

To: Edmund Ward[Edmund.Ward@ofgem.gov.uk]
From: Nadia Carpenter
Sent: 2014-08-21T09:23:20Z
Importance: Normal
Subject: FW: Response to Stuart Wightman's 10/07/2014 letter
Received: 2014-08-21T09:23:22Z

Hi Edmund,
Please see below.
Nadia

From: Hughes, Seamus [mailto:Seamus.Hughes@detini.gov.uk]
Sent: 21 August 2014 09:33
To: Nadia Carpenter
Cc: Wightman, Stuart
Subject: RE: Response to Stuart Wightman's 10/07/2014 letter

Nadia

I have discussed with Stuart and we are content that you proceed as proposed. We await sight of your letter and then we can move to put the necessary arrangements in place.

On a related issue I left you a voicemail query earlier about the Lusty Beg application and the potential turnaround time at your side if, as I now understand this is coming in under the de minimis limit using the revised operation hours.

Regards
Seamus

Seamus Hughes

Renewable Heat
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9532 (ext: 29532)
TextRelay: 18001 028 9052 9532
Web: www.detini.gov.uk

Please consider the environment - do you really need to print this e-mail?

From: Nadia Carpenter [mailto:Nadia.Carpenter@ofgem.gov.uk]
Sent: 20 August 2014 18:31
To: Hughes, Seamus
Cc: Edmund Ward
Subject: Response to Stuart Wightman's 10/07/2014 letter

Hi Seamus,

Following extensive legal review we have the following wording approved to send as part of our response to Stuart Wightman's letter of 10th July.

Please note that it:

1. Suggests the transfer to DETI of all decisions on publicly funded grants, not only state aid.
2. Requires a change to the Administrative Arrangements.

Please could you let us know if this presents a problem for you or whether we are ok to send the letter.

With thanks and kind regards,
Nadia

Approach to Carbon Trust loans

Thank you for your letter of 10th July 2014 in which you set out your proposals for how Ofgem may treat NIRHI applications where a Carbon Trust loan has been received. Your proposals bring us closer to reaching a position on the long running issue which has caused 8 NIRHI applications to be placed on hold. I am very pleased that our teams are working together to find a solution to this matter.

I note the categorisation you propose to apply to NIRHI applicants. I also note your intention to amend the NIRHI Regulations to make the option of repaying other public support, in order to access NIRHI support, available to all applicants. We would welcome the opportunity to input into the development of policy in this area so that we can advise on any impacts such as associated administrative costs.

With regard to our administrative approach prior to any regulatory amendment I can confirm that we are happy to administer all Category 1 applicants in line with your proposal.

For Category 2 I have considered the administrative burden placed on us when we receive an application in receipt of a Carbon Trust loan. I can confirm that while we are prepared to gather information on grants from public funds and other public support the applicant

may have received, we would not be in a position to make any decision on where Category 2 applicants fall in relation to the relevant de minimis limit. This is due to the complexities [and resource requirements] involved in conducting any level of state aid analysis. As we would not be able to make ourselves satisfied in relation to Category 2 applicants I suggest that these are treated in line with the approach to Category 3 i.e. Ofgem will assess the application against the eligibility criteria. If the application satisfies the eligibility criteria, but it is apparent that the applicant may have received a grant from public funds or other public support within the meaning of regulation 23 we will forward the relevant information to DETI for DETI to confirm whether that is the case and, if so whether the grant or public support falls below the relevant state aid de minimis threshold. DETI will inform Ofgem of the result of that analysis following which Ofgem will proceed to determine the application taking into account that analysis.

The Administrative Arrangements would need to be amended to reflect this division of responsibility for the relevant functions as between Ofgem and DETI. It may also require a change to the Guidance.

Nadia Carpenter

Assistant Manager - RHI
New Scheme Development
9 Millbank
London
SW1P 3GE
Tel: 0207 901 7321
www.ofgem.gov.uk

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