

**From:** [McCormick, Andrew \(DFE\)](#)  
**To:** [Moore, Stephen \(DfE\)](#); [Coyne, Terence](#); [Montgomery, Paul](#); [Dukelow, Victor](#); [McCann, Brendan](#)  
**Cc:** [Murphy, Shane](#); [Smith, Alan](#); [Marten, Lucy](#); [Cousins, Heather](#); [McMurray, Stephen](#)  
**Subject:** e-mail from A McC approving State aid unit"s sugegsted form of words - Briefing Material  
**Date:** 15 January 2017 14:37:36  
**Attachments:** [image001.png](#)

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I think that is a lot safer given that we need to minimise any risk of (further) offence!?!

Can someone paste Stephen's words into master copy please.

Many thanks.

Sent from my BlackBerry 10 smartphone.

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**From:** Moore, Stephen (DfE)  
**Sent:** Sunday, 15 January 2017 14:35  
**To:** McCormick, Andrew (DFE); Coyne, Terence; Montgomery, Paul; Dukelow, Victor; McCann, Brendan  
**Cc:** Murphy, Shane; Smith, Alan; Marten, Lucy; Cousins, Heather; McMurray, Stephen  
**Subject:** Re: Briefing Material

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Andrew

Fair point.

I am sure the Commission doesn't want us to use just State aid as a reason for taking action and clearly their preference would not to be involved at all.

I suppose the Commission is more likely to act if there is a complaint and the chances of it acting on its own volition is probably quite small.

Perhaps we could revise as follows.

"It would also be true that the EC would probably not allow the status quo to continue if it receives a complaint."

Stephen

Sent from my BlackBerry 10 smartphone.

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**From:** McCormick, Andrew (DFE)  
**Sent:** Sunday, 15 January 2017 13:58  
**To:** Coyne, Terence; Moore, Stephen (DfE); Montgomery, Paul; Dukelow, Victor; McCann, Brendan  
**Cc:** Murphy, Shane; Smith, Alan; Marten, Lucy; Cousins, Heather; McMurray, Stephen  
**Subject:** Re: Briefing Material

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On Stephen Moore's point, is that not what we had hoped for before the December meeting with DG Comp and which they said very firmly we couldn't say? Or is there a

helpful development of the argument we can use?

Many thanks.

Sent from my BlackBerry 10 smartphone.

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**From:** Coyne, Terence  
**Sent:** Sunday, 15 January 2017 13:42  
**To:** Moore, Stephen (DfE); Montgomery, Paul; Dukelow, Victor; McCann, Brendan  
**Cc:** Murphy, Shane; Smith, Alan; Marten, Lucy; Cousins, Heather; McMurray, Stephen; McCormick, Andrew (DFE)  
**Subject:** RE: Briefing Material

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Colleagues

I am trying to finalise the composite Q&A now so that I can circulate by 14.00. I am going to set a cut off point of 13.50 hours for final input.

Regards

Terry

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**From:** Moore, Stephen (DfE)  
**Sent:** 15 January 2017 13:40  
**To:** Montgomery, Paul; Dukelow, Victor; McCann, Brendan  
**Cc:** Murphy, Shane; Smith, Alan; Marten, Lucy; Coyne, Terence; Cousins, Heather; McMurray, Stephen  
**Subject:** Re: Briefing Material

Victor / Brendan

You might want to augment the LTT further with a State aid point.

"It would also be true that the EC would probably not allow the status quo to continue and would take action, either of its own volition or if forced to do so by a complaint, to force us to reduce the tariffs to prevent overcompensation or to claw back over payments."

In relation to complaints, UKREP are surprised that to date no one has complained to the Commission. I suspect as each day passes, the possibility of a complaint increases and this risk will remain until the general public consensus is that the tiering and cap approach is fair and reasonable to all parties (i.e. Scheme participants and government).

Stephen

Sent from my BlackBerry 10 smartphone.

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**From:** Montgomery, Paul  
**Sent:** Sunday, 15 January 2017 13:19  
**To:** Dukelow, Victor; McCann, Brendan  
**Cc:** Moore, Stephen (DfE); Murphy, Shane; Smith, Alan; Marten, Lucy; Coyne, Terence; Cousins, Heather; Moore, Stephen (DfE); McMurray, Stephen  
**Subject:** Re: Briefing Material

Victor/Brendan,

I have included 2 additional points to the second LTT.

Paul

Sent from my BlackBerry 10 smartphone.

