



Mr Thomas Hempton  
Drumlea Poultry Ltd  
21 Drumlea Road  
Omagh  
BT79 7RP

1 May 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 be aware from media reports that the RHI Inquiry is conducting its investigations into the matters set out in its Terms of Reference. The Inquiry is continuing with the process of gathering all of the relevant documentation from relevant departments, organisations and individuals. In addition, the Inquiry has also now begun 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 with 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.

Receipt of this correspondence and its enclosures places you under a duty of confidentiality to the RHI Inquiry in respect of them. You may share the correspondence and the enclosed Notice with a legal representative or representatives, but neither you nor they may show, communicate the contents of, or provide this correspondence or the Notice 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](mailto: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 style with a long horizontal stroke at the end.

**Patrick Butler**

Solicitor to the RHI Inquiry

02890408928

**SCHEDULE****[No 41 of 2018]**

1. 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').
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 the following:
  - a. Why you decided to apply to the Scheme;
  - b. The date each of your biomass boilers was installed;
  - c. The date 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. Explain when and why you started work in the poultry sector. In particular, explain whether your decision to enter this sector and/or the timing of such entry was related in any way to the availability of subsidies under the RHI Scheme.
5. Provide, for the period from November 2012 to date, a summary of the following:
  - a. The dimensions (length and breadth) of each of your poultry houses;

- b. The size (in bird numbers) of each crop produced per house and the number of such crops per annum per house (if there is any difference in this regard between houses served by renewable heating and those which are not or between the period prior to accreditation under the RHI Scheme and the period following accreditation, please set it out and provide an explanation for it);
  - c. The annual heat demand (in kWh) of each house (if there is any difference in this regard between houses served by renewable heating and those which are not or between the period prior to accreditation under the RHI Scheme and the period following accreditation, please set it out and provide an explanation for it).
6. 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 February 2016 when there was a marked 'spike' in the number of such applications generally. As to that (and in respect of each such application), 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 closure of 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 29 February 2016.
7. Specify whether you are connected in any way, through family connections or otherwise, to any DUP MLA, Minister, Special Adviser or Party Officer, including, but not limited to, Andrew Crawford, providing an explanation of how you are so connected.

Arising out of this, please provide for each, full details of the following:

- a. All contact you had with this person in relation to or touching upon the Scheme at any time (including so far as possible the date and time of such communication and the means of such communication) and specifying, in each instance, the nature and purpose of the contact; and
  - b. Any information you received from them, touching on or relating to the Scheme (including so far as possible the date and time of the provision of such information).
8. Specify, for each person you have named above, whether you were encouraged by them to seek accreditation under the Scheme, were assisted by him in doing so, or were provided by him with information which encouraged you to apply or to consider applying or which influenced the timing of any such application. Please provide full details, including the relevant dates.
9. 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.
10. Please advise whether you have any connection with Moy Park (such as, for example, supplying chickens to Moy Park and/or being a member of a Moy Park Growers' Association) and, if you do have such a connection, please provide full details of same.
  11. Specify whether you were encouraged by the UFU and/or Moy Park and/or anyone connected with either entity 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 of such information, including, but not limited to, the identity of the person(s) providing the information, the relevant dates and any and all documentation relating to this.
  12. 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 any such application. Please provide full details, including the identity of the person or persons concerned and the relevant dates.
  13. 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.
  14. Specify whether you are aware of Andrew Crawford 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 by him in relation to the RHI Scheme, as far as you can.

15. 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).
16. Specify any email addresses used by you and any telephone numbers used by you in relation to any communication about the RHI Scheme.
17. Specify whether Andrew Crawford, or any person connected to him has, or has previously had, any financial interest, either directly or otherwise, in your economic activity, business or businesses.
18. 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 so became aware. Without prejudice to the foregoing, please also provide details of the following:
  - a. The type of biomass fuel burned by each of your / 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;
  - e. the steps (if any) taken by you to alert other persons (including, for example, Jim Wells, DETI or Ofgem officials, the UFU, Moy Park, and/or other poultry farmers) 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.
19. 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;
- 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).

20. Except to the extent that it has already been comprehensively addressed in your answers to the foregoing questions, 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. Moy Park;
- c. The Ulster Farmers' Union ('UFU');
- d. Action Renewables;
- e. The Renewable Heat Association of Northern Ireland ('RHANI').

