

From: [Linton, Rachel](#)
To: [Cooper, Trevor](#); [Brankin, Bernie](#)
Subject: FW: DOMESTIC RENEWABLE HEAT INCENTIVE
Date: 02 June 2015 16:35:48
Attachments: [Supply - DETI - Domestic Renewable Heat Incentive \(RHI\) Phase 11 - DFP Approval - issued to Dept.tr5](#)
[Supply - DETI - Domestic Renewable Heat Incentive \(RHI\) Phase 11 - DFP Approval - issued to Dept.DOCX](#)

Trevor and Bernie,
Please see attached DFP approval for RHI Phase 2.
Kind regards,
Rachel

Rachel Linton

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

From: Benton, Sarah
Sent: 15 September 2014 13:37
To: McFarlane, Iain
Cc: Cooper, Trevor; Houston, Michael; Phillips, David; Scott, Michelle; Millar, Angela (DFP); Linton, Rachel
Subject: DOMESTIC RENEWABLE HEAT INCENTIVE
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**Iain McFarlane
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15th September 2014

DOMESTIC RENEWABLE HEAT INCENTIVE (RHI) PROJECT – PHASE 2

Thank you for the clarification on the NPV figures that you recently provided in support of this proposal. The provision of these figures has assisted with the comparison of the options included in the Business Case. The department should ensure that in future the calculations behind NPV costs are included with all appraisals.

Having considered the additional information provided, I am now content that a reasonable case has been presented and I am now able to issue DFP approval for this project. The preferred option mirrors the approach taken in GB and will see the introduction of a Domestic Renewable Heat Incentive Scheme at a capital cost of £103m and a resource cost of £1.4m.

DFP approval for the proposal is granted on the following basis:

- that the project is commenced within 24 months of the date of this letter; and
- that there are no substantial changes to the scope/scale of the project as described in the business case;
- that resource or capital costs or assumptions vary by no more than 10% from the value stated;

Requests for revised approval will take account of factors such as:

- Where Supply is approached on the earliest indication that compliance with one or more of the above conditions is under question.
- adherence to correct appraisal procedure.

Should the request for DFP Supply approval be declined, these factors, along with any other mitigating circumstances will be taken into account when determining the extent of any irregular spend.

It should be noted that approval for this proposal relates solely to agreement to proceed with the project. It does not imply approval for expenditure to be incurred beyond existing agreed public expenditure controls.

As recommended in my previous correspondence, DETI should consider completing a benefits realisation plan and consider updating the objectives at section 3.2 to show targets for the end of the project as well as interim targets for 2015.

DFP does not require a PPE to be submitted for this project; however suitable arrangements for PPE must still be made i.e. a PPE must be completed by March 2021.

Thank you for your help.

Sarah Benton

**cc Trevor Cooper
Michael Houston
David Phillips
Michelle Scott
Angela Millar
Rachel Linton**