

From: [Brennan, Mike](#)
To: [Morelli, Emer](#); [Scott, Michelle](#)
Cc: [Sterling, David](#)
Subject: Fw: RHI
Date: 18 January 2017 20:06:12

We will have to exercise some care in crafting this 'comfort' letter. It will need to be consistent with the business case approval while at the same time noting that the fears on inspection and Ofgem are not without foundation

I will have a first crack at a draft and circulate

M

Sent from my BlackBerry 10 smartphone.

From: Rooney, Eoin <Eoin.Rooney@finance-ni.eu>
Sent: Wednesday, 18 January 2017 18:20
To: Brennan, Mike
Cc: Kerr, Sean
Subject: RHI

Mike

Mairtin has asked me to pass this message on to you:

I continue to be concerned at the competence of the Department of the Economy to deliver the 'interim solution' they have presented in their business case. In considering their proposal it is crucial that I am fully cognisant of the risks associated with their approach. I want to give them an honest appraisal of their shortcomings as we see them. I welcome the feedback from you and your senior colleagues around the legal and financial robustness of their plan but if the execution of their plan is botched, I have no doubt but that the public dismay will be directed at the Department of Finance for giving that plan the green light.

In particular, having read the PAC hearing of 26 October, I am amazed that OFGEM is still seen as playing any part in the solution put forward by Economy. OFGEM has been central to the failure of RHI. Why do they have to be part of this solution? As PAC Chair Robin Swann said at the conclusion of that hearing: "My impression of OFGEM has plummeted today and my confidence in it as an organisation has definitely been shaken by what I hear about how you have managed the scheme to date. The answers that I heard today have made me question my belief in your competence as an organisation." I would therefore appreciate a frank assessment of your confidence in OFGEM in relation to Economy's RHI Plan. If OFGEM does not have your full confidence, I need to know that in order to make a fully informed decision.

The second area of grave concern to me is the proposal to appoint inspectors. What confidence do you have that the Department of the Economy has the competence to commission this inspection team swiftly and then the ability to make sure they deliver the goods in terms of closing down those who are milking the scheme? Why have we still not received a business plan for an inspections regime when the Assembly is to be asked to approve the Minister's RHI plan within a matter of days? Reading the PAC evidence from 26 October, it's clear that the inspection process was shambolic. How do we know that it will be different this time? Who will

oversee it? Who will ensure it delivers? Again, I want to have full confidence in the inspections part of this plan. Does it have your full confidence?

The word “sleepwalked” was used several times by MLAs to describe how OFGEM and the Department of Economy ignored the risks of the RHI scheme. Let’s make sure we don’t get accused of sleepwalking into this solution.

From: [Sterling, David](#)
To: [Brennan, Mike](#); [Morelli, Emer](#); [Scott, Michelle](#)
Subject: RE: RHI
Date: 18 January 2017 21:10:27

I've put a call out to Andrew re the business case. I'll raise the Ofgem point with him. This will be the trickiest issue as no one could have much confidence in them. However it would be hard to get anyone to replace them quickly given the systems which would need to be developed.

I'll speak to Des and Sharon Smyth to see if they can offer any advice on how we can ensure DfE exercise tight contract management of the audit and inspection process.

D

Sent with Good Work (www.blackberry.com)

From: Brennan, Mike <Mike.Brennan@finance-ni.gov.uk>
Date: Wednesday, 18 Jan 2017, 20:06
To: Morelli, Emer <Emer.Morelli@dfpni.gsi.gov.uk>, Scott, Michelle <Michelle.Scott@finance-ni.gov.uk>
Cc: Sterling, David <David.Sterling@finance-ni.gov.uk>
Subject: Fw: RHI

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