



Lindsay Goater

Personal
information
redacted by the
RHI Inquiry

5 October 2017

Dear Madam,

Re: The Independent Public Inquiry into the Non Domestic Renewable Heat Incentive (RHI) Scheme
Provision of a Section 21 Notice requiring the provision of evidence in the form of a written statement

I am writing to you in my capacity as Solicitor to the Independent Public Inquiry into the Non Domestic Renewable Heat Incentive (RHI) Scheme (known as 'the RHI Inquiry') which has been set up under the Inquiries Act 2005 ('the Act').

I know that you will be familiar, from my previous correspondence, with the RHI Inquiry's Terms of Reference, which remain available on the Inquiry's website. You will also be aware that the RHI Inquiry is conducting its investigations into the matters set out in its Terms of Reference. The Inquiry is continuing with the process of gathering all of the relevant documentation from relevant departments, organisations and individuals.

In addition, the Inquiry is also engaged in the process of requiring individuals who have been, or who may have been, involved in the range of matters which come within the Inquiry's Terms of Reference to provide written evidence to the Inquiry Panel.

In keeping with the approach we are taking with other individuals, the RHI Inquiry is

now issuing to you a Statutory Notice (known as a 'Section 21 Notice') pursuant to its powers to compel the provision of evidence in the form of a written statement in relation to the matters falling within its Terms of Reference.

The Section 21 Notice enclosed with this letter requires you to provide evidence to the RHI Inquiry Panel in the form of a written statement addressing the matters identified in the Schedule to the Section 21 Notice. As the text of the Section 21 Notice explains, you are required by law to comply with it.

The aim of the enclosed Notice is to require you to provide all relevant evidence you have within your knowledge, information or belief which is pertinent to the Inquiry's Terms of Reference. The Schedule to the enclosed Section 21 Notice provides further detail as to the matters which should be covered in the written evidence which is required from you. In the event that there is a category of information in respect of which you have no evidence which you can provide, please state this in your response. Where you can provide evidence, the more comprehensive your statement is, the less likely it may be that the Inquiry will have to revert to you at a later stage for clarification, although in many cases this is likely to be necessary to some degree.

It is vital that the witness statement you provide to the Inquiry is your own evidence, absent the influence of others; that it is comprehensive; and that it fully explains your involvement in the matters about which you have been asked.

As you may be aware, the Inquiry has already required the provision of a statement setting out the corporate position of Ofgem in relation to the Northern Ireland RHI Scheme. However, the Inquiry Panel is also interested in the roles played by individual officials from Ofgem who were involved with the Scheme. Moreover, the Inquiry Panel recognise that individual officials may have a different perspective from, or may even disagree with certain aspects of, the position adopted by the organisation they work for. The statement, which is required from you pursuant to the enclosed Notice, is your opportunity to explain what you did in relation to the Northern Ireland RHI Scheme and why you did it; and also to make the Inquiry aware of any concerns you may have about the actions of others.

I appreciate that you may require or desire access to some documentation in order to assist you in preparing your statement. In particular, you may wish to see documentation to which you previously had access but now no longer have access in your current post. If that applies in your case, I understand that Ofgem will assist you, at least in the first instance. You should contact Mark Mills, Principal Legal Advisor at Ofgem. He is contactable at Mark.Mills@ofgem.gov.uk. I have informed Mark Mills that you may be making contact with him to arrange access to documentation, or for general assistance and support; but there is, of course, no obligation upon you to do so. If you encounter any difficulties, of whatever kind, you should not hesitate to get in touch with me.

I also refer you to Restriction Order No 2 made by the Chairman of the RHI Inquiry on 22 June 2017, a copy of which is enclosed for your convenience. This restriction order prohibits you from publishing any documentation received from the RHI Inquiry (save that you may show it to your legal representative) unless you first obtain the consent in writing of the Inquiry Chairman.

In addition to the four restriction orders made by the Chairman of the RHI Inquiry (which you will find published on the Inquiry website) receipt of this correspondence and its enclosures also places you under a duty of confidentiality to the RHI Inquiry in respect of them. You may share the correspondence and the enclosed Notice and documents with your legal representative(s), but neither you nor they may show, communicate the contents of, nor provide this correspondence or the Notice or documents to any other person or organisation without the express permission of the RHI Inquiry. Any breach of this duty of confidentiality is actionable at the suit of the Inquiry Chairman.

You will also find attached to the Section 21 Notice a Guidance Note explaining the nature of a Section 21 Notice and the procedures that the RHI Inquiry has adopted in relation to such a notice. In particular, you are asked to provide your evidence in the form of the template witness statement which is also enclosed with this correspondence.

