

**From:** [Scott, Michelle](#)  
**To:** [Scott, Michelle](#)  
**Subject:** FW: RHI  
**Date:** 24 February 2017 10:58:31

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**From:** Brennan, Mike  
**Sent:** 26 January 2016 21:17  
**To:** Morelli, Emer; McBurney, Joanne; Scott, Michelle  
**Subject:** Fw: RHI

For info

This issue is escalating quickly. I will give Jon a call in morning

M

Sent from my BlackBerry 10 smartphone.

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**From:** Brennan, Mike <[Mike.Brennan@dfpni.gov.uk](mailto:Mike.Brennan@dfpni.gov.uk)>  
**Sent:** Tuesday, 26 January 2016 21:10  
**To:** Sterling, David  
**Subject:** Re: RHI

David

To be fair to Jon Donaghy he did try to get the energy desk in HMT to review their position but when they saw what DETI cost profile was they firmly shut him down  
My experience is that HMT will never move from a position signed off by the CST and now that we have a clear CST line in the settlement letter on RHI we haven't a chance of getting any concession  
Furthermore given the cost implications run over the next 20 plus years it creates such a precedent that HMT will want to be seen to make an example for others  
I am also worried that the Executive will be accused by HMT of bad faith in getting a Fresh Start budget agreement sorted and then we unleash this upon them.

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**From:** Sterling, David  
**Sent:** Tuesday, 26 January 2016 20:34  
**To:** Brennan, Mike  
**Subject:** Fw: RHI

Mike

To see. I'll have a word with Malcolm about this.

I presume our advice is that Treasury will not budget an inch on this issue AND will take a

very dim view of the Executive's procrastination on this.

Asking for help when there's the ongoing debate about Budget control will hardly help matters.

David

Sent from my BlackBerry 10 smartphone.

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**From:** McCormick, Andrew (DETI) <[Andrew.McCormick@detini.gov.uk](mailto:Andrew.McCormick@detini.gov.uk)>  
**Sent:** Tuesday, 26 January 2016 20:15  
**To:** Mills, John (DETI); Stewart, Chris (DETI)  
**Cc:** McIlwrath, Linda; Hill, Janice; HOCS; Sterling, David; Brennan, Mike; Rooney, Eugene  
**Subject:** Re: RHI

Just had clear message from Tim and the Minister. The RHI issue is now a matter for the FM and HOCS. My impression that the focus is on seeking a better outcome from HMT. Their information is that there will not be a decision until next Tuesday.

I said that immediate action on closure was important in the context of engagement with HMT (as all other contexts).

I also said delay risked not completing closure before dissolution. But I really really need an authoritative and considered time line on this point, including any variants that are not self-evidently indefensible (ie including a variant without consultation/notice).

We also need best available projections of the unfunded costs, net of the slowly rising AME budget that HMT will provide, on all relevant scenarios.

If that information suggests that a delay in taking the decision until Tuesday has unacceptable consequences I would need a fresh draft submission, as clearly FM would need to know that no decision is a decision. But only if that really stands up.

Need firm stress tested perspective for 6am tomorrow Pacific time (we have a 7.25 flight to New York).

Many thanks.

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**From:** Mills, John (DETI)  
**Sent:** Tuesday, 26 January 2016 17:54  
**To:** McCormick, Andrew (DETI); Stewart, Chris (DETI)  
**Cc:** McIlwrath, Linda; McIlwrath, Linda  
**Subject:** RE: NIRO

Andrew,

Omitted to come back on RHI.

Nothing on RHI. Working on implications which, as you would expect, are depressing. So 1) hard to see how legislation can get through if no decision this week. If not, would there be legislation by summer recess? Maybe not. So October might be more realistic? Then there's factoring in the level of applications which could spike or not. There's also issues around actual usage.

However, early indications of bottom line – if it's only possible to close in October 2016 and there's a "normal/raised" level of applications (50 non-domestic a month) and actual usage is up on forecasts, we might face average shortfalls over the next 5 years of £20m+ per annum rather than the £15m p.a. we already face. In year one (16/17) shortfall would go up from c£23m to c. £33m.

