitments beyond 2015/16 which had been entered into as legal obligations prior to 1 April 2016. There could be a number of potential outcomes as a consequence of Spending Review including no new commitments beyond 31 March 2016, new commitments to be constrained within a certain amount etc.

We had I believe previously indicated that we could respond to SR outcome. If you are saying that because of the way the legislation was originally drawn up by DETI it does not matter what the outcome of the SR is (as DFP is stating that approval for new obligations post 31 March 2016 would be subject to further approval between now and the year end and would be dependant upon affordability) then we should be clear on the position with them.

Trevor