Given the tight time-frame within which the RHI Inquiry must operate, the Chairman of the Inquiry would be grateful if you would comply with the requirements of the Section 21 Notice as soon as possible and, in any event, by the date set out for compliance in the Notice itself.

Finally, I would be grateful if you could acknowledge receipt of this correspondence and the enclosed notice by email to Patrick.Butler@rhiinquiry.org.

Please do not hesitate to contact me to discuss any matter arising.

Yours faithfully

Patrick Butler

Solicitor to the RHI Inquiry

02890408928

SCHEDULE
[No 494 of 2017]

Background

1. Set out a description of your occupational history, qualifications and experience.
2. Set out a summary of your role or roles within Ofgem. Please provide details of dates between which you held the role/s, and what the role/s entailed. In each instance, describe how this role related, if at all, to the Non Domestic Renewable Heat Incentive (RHI) Scheme in Northern Ireland ('the NI RHI Scheme').
3. Explain, insofar as is relevant to any involvement you had with the RHI Scheme, to whom you were accountable and/or reported in Ofgem and who, if anyone, was accountable and/or reported to you.

Involvement with Northern Ireland RHI Scheme

4. Please summarise any involvement you had with the NI RHI Scheme, whether in respect of its creation, operation, administration, or otherwise, and during what period you were so involved.
5. In respect of your particular role or position:
 - a. Explain what proportion or percentage of your role was devoted to work on the NI RHI Scheme (giving details, if applicable, of how this altered over time or at different periods);
 - b. Explain how you carried out your roles or responsibilities in relation to the NI RHI Scheme on a day-to-day basis; and
 - c. Specify whether you consider you were adequately trained and/or resourced in respect of your roles or responsibilities in relation to the NI

RHI Scheme. (If not, please specify clearly in what respects you contend this was not so and, if applicable, what steps you took in relation to this).

6. Identify, in your view, any actual or potential problems, flaws, anomalies, or difficulties with the NI RHI Scheme and/or its operation or administration, explaining in each instance, so far as you can, how those problems, flaws, anomalies, or difficulties manifested themselves, how they came about, and with whom (if anyone) responsibility or accountability for them lay.
7. Please identify when, and how, you first became aware of each of the aforementioned problems, flaws, etc..
8. Please identify and explain any difficulties you encountered within Ofgem in respect of the operation of the administration of the RHI Scheme.
9. Please identify and explain any difficulties you encountered in the relationship between Ofgem and the Department of Enterprise, Trade and Investment (DETI) (later, the Department for the Economy) in Northern Ireland in respect of the operation of the administration of the NI RHI Scheme.

Involvement with Great Britain RHI Scheme

10. If you had any involvement in the Northern Ireland RHI Scheme (as addressed above), please also address the following issues:
 - a. State whether you were also involved in the analogous RHI Scheme which operated in Great Britain ('the GB RHI Scheme');
 - b. If you were involved in the GB RHI Scheme, summarise briefly the extent and nature of your involvement in it;
 - c. If you were involved in both RHI Schemes:

- i. state whether, based upon your experience of each, there were lessons to be learned for the NI RHI Scheme from the GB RHI Scheme and, if there were, clarify what those lessons were, whether they were learned, and, if they were not learned, what you understand to be the reasons for this;
- ii. state whether, based upon your experiences of each, there were differences in how Ofgem dealt with each Scheme and if there were such differences, clarify whether any of them impacted adversely upon the NI RHI Scheme (in particular, concerning the proper administration of that Scheme), clarify what those particular differences were, and set out the reasons for those differences as you understand them.

Promotion of the NI RHI Scheme

11. Specify whether you promoted the NI RHI Scheme and/or encouraged any third party to seek accreditation under the Scheme, assisted any third party in so doing, or provided any third party with information knowing that they might apply, or consider applying, or that they might advise, encourage, assist, or cause other persons to apply, or consider applying, for accreditation under the Scheme. In respect of any such instance, please provide full details including (but not limited to) the third party concerned and the date of any steps taken by you in that regard.

Lobbying and pressure

12. Identify any instances, to your knowledge or belief, of lobbying or encouragement of Ministers, Special Advisers, Civil Servants or other relevant persons in relation to the terms of the NI RHI Scheme and/or the introduction, non-introduction, variation or delay of the introduction of cost controls into the Scheme (including, but not limited to, the amendment of tariffs, tiering, degression and Scheme suspension or closure) at any stage but, in particular, at the creation of the Scheme and in the period from mid-2015 to early 2016.

