

**From:** [Murphy, Shane](#)  
**To:** [Hutchinson, Lee-Anne](#)  
**Subject:** Minutes - DETI HQ - RHI updated  
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**Attachments:** [Minutes - DETI HQ - RHI updated.doc](#)

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One minor change

Shane

**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 change in the legislation relates to the change in tariff capping 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 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.
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 limited application in NI at the end of November 12.

**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 incentive to -install sub optional sized equipmentations. NMcN asked how this change will 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 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 said that this would be removed from the business case.
21. ER asked in relation to OFGEM was it a contract. SW said 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**