

Mr Padraig Corby
Corby Biomass Systems Ltd
2 Levally Road
Drumboory
Enniskillen
BT74 5GD

9 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.

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

Yours faithfully



Patrick Butler

Solicitor to the RHI Inquiry

02890408928

SCHEDULE
[No 84 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, in respect of any sector in which you did business in the said period, 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 Non Domestic Renewable Heat Incentive Scheme in Northern Ireland ('the RHI Scheme').
3. Explain why you / your business first became interested in the RHI Scheme.
4. 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.
5. 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 between August 2015 and 18 November 2015 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 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 18 November 2015.
6. Specify whether you were encouraged by any person 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.

7. 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.
8. Specify whether you are aware of anyone 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.
9. 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).
10. Specify any email addresses used by you and any telephone numbers used by you in relation to any communication about the RHI Scheme.
11. 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, DETI or Ofgem officials, politicians, their advisers, and/or other persons in the commercial world) 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.
12. 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;

c. The date(s) on which you purchased your biomass boiler(s);

d. The date(s) on which you registered with the ECA scheme;

e. The amount of tax relief you benefitted from for each biomass installation under the ECA scheme, providing all documentation in relation to this;

f. 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).

13. 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. Action Renewables;

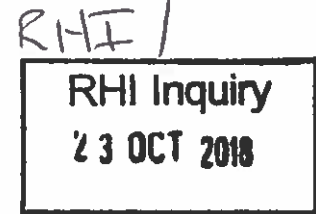
c. The Renewable Heat Association of Northern Ireland ('RHANI').

14. 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.

15. 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 84 of 2018

DATE: 12th October 2018

Witness Statement of: Mr Padraig Corby, Corby Biomass Limited

I, Padraig Corby, will say as follows: -

1. a) I run a Beef farming enterprise from my home in Newtowngore, Co. Leitrim together with the growing and harvesting of Willow for Bio Mass purposes in the Republic of Ireland

b) Running and operating the business of Corby Biomass Systems Ltd up until it was destroyed by fire on the 6 January 2017.
2. I made the decision to go into the RHI Scheme, it was certainly influenced by the subsidies available but also by my interest in Biomass generally. Prior to the Corby Biomass enterprise I had been researching the potential of Biomass and had visited Biomass Trade Shows, Conferences etc. in Sweden, Austria, Finland. I had several potential customers who were involved in the harvesting of Seaweed but I had no quick way to dry it to maximise its potential.

a) I was already involved with Willow and had enquiries in respect of Seaweed and other products that required drying.

b) On a visit to Scotland to look at Biomass boilers I was advised of the scheme that was being rolled out in N Ireland. This was in the summer of 2015.
3. a) I decided to apply for the scheme as it was financially viable for the business I was hoping to establish;

b) The biomass boilers were installed between late August 2015 and October 2015;

c) I made some enquires as to who supplied the best boilers and was directed to Alternative Heat and they did the application for me in the Summer of 2015

d) All boilers were Accredited in October/November 2015;



RENEWABLE HEAT INCENTIVE INQUIRY

- e) The Company installed eight (8) 99Kw boilers
 - f) The first RHI payment was received on the 26 May 2016
 - g) Conal McMullan of Alternative Heat Ltd was the person I engaged to do the installation.
 - h) The same as at 4g above
4. Application made between August 2015 and 18 November, 2015 (when there was a marked spike):-
- a) I was aware that there was a 'Closure Date', so the application had to be made ASAP if you were to be successful
 - b) Nobody influenced me to make the application at this time. I was aware of the deadline
 - c) No memory of anyone discussing the possible introduction of cost controls etc.
 - d) In all my dealings with RHI I never met a Minister, SpAd, Civil Servant or Politician or anyone else of influence
 - e) I am not exactly sure but I advise that Alternative Heat would have the full details of my Application and the installation and accreditation of the boilers, but I believe that it fell between July and November 2015.
 - f) After initial meetings with Alternative Heat I was confident that they would deliver on their promises and the only issue for my business was to secure the appropriate premises and products to dry.
5. I had been researching biomass boilers for at least two years plus before I came on the N Ireland RHI Scheme. (My business interest is based in the Republic of Ireland). Nobody contacted, encouraged, pressurised or assisted me in going forward for the Scheme. I genuinely believed in the scheme as is evident from the RHI payments the Company received for my 8 Boilers which were being run at approximately 36% of their capacity up to the date of the fire that destroyed them.
6. This question does not apply to me.
7. This question does not apply to me.
8. All correspondence and communication are held by Alternative Heat Ltd



9. See answer to 9 above

10. a) Wood chip was burned and had a moisture content of between 18 to 26%;

b) Timber was sourced locally, for example Balcas. Corby Biomass didn't enter into any purchase contracts to obtain discounts etc

c) Generally the business purchased 'deadwood' in log form which was stored and dried out naturally before it was chipped for burning. This cost approximately £55 per tonne

d) The biggest cost after material for fuel was that of electricity and wages

e) Not applicable. No contact was made to alert other persons of the differential between income and costs

11. The Enhanced Capital Allowances Scheme

a) Relief not availed of;

b) N/A

c) The biomass boilers were purchased from Alternative Heat Ltd and paid for during the month of October 2015

d) The date on which we registered for the ECA Scheme – Didn't registered for this scheme

e) None

f) None

12. Connections

a) N/A

b) N/A

c) N/A

13. Other issues with RHI

a) Company wasn't allowed to claim VAT back on the equipment installed because the VAT authorities determined that the 'SUBSIDIES' were income and not an incentive

b) After the fire that destroyed the premises and boilers and on total reinstatement and refurbishment of the equipment the Company was not

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permitted to re-engage with the Scheme. I genuinely entered the Scheme for all of the right reasons and feel I have been victimised by those in Authority. I have re-installed one of the boilers on my farm in the Republic of Ireland and am drying Seaweed and Hemp for customers. This is business that has lost to N Ireland.

14. Corby Biomass Systems Ltd. was a genuine user of the scheme and would have run with it even under the revised subsidies. It seem such a shame that the good is getting buried with the bad

Statement of Truth

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

Signed: _____

Dated: _____

Padraig Corby
20-10-18