



Mr Christopher Brooke
61 Stone Park Road
Brookeborough
Co. Fermanagh
BT94 4DB

By post and e-mail: chris@galgormcastle.com

24 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 enclose a copy of the RHI Inquiry's Terms of Reference for your information.

You may well be aware from media reports that the RHI Inquiry is conducting its investigations into the matters set out in its Terms of Reference. As well as having conducted a number of its oral hearings, the Inquiry is continuing with the process of gathering all of the relevant documentation from relevant departments, organisations and individuals. In addition, the Inquiry is still in the process of requiring persons 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.

In this context, it would be of assistance to the Inquiry to have a statement from you setting out your involvement in the Non Domestic Renewable Heat Incentive Scheme in Northern Ireland ('the Scheme').

In keeping with the approach we are taking with others, the RHI Inquiry is now issuing to you a Statutory Notice (known as a 'Section 21 Notice') pursuant to its powers to compel the provision of evidence in the form of a written statement in relation to the matters falling within its Terms of Reference.

The Section 21 Notice enclosed with this letter requires 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.

The aim of the enclosed Notice is to require you to provide all relevant evidence within your knowledge which is pertinent to the Inquiry's Terms of Reference. The Schedule to the enclosed Section 21 Notice provides further detail as to the matters which should be covered in the written evidence which is required from you. In the event that there is a category of information in respect of which you have no evidence, please state this in your response. Where you can provide evidence, then the more comprehensive your statement is, the less likely it is that the Inquiry will have to revert to you at a later stage for clarification, although in many cases this is likely to be necessary to some degree.

If it would assist you, I am happy to meet with you (or your legal representative) to discuss what evidence you may be able to provide and whether it is covered by the Inquiry's request.

I wish to make you aware of the terms of Restriction Order No 2 made by the Chairman of the RHI Inquiry on 22 June 2017. 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 four 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.

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



Patrick Butler

Solicitor to the RHI Inquiry

02890408928

SCHEDULE

[No 142 of 2018]

1. Please provide details of your occupation(s) and/or employment during the period November 2012 to the date of answering this Notice.
2. Explain why you first became interested in the Non Domestic Renewable Heat Incentive Scheme in Northern Ireland ('the RHI Scheme') (both attached for ease of reference).
3. Please explain the direct or indirect involvement that you had with, or in relation to, the RHI Scheme or any aspect of it prior to its suspension in February 2016. In particular, please provide full details of:
 - a. why you decided to apply to the Scheme;
 - b. the date that each of your biomass boilers was installed;
 - c. the date that you made each application to the Scheme;
 - d. the date each of your biomass installations was accredited;
 - e. the installed capacity (in kW) and efficiency of each of your biomass boilers;
 - f. the date upon which you received your first RHI payment;
 - g. the person or company you employed to provide and install each of your biomass boilers; and
 - h. the person or company, if any, you engaged to assist with each of your applications to the Scheme.
4. It appears to the RHI Inquiry from information provided to it that you applied for accreditation of an installation or installations under the RHI Scheme in October 2015 when there was a marked 'spike' in the number of such applications generally. As to that please address the following matters:
 - a. Why did you make an application to the Scheme at that time?
 - b. Did anyone encourage you to make an application to the Scheme at or

around that particular time? If so, please identify who did so, when, and what reason was given for the encouragement.

- c. Were you warned in any respect about the possible introduction of cost controls, tiered or amended tariffs, or an annual eligible heat cap into the Scheme? If so, in respect of each such warning, beginning with the earliest, please identify who provided this warning, when they did so, how it was communicated and (insofar as you can) in what terms.
 - d. Without prejudice to the generality of sub-paragraph c. above, were you in contact with any Minister, Special Adviser ('SpAd') or Civil Servant in respect of proposed changes to the Scheme? If so, please provide full details including, in respect of each such contact, who it was with, when it occurred, how it occurred and (insofar as you can) the substance of what was said, discussed or communicated.
 - e. Please explain, in respect of your installation(s) for which application for accreditation to the Scheme was made within the above period, how long it took from ordering the relevant plant to it being installed and commissioned.
 - f. Please explain any steps taken by you to expedite your application to the Scheme, including steps taken in order to ensure that your application was submitted in advance of the 18 November 2015 deadlines.
5. Please advise whether you have any connection with the Ulster Farmer's Union ('UFU') (such as, for example, being a member of it) and, if you do have such a connection, please provide full details of same.
6. From information available to the Inquiry (see, in particular, the document bearing Inquiry reference INQ-12548, a copy of which is attached), it appears that Galgorm Castle Golf Club, in which the Inquiry understands you have an interest, had a biomass boiler installed by BS Holdings. The attached

document notes that, in late 2013, the biomass heating system was “*already well on its way and making profit under the NIRHI scheme...*”. As to this:

