



Richard Bell (Solmatix Ltd)

C/O King & Gowdy

Solicitors

298 Newtownards Road

Belfast

BT4 3EJ

By Post and E-Mail: Adam.Kirkpatrick@king-gowdy.co.uk

25 July 2018

Dear Sir

Re: The Independent Public Inquiry into the Non Domestic Renewable Heat Incentive (RHI) Scheme

Provision of a Section 21 Notice requiring the provision of evidence in the form of a written statement

I am writing to you in my capacity as Solicitor to the Independent Public Inquiry into the Non Domestic Renewable Heat Incentive (RHI) Scheme (known as 'the RHI Inquiry') which has been set up under the Inquiries Act 2005 ('the Act').

I have attached a copy of the RHI Inquiry's Terms of Reference for your convenience.

As you may be aware from media reports, the RHI Inquiry is continuing to conduct its investigations into the matters set out in its Terms of Reference.

The Inquiry is also continuing its ongoing process of requiring individuals who have been, or who may have been, involved in the range of matters which come within the Inquiry's Terms of Reference to provide written evidence to the Inquiry Panel.

Therefore, please find enclosed with this letter a further Section 21 Notice requiring you to provide evidence to the RHI Inquiry Panel in the form of a written statement addressing the matters identified in the Schedule to the Section 21 Notice.

As the text of the Section 21 Notice explains, you are required by law to comply with it.

It is vital that the witness statement you provide to the Inquiry is your own evidence, absent the influence of others; that it is comprehensive; and that it fully explains your involvement in the matters about which you have been asked.

I also refer you to Restriction Order No 2 made by the Chairman of the RHI Inquiry on 22 June 2017, a copy of which is enclosed for your convenience. This restriction order prohibits you from publishing any documentation received from the RHI Inquiry (save that you may show it to your legal representative) unless you first obtain the consent in writing of the Inquiry Chairman.

In addition to the restriction orders made by the Chairman of the RHI Inquiry (which you will find published on the Inquiry website) receipt of this correspondence and its enclosures also places you under a duty of confidentiality to the RHI Inquiry in respect of them. You may share the correspondence and the enclosed Notice and documents with your legal representative(s), but neither you nor they may show, communicate the contents of, nor provide this correspondence or the Notice or documents to any other person or organisation without the express permission of the RHI Inquiry. Any breach of this duty of confidentiality is actionable at the suit of the Inquiry Chairman.

You will also find attached to the Section 21 Notice a Guidance Note explaining the nature of a Section 21 Notice and the procedures that the RHI Inquiry has adopted in relation to such a notice. In particular, you are asked to provide your evidence in

the form of the template witness statement which is also enclosed with this correspondence.

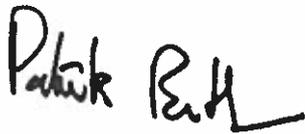
Given the tight time-frame within which the RHI Inquiry must operate, the Chairman of the Inquiry would be grateful if you would comply with the requirements of the Section 21 Notice as soon as possible and, in any event, by the date set out for compliance in the Notice itself.

I should also indicate that just because the Inquiry has asked you to provide a witness statement it does not follow that the Inquiry will also ask you to attend to give further oral evidence. Should the Inquiry wish to hear further from you it will be in touch.

Finally, I would be grateful if you could acknowledge receipt of this correspondence and the enclosed notice by email to Patrick.Butler@rhiinquiry.org.

Please do not hesitate to contact me to discuss any matter arising.

Yours faithfully

A handwritten signature in black ink that reads "Patrick Butler". The signature is written in a cursive, slightly slanted style.

Patrick Butler

Solicitor to the RHI Inquiry

02890408928

SCHEDULE
[No 147 of 2018]

1 June 2015 meeting with Solmatix at McCauley Engineering

It appears to the Inquiry from information received by it that, on 1 June 2015, you and Frank McCullough made a site visit, along with Seamus Hughes and Dan Sinton of DETI, to McCauley Engineering (see Seamus Hughes' diary entry at IND-04464, paragraph 30 of his witness statement at WIT-14033, and COM-06377 to COM-06384).

1. As to the above:

- a. Please confirm that you did attend the meeting with Seamus Hughes and Dan Sinton at McCauley Engineering on 1 June 2015.
- b. What discussions did you have, or are you aware of Frank McCullough having, with the DETI officials (Seamus Hughes and/or Dan Sinton) about the position in relation to the NI Non Domestic RHI Scheme and any anticipated forthcoming changes?
- c. In particular (but without prejudice to the generality of the foregoing enquiry), during the meeting on 1 June 2015, were you and/or Frank McCullough informed about:
 - i. any budget problems with the NI Non Domestic RHI Scheme;
 - ii. potential tariff reductions in the biomass tariff; and/or
 - iii. the potential introduction of tiering to the biomass tariff from in and about October 2015 (or some other date).
- d. Can you remember any other information about the then position of the NI Non Domestic RHI Scheme which you learnt at the meeting?

2. If you shared any information that you received (from the DETI officials at the meeting on 1 June 2015) with any other individual(s), then please set out the information you shared, with whom you shared the information and when it was shared.
3. If you shared any information that you received (from the DETI officials at the meeting on 1 June 2015) with any other individual(s) then, to the extent of your knowledge and belief, set out what you understand they did with the information which you shared.
4. What other evidence can you provide to assist the Inquiry with establishing the earliest occasion(s) when information about changes to the NI Non Domestic RHI Scheme (which were subsequently introduced in November 2015) were communicated outside DETI?