13. Identify any instances, to your knowledge or belief, where influence or pressure was exerted on you in relation to any aspect of the NI RHI Scheme. In respect of any such instance specify:
- a. who provided that influence or pressure;
 - b. when it occurred;
 - c. what it consisted of and how it was conveyed;
 - d. what you believed the motivation to have been (and what you now believe the motivation to have been, if different), and why you believe that; and
 - e. how you dealt with it.
14. Identify any instances, to your knowledge or belief, where influence or pressure was exerted on someone else in relation to the NI RHI Scheme. In respect of any such instance identify:
- a. who provided that influence or pressure;
 - b. who it was exerted on;
 - c. when it occurred;
 - d. what it consisted of and how it was conveyed;
 - e. what you believe the motivation to have been, and why you believe that;
 - f. how it was dealt with; and
 - g. how and when you came to be aware of the influence or pressure.

Standards of conduct and conflict of interest

15. Identify any instances, to your knowledge or belief, where a Minister, Special Adviser, Civil Servant or any other person involved in the NI RHI Scheme (including, if applicable, yourself):
- a. breached relevant standards (including, but not limited to, the Nolan Principles, the Ministerial Code of Conduct, the Civil Service Code of Conduct, the Code of Conduct for Special Advisers and/or terms or

conditions of employment or service) or acted in a way incompatible with their duties (including, but not limited to, by means of making premature or unauthorised disclosures);

- b. acted in circumstances relating to or touching upon the Scheme in any way where they had a real or perceived conflict of interest;

in respect of any such instances, providing details and specifying the basis for any belief that there has been a breach of a relevant standard or duty or that a conflict of interest arose.

16. Specify whether, to your knowledge, you have any connection to a person or body receiving payment under the NI RHI Scheme or benefiting commercially from the Scheme in some other way (for instance, by supplying equipment, plant, fuel or other goods or services used by Scheme claimants). In this request, a 'connection' includes (but is not limited to) circumstances where the Scheme claimant or beneficiary is a relative, friend, close acquaintance, business associate or (in the case of politicians or special advisers) donor or supporter (either to or of you or your political party).

Whistle-blowing and raising of concerns

17. Identify any instances of which you are aware of whistle-blowing in relation to the Scheme, or disclosures made in the public interest raising concerns about the NI RHI Scheme, setting out details of when this occurred, to whom and by whom any relevant disclosure was made and how it was dealt with.
18. In particular, provide an account of how you dealt with any disclosures raising concerns about the NI RHI Scheme made or communicated to you at any time. In relation to each such instance, identify precisely how the concerns were communicated to you.
19. Specify when you first became aware that subsidies payable under the NI RHI Scheme exceeded the cost of biomass fuel used to produce heat (so that there

was an incentive in some cases to produce heat merely to make profit from the Scheme) and how you so became aware.

General

20. Considering the RHI Inquiry's Terms of Reference, please identify any representations made to you about the RHI Scheme (which you regard as significant and about which you consider the RHI Inquiry should be aware), whether those representations were made by colleagues, or otherwise. In respect of any such representations please indicate when they occurred, where they occurred, who was involved, and what was said or communicated to you.
21. Considering the RHI Inquiry's Terms of Reference, please identify any conversations or discussions you had about the RHI Scheme (which you regard as significant and about which you consider the RHI Inquiry should be aware), whether those conversations or discussions involved colleagues, or otherwise. In respect of any such conversations or discussions please indicate when they occurred, where they occurred, who was involved, and what was said to you.
22. Provide any further evidence within your knowledge or belief which is relevant to the matters which the RHI Inquiry is investigating as set out in the RHI Inquiry's Terms of Reference.

NOTE:

It is important for the efficiency of the RHI Inquiry that the issues identified above are addressed as fully as possible and by reference, where available, to the dates and locations of specific incidents to which reference is made. The statement should be broken down into paragraphs, which should be numbered sequentially from '1' to the end. The use of appropriate section headings or sub-headings is also encouraged. A template witness statement is provided with this Notice for your assistance and should be used as the format for your response.



INQUIRY INTO THE RENEWABLE HEAT INCENTIVE SCHEME

RHI REF: Notice 494 of 2017

DATE: 16th October 2017

Witness Statement of: Lindsay Goater

I, Lindsay Goater, will say as follows: -

Background

1.

WORK EXPERIENCE

Head of Automotive Transformation – September 2017 to present

UK Department for Business Energy & Industrial Strategy (BEIS), London

Responsibilities:

- Maximising the economic opportunities for UK PLC from the transformation of the UK Automotive Industry moving to autonomous, connected, electrified and shared (ACES) cars.

