

**From:** [Marten, Lucy](#)  
**To:** [McEvoy, Martin](#)  
**Cc:** [Adair, Joanne](#); [Moore, Stephen \(DfE\)](#); [Rogers, Helen](#)  
**Subject:** State Aid - additional questions  
**Date:** 09 February 2017 14:55:25

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Martin

Just to make you aware that we had a teleconference with the Commission yesterday and they asked us some questions around the pre-notification paper that Stephen Moore had sent them. They will send these questions in hard copy later today and we will draft answers and reply by cop on Monday.

It would be very useful to run these past DSO prior to sending. Are you and Helen around to look at this on Monday?

Thanks

Lucy

Lucy Marten  
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**From:** Adair, Joanne  
**To:** [Crozier, Lorraine](#); [Smith, Alan](#); [Glover, David](#); [Caves, Carol](#)  
**Cc:** [Moore, Stephen \(DfE\)](#); [Marten, Lucy](#); [McMurray, Stephen](#)  
**Subject:** FW: SA. 47501 Renewable Heat Incentive Amendments Pre-Notification  
**Date:** 10 February 2017 15:55:00  
**Attachments:** [image001.gif](#)  
[image002.png](#)  
[image003.png](#)

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Dear All

As discussed, I would be grateful for your input to the following questions (in email below) raised by DG Competition in relation to State aid approval for the RHI Amendment Regulations 2017:

1. Joanne
2. Lorraine
3. Alan
4. Alan
5. Paul – would this be for you. Grateful for a steer on who could respond to this question
6. Joanne
7. Joanne
8. Dave Glover/Carol Caves

I understand that DG would like a response by close of play on Monday in preparation for a teleconference on Wednesday. I would therefore be grateful for responses BY 11.30 am on Monday to allow Stephen Moore and myself to prepare a combined response and clear with DSO before issuing to DG.

Many thanks  
Joanne

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**From:** Marten, Lucy  
**Sent:** 10 February 2017 15:26  
**To:** Adair, Joanne; Crozier, Lorraine  
**Cc:** McMurray, Stephen  
**Subject:** FW: SA. 47501 Renewable Heat Incentive Amendments Pre-Notification

Joanne and Lorraine

As discussed, please see the list of questions from the Commission in relation to the State Aid pre-notification paper.

Please speak with Stephen about co-ordinating inputs.

Many thanks

Lucy

**Lucy Marten**  
Energy Efficiency

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

**From:** Moore, Stephen (DfE)  
**Sent:** 10 February 2017 08:18  
**To:** [Kate.KELLIHER@ec.europa.eu](mailto:Kate.KELLIHER@ec.europa.eu); [steven.mcgregor@fco.gsi.gov.uk](mailto:steven.mcgregor@fco.gsi.gov.uk)  
**Cc:** Irrelevant information redacted by the RHI Inquiry; [Ronald.VAN-DE-VEN@ec.europa.eu](mailto:Ronald.VAN-DE-VEN@ec.europa.eu); [Marcos.GONZALEZ-ALVAREZ@ec.europa.eu](mailto:Marcos.GONZALEZ-ALVAREZ@ec.europa.eu); Smith, Alan; Marten, Lucy; Dukelow, Victor; Murray, Amanda; McCormick, Andrew (DFE); McMurray, Stephen; McAdams, Jonathan  
**Subject:** Re: SA. 47501 Renewable Heat Incentive Amendments Pre-Notification

Dear Kate

Many thanks.

Stephen

Sent from my BlackBerry 10 smartphone.

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**From:** [Kate.KELLIHER@ec.europa.eu](mailto:Kate.KELLIHER@ec.europa.eu)  
**Sent:** Thursday, 9 February 2017 17:46  
**To:** [steven.mcgregor@fco.gsi.gov.uk](mailto:steven.mcgregor@fco.gsi.gov.uk); DfE stateaid  
**Cc:** Irrelevant information redacted by the RHI Inquiry; [Ronald.VAN-DE-VEN@ec.europa.eu](mailto:Ronald.VAN-DE-VEN@ec.europa.eu); [Marcos.GONZALEZ-ALVAREZ@ec.europa.eu](mailto:Marcos.GONZALEZ-ALVAREZ@ec.europa.eu)  
**Subject:** SA. 47501 Renewable Heat Incentive Amendments Pre-Notification

Dear Stephen, Alan, Lucy -

Many thanks for your time yesterday; it's much appreciated – and apologies I'm late getting these to you.

Please find below a series of questions for your review.

As discussed, we would appreciate if you could aim to have them all addressed by COB 14 February or 15 February noon at the latest.

If you have any questions/need any help with them do feel free to give us a call.

**1. Scope of the Measure**

**Q.** Please confirm that the scheme will remain suspended, and therefore not open to new installations for the duration of the notified amendment i.e. until 31 March 2018.

**2. Objectives of the Scheme**

**Q.** Please provide us with an update of your progress against your 10% RES target since

the implementation of the 2012 RHI Scheme.

### 3. Rates of Return

**Q.** It is our understanding that under the notified changes, an installation would typically make a return of 12% based on your current projections. However, if an installation would run longer (e.g. in case of a cold winter) the maximum return is estimated at 19% IRR – We understand this data was also used as the basis for the November 2015 tariff change. Please explain and confirm if this is correct.

### 4. The Quantum of the Tiered Tariff

**Q.** Can you please provide us with the data that supported the setting of the tiered tariff at the chosen rate (1.5p/kWh)

### 5. Re-banding of the Medium Biomass Band

We understand that in November 2015 the 'medium biomass' category of installations was re-banded from a maximum of 99kW to 199kW of installed capacity and that this re-banding is maintained in the 2017 variations now pre-notified.

**Q.** Can you provide us with the data that led to the selection of this re-banding threshold?

### 6. Eligible Technologies

**Q.** Please confirm that the eligible technologies described in the 2012 decision remain unchanged.

### 7. Budget

**Q.** It is our understanding that the budget will be derived from central budgetary funds (a combination of AME and NIE funding); is this correct?

### 8. Eligible RES heat

As described in your PN memo (points 53 - 56) *further work is now ongoing to investigate the potential to take enforcement action where there is evidence that there has been non-compliance with the eligibility requirements.* From the phone call, we understand that the DoE is currently designing a response plan that will include enforcement actions.

**Q.** Can you please provide us with headline details of your enforcement plans and how it will ensure that only eligible renewable heat is supported.

**Q.** Could you please outline the respective roles of Ofgem and DoE in the monitoring and enforcement of the use of the scheme.

Kind regards,

Kate

**Kate Kelliher**

State Aid Case Handler



**European Commission**

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