

FROM THE PERMANENT SECRETARY
Andrew McCormick



Adelaide House
39-49 Adelaide Street
Belfast BT2 8FD
Tel: 028 90529441

email: andrew.mccormick@economy-ni.gov.uk

Robin Swann MLA
Chairperson
Public Accounts Committee
Room 371
Parliament Buildings
Ballymiscaw
BELFAST, BT4 3XX

20 October 2016

Dear Robin

Additional Correspondence in Relation to RHI

Further to my letters of 4 October and 18 October, forwarding details of information provided to the Department by Ms Janette O'Hagan, Heatboss Ltd, please find attached additional correspondence from Ms O'Hagan which has come to light as a result of our ongoing investigation activity.

As the names of staff have not been redacted, I respectfully request that staff details are treated as confidential and not disclosed in open session.

Yours sincerely

A handwritten signature in black ink that reads 'Andrew McCormick'.

ANDREW McCORMICK
Permanent Secretary

cc TOA

D11/15/6050084

McCaughan, Bernard

From: Janette O'Hagan [janette@heatboss.co.uk]
Sent: 12 March 2015 19:50
To: Hughes, Seamus
Cc: Wightman, Stuart
Subject: Re: Meeting with Fiona Hepper

Hi Seamus,

thanks for getting back to me.

I believe that the tiered funding in NI needs to ensure that people who avail of non domestic RHI don't just waste fuel for the sake of earning money on the RHI repayments. I had spoken to Fiona Hepper and her team about this 2 years ago. She'd advised me then that they didn't think that businesses would abuse the system, but we see it time and time again when out on client sites. To assume that this isn't happening is not acceptable in my view. This doesn't happen in GB as the higher rate RHI repayment only covers a certain amount (~around 75% of a 40 hr week) of their usage and the remainder of usage is at a lower rate - thus encouraging efficiencies.

I've tried to speak to each person who has subsequently taken on the RHI role and Davina had acknowledged that when she was looking after Renewable Heat she intended to review elements of the non-domestic RHI, including tariffs. She had said that the issues that I was raising were on the RHI team's radar and would be dealt with. It's really disappointing to hear that that's not the case any more, other than possibly in the future for budgetary controls. The rest of us, who are actually trying to save energy, money and the environment have an uphill struggle against such legislation. I understand that it is a renewable resource, if replanted, but really should it be being wasted for profit?

Kind regards,
Janette

On 12 Mar 2015, at 11:54, Hughes, Seamus <Seamus.Hughes@detini.gov.uk> wrote:

Good morning Janette

Davina McCay has forwarded your email to me.

In terms of the non -domestic RHI I can advise that the phase 2 review is now underway but the final policy has yet to be determined. The phase 2 review will see the extension of the RHI to new technologies and tariffs, and these should be in place late in 2015. With regard to tiered funding, whilst this is not being proposed as a specific issue under the review it may be introduced at a later date as a budgetary control measure.

I hope this is helpful to you.

Regards

Seamus

Seamus Hughes

Energy Efficiency Branch
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
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TextRelay: 18001 028 9052 9532
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Please consider the environment - do you really need to print this e-mail?

From: McCay, Davina
Sent: 11 March 2015 15:18
To: Hughes, Seamus
Subject: FW: Meeting with Fiona Hepper

Davina McCay

Energy Efficiency Branch
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From: Janette O'Hagan [<mailto:janette@heatboss.co.uk>]
Sent: 11 March 2015 14:23
To: McCay, Davina
Subject: Re: Meeting with Fiona Hepper

Hi Davina,

I hope that you don't mind me emailing you again. The last time that you had responded to me, you had advised that a review of the RHI non-domestic tariffs was to happen in the latter half of 2014. I am really keen to hear how progress is being made on that and if we can expect any developments soon please?