Head of Energy & Carbon Reporting – January 2016 to September 2017

UK Department for Business Energy & Industrial Strategy (BEIS), London

Responsibilities:

- Strategic lead on UK government policy on energy and carbon reporting. Drafting proposals and securing Cabinet approval for publication of new policy proposals, delivery using light touch Prince2 project management techniques
- Providing timely and accurate expert policy advice to Ministers and senior officials on innovative options for enhancing energy and carbon reporting by businesses, working closely with legal and economic advisers
- Negotiating a consensus across businesses and government through building a network, increasing my own and organisational knowledge of opportunities and challenges, including for exploiting synergies between mandatory greenhouse gas reporting, energy audits (the Energy Savings Opportunity Scheme – ESOS), new policy proposals, and proposed closure of the CRC scheme

Head of CRC Energy Efficiency Scheme – February 2013 to December 2015

UK Department for Energy & Climate Change (DECC), London

Responsibilities:

- Policy lead for delivery (through the UK's Environment Agency) and evaluation (through contractors) of the CRC Energy Efficiency Scheme (formally '*the Carbon Reduction Commitment*')
- Providing timely and accurate expert policy advice to Ministers and senior officials on delivery of the CRC, working closely with legal and economic advisers, ensuring effective collection of ca £700m annual CRC revenue
- DECC lead on the tax and financial incentives aspects of the HMT-led review of the business energy tax and policy landscape in 2015/16, engaging effectively with businesses including presenting at conferences, and across government in particular with HMT and HMRC
- Managing and leading a team of 3 to 8 policy officials to ensure high performance



Senior Manager, Generation, Renewable Heat Incentive (RHI) – June 2011 to February 2013

Office of Gas and Electricity Markets (OFGEM, *the UK's energy regulator*), **London**

Responsibilities:

- Operational management – launched non-domestic RHI, recruited and provided leadership, guidance and direction to deliver through team of 30 staff across London and Glasgow, implemented advice line, standard operating procedures for assessment of applications, and technical reviews
- Responsibility for final sign-off and accreditation of renewable heat installations in relation to £860million RHI budget
- Translated regulations into day to day operational practice, including seeking legal and technical advice
- Implemented key performance indicators (KPI), and suite of management information
- Building and maintaining effective relationships with government departments and industry. Effectively represented OFGEM at conferences and industry meetings to explain and answer RHI questions

Project Manager – April 2009 to June 2011

Medicines & Healthcare products Regulatory Agency (MHRA, *the UK's pharmaceutical regulator*), **London**

Responsibilities:

- Project management – as a Prince2 Practitioner, successfully delivered a high quality £15million building refurbishment and business relocation to both time and budget, effectively managing a range of contractors. Managing risks, issues, project reporting and governance
- Delivered preceding project to scope vision for space use, new 'agile' ways of working, building a consensus across the organisation on behaviours to apply following relocation

Manager, Submissions Centre – June 2006 to March 2009

MHRA, **London**

Responsibilities:

- Operational management – 40,000 pharmaceutical applications a year processed via 21 staff to meet targets. Continuous improvement of systems and processes, including IT enhancements
- Ensuring industry compliance with submissions standards, communicating and maintaining submissions guidance, representing MHRA at conferences and industry meetings

Technical Supervisor – December 2005 to June 2006

Syngenta Bioline, **Little Clacton, Essex**

Responsibilities – in addition to those from previous role:

- Technical supervision – problem solving, data analysis, trouble-shooting, production innovation, development and project management
- Operational and budget management – collation and analysis of all production figures across site

Group Leader, Production – January 2003 to December 2005

Syngenta Bioline, **Little Clacton, Essex**

Responsibilities:

- Operational management – developing 6 staff across production lines to meet sales targets, ensuring procedures documented and followed, making improvements, problem solving and trouble-shooting
- Budget management – reporting on labour and production, data analysis

Research Assistant – February 2001 to December 2002

Syngenta Bioline, **Little Clacton, Essex**

Responsibilities:

- Applied entomological research to design and develop mass production systems for insects and mites, and crop trials on new applications

**EDUCATION**

- **M.Sc. and Diploma of the Imperial College (DIC), Advanced Methods in Taxonomy & Biodiversity – graduated 2000**
- **B.Sc. (Hons) 2:2, Biological Sciences – graduated 1997**
University of Essex
- **A-Levels**
Colchester Royal Grammar School, Essex
Chemistry A; Biology B; Physics B
- **GCSEs**
Colchester Royal Grammar School, Essex
Chemistry A; Biology A Physics A; Maths A; English Language A; English Literature A; French A;
Geography B; CDT: Technology C

2. Please see above for role description. Until I left Ofgem in Feb 2013, my core role included operational delivery of the non-domestic NI RHI scheme, which to my recollection was a small proportion of applications received, the bulk being GB applications.

