

To: Peter Rice[Peter.Rice@ofgem.gov.uk]
From: Clive Sparrow
Sent: 2013-09-02T07:35:24Z
Importance: Normal
Subject: FW: Management Committee papers for September 3rd 2013
Received: 2013-09-02T07:35:25Z
[1. MC Agenda - 3 September 2013 v1.doc](#)
[3.1 MC 3Sept2013 funding cover paper.docx](#)
[3.2 Copy of 1st Draft Funding Need Combined.xlsx](#)
[4. DD Register 30 08 13.pdf](#)
[5. Draft ToR for E-Serve Genserv Meeting.docx](#)
[A. SMT AGENDA - 30TH AUGUST 2013.docx](#)
[B. 20130802 Exec Paper on NPower RO misreporting.docx](#)
[B.1 npower to ofgem RO-FIT 19 Jun 2013 corrected.pdf](#)
[C. MC Forward Look - 27 August 2013.doc](#)

From: Louise Oxley
Sent: 30 August 2013 14:24
To: Management Committee; Luis Castro
Cc: Management Committee Secretaries
Subject: Management Committee papers for September 3rd 2013

Hi all, please find attached the papers for next week's MC.

Please print the DD register on A3 by clicking on Print then Properties; and under the Paper option scroll down to Fit to New Size and click A3.

Paper 6 and the note for last week's meeting will be distributed on Monday.

Luis is attending for Matthew.

Have a good weekend.

Louise

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No.	Decision Name/Affected Party	Date Identified	Decision context	DA	AD	Status	Progress	Classification
1	FTT: Lottery Grants/multiple parties	15/02/2013	FTT legislation states that installations that received a grant are not eligible for FIT payments. 17 installations have been identified which were paid for by National Lottery grants but have also received FIT payments. The grants must be repaid for the installations to continue receiving FIT payments. The decision is whether to write to all affected parties informing them of the situation and implications. These are mainly community and charity installations, increasing the sensitivity of the decision. The cost of this decision across the 17 installations is in the region of £350k.	Sarah Piggott	Charles Hargreaves	Decision made within JR window	All affected installation owners have been contacted. We have been able to confirm that a number of installations can retain their grant. We are aware of others who are discussing repayment with Lottery. The remainder are being chased for a response to our letter.	Amber
2	RO: CHPQA boundary/multiple parties	29/10/2012	RO legislation provides for us to issue qualifying combined heat and power generating stations with a higher level of support per MWh than stations with no heat recovery. To qualify, a station must be accredited by CHPQA. It recently came to light that the equipment certified by CHPQA may not constitute the entire generating station as accredited by Ofgem. It is unclear how we should issue support since the legislation does not provide for us to consider part only of the generating station when calculating how many ROCs to issue. We know that this issue has implications for two stations but there may be others. Difference between worst case scenario and best case scenario for the generators is £2.35million pa across both stations.	Richard Bellingham	Charles Hargreaves	Potential	We have identified the stations that are potentially impacted by our change in policy. We are currently liaising with CHPQA and DECC so that we can obtain the required station information before we contact the generating stations concerned.	Amber

Irrelevant information redacted by the RHI Inquiry

6	WHD: SY2 Supplier Non-Compliance/multiple parties	27/06/2013	Early indications with supplier End of Year reports shows that most have repeated the minor contraventions from SY1 and through devaluation due to outcomes being lower than projections, one or more suppliers could be found to be non-compliant. A non-compliant finding may well have significant financial implications for suppliers. With consideration of the relatively low value of any contraventions a guess at any Enforcement activity would be less than £5m.	Michael Sozansky	Charles Hargreaves	Closed	Compliance review suggests continued minor contraventions; otherwise they are compliant	Amber
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Irrelevant information redacted by the RHI Inquiry

9	RHI: Lottery Funding/multiple parties	07/02/2013	Legal advice is that lottery grants and RHI are not compatible, contrary to previous legal advice and our position up to 7 Feb 2013. Scheme participants with lottery grants cannot be removed from the scheme. The difficult decision concerns how to treat several current RHI applicants that do have lottery grants. However DECC have agreed to amend the Regulations in spring 2014 to make "community groups and schools" eligible. They will shortly start policy development. We are expecting draft communications material from DECC next week and will shortly communicate with applicants with lottery funding, some of whom are not yet aware of the lottery issue, and with enquirers who have had previous written advice that lottery funding is acceptable. Total estimated RHI payments over twenty years for the eight applicants with lottery funding is £5.2 million.	Jacqueline Balian	Matthew Harnack	Potential	Draft communications material received from DECC and a draft of a letter to applicants with lottery funding is currently with Legal.	Amber
10	RHI: RHI/RO co-eligibility for CHPQA stations/Land Energy	20/04/2013	RHI eligibility for CHP stations can hinge on their status as a qualifying CHP generating station under the RO. One current live case, for which an RHI eligibility decision is imminent, rests on the nature of interpretation of this term across both RHI and RO schemes, but the wording is arguably not consistent between the legislation underpinning the two schemes. The impact of this could be to render the applicant ineligible for the RHI, despite their decision to forgo a CHP uplift under the RO on the basis of anticipated RHI income. This could potentially be seen as contrary to DECC policy intent, and may be legally contested by the RHI applicant, who may perceive this as an avenue to recoup potentially 'sacrificed' RO payments. Based on a predicted annual generation of 59, 280,000 kWh the potential value of RHI payments over a 20 year lifespan is £11,855,000 (not taking into account any RPI change to the large biomass tariff of 1.6pene/kwh).	Jacqueline Balian	Matthew Harnack	Closed	It has been confirmed that no ROC eligible CHPQA certificate has been held since the installation achieved accreditation under the Renewable Obligation. The application for accreditation to the RHI was approved on 03/07/2013.	Green

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No.	Section Name	Phase	Start Date	End Date	Status	Progress	Assignment
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