As I'd mentioned before, the RHI non-domestic tariff as it is currently set in NI has a huge adverse impact on us, as it means that potential clients which have moved to biomass are no longer interested in making any efficiencies. I completely understand the need for the RHI and am delighted at the number of jobs that it has created within the province, but the tariffs need to include a motivation to save here, as is the case in the RHI tariffs across the water. For example, I had spoken to a company that installed a biomass boiler for a local company recently and they told me that their client would get a payback in 2 years (with the RHI payments) if he kept the heat on 24/7 Vs over 3 years if he kept the heat on the hours that it was needed (8hrs a day 5 days a week). In anyone's eyes this is completely wrong and motivates further waste.

I understand that this is only one small element of your remit Davina but I am really passionate about this issue, not just because it impacts our business, but because of its impact on the environment - unnecessary waste of any resource should not be allowed and it should certainly not be encouraged.

Kindest regards,
Janette

On 11 Jun 2014, at 14:26, Janette O'Hagan <janette@heatboss.co.uk> wrote:

Hi Davina,

thank you very much for taking the time to get in touch. I really appreciate the time taken and your openness.

It is most comforting to know that these issues are on your radar and I look forward to hearing how things progress over the coming months.

Many thanks,
Janette
<heatboss2.png>

T: +44(0)28 9422 8141

M Personal information redacted by the RHI Inquiry E: janette@heatboss.co.uk W: www.heatboss.co.uk
A: Unit 1, Farranshane House, 1 Ballygore Road, Antrim, Co. Antrim, BT41 2RN Northern Ireland

On 11 Jun 2014, at 12:24, McCay, Davina <Davina.McCay@detini.gov.uk> wrote:

Janette

First of all, apologies for the delay in coming back to you. You may or may not be aware that both Peter and Fiona have moved on to new work areas outside of DETI and Energy Division. Peter moved on last month so it's possible that your email arrived after his departure.

I am now looking after Renewable Heat and we intend to review elements of the non-domestic RHI, including tariffs within the next few months. I'm sorry I can't tell you anything more definitive than that at the moment, but I wanted to let you know that the issues you have raised are on our radar.

I hope this is of some help to you. I will keep you up to date with any developments when we are in a position to do so.

Regards

Davina

Davina McCay

Sustainable Energy
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From: Janette O'Hagan [<mailto:janette@heatboss.co.uk>]

Sent: 09 June 2014 14:27

To: McCoy, Laura

Subject: Re: Meeting with Fiona Hepper

Hi Laura,

I had a meeting with Fiona and her team back in October 2013 as arranged by Minister Foster. I've tried to reach her colleague Peter Hutchinson more recently, but to no avail, so I thought it best to bring my points to Fiona herself again. Could you please ensure that the following message gets to Fiona Hepper and confirm?

Many thanks,
Janette

Dear Fiona,

I hope that you'll recall that we'd met back in the Autumn of last year. I had spoken to Minister Foster about my concerns back then and she'd asked that I schedule a meeting with you and your RHI Team.

At the meeting I'd queried if there would be a time when NI's RHI payments would align with the rest of UK's (i.e. to offer a tiered approach to funding whereby the first 1314 peak load hours is funded at the higher amount (7.6p/kWh) and the remainder at a lower amount (1.9p/kWh) to encourage the buildings owners/operators to be more efficient in their usage). As you know in Northern Ireland, a building owner can get a flat rate of 6.1p/kWh no matter what their usage (if boiler is between 20 & 100 kWth).

As I'd said then, what we are seeing on the ground in Northern Ireland is that buildings are using more energy than before because it pays them to do so. The flat rate means that there is no incentive at all to be efficient so the heat in buildings in all year round with the windows open everywhere. When we had

spoken, you did not believe that people would do this, but please believe me that it's happening with almost everyone that we approach. It's making it impossible for us to sell energy efficiency equipment to these buildings, even when that's exactly what should be happening as the first step and indeed what is happening in GB. The building owners there know that it's in their interests to be efficient, in Northern Ireland it is not - it's in their interests to be wasteful with what's strictly not a renewable energy source.