Prior to NI RHI launch, I provided practical input from an operational perspective to prepare for its launch, e.g. around likely staffing requirements.

3. I reported to the Band E Head of Non Domestic RHI Operations, Jacqueline Balian, who in turn reported to Associate Director Matthew Harnack.

I had 3 Band C RHI Manager direct reports for most of the time at Ofgem – Edmund Ward (promoted to Band D before I left), Ollie More and Barney Merrett, and later another Band C Generation Manager who's name I cannot recall.

They each had a number of Band B Assistant Manager staff reporting to them, and they again had Band A Administrators reporting to them.

To the best of my recollection, I also managed RHI Managers in the Glasgow office for a period, as I was involved in recruitment and setting up that team, and Michelle Murdoch when she began working at least some of her time on Non Domestic NI RHI operations.

Involvement with Northern Ireland RHI Scheme

4. To the best of my recollection, and as set out above, once launched I was responsible for day to day administration of the 'Generation' aspects of operational delivery of the Non Domestic NI RHI scheme. This meant applications for accreditation, and assessing heat meter readings. I was not



responsible for e.g. processing payments, compliance, audits or fraud monitoring – that was the responsibility of another Band D Senior Manager in RHI Operations, who also reported to the Head of Non Domestic RHI Operations.

To the best of my recollection, as noted above, my input prior to launch was in considering practical lessons from operational delivery GB Non Domestic RHI, such as planning for staff numbers for Non Domestic NI RHI launch (I had an Excel model for estimating staff resources) and ongoing operation of the scheme.

5.

a. I cannot recall, but on average I think the Non Domestic NI RHI scheme was a small fraction of GB Non Domestic RHI application volumes, so time spent when in operation would also have been a small proportion of my time. I would assume that around NI RHI scheme launch, there was a peak in activity for all involved.

b. My role is summarised above. On an individual application basis, I would review the assessments made on the IT system by members of my team, and determine whether or not to sign off the applications. We had standard operating procedures to follow, which were written based on interpretation of the legislation as set out in Ofgem's guidance.

Various operational issues would arise which I would resolve around staffing, IT systems, legal or technical queries, where I would liaise as needed with the wider Ofgem team.

c. Broadly, yes adequately trained. I and my team set up training for others, and trained ourselves e.g. on technical understanding of heat generation technologies, heat metering, as well as using the IT system for scheme administration. I do not recall any specific concerns with NI RHI. (Resourcing was a challenge to get on top of GB Non Domestic RHI application volumes as we streamlined IT and operational processes).



6. None come to mind.
7. N/A
8. I do not recall any significant issues with respect to the operation of the administration of the NI RHI.
9. None to my recollection.

Involvement with Great Britain RHI Scheme

10.
 - a. Yes, as above that was my main role.
 - b. As set out above.
 - c.
 - i. For my part, the lessons were around operational matters such as ensuring adequate resourcing levels for scheme launch (this was an issue at GB launch). To my recollection, NI RHI launch was adequately resourced. Also as the GB scheme was implemented, interpretations of the legislation were refined and definitions firmed up as specific technical situations arose. The team would have applied these to the NI RHI scheme for consistency, where the law was the same.
 - ii. I do not recall any differences.

Promotion of the NI RHI Scheme

11. During my time at Ofgem I attended various events to present to stakeholders on the Non Domestic RHI scheme, and also met stakeholders for meetings to discuss technical and practical application issues. Whilst this would have been within GB (I recall e.g. an energy event in Manchester covering RHI, and also e.g. a speaker from DECC on the Green Deal, various meetings at



Ofgem's London offices where stakeholders had asked to meet to discuss questions about the RHI), it is possible that stakeholders would have been based in NI. I would have been in general encouraging applications to the Non Domestic RHI scheme. No specific third parties come to mind, however.

Lobbying and pressure

12. I am not aware of any such instances, and left Ofgem in Feb 2013.

13. I do not recall any.

- a. N/A
- b. N/A
- c. N/A
- d. N/A
- e. N/A

14. I do not recall any.

- a. N/A
- b. N/A
- c. N/A
- d. N/A
- e. N/A
- f. N/A
- g. N/A

Standards of conduct and conflict of interest

15.

a. None.

b. None

16. No

Whistle-blowing and raising of concerns

17. None



18. N/A

19. I do not recall when I became aware, but it was I think through reading the press.

General

20. None

21. None.

22. None

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed: _____  _____

Dated: _____ 16th October 2017 _____