- a. Please provide similar details as are requested at paragraphs 3 and 4 above in relation to the biomass installation(s) installed at the golf club (including, in particular, the basis upon which the RHI Scheme was marketed to the golf club by BS Holdings).
 - b. Please indicate whether it was an accurate assertion that the biomass heating system there was (then, or at any time) “*making profit under the NIRHI scheme*”.
7. Specify whether you were encouraged by any other party to seek accreditation under the RHI Scheme, were assisted in doing so, or were provided with information which encouraged you to apply or to consider applying or which influenced the timing of such application. Please provide full details, including the identity of the person or persons concerned, the relevant dates and any and all documentation relating to this.
 8. Specify whether you used any information which had been shared with you to advise, encourage, assist, or cause other persons to apply, or consider applying, for accreditation under the RHI Scheme. In respect of any such instance, please provide full details, including (but not limited to) the information you shared, the third party concerned and the date of any steps taken by you in that regard.
 9. Specify whether you are aware of the UFU, Action Renewables, or any other body sharing information in relation to the RHI Scheme (in particular, but not limited to, information about the amendment of the Scheme or the introduction of costs controls into the Scheme) with any other persons, giving details of the identity of such other persons and what information was shared in relation to the RHI Scheme, as far as you can.

10. Please provide details of each and every communication, either direct or indirect, between you and any other person in relation to the RHI Scheme (providing the nature, date, and place of each communication as well as details of the persons between whom each such communication occurred).
11. Specify any email addresses used by you and any telephone numbers used by you in relation to any communication about the RHI Scheme.
12. Specify when you first became aware that tariffs payable under the RHI Scheme exceeded the cost of biomass fuel used to produce heat and/or the cost of producing a unit of heat (so that there was an incentive in some cases to produce heat merely to make profit from the Scheme) and how you became so aware. Without prejudice to the foregoing, please also provide details of the following:
 - a. the type of biomass fuel burned by you / your business' biomass boilers (for example, wood pellets or wood chips) and, in the case of wood chip (if applicable), the moisture content of same;
 - b. whether you / your business were able to obtain a discount on fuel prices by, for example, bulk buying, group buying, and/or entering into a long-term supply contract and, if you were so able, please provide details of this;
 - c. the prices paid by you / your business for each fuel type (in £/tonne and/or p/kWh) including details of how these prices changed over time (if applicable);
 - d. any other operating costs you / your business incurred (e.g. electricity) when producing heat with biomass fuel; and
 - e. the steps (if any) taken by you to alert other persons (including, for example, DETI, Ofgem officials, or the UFU) to the fact that the relevant

RHI tariff exceeded the cost of biomass fuel and/or the cost of producing a unit of heat with biomass fuel.

13. The Enhanced Capital Allowances Scheme (ECA) was available for certain renewable energy technologies, including some of those falling within the RHI Scheme. This enabled businesses to claim 100% tax relief on the purchase of eligible equipment in the year of purchase. In relation to this, please explain:
- a. whether you availed of such relief in respect of any of your biomass installations;
 - b. if so, please explain:
 - i. at what stage you became aware of the ECA scheme and how you became so aware;
 - ii. whether you were encouraged to avail of the said tax relief, providing all relevant details of who encouraged you, and when and how they did so;
 - iii. whether the prospect of benefitting from this tax relief enhanced your interest in the RHI Scheme;
 - iv. whether you were aware at any time of any changes that occurred in respect of the ECA system (such as, for example, the removal of any renewable heat technology from the list of technologies eligible for 100% write-off in a single year), including, in particular, how you became so aware;
 - v. the date(s) on which you purchased your biomass boiler(s);
 - vi. the date(s) on which you registered with the ECA scheme; and