21. 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.

22. 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.

**INQUIRY INTO THE RENEWABLE HEAT INCENTIVE SCHEME**

**RHI REF: Notice of 2018**

**DATE:**

**Witness statement of Thomas Hempton**

**I, Thomas Hempton, will say as follows:-**

1. Self employed farmer from August 2009 to present.
2. To replace gas heating with renewable energy.
- 3.a) Incentive available to replace gas heating with renewable energy.  
b) 10/02/16  
c) 15/02/16  
d) 16/02/16  
e) 199kW, 90% efficiency.  
f) 03/01/17  
g) Turco engineering  
h) Turco engineering
4. In 2002 graduated from QUB and started employment with Moy Park in September 2002 until August 2009. Moved home to family farm after this and erected poultry houses, contracted to Moy Park, which are running from the 31<sup>st</sup> August 2009 until present. I was unaware of the RHI scheme in 2009.
- 5.a) house 1 240ft x 52ft, house 2 240ft x 52ft, house 3 200ft x 48ft.  
b) Flock size 16000 laying hens, 1.1 flocks per year.  
c) Annual heat demand will depend on weather conditions but aim of system is to be capable of delivering 35kWh of heat to each house.
- 6.a) The hot water heating system was installed while I was between flocks which coincided with February 2016  
b) In January 2016 Moy Park explained the welfare benefits of hot water heating over gas heating.  
c) I heard from salesmen for wood pellet boilers that the scheme would close in 2016.  
d) No  
e) Approximately 1 month.  
f) None.
7. I am not connected in any way to any DUP MLA, Minister, Special Advisor or Party Officer.  
a) N/A  
b) N/A
8. N/A
9. I am a member of the UFU.
10. I am a farmer contracted to Moy Park.

11. Farmers were told at a Grandparent laying meeting about benefits of hot water heating to bird health, welfare, performance, reducing ammonia emissions and a reduction of shavings required because of better air quality in houses. Also better air quality for staff to work in.

12. No.

13. No.

14. No.

15. Farmers were told at a Grandparent laying meeting in January 2016 about benefits of hot water heating to bird health, welfare, performance, reducing ammonia emissions and a reduction of shavings required because of better air quality in houses. Also better air quality for staff to work in.

16. Personal information redacted by the RHI Inquiry

17. No.

18. I had heard rumours from other farmers that in the previous scheme which closed in 2015 it had been possible to earn money just by burning wood pellets. The scheme to which I applied was capped as follows, tier 1 tariff 6.40p/kWh, tier 2 tariff 1.50 p/kWh.

The tariff structure operated on a 12 month basis and begins on the date of accreditation. The regulations specify that during each 12 month period, an initial heat output equal to the installation running at full capacity for 1314 hours will be payable at the higher Tier 1 tariff. Any further eligible heat output will be paid at the lower Tier 2 tariff up to a maximum of 400,000kWh. Payments above 400,000kWh will be stopped.

a) Wood pellets.

b) Always order a full load to get best price.

c) 2000kg £215/t 12/02/16

26120kg £149/t 8/4/16

26360kg £145/t 17/10/16

24260kg £145/t 21/12/16

25280kg £145/t 03/04/17

d) Electricity to run boiler, pumps and augers estimated to be in the region of £1500/year, servicing costs of £1200/year.

e) None.

19.a) No, the ECA scheme was not used to claim tax relief.

b) N/A

c) I receive a bonus payment from Moy Park of £1800 per quarter for 10 years from February 2016 to cover installation cost of boiler and associated plumbing, pumps, valves, thermostats etc. This is standard practice by Moy Park when farmers incur capital expenditure which will help bird welfare, reduce ammonia emissions, reduce costs by reducing shavings required and/or improve performance, for example, replacing bell drinkers with nipple lines or manual nests with automatic nests.

20.a) None.

b) Employed by Moy Park from September 2002 until August 2009. Farmer contracted to Moy Park from August 2009 to present.

c) Member of the UFU.

d) None.

e) None.

21. I was aware that the first uncapped RHI scheme was open to abuse by unscrupulous individuals but I was not aware of any flaws, problems, anomalies, loopholes or any other issues with the second capped RHI scheme to which I applied. I am still not aware of any problems with the capped RHI scheme.

22) N/A

Thomas Hempton.