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**From:** Dukelow, Victor  
**Sent:** Sunday, 15 January 2017 12:53  
**To:** Montgomery, Paul; McCann, Brendan  
**Cc:** Moore, Stephen (DfE); Murphy, Shane; Smith, Alan; Marten, Lucy; Coyne, Terence; Cousins, Heather; Moore, Stephen (DfE); McMurray, Stephen  
**Subject:** RE: Briefing Material

Paul/Brendan,

Based on last night's news with headline that this would be disastrous for biomass boiler owners what about augmenting your lines with the following:

Q. It has been reported that this would be disastrous for many boiler owners. Do you disagree?

- This will return subsidy levels much closer to the levels envisaged at the beginning of the scheme
- Taking no action now would leave public sector budgets exposed and also could be disastrous for businesses not in the scheme but that are competing with those that are being overcompensated via the RHI scheme. They could find themselves being undercut and put at a competitive disadvantage because of the unfettered operation of the scheme
- The actions proposed will act to level up the marketplace between those that have RHI boilers and those that do not. That too is in line with the original intentions of the regime.

Q. Boiler owners may have taken out loans and invested on the strength of future RHI payments remaining in place. These moves could mean they cannot service that debt. How will you be assisting them?

- The regulations that are proposed are to be effective initially for one year. In parallel I plan to consult widely including with boiler owners to understand fully any concerns they may have before taking further action
- [ could play in some of the legal advice from speech re unreasonable to expect rates of return significantly in excess of those originally announced at commencement of regime

-Comparing the rates offered by financial institutions on commercial loans with the returns that are still expected to be provided under the revised RHI tariffs, it is difficult to see how boiler owners will be unable to service any debts that remain.

-Whilst the previous high level of RHI payments may have been useful in providing support to the rest of the boiler owners business this was never the intention of the scheme.

Hope this helps,

Victor

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**From:** Montgomery, Paul  
**Sent:** 14 January 2017 18:50  
**To:** Dukelow, Victor; McCann, Brendan  
**Cc:** Moore, Stephen (DfE); Murphy, Shane; Smith, Alan; Marten, Lucy; Coyne, Terence; Cousins, Heather; Moore, Stephen (DfE); McMurray, Stephen  
**Subject:** Re: Briefing Material

Victor/Brendan,

Please see attached 2 additional L2T following the meeting with Steve Aiken and the item on this evenings local news, as well as a suggested response to the Q on recouping previous over compensation.

Paul

Sent from my BlackBerry 10 smartphone.

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**From:** Dukelow, Victor  
**Sent:** Saturday, 14 January 2017 17:50  
**To:** McCann, Brendan  
**Cc:** Moore, Stephen (DfE); Murphy, Shane; Smith, Alan; Montgomery, Paul; Marten, Lucy; Coyne, Terence; Cousins, Heather; Moore, Stephen (DfE); McMurray, Stephen  
**Subject:** RE: Briefing Material

Brendan,

Please see attached draft Q&A briefing for consideration and inclusion in your broader briefing pack. Grateful if you (and copy recipients) could cast an eye over and amend as you see fit.

Also you will see some drafting notes included – some of which relate to areas where I think the RHI team might be better placed than mine to consider.

Others are for my side and we will seek to address those asap – albeit it might be Monday morning for some

If there are other points that my side could usefully cover do let me know

Thanks

Victor

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**From:** McMurray, Stephen  
**Sent:** 14 January 2017 10:52  
**To:** Dukelow, Victor  
**Cc:** Moore, Stephen (DfE); Murphy, Shane; Smith, Alan; Montgomery, Paul; Marten, Lucy; McCann, Brendan; Coyne, Terence; Cousins, Heather  
**Subject:** Re: Briefing Material

Thanks Victor, that does that does not cut across , as well as Q and A could you also include a few paragraphs for start of speech highlighting the technical changes we are

making to tiers caps etc, and the rationale for those changes.

Ta Stephen

Sent from my BlackBerry 10 smartphone.

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**From:** Dukelow, Victor  
**Sent:** Saturday, 14 January 2017 08:51  
**To:** McMurray, Stephen  
**Cc:** Moore, Stephen (DfE); Murphy, Shane; Smith, Alan  
**Subject:** Briefing Material

Stephen,

I understand that there is a requirement to piece together a speech, Q&A, LTTs and wider briefing material for a possible debate on Monday. I presume that your side will be leading but may require inputs for speech etc. We will seek to help as quickly as we can either over weekend or on Monday first thing. In the meantime will begin to stitch together some Q&A/LTTs from business case, costing, state aid perspective and will send on later today.

Do let me know if this cuts across what is already underway.

Thanks,

Victor

**Victor Dukelow**

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