

**To:** Exec[Exec@ofgem.gov.uk]  
**Cc:** Robert Hull[Robert.Hull@ofgem.gov.uk]; David Fletcher[David.Fletcher@ofgem.gov.uk]; Collette Dennis[Collette.Dennis@ofgem.gov.uk]; Curt Silver[Curt.Silver@ofgem.gov.uk]; Charles Hargreaves[Charles.Hargreaves@ofgem.gov.uk]; Elizabeth Hillman[Elizabeth.Hillman@ofgem.gov.uk]; Mark Cox[Mark.Cox@ofgem.gov.uk]; Matthew Harnack[Matthew.Harnack@ofgem.gov.uk]; Stephanie McGregor[Stephanie.McGregor@ofgem.gov.uk]  
**From:** Stuart Cook  
**Sent:** 2012-01-11T17:52:10Z  
**Importance:** High  
**Subject:** NI RHI  
**Received:** 2012-01-11T17:52:12Z

We discussed on Tuesday the possibility of asking DETI in NI to contribute to the fixed costs of RHI, to secure a direct benefit for GB customers.

I discussed this with MC, who pointed out three difficulties:

1. The GB RHI is funded through DECC and not through the licence, as is NI RHI. Thus, there is no potential direct benefit for energy customers; GB citizens “yes”, GB energy customers “no”.
2. As such, this is really a matter between DECC, DETI and Treasury, and it is not obvious that we should seek to step into this process.
3. The approach we discussed runs counter to that adopted under the NI RO, where we only charge NI incremental costs.

My proposal is therefore that the Board paper includes a statement that we will approach DECC to suggest they might want to discuss whether DETI picks up a part of the fixed costs.

Any concerns?

**Stuart Cook**

Managing Director

E-Serve

9 Millbank

London

SW1P 3GE

Tel: 020 7901 7009

[www.ofgem.gov.uk](http://www.ofgem.gov.uk)

**To:** Keith Avis[Keith.Avis@ofgem.gov.uk]  
**From:** Matthew Harnack  
**Sent:** 2012-01-11T17:55:57Z  
**Importance:** Normal  
**Subject:** RE: Policy Managers - New Scheme Development Role Profile (Band C)  
**Received:** 2012-01-11T17:55:57Z

Keith,  
Can you bring this to the meeting I've proposed for tomorrow afternoon.  
thanks

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**From:** Keith Avis  
**Sent:** 10 January 2012 09:04  
**To:** Matthew Harnack  
**Subject:** Policy Managers - New Scheme Development Role Profile (Band C)

Matthew

Following our discussion on Friday, attached is a draft Band C Role Profile that aims to cover the up and coming posts for RO Banding, RO Sustainability NIRHI and ECO (although not named). Happy to work on this further as you need.

Keith

**To:** David Pimm[David.Pimm@ofgem.gov.uk]; Paul Heseltine[Paul.Heseltine@ofgem.gov.uk]  
**Cc:** Robert Hull[Robert.Hull@ofgem.gov.uk]; Matthew Harnack[Matthew.Harnack@ofgem.gov.uk]  
**From:** Stuart Cook  
**Sent:** 2012-01-12T08:48:18Z  
**Importance:** Normal  
**Subject:** RE: NI RHI  
**Received:** 2012-01-12T08:48:18Z

David – the sentence I have used is: we will approach DECC to suggest they discuss with DETI and Treasury the appropriate allocation of savings between Northern Ireland and Great Britain.

My concern is around vires. By stepping into this, we are effectively doing the job of Treasury. Assuming there was a solid basis for the way in which we allocated costs for the NI RO, then any departure needs to be justified and we need to understand why we are doing it, given it has no impact on electricity or gas consumers, and arguably no new impact on the exchequer and hence on tax payers.

**Stuart Cook**

Managing Director  
E-Serve  
9 Millbank  
London  
SW1P 3GE  
Tel: 020 7901 7009  
[www.ofgem.gov.uk](http://www.ofgem.gov.uk)

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**From:** David Pimm  
**Sent:** 12 January 2012 08:43  
**To:** Stuart Cook; Paul Heseltine  
**Subject:** RE: NI RHI

Stuart

I have asked Paul to look at this but do not at this stage know his view.

My sense is that it would be quite complex to land a cost sharing agreement between DECC and DETI (although perhaps DETI have precedents for this). My suggestion is that Paul look at the basis for cost allocation which would be consistent with the core principal of us passing through actual cost. I believe we have a precedent for this on RO.

Could the Board paper state something like: 'We are reviewing the allocation of Ofgem costs as between DECC and DETI or whether to suggest to DECC that they might want to discuss whether DETI picks up a part of the fixed costs.' Paul is out of the office today and next week but may be able to advise us tomorrow. I would be fairly hopeful of landing this where costs fall in the same year. It may be more difficult where they straddle a financial year.

David

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**From:** Stuart Cook  
**Sent:** 11 January 2012 17:52  
**To:** Exec  
**Cc:** Robert Hull; David Fletcher; Collette Dennis; Curt Silver; Charles Hargreaves; Elizabeth Hillman; Mark Cox; Matthew Harnack; Stephanie McGregor  
**Subject:** NI RHI  
**Importance:** High

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**Stuart Cook**

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Replied from OFGEM on 11.05.2017  
Annotated by RHI Inquiry