



Making a positive difference
for energy consumers

Gwneud gwahaniaeth gwirioneddol
i ddefnyddwyr ynni

John Mills
cc: Stuart Wightman, Seamus Hughes

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Date: 11th December 2014

Dear John,

Amending Administrative Arrangements for the Non Domestic Renewable Heat Incentive (RHI)

I'm writing further to becoming aware that the Administrative Arrangements, agreed in 2012 and amended between us in October of this year, have been terminated. This is as a result of amending regulations, in the form of a consequential amendment resulting from the Domestic Renewable Heat Incentive Regulations (2014) which I understand came into force on 9th December 2014.

This termination arises because Clause 5.4 of the Arrangements provides that:

In the event that the Regulations are amended or re-enacted but the parties have not been able to agree amendments to these Arrangements to reflect the same by the end of the date on which the amending or re-enacting Regulations come into force, these Arrangements will be terminated with effect from the next day..

Current Impacts

As you are aware, all powers relating to the administration of the NIRHI non-domestic scheme have therefore reverted to DETI, and we are therefore currently not able to conduct any activities previously conducted under these arrangements. This includes but is not limited to our previous administration relating to the handling of phone and email enquiries, the processing of applications, the handling of payments, the conduction of site audits, and the sharing or reporting of data.

Revised Administrative Arrangements

I understand that this has been discussed by my colleagues and that it is not your intention for Ofgem to cease conducting these activities. I have therefore requested the attached Arrangements be drawn up for your consideration. These replicate closely the previous arrangements, and differ only in (i) referencing the amending regulations which came into force this week, and (ii) amalgamating the original 2012 arrangements and the amending arrangements signed on 13th October 2014.

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In not making further changes, we have considered the impact of the amendment to the regulations, and noted that Regulation 61 amends the Renewable Heat Scheme Regulations (Northern Ireland) 2012 to prevent a plant which is accredited, or for which accreditation has been sought, under this scheme from also obtaining accreditation under those Regulations.

Administering in line with this amendment will require our teams to share information on applications and accredited installations under both schemes. Our understanding is that will be covered by the clauses 4.1(f) and 3.2(a)(ii).

For avoidance of doubt, I note that Regulation 61(1) also makes changes to the conditions under which a grant or support may be repaid in order to access the Non-Domestic RHI, and I can confirm that our team would, upon signing of the revised Administrative Arrangements, act in accordance with those provisions.

Next steps

I would expect our teams to work together to agree an appropriate mechanism by which the impacts of these amendments can be operated in practice, and I note that until such steps have been put in place it may not be possible for us to reach accreditation decisions on applications made under the non-domestic RHI regulations. You may also be considering whether it would be possible for DETI to reach accreditation decisions on applications under the Domestic RHI regulations in the absence of equivalent procedures.

In addition to agreeing such mechanisms as described above, we expect that Guidance materials (which are published by DETI) will need to be updated to reflect the revision to the Regulations, and we would appreciate the opportunity to review any changes prior to these being published.

I would appreciate it if you could review the attached arrangements and respond as a matter of urgency. If you are not minded to pursue the route of signing new Arrangements, or are not in a position to do so within the course of this week, I would suggest we will need to agree for the transfer of all such materials as you may need to be able to conduct all functions relating to the administration of the scheme.

I hope we can resolve this swiftly to minimise the impact on our respective organisations and those affected stakeholders. If you wish to discuss this matter, you would be welcome to contact me, or you could contact my colleagues Edmund Ward (0207 901 7168) or Teri Clifton (0141 341 3991) in the first instance.

Kind regards,

Chris Poulton

Acting Managing Director
Ofgem E-Serve

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