

From: Linton, Rachel
To: [Benton, Sarah](#)
Cc: [Millar, Angela \(DFP\)](#); [Scott, Michelle](#); [McFarlane, Iain](#); [Hutchinson, Lee-Anne](#)
Subject: RHI Query - Calculations behind NPV figures for NI Domestic RHI Scheme
Date: 12 September 2014 12:03:00
Attachments: [DETI RHITM Phase 2 model 040613 iv.zip](#)

Sarah,

Further to our conversation re the RHI case please see below and attached further information from Energy Branch.

I hope the information provided is sufficient however if you have any queries or require more information please do not hesitate to contact me.

Kind regards,

Rachel

Rachel Linton

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

From: Wightman, Stuart
Sent: 12 September 2014 11:37
To: Linton, Rachel
Cc: Hughes, Seamus
Subject: FW: TRIM: RE: Query - Calculations behind NPV figures for NI Domestic RHI Scheme

Rachel,

Please find attached spreadsheet which includes the full NPV analysis. The previous spreadsheet was a smaller version provided in response to a particular DETI query. The -£56m figure for the preferred option can be found in cell I121 of the "Report tables" sheet.

Please contact me if you need anything further.

Thanks

Stuart

From: Paget Fulcher [<mailto:paget.fulcher@cepa.co.uk>]
Sent: 12 September 2014 10:49
To: Wightman, Stuart
Subject: TRIM: RE: Query - Calculations behind NPV figures for NI Domestic RHI Scheme

Dear Stuart,

Apologies for the delayed response. I have just looked into this and I see that the model sent to DETI was a tidied-up version of the model which had the “off-model” calculations including analysis of industrial heat removed.

I have attached the model which includes the full NPV analysis. I apologise as the model is not as clearly set out as the tidied-up version but the -£56m can be found in cell I121 of the “Report tables” sheet. The NPV quantifiable benefits are £148m vs £113m for the counterfactual. The NPV costs are £145m vs £53m for the counterfactual.

I hope that will help you with your query.

Many thanks,

Paget

From: Wightman, Stuart [<mailto:Stuart.Wightman@detini.gov.uk>]
Sent: 10 September 2014 13:51
To: Stephanie Dickenson
Cc: McCay, Davina
Subject: Query - Calculations behind NPV figures for NI Domestic RHI Scheme

Stephanie,

As discussed, we are at the final approval stage for the proposed NI Domestic RHI Scheme. In 2013, CEPA and Ricardo-EAE completed a report for DETI to inform the Business Case for the proposed scheme which included a cost-benefit analysis of various tariff/funding options. I attach a copy of the final Report along with a copy of the model behind it.

We have received a query from our Department of Finance and Personnel (DFP) over the NPV figures listed in Table 7.6 of the final report. They have asked for a copy of the calculations to support the assessment of the preferred option (RHPP + 7 yr tariff) which has a NPV of -£56m. These should be calculated for either the life of the system or when a major service/overhaul is planned.

I had already provided them with a copy of the spreadsheet model but they can't reconcile the figures in this with the quantifiable costs, benefits or NPV. Can you therefore please provide a copy of the calculations for the -£56m NPV for the preferred option?

Please contact me on 02890529425 if you wish to discuss.

Thanks

Stuart Wightman
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