

To: Hughes, Seamus[Seamus.Hughes@detini.gov.uk]
Cc: Wightman, Stuart[Stuart.Wightman@detini.gov.uk]; Edmund Ward[Edmund.Ward@ofgem.gov.uk]
From: Nadia Carpenter
Sent: 2015-01-16T16:05:06Z
Importance: Normal
Subject: RE: Unicorn Containers Limited: 2 installations, one with CT loan
Received: 2015-01-16T16:05:07Z

Hi Seamus,

We make accreditation decisions based on our best understanding at the time. We do not have a mechanism in place for the check you have requested. Our expectation would be that you had taken steps to ensure that your decision on the operating hours used in your state aid analysis was based on your most accurate understanding prior to accreditation. However, if you would like to suggest these installations for a site check we would be happy to add this to our audit list for 2016/2017?

We weren't sent any additional state aid declarations so we are still working off the same edited ones. I can request new ones if you like?

Kind regards,

Nadia

From: Hughes, Seamus [mailto:Seamus.Hughes@detini.gov.uk]
Sent: 15 January 2015 16:57
To: Nadia Carpenter
Cc: Wightman, Stuart
Subject: FW: Unicorn Containers Limited: 2 installations, one with CT loan

Nadia

I have discussed with Stuart and we would be content to accept the applications based on the revised operating hours justification but with the proviso that Ofgem monitors the heat generation of these installations closely and alerts DETI if the actual figures vary **significantly** from these revised estimates.

For clarity are we working on the two declarations you sent yesterday? Just not clear on this when reading the Stephen Greaves response at A in the attached.

Regards

Seamus

Seamus Hughes

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

From: Nadia Carpenter [mailto:Nadia.Carpenter@ofgem.gov.uk]
Sent: 15 January 2015 16:33
To: Hughes, Seamus
Cc: Wightman, Stuart
Subject: RE: Unicorn Containers Limited: 2 installations, one with CT loan

Hi Seamus,

Action Renewables has replied with the attached. The operating hours justification calculation in Stephen Greeves' (Unicorn Containers' authorised signatory) email is significantly different to that given by Mark Poland on 13th January (text below in this email chain).

What do you think?

Thanks,

Nadia

From: Hughes, Seamus [mailto:Seamus.Hughes@detini.gov.uk]
Sent: 15 January 2015 09:20
To: Nadia Carpenter
Cc: Wightman, Stuart
Subject: RE: Unicorn Containers Limited: 2 installations, one with CT loan

Nadia

Please see suggested wording for follow up correspondence re Unicorn applications.

I refer to your RHI applications **Personal information redacted by the RHI Inquiry** **and associated revised state aid declarations.**

Annotated by RHI Inquiry

Whilst it is expected that the assessment of state aid benefit in respect of RHI is an estimate that must be based on a reasonable consideration of the likely hours of operation to ensure that the de minimis state aid rules are fully complied with. I would be grateful therefore if you could provide the following in writing:-

- A An explanation as to why the original state aid declaration were incorrect.
- B Provide detail to support the revised operating hours calculations for each application.
- C Confirm that both the Applicant and Installer are satisfied with the revised calculations and that these represent a likely estimate of operation hours.

Regards
Seamus

Seamus Hughes

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From: Nadia Carpenter [<mailto:Nadia.Carpenter@ofgem.gov.uk>]
Sent: 14 January 2015 17:06
To: Hughes, Seamus
Cc: Wightman, Stuart
Subject: RE: Unicorn Containers Limited: 2 installations, one with CT loan

Hi Seamus,

It's not clear to me exactly what you would require to be satisfied of the revised operating hours. If you would like to send me the wording of your request I would be happy to forward to Action Renewables and the authorised signatory at their client, Unicorn Containers.

Thanks,
Nadia

From: Hughes, Seamus [<mailto:Seamus.Hughes@detini.gov.uk>]
Sent: 14 January 2015 16:44
To: Nadia Carpenter
Cc: Wightman, Stuart
Subject: RE: Unicorn Containers Limited: 2 installations, one with CT loan

Nadia

Many thanks for sight of these revised documents. I think before we can progress this any further additional information is required around the operating hours and how the mistake was made in the original assessment. This should include confirmation that the client is in agreement with the revised operating hours. Are the boilers located in separate buildings?

