

**Scott, Michelle**

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**From:** Scott, Michelle  
**Sent:** 18 January 2017 10:39  
**To:** Morelli, Emer  
**Cc:** Galloway, Pamela; Millar, Angela (DoF)  
**Subject:** FW: RHI PAC

Emer

Further to our earlier conversation, I understand from Angela that departments are allowed to update their AME through monitoring rounds

Michelle

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**From:** Millar, Angela (DoF)  
**Sent:** 18 January 2017 09:48  
**To:** Scott, Michelle  
**Subject:** RE: RHI PAC

Michelle

The RHI AME in year position for 15/16 was as follows:

Opening position	£11,640k
June Monitoring	£23,178k
November monitoring	£23,178k
January Monitoring	£30,400k
Final outturn	£35,103k

For the Oct 2015 AME profile exercise DETI were advised to only profile for existing and not new installations  
 15/16 £24,362k  
 16/17 to 21-22 £30m p.a

angela

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**From:** Scott, Michelle  
**Sent:** 18 January 2017 07:10  
**To:** Millar, Angela (DoF)  
**Subject:** Fw: RHI PAC

Sent from my BlackBerry 10 smartphone.

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**From:** Morelli, Emer <[Emer.Morelli@finance-ni.gov.uk](mailto:Emer.Morelli@finance-ni.gov.uk)>  
**Sent:** Tuesday, 17 January 2017 22:13  
**To:** Brennan, Mike  
**Cc:** Scott, Michelle  
**Subject:** Fw: RHI PAC

Mike

I will look at the exact timeline of events tomorrow but DfE need to exercise care on the issues raised below.

The addendum to the business case submitted to DoF in late October modelled a small increase in applications as part of the projected spend for the scheme. The rationale for this was based on amendments to similar schemes in England and other DfE schemes where applications increased in advance of a change.

The modelling provided to DoF was broadly in line with original CEPA projections of the cost of a fully operating scheme in NI. It is important to note that a control total was not set for the 2015 16 financial year until late Nov/ Dec (I will check exact date tomorrow). I do not recognise the July August increase referred to below.

In addition DfE was advised by DoF not to model any new applications to the scheme post 2015 16. This was on HMT advice as there was uncertainty as to the way forward for the English scheme following the emergency Summer budget and would only be clarified in the Autumn statement.

DfE advised that the purpose of the addendum and introduction of cost controls was to sustain VFM. At this stage it was not driven by affordability concerns. The availability of AME rather than DEL would therefore appear to be a moot point.

On a related point the consultation on the attendant Regs was notified by SL1 in early Sept. DoF was not notified of this action and as noted above the addendum not submitted to Supply until late October.

I will pull some lines together tomorrow when I can access TRIM.

Many thanks

Emer

Sent from my BlackBerry 10 smartphone.

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**From:** McCormick, Andrew (DFE) <[Andrew.McCormick@economy-ni.gov.uk](mailto:Andrew.McCormick@economy-ni.gov.uk)>  
**Sent:** Tuesday, 17 January 2017 20:54  
**To:** Brennan, Mike  
**Cc:** Morelli, Emer; Sterling, David; McCann, Brendan; McMurray, Stephen  
**Subject:** RHI PAC

I'm expecting a main line of questioning tomorrow will be why the spike of applications happened in Autumn 2015. One factor was the false perception that as an AME budget the risk of opportunity cost to DEL services was low. One confusing factor was that in July/August 2015, HMT met a bid for a substantial increase on the AME budget for the scheme. This was obviously helpful, but it reinforced the view of those saying within DETI at the time that this was "normal" AME (despite the extensive and clear email trail to the contrary).