- vii. the amount of tax relief you benefitted from for each biomass installation under the ECA scheme, providing all documentation in relation to this;
 - c. whether you applied for, received or in any way benefitted from any further form of financial assistance in order to purchase and/or install any biomass boiler(s) and related heating systems which are accredited under the RHI Scheme, (including but not limited to, grant aid, interest-free loan, tax relief or any other form of financial incentive).
- 14. Evidence available to the RHI Inquiry suggests that you were in text and/or telephone contact with Arlene Foster during 2015-2016. As to this:
 - a. Please set out the nature of any relationship you have with Arlene Foster and the nature of any contact you have, or have had, with her.
 - b. Please advise whether you have ever had any contact with Arlene Foster in relation to the RHI Scheme and, if so, please provide details of that contact (*e.g.* when it occurred, who initiated it, and the substance of any such contact).
 - c. Without prejudice to the generality of the previous request, please specify whether any contact between you and Mrs Foster between the beginning of July 2015 and the end of February 2016 related in any way to the RHI Scheme and, if so, please provide details of any such communications.
- 15. Except to the extent that it has already been comprehensively addressed in your answers to the foregoing questions, please provide details of your past and current connections (if any) with the following, insofar as they are of potential relevance to the RHI Scheme and the Inquiry's Terms of Reference:
 - a. The Democratic Unionist Party ('DUP');

- b. Action Renewables; and
 - c. The Renewable Heat Association of Northern Ireland ('RHANI').
16. Except to the extent that it has already been comprehensively addressed in your answers to the foregoing questions, please set out any potential risks, flaws, problems, anomalies, loopholes, or other issues regarding the RHI Scheme which came to your attention, setting out details of when you first became aware of each such issue and the actions (if any) taken by you as a result.
17. Except to the extent that it has already been comprehensively addressed in your answers to the foregoing questions, please provide any further evidence within your knowledge or belief which is relevant to the matters that the RHI Inquiry is investigating as set out in the RHI Inquiry's Terms of Reference.

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.

The image is a screenshot of a Facebook page for BSH (@BSHoldings). The page layout includes a left-hand navigation menu with options like Home, About, Photos, Events, Reviews, Notes, Videos, Posts, and Community. The main content area shows a post from BSH dated 14 October 2013, which is a photo of a building with a sign that reads "Carbon Neutral Energy by BSH". Below this photo is another post from BSH dated 11 October 2013, which is a text-based post describing a fuel fill at Galgorm Castle Golf Club. The text of the second post mentions the NIRHI scheme, the BFH generating hot water and heating, and a web-based monitoring system for GHG emissions. The interface includes standard Facebook interaction buttons like Like, Comment, and Share.

BSH
@BSHoldings

Home
About
Photos
Events
Reviews
Notes
Videos
Posts
Community

Create a Page

Like Follow Recommend

BSH shared their photo.
14 October 2013 · 🌐

BSH
11 October 2013 · 🌐 Like Page

Galgorm Castle Golf Club gets its second fill of fuel. Already well on its way and making profit under the NIRHI scheme, the BFH is generating all the hot water and heating for the club house. The BFH web based monitoring system keeps close track of its performance and GHG (Green House Gas) emission savings for Gary Henry the Club manager to report to the board.

Like Comment Share

BSH



RHI/194

RHI Inquiry

07 AUG 2018

RHI REF: Notice 142 of 2018

INQUIRY INTO THE RENEWABLE HEAT INCENTIVE SCHEME

DATE:

Witness Statement of: Christopher A Brooke

I, Christopher Brooke, will say as follows: -

1. I am the Company Secretary of Galgorm Castle Holdings Ltd and also an Independent Consultant bringing development projects to the Company. In addition to this I was a director of Saladin Somalia, a partner in SB Vantage and a farmer, owning and farming Ashbrooke Farm in Fermanagh.
2. I commissioned Element Consultants, a Renewable Energy and Low Carbon Building design company, to carry out a survey of Ashbrooke house in 2010 and to recommend the most viable heating/hot water system for the building. This was done prior to major refurbishment and renovation works to convert the house into a self-catering and catered Tourism Northern Ireland five star property. The work started in 2012 and was completed in January 2017. The conclusion of the report by Element Consultants was that a Biomass system was a viable option worth further investigation.
3. Please explain the direct or indirect involvement that you had with, or in relation to, the RHI Scheme or any aspect of it prior to its suspension in February 2016. In particular, please provide full details of:
 - a. Element Consultant's report identified Biomass as a good environmentally friendly heating system and I considered it as a serious option for both Galgorm and Ashbrooke. The RHI tariff made the expense of installing and operating the system viable. Without the RHI tariffs Biomass was not viable.
 - b. Galgorm Installation– July 2013
Ashbrooke Installation - September 2015
 - c. Galgorm Application - August 2013



Ashbrooke Application – October 2015

- d. Galgorm Accredited: 22 August 2013
Ashbrooke Accredited: 16 October 2015
- e. Galgorm: 99KW Wood Pellet Heating Module
Ashbrooke: 99KW wood chip ETA boiler efficiency estimated at 90%
- f. Galgorm 1st RHI Payment: 24 December 2015
Ashbrooke 1st RHI Payment: 16th May 2016
- g. Galgorm: Brian Hood – Company used to be Sheridan & Hood, now BS Holdings
Ashbrooke: Christopher Melly of KES Energy
- h. As for g.

