

To: Jane Pierce[Jane.Pierce@ofgem.gov.uk]
From: Edmund Ward
Sent: 2016-10-31T21:42:59Z
Importance: Normal
Subject: RE: NI RHI - Phase 2 Feasibility Study - response to DETI [OFFICIAL Internal Only]
Received: 2016-10-31T21:43:02Z

Excellent – thanks Jane - that's a weight off my mind – I knew we'd been in discussion around multiple boilers but this confirms DETI had considered this, that they had been doing analysis as early as Jan 2015, and – I think (although be worth piecing this together) - that this was a (delayed) response to their 2013 consultation.

From: Jane Pierce
Sent: 31 October 2016 19:33
To: Teri Clifton; Edmund Ward
Subject: FW: NI RHI - Phase 2 Feasibility Study - response to DETI [OFFICIAL Internal Only]
Importance: High

The last of these templates is useful (as is the cost control one). It states that:

- The extension of the tariff would broadly bring the NIRHI into line with the GB scheme for small and medium biomass, although the GB scheme does have a tiered system in operation which we are not proposing to introduce in Northern Ireland.
- Ofgem has highlighted the issue of multiple 99KW applications for single sites in the course of its application processing.

From: Teri Clifton
Sent: 31 October 2016 16:09
To: Edmund Ward; Jane Pierce
Subject: FW: NI RHI - Phase 2 Feasibility Study - response to DETI [OFFICIAL Internal Only]
Importance: High

From: Edmund Ward
Sent: 23 April 2015 19:48
To: Gareth John; Teri Clifton; Katy Read
Subject: NI RHI - Phase 2 Feasibility Study - response to DETI
Importance: High

Gareth/Teri

Katy and I have been speaking to DETI re their proposed regs changes. They've sent the attached request asking us to commence on a short feasibility study. We've discussed their requirements and managed expectations around budget and timescales. They have £80k for the changes including feasibility study but are trying to get more (unlikely).

See below for text of a proposed response - basically £8.3k for a feasibility study to be completed by end of July (we've pushed this back based on available resource; DETI are content with timing). We've clarified this is over and above our 15/16 BAU costs. DETI are happy and are keen to progress this.

I propose to send the below and also speak to Peter around necessary change controls etc to support this and any actual development work - but my preference is not to set any formal change control in motion until BAU funding has been agreed and DETI have final funding - this is also as per DETI request.

Are you happy for me to send the below response?

Thanks
Edmund

Thank you for your letter informing us of the policy proposals you would like to take forward, and confirming that you would like us to develop a short feasibility study to cover these proposals.

We expect that the feasibility study will take up to two months and this would be at the cost of one full-time Policy Manager, as well as associated overheads, and management and legal support at the level anticipated for an initial feasibility study. Based on annualised costs

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of this resource there will be an expected cost of £8333 for the feasibility study, which we would not exceed without prior agreement. We will aim for a delivery date of the end of July.

It will be important to consider the IT development costs against the budget that you have for this year. It may mean that some options are delivered as automated and others as manual should regulations come into force in October. While manual options could result in lower overall costs this year if volumes are low, the ongoing operational costs for processing manual workarounds are most likely to be higher. Expected volumes will be a key dependency in order to mitigate any cost overrun.

We will also need to consider how complex each change would be to implement in our IT systems and this may impose delivery constraints when balanced versus the timescale available. We will explore these options in the feasibility study.

As a final point, to carry out the feasibility study we will need the expected application volumes as I believe has been discussed previously. This includes volumes for existing technologies which will be impacted by any of the changes, and also for the new proposed technologies. Please could you send these figures through? We are happy to advise on GB experience if this would be helpful to feed in to your assumptions.

Please can you confirm if we can commence this work, to cover the items you have requested and as set out above, on the basis of funding that you will make available over and above our funded level for 2015/16 operating costs?

We are happy to discuss this proposal.

Kind regards,

From: Hughes, Seamus [<mailto:Seamus.Hughes@detini.gov.uk>]
Sent: Wednesday, April 01, 2015 10:49 AM
To: Edmund Ward
Cc: Wightman, Stuart <Stuart.Wightman@detini.gov.uk>; Atika Campbell; Nadia Carpenter
Subject: NI RHI - Phase 2 Feasibility Study

Edmund

Please see attached letter from Stuart Wightman.(first attachment), asking that Ofgem now commences work on a short feasibility study for DETI proposed changes to the NI RH. You will note that bioliquids is not now included in the list of proposals to be taken forward in phase 2. Following Ofgem's initial feedback on this issue and discussion in our telcon last week we have decided to defer this proposal to a future date as the GB RHI is not currently supporting and we are not being specifically pressed to include at this point.

We are also planning to draft the proposed legislative changes for our phase 2 proposals and will forward these to you in due course.

Regards

Seamus

Seamus Hughes

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