

**From:** [Scott, Michelle](#)  
**To:** [Brennan, Mike](#); [Morelli, Emer](#)  
**Cc:** [Downie, Jill](#)  
**Subject:** Re: Executive Paper Renewable Heat Incentive  
**Date:** 04 January 2017 22:09:13

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Minister commented on the proposal, the lack of consultation with DoF and the concerns regarding the post November tariff.

Regarding the attention on DoF officials - are there criticisms we need to be aware off?

Sent from my BlackBerry 10 smartphone.

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**From:** Brennan, Mike  
**Sent:** Wednesday, 4 January 2017 22:04  
**To:** Scott, Michelle; Morelli, Emer  
**Cc:** Downie, Jill  
**Subject:** Re: Executive Paper Renewable Heat Incentive

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Michelle - thanks. I have had some interesting discussions with both Minister and Andrew this evening that I will update you on before we meet Minister.

Let's just say that how we as DoF officials act in going to attract a lot of attention in next few days!

Sent from my BlackBerry 10 smartphone.

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**From:** Scott, Michelle  
**Sent:** Wednesday, 4 January 2017 19:26  
**To:** Brennan, Mike; Morelli, Emer  
**Cc:** Downie, Jill  
**Subject:** Re: Executive Paper Renewable Heat Incentive

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Mike

I am available to attend.

We should have a clearer position on the rate of return issue once DfE submit the business case. As discussed with Stephen this morning that business case should clarify what returns are considered reasonable and what returns the scheme is actually delivering. These can only be estimates given that lack of actual data on boiler costs and the limited payment information for many of the installations.

My understanding is the addendum should not have compared the rates based on payback to the 12% - and the 19% max (based on boilers being switched off once the higher tariff has been fully utilised) is the correct level.

However we need to consider if this would have materially altered the value for money assessment of that addendum. The rate of return remains, even at its maximum, within the EU Limit and considerably below those available pre-novmeber. My concern had been

something had changed to increase the return available - that appears not to be the case.

This is all subject to confirmation from DfE - and I hope this will be clarified within the business case currently being drafted

Michelle

Sent from my BlackBerry 10 smartphone.

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**From:** Brennan, Mike  
**Sent:** Wednesday, 4 January 2017 19:07  
**To:** Scott, Michelle; Morelli, Emer  
**Cc:** Downie, Jill  
**Subject:** Fw: Executive Paper Renewable Heat Incentive

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Emer / Michelle

Minister wants us to meet him at 9.30 in Clare House if that suits

M

Sent from my BlackBerry 10 smartphone.

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**From:** Máirtín Ó Muilleoir <mairtin@newbelfast.com>  
**Sent:** Wednesday, 4 January 2017 19:04  
**To:** Brennan, Mike; Eoin Rooney  
**Cc:** Scott, Michelle  
**Subject:** Executive Paper Renewable Heat Incentive

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Mike, Michelle,

What happens if we declare the spending on the scheme post November 15 to be irregular? Is Comptroller then informed? What does he do? Investigate as he did previously and report to Assembly, PAC etc?

We need to make a call on this funding as the new 'plan' is suggesting moving everyone to the November 15 solution.

When will you have the information to make that call one way or the other?

Can we meet at 9:30am on this issue on Thursday?

Mairtin

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**Sent:** 20 December 2016 13:20  
**To:** Scott, Michelle; McMurray, Stephen  
**Cc:** Morelli, Emer; Cousins, Heather  
**Subject:** RE: HPRM: DfE EXEC-1048-2016: Version 1: Version 1 Executive Paper Renewable Heat Incentive

Stephen

The urgency is that DoF is now placed in a very difficult position (ie regularity of previous decision) so clarification on this rate of return point is very important

M.

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**From:** Scott, Michelle

**Sent:** 20 December 2016 12:14

**To:** Scott, Michelle; McMurray, Stephen

**Cc:** Brennan, Mike; Morelli, Emer; Cousins, Heather

**Subject:** RE: HPRM: DfE EXEC-1048-2016: Version 1: Version 1 Executive Paper Renewable Heat Incentive

Stephen

Sorry to press – I know you are extremely busy however I just wanted to check if you had had an opportunity to consider the rate of return issue flagged in the emails below?

Many thanks

Michelle

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**From:** Scott, Michelle

**Sent:** 19 December 2016 09:18

**To:** McMurray, Stephen

**Cc:** Brennan, Mike; Morelli, Emer; Cousins, Heather

**Subject:** RE: HPRM: DfE EXEC-1048-2016: Version 1: Version 1 Executive Paper Renewable Heat Incentive

Stephen

Further to the query below, I also note that the 14 December Executive Paper states that returns of up to 19% are achievable on the post November 2015 tariff.

Looking back to the October 2015 addendum, the Post November tariff was only projected to provide a return of between 11.6% and 12.8%. for new applicants from the most intensive users – i.e. the poultry sector.

I would be grateful if you could advise why the rate of return is higher than projected last year? Are there further opportunities for gaming which had not been recognised?

As you will appreciate, this is a fast moving issue and we need this information to augment advise to our Minister. I would therefore be grateful if you could give this your urgent attention.

Michelle

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**From:** Scott, Michelle

**Sent:** 15 December 2016 17:03

**To:** McMurray, Stephen

**Cc:** Brennan, Mike; Morelli, Emer

**Subject:** HPRM: DfE EXEC-1048-2016: Version 1: Version 1 Executive Paper Renewable Heat Incentive

Stephen

I note the reference in the attached Executive paper to recent analysis by the department which demonstrates the pre 18 November tariff could generate returns in excess of 100% for 99kw biomass installations. The addendum submitted

to DFP in October 2015 stated that the rate of return for a typical 99kw boiler was around 33% under the original tariff regime - and this rate of return was driving the need to reform the tariff by introducing a tier and cap. Clearly at that time the potential

rates of return for the scheme were significantly underestimated.

Many thanks

Michelle