

To: Matthew Harnack[Matthew.Harnack@ofgem.gov.uk]
From: Paul Heigl
Sent: 2012-10-25T13:58:06Z
Importance: Normal
Subject: RE: NIRHI updates
Received: 2012-10-25T13:58:09Z

Thank you Matthew, much appreciated.

Paul Heigl

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From: Matthew Harnack
Sent: 25 October 2012 13:01
To: Paul Heigl
Cc: Keith Avis; Mary Smith; Mavreen Ananura
Subject: RE: NIRHI updates

Paul,

There is a hell of a lot to go through in this email so I will only comment on the 12/13 updates to the feasibility study just now. You need to finalise this and get it OKed by Mary and get Bob to sign it ASAP because even if it's sent today we are only giving them 2 working days to approve it – not a good look.

Comments:

On IT in the summary section – I absolutely disagree with the changes being proposed. We need all the budget up front and can't afford delays in going back to DETI once we need to eat into what is being called "contingency". i.e. it is NOT contingency funding anymore, it is core budget. We hope we don't have to spend it but we need the full budget upfront if we are going to deliver on time. You need to explain that it is our best estimate of the budget needed and is not in fact contingency. Or if needed please come up with a different name for the 33% to explain it better. But you need to make sure Richard Kayan and Milton Jones are happy with any changes you make here. One thing is for sure – we can't have the prospect of a hiatus ¾ of the way through development because we have to go back to DETI to explain why we need the extra 33%.

On item 8 in the summary, you need to explain that part year operations reduces the costs, but longer processing time partly offsets this. The net result is a reduction in cost of £X. But the fact that we need to delay the IT launch to save money means that additional staff costs are incurred (because manual processes are more labour intensive). The end result is a £5k increase in operating costs.

1.11 – I thought DETI had given us updated volume projections which were lower than the ones we used in the feasibility study? Also I don't know that it's fair to say that the baseline model for GB was inaccurate. Better to say that DECC have since changed their volume forecasts. To say it was inaccurate might imply that we had been incompetent.

3.2 I don't know that this is an accurate description of the IT issues. I think it was always intended that any IT changes needed to go through proper QA and UAT and through penetration testing etc. The issue is that this was originally going to piggy back on a GB release and hence not cost any more for DETI, but with the delay to the start of the scheme we were unable to piggyback it on a GB release until at least the end of January.

We also need to note somewhere (probably in the costs section) that should the January GB release be delayed this may result in additional costs to DETI. I notice that it was mentioned in paragraph 4.19 but you have deleted this. Why? We need this included so that we are not exposed.

3.5 Please remove the reference to "...but the recruitment process and costs were not included." There is no need to mention this because staff costs have not increased, and it implies that we were incompetent when we put the original budget together.

3.6 is duplication of part of 3.5. Please merge the two.

4.3 – the forms you mentioned were also developed for people without internet access to be able to apply for accreditation.

I don't see the point of 8.6 – the same information is in the table directly below this.

However, should 8.6 be needed for some reason, the final two bullets need changing to read:

- Additional staff costs due to delayed IT launch - £19,000
- Updated operational costs (i.e. part year operating costs plus additional staff costs due to delayed IT launch) - £140,000

Matthew

From: Paul Heigl
Sent: 25 October 2012 11:57
To: Matthew Harnack
Cc: Keith Avis; Mary Smith; Mavreen Ananura
Subject: NIRHI updates

Hello Matthew,

Hope you're recovering well and can start to move around a bit better now. I wanted to provide a couple of updates to you regarding some of my deliverables for the NIRHI scheme:

Development Phase update report on the FS

- We received back a version from DETI with comments, no real show stoppers but more looking for clarification on certain points – particularly asking us to expand on anywhere where costs had changed.
- These changes were made and then the whole doc and cover letter passed through a full legal (Marcus and Ruth) review. These comments have been taken on board, however Ruth is still concerned about our legal resourcing cost projections (you may have seen a slightly barbed email yesterday)
- I attach a link to the clean copy of both the report and cover letter and also attached (physically) is a document showing the changes we have made on the draft previously sent to DETI (2nd August) so that they can see that we have taken on board their comments and made additions where they asked for clarification.
- Having been reviewed and that we've had a specific request from DETI for sight of that by COP today – **Are you happy for us to send both the clean and tracked change copies to DETI today as final documents for Fiona Hepper to review over the weekend?**

Update report

http://sharepoint/Ops/Environ/New_Scheme_Development_Lib/New%20Projects/NIRHI/Development%20phase/NIRHI%20Revised%20DPA%20V9.docx

Cover letter

http://sharepoint/Ops/Environ/New_Scheme_Development_Lib/New%20Projects/NIRHI/Development%20phase/NIRHI%202012-13%20funding%20letter%20MHdraft.doc

NIRHI Interim Manual Process

- This has been through your surgery where you asked for some minor changes and for us to chase down the remaining SOPs to review, analyse and edit. These have now been tracked down and amended where necessary (link below to tracking spreadsheet), there are outstanding issues on 2 which need either legal input or final decisions from DETI, but neither are priorities for launch – Mavreen continues her excellent work on these.

http://sharepoint/Ops/Environ/New_Scheme_Development_Lib/New%20Projects/NIRHI/Manual%20Solution/Internal%20and%20External%20RHI%20additional%20Guidance%20Documents.xlsx

- The SOPs have been through 2 levels of testing and amendments made, but were deemed robust.
- They were then passed through a full business review (RHI ops) by Lindsay Goater, who again had some amendment suggestions, those have been taken on board.
- RHI Fraud and Compliance have reviewed and come back with amendments and clarifications on their SOP, but again are happy with the process and believe it to be robust.
- Lindsay Goater is ready to sign these off now that he has seen them and F&C have also reviewed.
- I am currently drafting the training slides and training manual which will accompany the business (Glasgow and London) training session that will be held this coming Monday (29th) from 2-5pm via videoconference.
- **My question here is would you like another review of these documents or a 1-to-1 walk through of the entire procedure coupled with the 48 SOPs and other internal docs?**

Many thanks

Paul Heigl

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