

From: [Mills, John \(DETI\)](#)
To: [McCormick, Andrew \(DETI\)](#); [Stewart, Chris \(DETI\)](#); [Woods, Michael \(DETI\)](#); [Cooper, Trevor](#)
Cc: [Dolaghan, Paul](#); [McIlwrath, Linda](#); [McCoy, Laura](#); [Hill, Janice](#); [Rooney, Eugene](#)
Subject: Renewable Heat Work Programme 2016-17 (2)
Date: 21 March 2016 16:33:42
Attachments: [Renewable Heat Work Programme 2016-17 \(2\).docx](#)

All,

Please see attached work plan for 16/17 on RHI. Given the weight and number of tasks it is probably beyond our current capacity to deliver though proposed changes at senior management level may assist. However, grateful for any input in terms of:

- Any other issues which should be covered;
- Any views on prioritisation (dates suggest prioritisation);
- Grateful for advice on highlighted objective concerning regularisation of expenditure

Note, the Audit Committee has asked for advice on steps to be taken and this might be the basis for going back.

RESULTS

Objectives	Targets		Actions	Risks/Rating
Promote Sustainable Energy – Renewable Heat	1a	Assess implications of RHI Closure by 30 April 2016	<ul style="list-style-type: none"> Develop robust expenditure forecasts to inform final 2015/16 costs and 2016/17 estimates. Review spikes in application numbers experienced prior to non domestic tariff changes in Nov 2015 and scheme closures in Feb 2016. Finalise policy position on Preliminary Non Domestic RHI applications and uncompleted Domestic GSHP installations that we have been made aware of. 	<p>Successful legal challenge taken against decision to close RHI schemes.</p> <p>Likelihood 3 – Impact 5 = 15</p>
	1b	Respond to external reviews of the operation of the Non Domestic and Domestic RHI Schemes by December 2016	<ul style="list-style-type: none"> Contribute and respond to Internal Audit reviews of Non Domestic RHI scheme. Contribute and respond to Internal Audit reviews of Domestic RHI scheme. Work with Ofgem to commission independent review of the operation of the Non Domestic RHI scheme in response to allegations of scheme abuse and implement any recommendations. 	<p>Insufficient staff resources to manage the workload of four reviews.</p> <p>Likelihood 3 – Impact 3 = 9</p>
	1c	Effective management of Non Domestic RHI administration throughout 2016/17	<ul style="list-style-type: none"> Agree 2016/17 administration costs by 30 April 2016. Ensure Ofgem’s administration of the Non Domestic RHI scheme is delivered according to Agency Services Agreement and within agreed budget. <ul style="list-style-type: none"> Receive weekly reports on application and payment information. Hold monthly Checkpoint meeting with Ofgem to discuss operational issues. Complete Change Controls for any administrative changes (and Business Case where appropriate) Complete Business Case and Procurement for additional site inspections in response to increased installation numbers. 	<p>Failure to maintain Administration Agreement with Ofgem</p> <p>Likelihood 3 – Impact 3 = 9</p>

Objectives	Targets		Actions	Risks/Rating
	1d	Effective administration of Domestic RHI Scheme throughout 2016/17	<ul style="list-style-type: none"> • Process backlog of domestic RHI applications (>1,000) by 30 June 2016. • Complete backlog of site inspections for new applications. • Process backlog of Annual RHI payments for accredited installations. • Consider opportunities to outsource administration of annual payments. • Complete Business Case and Procurement for additional site inspections in response to increased installation numbers. 	<p>Insufficient resources to clear application backlog. Likelihood 3 – Impact 2 = 6</p> <p>Insufficient resources to complete requisite number of site checks. Likelihood 3 – Impact 3 = 9</p>
	1e	Ensure necessary scheme approvals are in place throughout 2016/17.	<ul style="list-style-type: none"> • Contribute and respond to NIAO Report on irregular Non Domestic RHI expenditure during 2015/16. • Develop Business Case for regularising future expenditure for RHI installations made between 1/4/15 and 28/10/15. • Review EU State Aid approval and re-notify if necessary. • Review any other legislative or administrative arrangement requirements. • Put in place new Database to manage future Non Domestic RHI expenditure. • Complete Post Project Evaluations (PPEs) for both RHI schemes. 	<p>Failure to regularise future expenditure going forward. Likelihood 4 – Impact 4 = 16</p> <p>Failure to retain EU State Aid Approval Likelihood 3 – Impact 4 = 12</p>
	1f	Implement further changes to the RHI by 31 December 2016	<ul style="list-style-type: none"> • Develop policy options for emissions, biomass sustainability and, cost control (to address any recommendations arising from ongoing reviews). • Complete EQIA, Rural Proofing and RIA on proposals. • Consult on policy proposals. 	<p>Failure to secure Ministerial approval to progress further cost control measures. Likelihood 3 – Impact 4 = 12</p>

	Objectives	Targets	Actions	Risks/Rating
			<ul style="list-style-type: none"> Finalise policy options and secure relevant approvals. Develop and progress the necessary Legislation. 	
		1g Ensure sufficient staff resources are maintained within Renewable Heating Branch throughout 2016/17.	<ul style="list-style-type: none"> Recruit a new RHI Grade 7 by 1 May 2016. Consider need for additional staff resources and make case where appropriate. 	Failure to secure sufficient staff resources. Likelihood 2 – Impact 5 = 10
		1h Publish Report on Renewable Heat Statistics by 31 December 2016	<ul style="list-style-type: none"> Complete detailed statistical analysis of RHI installations in conjunction with Statistics Branch. Prepare Annual Reporting template using existing Domestic and Non Domestic databases. Publish 1st Annual Report by 31 December 2016. 	Insufficient resources to progress work Likelihood 3 – Impact 2 = 6
		1i Publish Long Term Policy on Renewable Heat by 31 March 2017.	<ul style="list-style-type: none"> Develop long-term policy options in conjunction with DFP (Building Standards) and DARD (biomass suppliers and poultry). Scope opportunities for GB RHI to be extended to NI. 	Insufficient resources to progress work Likelihood 3 – Impact 2 = 6