

**From:** [Wightman, Stuart](#)  
**To:** [Edmund Ward](#)  
**Cc:** [Chris Poulton](#); [Gareth John](#); [Stewart, Chris \(DFE\)](#); [McCann, Brendan](#)  
**Subject:** Outstanding Information - NI RHI  
**Date:** 13 October 2016 18:06:40  
**Attachments:** [image001.png](#)  
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Edmund

### **Outstanding information from Ofgem**

There are now several pieces of work which have been requested from Ofgem over the past couple of weeks that are still outstanding. You have agreed to provide this information several days ago, but despite our follow up, these remain unresolved. I realise we have all been working on briefing for the PAC, etc and appreciate everyone's efforts in this regard. However, there are two crucial items outstanding which were requested from you – most recently at our meeting last Thursday (6 October).

#### **(i) Ofgem Response to PWC Site Visits**

Firstly, you agreed to provide the Department s with a **detailed breakdown** of what action Ofgem would be taking with the **Category 4 site inspections**. To date, you have provided lines for PAC confirming that payments might be withheld for some of these installations pending further investigation. We have yet to be provided with a table stating the action being taken against each Category 4 site. You agreed to provide this by cop on Friday. You have all the detailed Category 4 site inspection reports so there should be absolutely no reason why you can't provide this. Please confirm if further information is required.

In addition, you agreed to examine the Category 2 and 3 site inspection reports and advise what Ofgem will be doing with these – again you have not provided us with this, or a valid reason why this request has not been met.

Given the seriousness of the PWC findings the levels of expenditure involved, we must be in a position to confirm to PAC what we (DfE/Ofgem) are doing about the Category 2, 3 & 4 cases. I recognise that each case must be considered on their individual merits but it is disappointing that only some of the Category 4 Cases are considered serious enough for further investigation (and a hold placed on payments). Given the evidence and level of public expenditure involved, I have now been asked to secure an opinion from Senior Legal Counsel on the Department's ability to stop making payments to these installations.

#### **(ii) Revised Guidelines**

Secondly, you agreed to provide suggested **revised guidelines**. This information is necessary, not only to PAC preparation but also for vital strategic planning going forward including options on how best to reduce the multi-million pound block grant deficit. You have now agreed to provide this by cop tomorrow. We must come to an agreed position on what changes/improvements might be possible.

Clearly the PWC, NIAO and Internal Audit reports have highlighted a number of significant issues for the Department and Ofgem to address going forward. Once the ongoing PAC Hearings are over, it is imperative that we revise our current arrangements and look at how we can improve certain areas, including governance, KPIs, communication and inspections but obviously these discussion will be for another day.

I trust these matters will be dealt with as a matter of urgency and I look forward to hearing from you.

Regards

Stuart

**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)



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