

From: [Bagdonaite, Dovile](#)
To: [Woods, Michael \(DETI\)](#)
Cc: [Saunders, David](#)
Subject: Actions from casework
Date: 09 March 2016 15:44:00
Attachments: [Summary of actions agreed at the casework committee meeting 9 March 2012.XLSX](#)

Michael

I have drawn a summary of actions agreed and promises given at the Casework Committee on 9 March 2012 as requested. See attached above.

In relation to IAS involvement the following advice and guidance was provided to Energy Branch:

- Vouching requirements for payments – Mark provided general advice on what information has to be considered when performing vouching.
- Rights to audit - a lengthy exchange of correspondence among Elaine, Joanne and Ofgem followed in relation to the right to audit. The right to audit was included into Administrative Arrangements Agreement.

See also the container on Trim DT02/30/40/40/20/:

Dovile

09-Mar-12

Casework committee panel:

Trevor Cooper (chair)

Philip Angus

Shane Murphy

Energy Division:

Fiona Hepper

Joanne McCutcheon

Peter Hutchinson

Susan Stewart

ASU:

Sam Connolly

Actions promised by management that will be completed at the Casework Committee - 9 March 2012		Current position
1	To develop an RHI road map with other NI departments. This will be facilitated by the Renewable Heat Strategy group	IAS has no evidence of this having been done to date.
2	RHI non domestic tariffs will be calculated as the net costs (difference between capital and operating costs of fossil fuel counterfactual and renewable alternative) plus up to 12% rate of return.	This is the initial take on how the tariffs have to be calculated. The subsequent Business Case (July 15) provides different workings out of the rationale behind the tariffs (based on CO2 and jobs consequential)
3	The scheme will be reviewed in 2014 and proposed changes will be implemented in 2015	The review not been carried out to date.
4	Phase 2 of the scheme will begin in 2013 and involve introduction of the domestic sector and consideration will be given to include additional technologies to non domestic scheme.	Domestic RHI introduced from December 2014, inclusion of new technologies has not happened.
5	NIRHI scheme will have in build scheduled reviews to allow DETI to ensure that the scheme remains fit for purpose and value for money.	IAS has no evidence of this having been done to date.
6	It may be that the tariff levels are not sufficient to encourage uptake or that they are too generous (very unlikely) and hence uptake is such that there is insufficient budget. This will be mitigated by regular management reports provided by Ofgem which will enable to monitor uptake and forecast expenditure. The RHI will be reviewed in 2014 and tariff levels may be adjusted for new installations if appropriate.	Ofgem provide weekly report on the NIRHI applications etc. The review in 2014 did not materialise.
7	Budget monitoring committee will be established and department will receive monthly reports from Ofgem on the application, accreditations and budget spend.	IAS has no evidence of this having been done to date.
8	If necessary the scheme could be closed to new applicants mid year if applications were higher than expected and budgets risked being overspent.	This is a misstatement. The right to suspend the scheme was not built in the legislation.
9	Energy Division will seek casework committee approval in advance of Phase 2.	Casework Committee was consulted before introduction of the domestic RHI scheme.
10	State Aid. Reapplication for State Aid approval will be necessary if tariffs are amended or revised.	The EC has not been not renotified yet (tariffs and other key elements of the scheme changed)
Actions requested to be completed by the Casework Committee - 9 March 2012		Current position
1	Energy division to obtain the respective approvals from DAO and Minister for the appointment of Ofgem through a DAC (if confirmed appropriate by CPD) and 3rd party organisation delivery award	Completed.
2	Energy Division to confirm to Casework Committee that any contract with Ofgem for administration of the RHI scheme would have performance targets, remedies, safeguards in place for under performance and breakpoints	Ofgem Feasibility Study 1 November 2012 (and amendment of 21 December 2012) provide some reference to performance targets however these were not included into Administrative arrangements document.
3	Energy Division to engage with IAS regarding Ofgem management arrangements and in particular on the requirement for EDO audit inspections to be carried out on Ofgem as administrators of the scheme.	Energy engaged IAS in this and specific auditing arrangements were included into Administrative Arrangements Annex.
4	Energy Division to send a paper to the Top Management Team seeking approval for the ongoing administration costs for Ofgem to operate and maintain the NI RHI system.	Completed (21 December 2012)
5	Energy Division to seek casework committee approval in advance of Phase 2 of the RHI scheme.	Casework was consulted and approval sought before Domestic RHI was introduced.
6	The Business Case to DFP (and the Minister) should explicitly address the reasons why the RHI is favoured over the Challenge Fund option	IAS have only seen the most up to date copy of the Business Case which was sent to DFP
7	Energy Division to send submissions concurrently to DFP and Minister seeking approval for the scheme.	Completed.
		F Hepper wrote to Trevor Cooper on 29 March 2012 answering to the issues raised in relation to the contract with Ofgem. DT1/16/0019177