

**From:** [Morelli, Emer](#)  
**To:** [Simpson, Tony](#)  
**Cc:** [Neeson, Patrick \(DoF\)](#); [Scott, Michelle](#)  
**Subject:** HP Records Manager DoF Document : F11/17/28109 : Supply - DfE - AQW 9235 16-21 - Jim Allister MLA - Renewable Heat Initiative (RHI) Scheme  
**Date:** 17 January 2017 17:44:14  
**Attachments:** [Supply - DfE - AQW 9235 16-21 - Jim Allister MLA - Renewable Heat Initiative \(RHI\) Scheme.DOCX](#)  
[Supply - DfE - AQW 9235 16-21 - Jim Allister MLA - Renewable Heat Initiative \(RHI\) Scheme.tr5](#)

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Tony

Please see attached draft response to AQW 9235-16. Grateful for any comments on this draft response and your agreement that the Economist's comments can be placed in the Assembly library. Names will be redacted in line with the established precedent that names below SCS are not published.

In answering this question I am keen to relay the ongoing engagement between our teams on the business case process without a reliance on formal VFM reports etc.

I am happy to discuss

Many thanks

Emer

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**Máirtín Ó Muilleoir MLA, Minister**  
Clare House, 303 Airport Road West,  
Belfast BT3 9ED

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**Jim Allister MLA**  
**Northern Ireland Assembly**  
**Parliament Buildings**  
**Stormont**

**January 2017**

**AQW 9235/16-21**

**Jim Allister has asked:**

To ask the Minister of Finance to place in the Assembly library a copy of the report by Department of Finance and Personnel Economists to Supply on the Value for Money of the Renewable Heat Incentive Scheme before Department of Finance and Personnel Supply approved it.

**ANSWER**

The Department of Finance economists work closely with Supply teams on the assessment of spending proposals, in what is often an iterative process.

I have placed a copy of written comments provided by the DFP economist to Supply on the 2012 Non-Domestic Renewable Heat Incentive scheme in the library.

**Máirtín Ó Muilleoir MLA**

**BACKGROUND NOTE**

1. DETI submitted the Non-Domestic RHI business Case to DFP on 22nd March 2012.
2. DFP considered the outline business case and raised two queries with DETI on 26 April 2012. The queries were in relation to:-
  - a) The consultants' advice on tariffs for the NI scheme.
  - b) The approvals to appoint OFGEM to administer and deliver the scheme.
3. Following receipt of a satisfactory response on 26th April from DETI, DFP issued a conditional approval letter on 27th April 2012. DFP approval was given for the period 1 July 2012 to 31 March 2015, representing the period for which HMT funding of £25m had been secured. The letter advised DETI that any decision to continue the scheme beyond 2015 would require further/separate DFP approval.

**Cleared by Head of Division: Emer Morelli**

**January 2017**

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**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_