
From: Brian Hood [<mailto:brian@bsh-limited.com>]
Sent: 13 February 2018 13:24
To: Butler, Patrick (RHI) <Patrick.Butler@rhiinquiry.org>
Cc: Denniss, Janice [Personal information redacted by the RHI Inquiry]
Subject: Poultry houses

Dear Patrick

[Personal information redacted by the RHI Inquiry]

I also wish to clarify some points for the chairman.

In relation to his question on how we knew the RHI fund was not rate payers funding it. Having collated my thoughts on this, we had questioned Peter Hutchinson as to progress in rolling out the scheme in NI during talks with him, he advised that the scheme was under it targets, in the first year well below its targets, even in the 2nd year below its targets. Ofgem Q&A's had stated that funds to achieve the RHI scheme were being set aside by Westminster and each devolved administration was being tasked with their own carbon reduction proposals. Naturally similar funds were appropriated from Westminster ring fenced and as such when under achieving, surplus funds had to be returned annually back to Westminster. Our marketing to the public bodies was based that money paid to us for Carbon reduction purposes could just as easily assist public bodies and as they were not achieving their targets in the early years this would have helped funding for those bodies hard pressed for funding as well as displaying to commercial companies, the public services were investing in the technologies themselves.

I noted the chair seemed not to like my answer or explanation on the Unauthorised Ofgem inspections and why we deem them not to workable. Perhaps the following will assist in a better explanation.

“From our experience having went through a number of audits as well as unannounced inspections from DfE in NI on the RHI systems. In the audit process the inspector is supposed to view, fuel receipts, schematic hydraulic plans, boiler serial numbers and badges, maintenance and running the scheme, they usually like to meet the authorised signatory. All this information collected are then to be compared to the Ofgem records and on fuel the receipts they should match in power terms the heat meter reading. Sir Patrick appeared not to like my answer yesterday, perhaps I was not clear enough and didn't explain it well. If an unannounced audit inspector calls at a site, (the site referred to was Charles Hurst) the likelihood of the authorised signatory (senior official within the group) being available is remote, other personnel having access to the equipment is possible but having permission to obtain immediate copies of invoices and receipts from some accounts official is remote. Certainly there is only one official that holds the schematics, the inspector may obtain access to the plant and get to view them,

that is after they have been inducted through a health and safety course which again may take several hours to organise and as mere engineer with key access cannot perform that H&S role so a member of the H&S team must then attend to do that. It is always preferred to have a planned audit. As another example if they turn up at a tenant's premises with a landlord having biomass RHI equipment installed, certainly none of the information needed would be available and it is highly likely access would be declined as a tenant would not expect them and have concerns who they were and what they wanted. Another example would be a farmer, likely to be perhaps at the market or because of biosecurity restrictions if the auditor had been on another farm recently he would not be allowed to access for fear of spreading diseases / bird flu etc, this was a regulation only lifted recently in NI I understand from EU and had been discussed at a public event in 2017 with DfE when they were informing potential bidders they were going to test 100% of the systems and how they wanted to do that, they were unaware of the regulations pertaining to biosecurity until notified by the audience members. They eventually dropped the scheme as it ran to too much cost."

I also draw your attention to the fact that when completing an application form for a new RHI installation in GB, question HH130-1, the applicant was supposed to complete an estimated heat use / annum box. Might I recommend you question Ofgem why this same question is missing from NI forms? The NI form does have a question HH130 asking how many hrs each week the system operates for. This information, were it used, could have alerted them much earlier to a growing problem, that is presuming that the completed forms actually mirrored the hours used and if not did they research why it was so different in each case! Ofgem must have been using a table of standards to benchmark what types of projects were high heat users or medium or low for the question to have been on their applicant form or if not why ask it in the first place? Did the energy use stated match their expectations in each case?

We hope this will be of benefit to the panel



For and on behalf of
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