Marketing of RHI Scheme

5. It appears that at some point Solmatix prepared a commercial leaflet about the benefits of the NI Non Domestic RHI Scheme (COM-06308 and COM-06309). The leaflet, amongst other things, said that “*when you factor in your guaranteed RHI grant money, you’re effectively benefiting from FREE heat plus a significant financial reward. It’s cash...for ash*”. Elsewhere in the leaflet it indicated that what was being described in effect meant “*FREE HEAT for 20 yrs...*”. As to this:
 - a. When did you first realise that the way in which the NI Non Domestic RHI Scheme was set up, and operated, could effectively amount to the provision of free heat for scheme members?
 - b. When did you and/or Solmatix first market or promote the Scheme in this way?
 - c. How widely do you consider that this information was known and understood? Please explain the reasons for your answer.

- d. Are you aware of other promotional material in relation to the NI Non Domestic RHI Scheme, produced by Solmatix or others, to similar effect? If so, please provide details (including when it was first available).
6. From information provided to the Inquiry it appears that, on 8 February 2016, Frank McCullough sent an email (COM-06557) in which he indicated that "*the original terms of the Non-Domestic RHI provided an opportunity for exploitation*". When, and how, did you first learn about the potential for "*exploitation*" of the NI Non Domestic RHI Scheme (and please explain the nature of any exploitation about which you heard)?

Generally

7. Given the matters under investigation by the RHI Inquiry, if you know of any further information (whether about discussions you had, or information of which you came to be aware) that would be relevant to the RHI Inquiry then please set that information out.

NOTE:

It is important for the efficiency of the RHI Inquiry that the issues identified above are addressed as fully as possible and by reference, where available, to the dates and locations of specific incidents to which reference is made. The statement should be broken down into paragraphs, which should be numbered sequentially from '1' to the end. The use of appropriate section headings or sub-headings is also encouraged. A template witness statement is provided with this Notice for your assistance and should be used as the format for your response.



INQUIRY INTO THE RENEWABLE HEAT INCENTIVE SCHEME

RHI REF: Notice 147 of 2018

DATE: 14th August 2018

Witness Statement of:

I, Richard Edward Bell, will say as follows -

1 June 2015 meeting with Solmatix at McCauley Engineering

It appears to the Inquiry from information received by it that, on 1 June 2015, you and Frank McCullough made a site visit, along with Seamus Hughes and Dan Sinton of DETI, to McCauley Engineering (see Seamus Hughes' diary entry at IND-04464, paragraph 30 of his witness statement at WIT-14033, and COM-06377 to COM-06384).

1. As to the above:

- a. Yes I did attend a meeting with Dan Sinton and Seamus Hughes at McCauley Engineering on 1st June 2015
- b. I do not recall any discussion in relation to the RHI Scheme and any anticipated changes.
- c. In particular (but without prejudice to the generality of the foregoing enquiry), during the meeting on 1 June 2015, were you and/or Frank McCullough informed about:
 - i. I do not recall any discussions about problems with the non domestic RHI budget



- ii. I do not recall of any discussions regarding the reduction of biomass tariff
 - iii. I do not recall any discussions regarding tiering of the biomass tariff in or around October 2015

 - d. I do not recall any matters regarding the then position of the non domestic RHI tariff being shared.
2. I don't recall any information being disclosed that we could have shared
3. I don't recall any information being disclosed that we could have shared
4. The earliest I can recall information about tariff changes being discussed was just days before the announcement in the media and it was just a rumour around the industry.

Marketing of RHI Scheme

5. It appears that at some point Solmatix prepared a commercial leaflet about the benefits of the NI Non Domestic RHI Scheme (COM-06308 and COM-06309). The leaflet, amongst other things, said that "*when you factor in your guaranteed RHI grant money, you're effectively benefiting from FREE heat plus a significant financial reward. It's cash...for ash*". Elsewhere in the leaflet it indicated that what was being described in effect meant "*FREE HEAT for 20 yrs...*". As to this:
- a. I don't recall an exact date but it was somewhere shortly after the announcement of the scheme
 - b. I am no longer an employee of Solmatix and don't have access to files that would confirm when Solmatix first promoted the scheme in this way.
 - c. Everyone in the biomass installation business marketed the scheme in this way. Solmatix was slower to be involved than most companies. I do recall



members of Solmatix staff telling me that it was such an amazing deal that they found it hard to sell as people thought it was too good to be true.

d It is over 2 years since I worked in Solmatix and without access to company records I can not recall other publications or specific times

6 I recall rumour of boilers being installed simply to burn pellets without any need for the heat. My position was always clear in that I believed any help that a reduction in input costs could give to our manufacturing sector to increase competitiveness was welcome. I was worried that exploitation would mean the destruction of the funding and as such reduce the much needed impact on the manufacturing sector.

Generally

7. The RHI scheme, if it had been properly implemented, was a great opportunity to increase competitiveness of the Northern Ireland manufacturing sector in UK and EU terms thus creating and securing jobs in Northern Ireland where our energy input costs are higher than most. It saddens me that what happened was that a real good opportunity was squandered and a renewable energy industry sector in Northern Ireland was completely destroyed.

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed: _____

Richard E Bell

Dated: _____

14/8/2018