

**From:** [Hepper, Fiona](#)  
**To:** [Private Office DETI](#)  
**Cc:** [Sterling, David](#); [Thomson, David](#); [Hutchinson, Peter](#); [Sinton, Dan](#); [DG DETI Press Office](#); [Aiken, Glynis](#); [Ross, Alastair](#)  
**Subject:** Cor 515 - Refusal for RHI - Holding Response  
**Date:** 25 October 2013 10:04:33  
**Attachments:** [COR 515 Refusal for RHI - T McConnell.DOCX](#)  
[image002.jpg](#)

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Private Office

Please see attached holding reply for consideration  
Fiona

## **Fiona Hepper**

Head of Energy Division  
Department of Enterprise, Trade & Investment  
Netherleigh  
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Belfast, BT4 2JP  
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**Please consider the environment - do you really need to print this e-mail?**

**From:** Fiona Hepper  
Energy Division

**Date:** 25 October 2013

**To:** 1. Andrew Crawford  
2. Arlene Foster MLA

Copy Distribution List Below

**COR/515/2013: REFUSAL FOR RHI**

**Issue:** Mr Thomas McConnell has written to you regarding his application for the Renewable Heat Incentive (RHI), specifically as he has been rejected for accreditation by Ofgem.

**Timing:** Routine

**Need for referral to the Executive:** None.

**Presentational Issues:** None

**Freedom of Information:** Fully discloseable.

**Financial Implications:** None.

**Statutory Equality Obligations:** There are no Section 75 implications.

**PFG/PSA implications:** None.

**Legislation Implications:** None.

**Recommendation:** This issue is ongoing and a definitive response, or briefing, is not available at this stage, therefore it is recommended that a holding response to Mr McConnell at this stage whilst officials further explore this issue. A draft is provided at Annex A for your consideration.

## **Background**

1. Mr Thomas McConnell has written to you regarding his application for support under the NI Renewable Heat Incentive (RHI). Mr McConnell has installed a 70kW biomass boiler at his business premises; he did so with the assistance of a £40k interest free loan from the

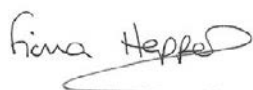
Carbon Trust. Mr McConnell subsequently applied for support under the RHI scheme but was rejected, on the basis that the installation had already received support under the Carbon Trust loan. DETI Energy Division is aware of the issue and has spoken to Mr McConnell on a number of occasions. It is expected that he will seek a formal review of his application.

### **RHI and the Carbon Trust 0% interest loan**

2. The RHI scheme is administered by Ofgem and is underpinned by the Renewable Heat Incentive Scheme Regulations (Northern Ireland) 2012. It is the responsibility of Ofgem to interpret and enact these Regulations as their role as scheme administrator. It is Ofgem's current view that the Regulations do not permit both the use of the Carbon Trust loan and the RHI as the loan is an "economic advantage from a public authority" as prohibited under Regulation 23.
3. The issue is clouded however as DETI previously raised the issue of compatibility with the Carbon Trust 0% interest loan with Ofgem in January 2013. At that stage, Ofgem advised that the two schemes were compatible and therefore applicants could receive the loan and be accredited under the RHI. Ofgem subsequently advised a number of potential applicants accordingly. However a recent review of this issue has led to Ofgem changing their position on eligibility, hence they have rejected Mr McConnell's application.
4. Energy Division have significant concerns regarding the apparent discrepancy between the Ofgem guidance in January 2013 and the position taken now that has led to the rejection of Mr McConnell's application. Therefore there is ongoing engagement between DETI and Ofgem on the matter, specifically I have requested the following from Ofgem;
  - i. That they share the legal opinion on the compatibility issue;
  - ii. They provide an explanation for the inconsistency in their advice; and
  - iii. Consider how the matter is taken forward and resolved.
5. In addition, DETI is considering policy options on this matter, whilst bearing in mind the potential linkages with State Aid guidelines and regulations. Energy Division officials are in contact with Ofgem on this matter on a daily basis yet are still awaiting the information requested. They have also engaged with Departmental Solicitor's Office to get their view on the matter.
6. Once I have been able to consider the relevant legal advice and the appropriate next steps I will brief you more fully on the matter.

### **Recommendation**

7. As this issue remains 'live' it is recommended that you reply to Mr McConnell using the holding response attached at **Annex A**.