Regards
Seamus

Seamus Hughes

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From: Nadia Carpenter [<mailto:Nadia.Carpenter@ofgem.gov.uk>]
Sent: 14 January 2015 14:21
To: Hughes, Seamus
Cc: Wightman, Stuart
Subject: RE: Unicorn Containers Limited: 2 installations, one with CT loan

Hi Seamus,
Received from OFGEM on 22.05.2017
Annotated by RHI Inquiry

Following on from our phone conversation. Please find the state aid declarations attached which have now been amended to 2500 hours each. It looks like Action Renewables have simply amended the detail on the form but kept the original signature. I don't think they should be able to amend a form already signed by their client without the client also signing off the amendment. State aid is an important issue. Undertakings are responsible for ensuring that they do not receive unauthorised aid. The Commission can require any unauthorised aid to be paid back.

My correspondence with Mark Poland of Action Renewables is copied in the third attachment.

Thanks,
Nadia

From: Hughes, Seamus [mailto:Seamus.Hughes@detini.gov.uk]

Sent: 14 January 2015 09:55

To: Nadia Carpenter

Cc: Wightman, Stuart

Subject: FW: Unicorn Containers Limited: 2 installations, one with CT loan

Nadia

I have discussed this with Stuart and we think the cleanest advice we would recommend is that Unicorn Containers be advised to repay the Carbon Trust Loan to enable both installations to be accredited? If they then decide not to do that or are not in a position to do so then only one installation could be accredited under RHI.

Happy to discuss.

Regards

Seamus

Seamus Hughes

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

From: Nadia Carpenter [mailto:Nadia.Carpenter@ofgem.gov.uk]

Sent: 13 January 2015 18:21

To: Hughes, Seamus

Subject: Unicorn Containers Limited: 2 installations, one with CT loan

Hi Seamus,

We have received applications for two installations owned by Unicorn Containers Limited:

- 'Boiler 1' [Personal information redacted by the RHI]
- 'Boiler 2' [Personal information redacted by the RHI]

Boiler 1 received a Carbon Trust loan to the value of £ [Personal information redacted by the RHI]. Boiler 2 did not receive state aid and was entirely self-financed.

It looks like the projected RHI payments for both installations added to the value of the Carbon Trust loan exceeds the de minimis limit of €200,000 which would be relevant to Unicorn Containers Limited.

Action Renewables is advising on both applications. They have stated that the operating hours figure of 5,000 hours for each installation is "their best estimate at present" based on the following rationale:

The figure of 5000 operating hours was calculated as follows:

A nightshift operates all year round, they anticipate using the heaters as follows:

- *In winter they need to keep the temperature up for 24/7 so they anticipate running the heaters for 20 weeks at 24 hours a day 7 days a week giving total running of 3,360 hours*
 - *In Spring and Autumn they anticipate running the heaters for 12 hours per day/night for 5 days per week giving total running of 1,200 hours*
 - *In summer they anticipate running the heaters for 7 hours per day/night for 5 days per week giving total running of 420 hours*
- This totals 4,980 hours per year. They cannot predict exactly the running time in the spring/autumn which may need to be longer and the summer may need to be shorter.*

My first thoughts are that it seems like we could accredit Boiler 2 as it has not received 'other public support' towards its costs.

Therefore there is no exception to accredit under the Regulations even though the economic undertaking itself – Unicorn Containers Limited – did receive state aid in the form of a Carbon Trust loan for Boiler 1. But when we consider accrediting Boiler 1 we have to take into account the projected RHI payments for Boiler 2 and the Carbon Trust loan. Does this seem a strange outcome? In any case, when totalled together the state aid to be received by Unicorn Containers Limited does exceed the de minimis limit – do we just advise them to repay if they would like both installations accredited?

Please let me know your thoughts on how to proceed. Neither installation has been accredited yet.

Thanks,
Nadia

Nadia Carpenter

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