4. It appears to the RHI Inquiry from information provided to it that you applied for accreditation of an installation or installations under the RHI Scheme in October 2015 when there was a marked 'spike' in the number of such applications generally. As to that please address the following matters:

- a. I commissioned Element Consultants in 2010 to produce a report on the advantages and disadvantages of different types of heating systems. I also carried out my own research and decided that under the RHI Scheme biomass, primarily because of the environmental advantages was preferable to oil or gas. In the summer of 2015 the renovation of Ashbrooke house was at the stage where it was ready for the installation of the heating and hot water system. The RHI Scheme made the Biomass an attractive option and I therefore submitted my application before the deadline of 18th November.
- b. The installers, KES Energy were aware that they needed to submit the application before the November deadline. Everyone was aware that after the 18th November deadline the tariffs would change and applications submitted after that date would not be eligible for the same assistance. The additional cost of installing Biomass was not financially viable without the RHI tariffs.



- c. KES Energy made me aware that applications submitted after the November 2015 deadline would be on a different tariff or no tariff. I was unaware that having signed a contract and been accredited before the 18th November deadline that the government could or would renege on the contract. As far as I was aware I had a secure contract with the Government.
 - d. I have at no time been in touch with any Ministers, Special Advisor or Civil Servant with regard to the RHI scheme, changes of tariffs or any other related matters.
 - e. Galgorm: ordered May 2013 and installed July 2013.
Ashbrooke: contract was signed on 13th August 2015 and installed and commissioned at the end of September 2015.
 - f. In relation to Galgorm and Ashbrooke I have had no contact with any individual or organisation other than KES Energy who submitted the application.
5. I am a member of the UFU and they insure Galgorm and Ashbrooke. The NFU are also tenants and rent a Unit at Galgorm Castle Courtyard.
6. From information available to the Inquiry (see, in particular, the document bearing Inquiry reference INQ-12548, a copy of which is attached), it appears that Galgorm Castle Golf Club, in which the Inquiry understands you have an interest, had a biomass boiler installed by BS Holdings. The attached document notes that, in late 2013, the biomass heating system was "*already well on its way and making profit under the NIRHI scheme...*". As to this:
- a. I commissioned Element Consultants to evaluate the merits of different types of heating systems 2010. I was therefore familiar with Biomass and in particular the environment benefits. I met with Brian Hood of BS Holdings who explained the RHI tariff support, and offered a package to finance the capital costs for the equipment and installation at the Clubhouse. Without the financial incentives of the scheme we would not have converted the club House from gas to biomass.



- b. I am astonished and appalled by this statement on BS Holdings face book page which I believe to be **completely false and untrue**. I can only assume they thought it would increase sales. This is the first time I have seen their statement.
7. The Government promoted the RHI scheme and encouraged non domestic users of oil and gas to convert to Biomass. Accreditation was a necessary part of the government RHI scheme in order for participants to be eligible for the tariff. Without the tariff conversion to Biomass would not be viable due to the high cost of the equipment and installation of the system. I was advised by BS holdings regarding Galgorm Castle and Kes Energy in the case of Ashbrooke that the systems needed to be accredited in order to be eligible for assistance.
8. Similar to all grants and subsidies, the RHI scheme was discussed socially and openly by everyone who was considering conversion to Biomass. To the best of my knowledge I did not encourage, assist, or cause others to consider applying for accreditation under the RHI Scheme but I did tell interested parties why I was installing Biomass.
9. I was not aware of the UFU, action renewables or any other body sharing information in relation to the RHI Scheme.
10. There was considerable discussion regarding the merits of the scheme by those considering installing a biomass system. This was no different to the discussion that would take place when any new grants or schemes were introduced. This is how most people and organisation hear about new schemes the government is promoting!. I was at no time in touch with any outside advisors or officials.
11. Galgorm: Brian Hood of BS Holdings
Ashbrooke: Christopher Melly and Connor McCrossan of Kes energy
12. Specify when you first became aware that tariffs payable under the RHI Scheme exceeded the cost of biomass fuel used to produce heat and/or the



cost of producing a unit of heat (so that there was an incentive in some cases to produce heat merely to make profit from the Scheme) and how you became so aware. Without prejudice to the foregoing, please also provide details of the following:

I was aware that the tariffs payable under the RHI Scheme were greater than the cost of the fuel to produce the heat. I understood that the differential was to assist with the costs involved for equipment, installation and additional running costs of operating the systems. The running and maintenance costs are for the chip systems in particular considerable. I never viewed the RHI scheme as a profit making enterprise of burn to make money for the following reasons

To overheat Galgorm Castle Club house unnecessarily would create unfavourable conditions for staff, guest and golfers.