**FIONA HEPPER**

cc: David Sterling  
David Thomson  
Joanne McCutcheon  
Peter Hutchinson  
Dan Sinton  
Press Office  
Glynis Aiken  
Alastair Ross, MLA, APS

**DRAFT REPLY FROM PS/MINISTER TO MR THOMAS MCCONNELL**

By email: [mail@5corners.co.uk](mailto:mail@5corners.co.uk)

Dear

**Re: REFUSAL OF RHI**

Thank you for your email of 17 October 2013 regarding your recent refusal of support under the Renewable Heat Incentive (RHI) from the scheme's administrators Ofgem. The Minister has read your correspondence and asked that I respond.

Energy Division officials that have been dealing with the issue you raised have briefed the Minister on the matter, specifically on the various issues surrounding the compatibility of support with the Carbon Trust 0% loan. I understand that discussions are ongoing between officials and Ofgem regarding this eligibility issue. The Minister has asked that officials keep her informed on this matter.

As these discussions are ongoing I am not currently in a position to provide a fuller response, however, I will write again to you when I am able to provide further information.

**Glynis Aiken**

**Private Secretary to Arlene Foster MLA**

**Minister of Enterprise, Trade and Investment**

**HOLDING REPLY FROM CORRESPONDENCE SECRETARY TO MR THOMAS MCCONNELL**

By email: [mail@5corners.co.uk](mailto:mail@5corners.co.uk)

Dear

**Re: REFUSAL OF RHI**

Thank you for your email of 17 October 2013 regarding your recent refusal of support under the Renewable Heat Incentive (RHI) from the scheme's administrators Ofgem.

I understand that discussions are ongoing between DETI officials and Ofgem regarding your application and the eligibility issue relating to the Carbon Trust 0% interest loan.

As these discussions are ongoing I am not currently in a position to provide a fuller response, however, the Minister's Private Secretary will write again to you when further information is available.

**Damien Hegarty**  
**Correspondence Secretary to Arlene Foster MLA**  
**Minister of Enterprise, Trade and Investment**

**From:** [McLaughlin, Christine \(DETI\)](#) on behalf of [Private Office DETI](#)  
**To:** [mail@5corners.co.uk](mailto:mail@5corners.co.uk)  
**Subject:** Renewable Heat Incentive  
**Date:** 25 October 2013 15:23:37  
**Attachments:** [COR 515 Signed Holding Reply.pdf](#)  
[image005.jpg](#)

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Dear Mr McConnell

I refer to your email of 17 October 2013.

Please find attached.

Regards

**Christine McLaughlin**

Private Office  
Department of Enterprise, Trade & Investment  
Netherleigh  
Massey Avenue  
Belfast, BT4 2JP  
Web: [www.detini.gov.uk](http://www.detini.gov.uk)



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

**From:** Thomas McConnell <[mail@5corners.co.uk](mailto:mail@5corners.co.uk)>  
**Date:** 17 October 2013 11:57:49 BST  
**To:** [arlene@arlenefoster.org.uk](mailto:arlene@arlenefoster.org.uk)  
**Subject:** Website Contact:  
**Reply-To:** [mail@5corners.co.uk](mailto:mail@5corners.co.uk)

To: Webmaster

From:  
Thomas McConnell  
[mail@5corners.co.uk](mailto:mail@5corners.co.uk)

Telephone Number  
442893322657

Message:  
Hi Arlene

I have been refused rhi from ofgem on the grounds that i got a loan from carbon trust. i have emails from ofgem and deti stating that the two do not conflict. as i have spent £40k on a system, without RHI I

cannot afford to repay the loan. Could you have a look into why I have been refused . Peter hutchinson from Deti is aware of my case  
Thank-you thomas McConnell

Sent from (ip address): Personal information  
redacted by the RHI Inquiry

Date/Time: October 17, 2013 10:57 am

Coming from (referer): [http://arlenefoster.org.uk/?page\\_id=2](http://arlenefoster.org.uk/?page_id=2)

Using (user agent): Mozilla/5.0 (Windows NT 6.1; WOW64)

AppleWebKit/537.36 (KHTML, like Gecko) Chrome/30.0.1599.69

Safari/537.36



From the Office of the Minister



Department of  
**Enterprise, Trade  
and Investment**

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**Our Ref: DETI COR 515/2013**

Mr Thomas McConnell

E mail address: [mail@5corners.co.uk](mailto:mail@5corners.co.uk)

25 October 2013

Dear Mr McConnell

Thank you for your email of 17 October 2013 regarding your recent refusal of support under the Renewable Heat Incentive (RHI) from the scheme's administrators Ofgem.

I understand that discussions are ongoing between DETI officials and Ofgem regarding your application and the eligibility issue relating to the Carbon Trust 0% interest loan.

As these discussions are ongoing I am not currently in a position to provide a fuller response, however, the Minister's Private Secretary will write to you when further information is available.

Yours sincerely

**DAMIEN HEGARTY**

Correspondence Secretary to Arlene Foster MLA