

**To:** 'Wightman, Stuart'[Stuart.Wightman@economy-ni.gov.uk]  
**From:** Edmund Ward  
**Sent:** 2016-11-21T09:19:32Z  
**Importance:** Normal  
**Subject:** RE: NI RHI: Urgent clarification on current arrangements, and other matters [OFFICIAL ]  
**Received:** 2016-11-21T09:19:32Z

Hi Stuart

Hope you had a good weekend.

Many thanks for turning this around so quickly – and sorry for sending on a Friday afternoon!

I'll talk to Ricardo on this and other points and we can probably pick up on Wednesday if not before.

Thanks,

Edmund

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**From:** Wightman, Stuart [mailto:Stuart.Wightman@economy-ni.gov.uk]  
**Sent:** 18 November 2016 17:32  
**To:** Edmund Ward  
**Cc:** Marten, Lucy; Willis, Adele; Hughes, Seamus; Chris Poulton; Gareth John; Teri Clifton; Jane Pierce  
**Subject:** RE: NI RHI: Urgent clarification on current arrangements, and other matters [OFFICIAL ]

Sorry Edmund

One point to consider is the need for future site audits to be unannounced. That would certainly be the intention of the Department going forward.

I've amended my response accordingly.

Thanks, Stuart

**Stuart Wightman**

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**From:** Wightman, Stuart  
**Sent:** 18 November 2016 17:17  
**To:** 'Edmund Ward'  
**Cc:** Marten, Lucy; Willis, Adele; Hughes, Seamus; Chris Poulton; Gareth John; Teri Clifton; Jane Pierce  
**Subject:** RE: NI RHI: Urgent clarification on current arrangements, and other matters [OFFICIAL ]

Edmund

I've responded to each of your points below.

If you have any further queries, please give me shout on Monday.

Have a good weekend.

Thanks, Stuart

**A: Administration under existing Arrangements**

I can confirm that until we agree otherwise (for example via updated Arrangements or governance):

(a) Ofgem should continue to process applications to the scheme (to reach approval or rejection decisions) where it is satisfied that this is in line with the regulations, in line with its existing procedures; and

Annotated by RHI Inquiry

(b) Ofgem should continue to deploy audits where appropriate, in order to act on the basis of referrals, to establish eligibility (e.g. pre-accreditation audits), or to address particular cases where there may be grounds to investigate alleged non-compliance. In progressing cases, Ofgem must be mindful of the findings from the PwC work, and continue to engage with the Department in light of those findings and on particular cases as appropriate. This would mean ensuring any planned inspections are more focussed on eligible heat usage and looking out for the issues identified by PwC in the Cat 2, 3 & 4 cases. One issue we can discuss on Wednesday is the applications for proposed amendments and potential cases where applications were made prior to tariff changes / closure for an interim heat use until a more permanent heat load (like a newly built poultry shed) is in place.

**B: Ofgem audits to be conducted during November/December 2016:**

I can confirm that Ofgem should proceed with your planned 5-15 planned audits over the next month or so. The Department would however need Ofgem to provide details of the proposed visits and evidence and the rationale for selection. Given the findings of the PwC work, there would have to be strong grounds for future audits not to be unannounced.

If Ofgem's Audit Strategy dictates that the BAU programme needs to beyond the budgeted 57 site visits, we would need to agree this in advance via the Change Control process. Similarly, we would need to agree a revisit to any of the PwC sites.

**C: DfE response to PAC:**

Can I please thank you all for your input to briefing over the past few months. I'll check with Lucy on Monday, apart from a request we sent to Marc earlier today, I think everything is up to date.

**D: MOU and governance:**

Thank you for following up on the BEIS MOU. It would be really helpful as you've suggested if we draw on the wording from this. Thank you for your comments. We can discuss with you on Wednesday 23<sup>rd</sup> November.

**E: Minutes of meeting of 3<sup>rd</sup> November 2016 at DfE offices**

Apologies, I'll chase up the minutes and send on Monday. I think they're very much based on the Action Points.

**Stuart Wightman**

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

**From:** Edmund Ward [<mailto:Edmund.Ward@ofgem.gov.uk>]

**Sent:** 18 November 2016 15:53

**To:** Wightman, Stuart

**Cc:** Marten, Lucy; Willis, Adele; Hughes, Seamus; Chris Poulton; Gareth John; Teri Clifton; Jane Pierce

**Subject:** NI RHI: Urgent clarification on current arrangements, and other matters [OFFICIAL ]

**Importance:** High

Hi Stuart,

Further to our discussion on Tuesday, and having subsequently reviewed the Hansard from the PAC session on 9th November, I wanted to make one urgent request for confirmation, and to provide some further updates and requests for clarification.

**A: Administration under existing Arrangements:**

**Summary of our discussion on Tuesday 15<sup>th</sup> November:**

- I made reference in our discussion to Andrew McCormick's comments at the PAC of 9<sup>th</sup> November, and questioned whether on that basis we should be acting any differently in respect of our current administration.
- You confirmed that your expectation is that we continue to process cases (applications and compliance cases) in line with our current approach, also confirming that this should be evidence based.
- I noted that our administration would continue to be evidence based, but to be clear that I understood this to mean that we would continue to process cases while being mindful of the findings from the PwC work, and that we would continue to engage