To overheat Ashbrooke House would dry out and destroy the fabric of the building and destroy the antique contents and furniture as well as create severe discomfort for guests.

a. Galgorm uses wood pellets, Ashbrooke is a wood chip system. Readings are taken of every load delivered and detailed records kept. On several occasion I have consulted with the renewable energy unit at North West College, Enniskillen and commissioned them to carry out quality and moisture tests. The moisture content of the vast majority of chip is between 20% and 25%.

b. There was no bulk buying, group buying or any long term supply contracts in place at Galgorm or Ashbrooke.

c. Galgorm – Wood Pellets Fuel Price:

2013 - £180 per Tonne
2014 - £200-£203 per Tonne
2015 - £198 per Tonne
2016 – Current - £180 per Tonne

Ashbrooke -The price averages between £95 - £100 per tonne. In January 2018 this increased to £125 a tonne delivered.



- d. Galgorm Operating Costs: £1500 + vat for 1st 3 years maintenance (July 2013 – July 2016) After this it has been approximately £170+vat per month for maintenance.

Other costs are incurred depending on breakages and electricity.

Ashbrooke Operating Costs: Annual maintenance/servicing in the region of £1500, additional electricity to drive pumps estimated at £1500 per annum. Other cost involved include, purchase of tractor with front loader, conversion of shed for storage of fuel, widening of roads for delivery vehicles. Chip systems require more management than wood pellet. I employed one extra person in 2016 who spent 50% of his time overseeing, cleaning, filling and maintaining the system. When the tariff changed he was made redundant.

- e. The tariff was put in place by the government to help offset the cost of equipment and installations of the biomass systems and the running costs involved. While I was getting subsidised heat and hot water within the spirit of the scheme I was not making a profit and did not inform anyone I was.

13. The Enhanced Capital Allowances Scheme (ECA) was available for certain renewable energy technologies, including some of those falling within the RHI Scheme. This enabled businesses to claim 100% tax relief on the purchase of eligible equipment in the year of purchase. In relation to this, please explain:

- a. Neither Galgorm nor Ashbrooke were or are part of the ECA Scheme.
b. N/A
c. Negative.

14. Evidence available to the RHI Inquiry suggests that you were in text and/or telephone contact with Arlene Foster during 2015-2016. As to this:

- a. Arlene foster is a friend and almost my closest neighbour.

Personal information redacted
by the RHI Inquiry

Personal information redacted by the RHI Inquiry

. I see and speak to Mrs



Foster and members of her family regularly. I am also Vice Chair of Tourism Ireland and have met her officially on a number of occasions to discuss Tourism issues.

- b. I have never discussed any aspects of the RHI system with Arlene Foster.
 - c. I have never discussed any aspect of the RHI Scheme with Arlene Foster at any time.
15. Except to the extent that it has already been comprehensively addressed in your answers to the foregoing questions, please provide details of your past and current connections (if any) with the following, insofar as they are of potential relevance to the RHI Scheme and the Inquiry's Terms of Reference:
- a. Nil
 - b. Nil
 - c. I am a member of RHANI

16. There were unsubstantiated rumours that the system could be open to abuse. The Ashbrooke system is wood chip and it required substantially more maintenance than wood pellet. The system was commissioned in September 2015 and between then and April 2017 suffered in excess of 80 malfunctions and stoppages. I was more concerned with getting my own boiler working operating than listening to rumours.

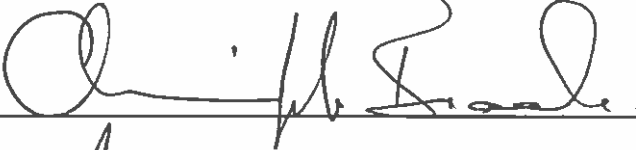
The Galgorm system is wood pellet and is still paying off the loan so there has been no profit generated from the biomass system.

17. Nil



Statement of Truth

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

Signed: 

Dated: 2 Aug 18