

From: [McCormick, Andrew \(DFE\)](#)
To: [McCann, Brendan](#)
Cc: [Woods, Michael \(DFE\)](#)
Subject: FW: Treasury Position on RHI
Date: 26 October 2016 14:35:00

From: Mills, John (DETI)
Sent: 08 December 2015 11:01
To: Stewart, Chris (DETI); Cooper, Trevor; Rooney, Eugene
Cc: McCormick, Andrew (DETI); Brankin, Bernie; Wightman, Stuart; McFarlane, Iain; McIlwrath, Linda
Subject: RE: Treasury Position on RHI

Chris,

1. We need to see what comes out of the discussions today;
2. We need to submit formal advice (just discussing with Andrew who emphasised this point), of course this should be brought to the minister's attention in issues but we already warned of budgetary constraint and even had him say this in the RHI Order debate so we'll only be telling him what he already knows;
3. There's always options and the Minister/Executive could just choose to spend DEL on this – there's worse things to spend money on. There will be a significant reaction to closure/suspension from people like installers who may have built businesses around this.
4. On the detail, if there is closure/suspension, decisions need to be taken on which. I suggest suspension is the more sophisticated approach but requires more thought – in that the trigger for suspension needs to be defined – all in affirmative resolution legislation of course;
5. Thought needs to be given to how this is introduced, consultation, notification, whatever? From current experience, we need to be cognisant of the huge spike to meet the November legislative changes. That is a good reason to not react overly vocally at the moment.

From: Stewart, Chris (DETI)
Sent: 08 December 2015 10:44
To: Mills, John (DETI); Cooper, Trevor; Rooney, Eugene
Cc: McCormick, Andrew (DETI); Brankin, Bernie; Wightman, Stuart; McFarlane, Iain; McIlwrath, Linda
Subject: RE: Treasury Position on RHI

John, Stuart

Thank you. What would the timeline and critical steps be for closure? I assume that we would need to consult.

C

From: Mills, John (DETI)

Sent: 08 December 2015 10:17
To: Cooper, Trevor; Rooney, Eugene
Cc: McCormick, Andrew (DETI); Stewart, Chris (DETI); Brankin, Bernie; Wightman, Stuart; McFarlane, Iain
Subject: RE: Treasury Position on RHI

Trevor

RHI lines

Stuart

Many thanks as ever

From: Cooper, Trevor
Sent: 07 December 2015 17:06
To: Rooney, Eugene
Cc: McCormick, Andrew (DETI); Stewart, Chris (DETI); Mills, John (DETI); Brankin, Bernie; Wightman, Stuart; McFarlane, Iain
Subject: Treasury Position on RHI
Importance: High

Eugene

Further to our earlier conversation on RHI, DFP has now informed me that they expect to receive Chief Secretary letter tomorrow which will amongst other issues cover RHI.

As regards budget for RHI they anticipate that NI will receive notification of a capped AME amount of £18.3M in 2016-17, £22.3M in 2017-18, £25.7M in 2018-19 and £28.9M in 2019-20. Any difference between actual spend in any of these years and the capped AME amount would in terms of the position presented fall as a call on NI Block Resource DEL.

Michelle is participating in a meeting with Treasury tomorrow pm to see if the position can be changed in any way. She is going to discuss further tomorrow arguments that may be deployed.

As things stand Energy colleagues are currently forecasting spend under both schemes would total £44.2M in 2016-17 (assuming steps taken immediately around closure of both schemes, and numbers do not take account of any further spike in demand that may result from announcements that each of the Domestic and Non-Domestic Schemes will be closed). Should the Treasury position on funding not change this would leave an inescapable resource pressure of at least £25.9M from commitments on RHI in 2016-17.

Trevor

From: [McCormick, Andrew \(DFE\)](#)
To: [McCann, Brendan](#)
Cc: [Woods, Michael \(DFE\)](#)
Subject: FW: Treasury Position on RHI
Date: 26 October 2016 14:36:00

From: Mills, John (DETI)
Sent: 08 December 2015 12:42
To: McCormick, Andrew (DETI); Stewart, Chris (DETI)
Cc: Brankin, Bernie; Wightman, Stuart; McFarlane, Iain; McIlwrath, Linda; Rooney, Eugene; Cooper, Trevor
Subject: RE: Treasury Position on RHI

Andrew,

We have looked at this but there's a subtlety around it. It is much to be preferred that we suspend the scheme rather than close it. If the latter, you say "we mucked up the budget and have to close; no more NI attempt to contribute to renewables in the future (just like NIRO)". May not need consultation but may need notification. Suspension is far better: "alas used up all current resource, have to suspend scheme while we catch up, still committed to renewables once we get more budget etc etc". Again, maybe don't need consultation but maybe do need notification. But to avoid falling foul of legal principles around delegatus non potest delegare we would probably need to spell out on the face of the legislation the triggers for suspension i.e. the budget (e.g. "If it appears to DETI that the budget of RHI exceeds the figures in table X, DETI shall suspend the Scheme" – or something like that).

So much better to suspend but we need to have definite triggers (we can't just say we'll suspend the scheme when we feel like it).

From: McCormick, Andrew (DETI)
Sent: 08 December 2015 10:48
To: Stewart, Chris (DETI)
Cc: Brankin, Bernie; Wightman, Stuart; McFarlane, Iain; McIlwrath, Linda; Mills, John (DETI); Rooney, Eugene; Cooper, Trevor
Subject: RE: Treasury Position on RHI

Given that we have breached budgets already, is it worth seeking legal advice on the question as to whether closure without consultation might be technically reasonable to avoid a uncontrolled opportunity cost if other things had to be cut.

Happy to discuss.

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