There are worse scenarios in terms of levels of application going up.

Stuart gave Trevor some of these figures and he's talking to DFP today. But would have thought, need to get DFP to weigh in and need to get Direction if this isn't going to be closed.

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**From:** McCormick, Andrew (DETI)  
**Sent:** 26 January 2016 15:33  
**To:** Stewart, Chris (DETI)  
**Cc:** Mills, John (DETI); McIlwrath, Linda; McIlwrath, Linda  
**Subject:** Re: NIRO

Tim doubts Committee would pass single ordwr.

Any word on RHI?

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**From:** Stewart, Chris (DETI)  
**Sent:** Tuesday, 26 January 2016 15:25  
**To:** McCormick, Andrew (DETI)  
**Cc:** Mills, John (DETI); McIlwrath, Linda; McIlwrath, Linda  
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Andrew

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parts of UFU on the wisdom of mounting such a challenge.

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**From:** McCormick, Andrew (DETI)  
**Sent:** 26 January 2016 14:03  
**To:** Stewart, Chris (DETI); McCormick, Andrew (DETI)  
**Cc:** Mills, John (DETI); McIlwrath, Linda  
**Subject:** Re: NIRO

Pretty frustrating - do we have legal advice re the potential challenge to a single closure order? I take it Andrew is not hinting at a more generous pitcome?

Many thanks.

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**From:** Stewart, Chris (DETI)  
**Sent:** Tuesday, 26 January 2016 09:50  
**To:** McCormick, Andrew (DETI)  
**Cc:** Mills, John (DETI); McIlwrath, Linda  
**Subject:** NIRO

Andrew

I spoke to Andrew Crawford yesterday to ascertain the likelihood of the NIRO decision being cleared for announcement.

He was aware of the issues, and probed them in conversation. I was left with the impression that he, personally, was not convinced that we have the right answer (he favours a single closure order). Andrew did offer to speak to relevant party colleagues in an effort to expedite matters, but was not hopeful.

That being the case, John and I are preparing for Committee today (if it happens) and NIRIG tomorrow (apologies, earlier emails suggested it was today also) on the basis that we cannot pre-empt the Minister's announcement, but that he is very carefully considering the issues raised in consultation etc.

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**Brennan, Mike**

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**From:** Crawford, Andrew  
**Sent:** 26 January 2016 19:29  
**To:** Brennan, Mike  
**Cc:** David Sterling; Aiken, Glynis  
**Subject:** Re: RHI - update

Mike

The deti Minister is responsible for the policy decisions on both of these matters.

Happy to discuss financial implications tomorrow if you are in Clare House.

Andrew

Sent from my BlackBerry 10 smartphone.

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**From:** Brennan, Mike  
**Sent:** Tuesday, 26 January 2016 15:53  
**To:** Crawford, Andrew  
**Cc:** Sterling, David; Aiken, Glynis  
**Subject:** RHI - update

Andrew – in the discussions with the Minister recently on the Chief Secretary letter, we discussed the lack of action by DETI on RHI. You mentioned that you would take forward the issue at a political level.

Worryingly you should know that at a Supply DETI stocktake today, DETI officials confirmed that the scheme had still not stopped. Costs have escalated by a further £6.2 million in just a few days and will continue to increase. DETI officials state that they will recommend going out to consultation on what should happen. This will only delay closure and allow costs to increase further – a hit of the DEL position in 2016-17. My growing worry is that the scale of the financial pressure is such that it will not be accommodated within the June Monitoring exercise – thus destabilising the Centre position.

Furthermore, DETI officials announced that they also have another emerging problem on the energy side in relation to the ROC payments for 2016-17 – again Northern Ireland is significantly overexposed to payments and it is anticipated that this will also become a DEL pressure.

M

**Brennan, Mike**

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**From:** Sterling, David  
**Sent:** 26 January 2016 21:16  
**To:** Brennan, Mike  
**Subject:** Re: RHI

Mike

I've spoken to Malcolm. He's not happy. We'll discuss in the morning.

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