

Minister: for your consideration and if consent approval please.

From: John Mills *John Mills*  
Date: 31 December 2015 *24/01/16*

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To: 1. Timothy Cairns  
2. Jonathan Bell MLA

*Can we*  
*1) Consult or inform OFU & industry in hypothesis*  
*Now*  
*2) Set out time scales*

DETI SUB *0001/2016*  
~~1230/2015~~

**FUTURE OF RENEWABLE HEAT INCENTIVE**

**Issue:** Future of Northern Ireland Renewable Heat Incentive (RHI)

**Timing:** A decision is needed immediately to pursue the necessary legislative changes to minimise overspending on the existing scheme.

**Executive Committee Referral:** Yes. Paragraph 2.4 of the Ministerial Code requires referral of matters that have implications for the PfG (10% target not being reached if scheme closed) or are "significant or controversial" which this would be. It might also be considered cross cutting.

**PFG Implications:** The PfG targets for renewable heat are 4% by 2015 and 10% by 2020.

**Presentational Issues:** Likely to attract criticism given the scale of the unapproved expenditure

**FOI Implications:** Not discloseable on grounds of policy development.

**Financial Implications:** Treasury has indicated that the cost overrun may need to be covered from the Executive's Resource DEL which, if confirmed, would imply a substantial opportunity cost to DETI or other NI Block services.

**Legislation Implications:** Any changes to the scheme require, at least, affirmative resolution regulations.

**Statutory Equality Obligations:** Equality screening suggests the proposed Regulations do not have a significant impact.

**Recommendation:** That you:  
• agree to close (or suspend) both RHI schemes as soon as possible;  
• agree to procure additional audit checks for the Non Domestic RHI scheme.