

**To:** Gareth John[Gareth.John@ofgem.gov.uk]  
**Cc:** edmund ward[edmund.ward@ofgem.gov.uk]  
**From:** Teri Clifton  
**Sent:** 2015-09-04T13:26:08Z  
**Importance:** High  
**Subject:** FW: Submission Decision SUB-1075-2015 : ETI Committee RHI - Introduction of Cost Control Measures & Ensuring Effective Administration of Domestic Scheme  
**Received:** 2015-09-04T13:26:00Z  
[Annex A - Final Policy Paper on RHI Proposals \(July 2015\).docx](#)  
[Copy of NDRHI Budget summary 2015-21\\_version 2014-11-25\\_updated\\_NI forecast \(2\).xlsx](#)

Hi Gareth

As you can see we received a request late yesterday for administration costs for the next 5 years for DETI, in addition to the final policy paper.

Edmund and I have already modelled this using the volumes as suggested in their feasibility study. We have had an initial conversation about numbers with Stuart but made sure he knew that these were only an estimate.

Cells O-S 126-130 are the summary on the attached, but there is a question of whether we want to show the true reflection of costs at this stage or ramp it up over the next couple of years. This assumes staff numbers from all elements of the scheme rather than just 3 people working on accreditations, which got us close to our budget for this year, when we modelled.

Interested in your thoughts - I've let Stuart know that we were out of office yesterday.

Regards

Teri

-----Original Message-----

**From:** Wightman, Stuart [mailto:Stuart.Wightman@detini.gov.uk]  
**Sent:** 03 September 2015 15:27  
**To:** Edmund Ward; Katy Read; Teri Clifton  
**Cc:** Hughes, Seamus; Willis, Adele  
**Subject:** FW: Submission Decision SUB-1075-2015 : ETI Committee RHI - Introduction of Cost Control Measures & Ensuring Effective Administration of Domestic Scheme

Edmund / Katy / Teri

As promised, I attach a copy of our Final Policy for the tariff changes we're introducing in November. Our Minister has just cleared these proposals.

As I previously mentioned, our original Business Case approval for the Non Domestic RHI scheme only covered the period up to 31 March 2015. I'm currently finalising a Business Case to extend the scheme approval (new applications) from 1/4/15 to 30/9/16. We have been asked to complete a review of the RHI (including introducing digression) before we can request a further extension beyond Sep 2016.

As part of this Business Case, I want to secure approval to extend the current arrangements with Ofgem for a further 5 years until March 2020. To facilitate this, I need to provide an estimate of how much Ofgem's administration costs are likely to be for the next 5 years. Would it be possible to provide a forecast on how overall (GB&NI) no domestic RHI administration costs are likely to increase. I could then take 3% of the overall figure each year as the NI figures. For example, would it be reasonable to assume a 10% year in year increase?

I need to get this Business Case off to our Department for Finance and Personnel before the close of play on Monday, so could I please ask for these estimates by cop tomorrow.

Thanks

Stuart