

**From:** [Gaughran, Aine](#)  
**To:** [Marten, Lucy](#); [McCormick, Andrew \(DFE\)](#); [Stewart, Chris \(DFE\)](#); [Wightman, Stuart](#); [Hughes, Seamus](#); [McCann, Brendan](#); [Coyne, Terence](#)  
**Cc:** [All DFE Branches Press Office](#); [McNabb, Chris](#); [Gordon, David](#); [Craig, Erin](#); [Irwin, James](#)  
**Subject:** FW: RHI scheme - consultants' report  
**Date:** 29 December 2016 09:01:07  
**Attachments:** [DETI Development of Phase 2 of the Northern Ireland Renewable Heat Incentive \(2\).pdf](#)

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Hi All,

To see another enquiry below from Sam McBride.

Thanks.

Áine

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**From:** Sam McBride [mailto:Sam.mcbride@newsletter.co.uk]  
**Sent:** 28 December 2016 18:25  
**To:** All DFE Branches Press Office  
**Subject:** RHI scheme - consultants' report

Hi,

I don't need a response to this until tomorrow. Can you please confirm receipt?

There was a 2013 report on RHI conducted by consultants for DETI. I've attached a copy of the report to this email.

On page 66, of the report there is a section which deals with risks.

It refers to "the range of issues encountered by the non-domestic RHI to date" and then goes on to state under the headline "Useful heat" that: "With direct metering, properties may be heated to higher than best practice levels, windows opened, etc., if the tariff is tied to heat generated. In this case, the tariff could exceed operating costs."

**This shows that the department was aware of a key problem in the non-domestic scheme - boilers operated solely to get subsidies - by at least June 2013. Why was nothing done about this at that point?**

The same report said (page 59): "In short, if DETI is spending more than 4.2p/kWh, it is not going to be able to afford the 10% target with its assumed budget. In that regard, we note that many of the tariffs in this report are above 4.2p. It may be that this budgetary barrier can be overcome as technologies reduce in price over time. However, at present the target looks extremely challenging from a budgetary perspective."

The rate was ultimately set at 6.2p/kWh for small biomass and 5.9p/kWh for medium biomass.

**Given the warning about the unaffordability of this, who was responsible for this costly error?**

Thanks,

Sam

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**Sam McBride**

Political Editor

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