



Eoin Rooney &lt;eoin.rooney@sinnfein.ie&gt;

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## RHI Regs

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Máirtín Ó Muilleoir &lt;mairtin@newbelfast.com&gt;

14 January 2017 at 20:07

To: Eoin Rooney &lt;eoin.rooney@sinnfein.ie&gt;, Paul Kavanagh &lt;[redacted]&gt;, Ted Howell &lt;ted.howell@sinnfein.ie&gt;

Cc: Aidan &lt;aidan\_mcateer@[redacted]&gt;, Martin Lynch &lt;martin.lynch@sinnfein.ie&gt;, Áine McCabe &lt;[redacted]&gt;

Personal information redacted by the RHI Inquiry

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*Background information to add to Eoin's.*

*Loss under solution they are proposing will be about £2m next year, going down after that if it works with an additional £2m for new inspectors. Between now and 1 April, the losses will continue and amount to £6m.*

### RHI 'Solution'

I don't want to go into too much political detail in emails but effectively we have a choice to make:

1. It has been strengthened at my insistence and is **now acceptable** as stop-gap even though we believe if they had moved sooner or been more driven by public purse they could have gone for full and permanent solution now.
2. Even though it has been strengthened and I have moved it from sticking plaster to stopgap, **it is not acceptable** because an interim solution only kicks the problem down the road for six months. This is more to do with politics than defending the public purse. The alternative is staring them in the face and has for last year: start consultation now with view to moving to full closure from 1 April rather than having continued losses and only a stopgap solution from 1 April.

Line to take on opposing:

Q. You are stopping a two-stage solution on political grounds even though your advice says it stacks up legally and financially.

A. Yes but it works only on temporary basis and we come back to this problem in November 2017. I promised to make an honest politics-free assessment of the proposal while the DUP insisted this would be an Arlene Foster plan. I am telling the public that the Arlene Foster plan sells them short. The correct way to proceed should

1. Publish the names to encourage behavioural change and start consultation today on permanent fix. We need to fast-track inspectors to root out fraud and stop processing the 150 applications in the system which haven't yet been processed. We should aggressively examine the businesses which came in during the spike in the period the DUP failed to close the scheme.

3. Engage with EU in the interim period to get Commission approval so that the plan can't be challenged on that basis

3. Introduce permanent solution on 1 April.

Q. But we don't have the luxury of not approving this stopgap, no matter how flawed, as the Assembly is falling and who knows when it will come back?

A. If we empower officials now to consult and come forward with recommendations to implement on 1 April, we will have a stronger, permanent and more robust plan which will not be challenged and will put the RHI issue to rest for the next 19 years. No matter what we do, another £6m is going to be lost to the public purse between now and 1 April due to Arlene Foster's debacle.

Q. But if the impasse continues until May or June, then we will continue to lose £85,000 a day while the politicians squabble.

A. ??

Lines to take on supporting or allowing to pass:

1. I have spent the weekend and today (Monday) working to transform the sticking plaster into a tourniquet. The people deserve a permanent fix and if the DUP had done their job, they should have brought that forward a year ago. RHI was botched by a succession of DUP ministers. I pledged to guard against a botched solution. The DUP have delivered a temporary solution which kicks this problem down the road until November. I have ensured by insisting on additional safety nets and guarantees of oversight that it will work as a temporary solution to give us a reprieve until November. But I am being honest with the public, we are deferring the problem when we should be sorting it once and for all.

**From:** Eoin Rooney

**Date:** Dé Sathairn 14 Eanáir 2017 16:11

**To:** Paul Kavanagh

**Cc:** Aidan McAteer, Martin Lynch, Áine McCabe, Mairtin O Muilleoir

**Subject:** Re: RHI Regs

I haven't seen the modelling but I think the expectation is no overspend in 2017/18. if the assumptions are wrong etc there is a possibility of an overspend but our officials will advise on that. the ultimate control is degression which would cap the total spend regardless of changes in the other variables. this isn't being introduced at the moment because, as a more fundamental change in the scheme, it would be legally suspect. but it should be part of the longer term solution.

On 14 Jan 2017 16:00, "Paul Kavanagh"

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wrote:

Hi Eoin

Thanks for this. Just coming back to the overspend. If you have a set tariff and if doesn't come down depending on the amount of people who get through the process then are you not bound to have an overspend?