

**From:** [Wightman, Stuart](#)  
**To:** [Brankin, Bernie](#)  
**Cc:** [Quail, Andrea](#); [Hughes, Seamus](#); [Marten, Lucy](#); [Willis, Adele](#); [Stewart, Chris \(DFE\)](#)  
**Subject:** RE: RHI DEFICIT IN FUNDING  
**Date:** 19 August 2016 14:23:19  
**Attachments:** [image001.gif](#)

Bernie

Further to our discussion, please see table below outlining the forecast RHI pressures over the next 4 years and including potential savings that might be achieved through cost control measures. I've included caveats around the figures as we cannot assume we'll be able to implement cost controls. I've looked into the two CHP projects and can confirm both projects are still currently progressing. In fact one of the projects has just secured £26m of finance from the Green Investment Bank. They both have to be included in our forecast commitments but I've separated them out from the other RHI commitments.

Please let me know if you need anything else.

Thanks, Stuart

	<b>16-17</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Forecast costs of existing RHI Installations (see Caveat1)	(50,700)	(51,700)	(52,412)	(53,264)
Potential costs of two large Biomass CHP Installations projects at preliminary accreditation stage (see Caveat 2)	-	-	(2,388)	(2,436)
AME allocation	18,300	22,300	25,700	28,900
<b>Current Deficit falling to Resource budget</b>	<b>(32,400)</b>	<b>(24,400)</b>	<b>(29,100)</b>	<b>(26,800)</b>
Project potential savings from DfE Cost Control Measures (see Caveat 3)	-	7,500	15,000	15,000
<b>Projected Deficit falling to Resource budget (after Cost Control Measures)</b>	<b>(32,400)</b>	<b>(16,900)</b>	<b>(14,100)</b>	<b>(11,800)</b>

Caveats:

1. This is the forecast costs of all existing domestic and non-domestic RHI installations. However, this includes estimated payments for around 600 applications which are still to be fully processed.
2. Applications were received for preliminary accreditation for two large-scale CHP projects. Both projects are still proceeding and are on track to be operational for the start of 2018/19 and must therefore be included in the forecast.

3. The Department plans to consult on possible cost control measures later in the Autumn 2016. A range of options are being considered which will have differential impacts on individual RHI payments. The potential savings of £15m/yr are in the middle of this range. However, it must be highlighted that any proposed changes are likely to be subject to legal challenge and cannot be taken given. It is assumed that the savings might take effect from October 2017 allowing for legislation and legal challenges.

### Stuart Wightman

Energy Efficiency

Department for the Economy

Netherleigh

Massey Avenue

Belfast, BT4 2JP

Tel: 028 9052 9425 (ext: 29425)

Mob: Personal information redacted by the RHI Inquiry

TextRelay: 18001 028 9052 9425

Web: [www.economy-ni.gov.uk](http://www.economy-ni.gov.uk)



[NI Year of Food & Drink 2016](#)

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

**From:** Brankin, Bernie

**Sent:** 18 August 2016 15:38

**To:** Wightman, Stuart

**Cc:** Quail, Andrea

**Subject:** RHI DEFICIT IN FUNDING

Stuart

As discussed in the C&AG Report on DETI's 2015-16 Resource Accounts the Resource budget, RHI pressures for this year and the next three years are stated as:

	<b>16-17</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total cost	50,700	51,700	54,800	55,700
AME allocation	18,300	22,300	25,700	28,900
<b>Deficit falling to the Resource budget</b>	<b>(32,400)</b>	<b>(29,400)</b>	<b>(29,100)</b>	<b>(26,800)</b>

The deficit assumes that 2 large CHP plants with preliminary accreditation will proceed in 18/19.

Can you review the forecast deficit in the RHI budget in the light of what is the current position with the 2 large plants with preliminary accreditation and the action the department is taking to reduce the commitment which consequently lowers the deficit in funding. I would be grateful if you could provide me with the following by close of play on Friday 19 August:

- Some paragraphs on what we are doing to reduce the commitment and timeline for these actions; and
- Up to date estimates of deficit in RHI funding from 2016-17 to 2019-20 with caveats on the assumptions you are making when reducing the deficit.

Thanks

Bernie

## **Bernie Brankin**

Financial Management

Department for the Economy

Adelaide House

39-49 Adelaide Street

Belfast, BT2 8FD

Tel: 028 9025 7844 (ext: 57844)

TextRelay: 18001 028 9025 7844

Web: [www.economy-ni.gov.uk](http://www.economy-ni.gov.uk)

[cid:image001.gif@01D1F95C.72898E60](#)



[NI Year of Food & Drink 2016](#)

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