

**From:** [Caldwell, Alison](#)  
**To:** [Brennan, Mike](#)  
**Cc:** [Morelli, Emer](#); [Sewell, Julie](#)  
**Subject:** RE: Update on RHI  
**Date:** 19 January 2017 17:26:57

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Mike

Andrew advised the committee yesterday that he had received information that indicated the industry was aware of the scheme changes and that this would be covered by the ongoing DFE HR fact finding exercise. I would assume that this email will be part of that, or indeed any inquiry that may occur.

From what I understand the C&AG has no plans to do further work on RHI other than his normal audit process.

In this instance I would advise that you confirm with Andrew or indeed HOCS (who now seems to be leading on it) that the emails of the 20 August 2015 are available to the fact finding review team.

Given the HR/DPA issues connected to this matter (names are provided in the email train) I would recommend that suitable controls are considered when saving this email.

Happy to discuss further if required.

**Alison Caldwell**  
**Treasury Officer of Accounts & Head of AFMD**  
**Room S15, Department of Finance, Rathgael House, Balloo Road, Bangor, BT19 7NA**  
**Telephone: 02891 858249 or Ext 68249**

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**From:** Brennan, Mike  
**Sent:** 19 January 2017 09:29  
**To:** Caldwell, Alison  
**Cc:** Morelli, Emer  
**Subject:** FW: Update on RHI

Alison – Andrew McCormick sent me the following email yesterday. I am not sure if you have seen before but the worrying aspect is the email from John Mills (dated 20 August 2015). In this email the unsettling sentence is “The team is fielding daily telephone queries on when our proposed changes will happen”

It ties into Andrew’s comments to PAC yesterday. I wonder if we need to forward this to the C&AG for his consideration given the implications of this?

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**From:** McCormick, Andrew (DFE)  
**Sent:** 18 January 2017 11:25  
**To:** Brennan, Mike  
**Subject:** FW: Update on RHI

Further detail re my point

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**From:** Brankin, Bernie  
**Sent:** 24 August 2015 16:09  
**To:** Mills, John (DETI)  
**Cc:** McCormick, Andrew (DETI); Rooney, Eugene; Stewart, Chris (DETI); Cooper, Trevor; Wightman, Stuart; Partridge, Jeff; Hughes, Seamus; Hill, Janice; McIlwrath, Linda  
**Subject:** FW: Update on RHI

John

Finance Branch put forward a technical adjustment in the June Monitoring Technical exercise to increase RHI AME in 2015-16 in line with forecast requirements in this financial year. DFP and Treasury approved this technical adjustment. I have checked with DFP to ensure that we definitely have secured the required budget cover in 2015-16 as initially DFP advised that they would not help us until all RHI issues had been resolved. I have confirmed with DFP that the RHI AME budget in 2015-16 has been increased to reflect the £23.178m forecast requirements for the current financial year. However, RHI AME is not standard AME. DECC has confirmed that penalties are applied for overspending. We have a number of supplementary questions around when and how penalties are applied. We think the best way forward is for Irrelevant information redacted by the RHI Inquiry to provide a finance contact so that DETI finance may engage directly with DECC's Finance Team initially by phone and then we will follow up in writing. I would be grateful if you would consider sending the draft follow up email to Irrelevant information redacted by the RHI Inquiry in DECC.

Bernie

Sarah

Thanks for your email. There are a few financial points we would like to discuss. It may be best that our respective finance colleagues discuss by telephone. Could you advise on who we should contact within your finance team.

## **Bernie Brankin**

Finance Branch  
Department of Enterprise, Trade & Investment  
Netherleigh  
Massey Avenue  
Belfast, BT4 2JP  
Tel: 028 9052 9417 (ext: 29417)  
TextRelay: 18001 028 9052 9417  
Web: [www.detini.gov.uk](http://www.detini.gov.uk)

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

**From:** McCormick, Andrew (DETI)  
**Sent:** 20 August 2015 17:43  
**To:** Mills, John (DETI); Stewart, Chris (DETI)

I will need to speak to Tim myself as the position re the need for change is crystal clear – may need to ask you come to Issues on Monday if we need a more substantive discussion with the

Minister.

Copying to Finance re the last point – is the AME in the baseline because HMT has accepted the amended forecast and consciously given us the extra? – if that is confirmed then one of the three critical points has been resolved.

**Cc:** Wightman, Stuart; McIlwrath, Linda; Hill, Janice; Hughes, Seamus; Cooper, Trevor; Brankin, Bernie

**Subject:** RE: Update on RHI

Please raise at SMT.

Many thanks.

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**From:** Mills, John (DETI)

**Sent:** 20 August 2015 17:05

**To:** McCormick, Andrew (DETI); Stewart, Chris (DETI)

**Cc:** Wightman, Stuart; McIlwrath, Linda; Hill, Janice; Hughes, Seamus

**Subject:** FW: Update on RHI

Andrew/Chris,

Not sure how to take forward, will raise at SMT if content for me to do so

The current position with the various RHI work streams is set-out below (thanks Stuart). We have effectively done everything we can and now await clearance of the Submission. The team is fielding daily telephone queries on when our proposed changes will happen. Even if we receive clearance this week and publish the final policy, we're only effectively giving the industry 6 weeks notice and risking legal challenge. Stuart has been speaking informally to Moy Park who are supportive of our proposals for a tariff tier and cap. It is the individual applicants and installers where we're liable to receive flack. Stuart tells me some have these have declined work on the expectation of the introduction of additional measures to manage the scheme.

## **RHI Issues**

- (1) **RHI Submission** – we are still awaiting Ministerial clearance on the proposals. We have responded to various SpAD queries and Chris has highlighted to SpAD the need for this to be cleared asap.
- (2) **Legislation for Tariff Changes in October** – Paul McGinn (DSO) is scrutinising our draft regulations himself. We expect a response this week. ETI Committee need to clear SL1 (policy) at its first meeting on 15 September to meet our October deadline. SL1 cannot be sent to ETI Committee until Submission is cleared.
- (3) **Administrative Changes for Tariff Changes** – we have instructed Ofgem to update their administrative IT systems and processes to ensure the proposed tariff changes can be implemented from 5 October 2015.
- (4) **RHI business case** – We've taken this as far as we can. Sandra is to provide up-to-date figures later this week on her return. Alan/Shane have completed the VFM section which show a positive NPV for commitments post 1 April 2015. We can't

submit Business Case until Minister has cleared submission.

- (5) **Budget -** Irrelevant information redacted by the RHI Inquiry, (DECC), has responded to our correspondence confirming that there is no spare GB funding and arrangements need to be made with HMT. This DECC response was shared with Trevor Cooper. The additional AME required for this year has now appeared in our baseline.