I understand that the RHI Team have a very difficult job to undertake to get the renewables adoption rates up, but the current tariffs are making things difficult for companies like ours who main aim is genuine energy efficiency. We've been told by a well established biomass company here to remove the saving detail on our product's literature because their clients were no longer interested in making any savings. I think that you'd agree that there is something inherently wrong with that approach to funding and it's going to put companies like ours out of business.

Could you please advise what the future plans are for the RHI tariffs for non-domestic within the coming years as we need an awareness of this to ensure that our company can survive in Northern Ireland. I urge you to table this issue again for discussion again and If you need proof of what's happening on the ground, I'd be happy to provide information. It's got to a stage now where it simply cannot be ignored any longer.

Please advise.

Kind regards,
Janette

<heatboss2.png>

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On 7 Oct 2013, at 10:20, McCoy, Laura <Laura.McCoy@detini.gov.uk> wrote:

Hi Janette

Many thanks for this, I have passed on to Fiona and her colleagues.

Best regards,

Laura

Laura McCoy
Personal Secretary

Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
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Textphone: 028 9052 9304
Web: www.detini.gov.uk

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From: Janette O'Hagan [<mailto:janette@heatboss.co.uk>]
Sent: 04 October 2013 12:01
To: McCoy, Laura
Subject: Re: Meeting with Fiona Hepper

Hi Laura,

please see below for a proposed agenda for my meeting with Fiona Hepper and her team next Tuesday at 11am. Hopefully it is acceptable, but if not please let me know and I can amend.

Proposed agenda

1. Overview of heatboss and it's impact on the energy efficiency of commercial buildings
2. Discussion on the impact of the RHI on energy efficiency levels
3. Discussion on the potential opportunities to align RHI and energy efficiency measures
4. Discussion on the potential for future incentives for energy efficiency measures in commercial and public buildings

Many thanks,
Janette
<image005.png>

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On 11 Sep 2013, at 11:16, "McCoy, Laura" <Laura.McCoy@detini.gov.uk> wrote:

Janette

Fiona wouldn't be free at 10am on 8 October, would 11am be ok?

Also could you let me know if anyone else will be attending with you and it would be helpful if you could send a proposed agenda a week or so in advance.

Many thanks.

Laura

Laura McCoy
Personal Secretary
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
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Textphone: 028 9052 9304
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From: Janette O'Hagan [<mailto:janette@heatboss.co.uk>]
Sent: 11 September 2013 10:54
To: McCoy, Laura
Subject: Re: Meeting with Fiona Hepper

meant to add, 10am is fine.

Many thanks,
Janette
<image003.png>

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On 11 Sep 2013, at 10:53, Janette O'Hagan <janette@heatboss.co.uk> wrote:

Hi Laura,

thanks for getting back to me. The 8th suits me.

Many thanks,
Janette
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On 11 Sep 2013, at 10:45, "McCoy, Laura" <Laura.McCoy@detini.gov.uk> wrote:

Janette

Further to your email below Fiona Hepper and her colleagues would have the following availability to meet with you:

Mon 7 October – anytime from 10.00am
Tue 8 October – anytime from 11.00am
Wed 9 October – anytime from 10.00am to 2.00pm
Thu 10 October – anytime from 10.00am

Grateful if you could let me know if any of these time slots are suitable for you and we can get a date in diaries.

Many thanks.

Laura

Laura McCoy
Personal Secretary
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From: Janette O'Hagan [<mailto:janette@heatboss.co.uk>]
Sent: 05 September 2013 18:20
To: McCoy, Laura
Subject: Meeting with Fiona Hepper

Hi Laura,

Minister Foster has advised that I should be able to meet with Fiona Hepper. Could you please check her availability and see when might suit?

Many thanks,
Janette

Many thanks,
Janette
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heatboss

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