

From: [McCormick, Andrew \(DFE\)](#)
To: [Sterling, David](#)
Cc: "johnrobinson@dup.org.uk"; [aidan_mcateer](#) Personal information redacted; [Bullick, Richard](#); [TEO HOCS](#)
Subject: RE: RHI Cost Reduction
Date: 23 December 2016 12:22:00

Further point of fact: the PwC work has nothing to do with the options for cost control, so the Minister of Finance's reference to a report in October was not correct.

Many thanks.

From: McCormick, Andrew (DFE)
Sent: 23 December 2016 11:47
To: Sterling, David
Cc: 'johnrobinson@dup.org.uk'; '[aidan_mcateer](#)' Personal information redacted; [Bullick, Richard](#); [TEO HOCS](#)
Subject: RHI Cost Reduction
Importance: High

Just by way of background to the comments on this issue this morning:

- The proposals were discussed briefly at a meeting between the FM and dFM, also attended by Richard, Aidan, Timothy Johnston and Mark Mullan on 14 December at which I was asked to ensure that a firm proposal would be available for announcement by 16 January.
- I said there were still considerable doubts and I was unsure of my ground until I had the advice of the Attorney General – and a consultation was planned for 15 December;
- I also stressed that it was essential that there was no public hint of the idea of closure, as we simply are not and cannot be ready to answer the specific questions about a compensation scheme. This was accepted at the meeting;
- With DfE and DSO colleagues I met the AG the next day, and we then sent all the key papers to you the following day;
- We then had the 50 minute phone call on 16th involving your Minister, two SpAds, you and two colleagues at one end and me at the other, when I did all I could to provide the background to the work.

Going back one stage further, DfE had been working up proposals from September onwards and we had intended to share them with DoF colleagues earlier, so I acknowledge that that expectation existed. But the radical option that emerged early in November needed some detailed work, but time well spent because the closure option has many points in its favour. I can see the point of view expressed both by DoF colleagues in correspondence with us and in your Minister's comments but frankly I think they are a bit unfair on all we in DfE are trying to do, with all the urgency we can give, to develop and test the optimum solution to this issue. As you know, while the forward look is top priority, there have been other essential tasks for all those involved. The awkwardness is compounded by the fact that several key players here are subject to the current fact-finding exercise by PwC and I have had to do an internal re-organisation to ensure fair divisions of labour among the team.

Happy to discuss but I hope this is helpful to get some points into perspective.

Many thanks.