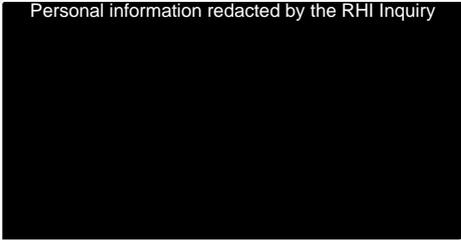




Mr Colin Kane

Personal information redacted by the RHI Inquiry



8 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 66 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 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.
 - g. Please explain, given that you had already made two successful applications to the RHI Scheme on 30 October 2013, the reasons (e.g. a further heat requirement) for your applications in respect of six additional biomass boilers during the aforementioned 2015 'spike'.
7. 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.
8. 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.
9. 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.

10. 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.
11. 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.
12. Specify whether you are aware of the UFU and/or Moy Park 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.
13. 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).
14. Specify any email addresses used by you and any telephone numbers used by you in relation to any communication about the RHI Scheme.
15. 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, 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.
16. 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).

17. 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').
18. 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.
19. 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 66 of 2018

DATE:

Witness Statement of: Colin Kane

- 1 Farmer/agriculture designer engineer
- 2 When it was first launched at Greenmout Agri collage by the Department of agriculture
- 3
- a I decided on the bases of it was a government guaranteed backed scheme
- b Boilers commissioning DATES

1 NIRHI000[REDACTED] / 23/10/2013	2 NIRHI000[REDACTED] / 08/10/2013
3 NIRHI000[REDACTED] / 21/10/2015	4 NIRHI000[REDACTED] / 21/10/2015
5 NIRHI000[REDACTED] / 26/10/2015	6 NIRHI000[REDACTED] / 26/10/2015
7 NIRHI000[REDACTED] / 26/10/2015	8 NIRHI000[REDACTED] / 26/10/2015
- c application dates

1 NIRHI000[REDACTED] / 20/11/2013	2 NIRHI000[REDACTED] / 17/12/2013
3 NIRHI000[REDACTED] / 21/10/2015	4 NIRHI000[REDACTED] / 21/10/2015
5 NIRHI000[REDACTED] / 26/10/2015	6 NIRHI000[REDACTED] / 26/10/2015
7 NIRHI000[REDACTED] / 26/10/2015	8 NIRHI000[REDACTED] / 26/10/2015
- d Boilers accredited DATES

1 NIRHI000[REDACTED] / 30/10/2013	2 NIRHI000[REDACTED] / 30/10/2013
3 NIRHI000[REDACTED] / 22/10/2015	4 NIRHI000[REDACTED] / 22/10/2015
5 NIRHI000[REDACTED] / 26/10/2015	6 NIRHI000[REDACTED] / 26/10/2015
7 NIRHI000[REDACTED] / 27/10/2015	8 NIRHI000[REDACTED] / 27/10/2015
- e all our boilers are 99kwh I estimate efficiency at 75/80% as pellet quality can vary the boiler manufacture claim 85% to 90%

f date of first RHI payment

- | | |
|-------------------------------------|-------------------------------------|
| 1 NIRHI0000 [REDACTED] / 19/02/2014 | 2 NIRHI0000 [REDACTED] / 19/02/2014 |
| 3 NIRHI0000 [REDACTED] / 30/08/2016 | 4 NIRHI0000 [REDACTED] / 16/11/2016 |
| 5 NIRHI0000 [REDACTED] / 30/08/2016 | 6 NIRHI0000 [REDACTED] / 16/11/2016 |
| 7 NIRHI0000 [REDACTED] / 16/11/2016 | 8 NIRHI0000 [REDACTED] / 30/08/2016 |

g CHP Mechanical services 62 Dromara road dundum Newcastle county down bt330ns

h CHP Mechanical services done all relevant rhi application work

4 I started Poultry production over 20 years ago to help make living on the farm long before any RHI

5

A I have 6 poultry sheds that I farm with my son they comprise of two wooden 200ft by 60ft that can be each stocked up to

B 22000 birds also 4 steel sheds 285ft by 68ft that can be each stocked up to 38000 birds

C 6.8 crops per year yes we can experience different heat demands / consumption from house to house immaterial of the house size or stocking density

This can be down to the birds health on the day and the climate on the day and the age of birds on the day that alone will change the heat demands

House location on the farm this will vary heat consumption due to the prevailing wind, also misty and damp/humidity weather can have unquantifiable heat demand these variables have always been the case in heating my broiler housing in my 20+ years' experience there is no way of predicting it either the house climate computers run the house environment

Poultry farmers battel with these problems every day trying to achieve the perfect growing conditions for birds in my twenty plus years growing birds I've never seen two crops of birds that have same identical conditions and results

6

A our farm was going through a market led expansion of our poultry operation and its associated needs and we took the diction around the end of 2014 that we go over to completely biomass / renewable sustainable heating with government promoting it as means to reduce our carbon footprint

B CHP Mechanical services 62 Dromara road dundum Newcastle county down bt330ns informed me by phone that the Scheme might be finishing soon

C no one made me aware of any cost controls other than John Smith of CHP Mechanical services mentioned that the scheme might be finishing as he had already our inquiry from me and was aware of our expansion was already in operation

D I have had no contact with any ministers / civil servant / special advisers in respect to RHI

E the time scale was from ordering was around eight months from a verbal order to installed / commissioned

F I took no steps other than CHP mechanical services that took care of all RHI applications as they did from the first job they did for us

G I have a ready mentioned that we had a further heat requirement as for an expanding poultry farm and will still be needing further a heat requirements for 2019 and on

7 I am a UFU member no [REDACTED] Personal information redacted by the RHI Inquiry

8 I am a MoyPark broiler grower

9 I wasn't in contact with either MoyPark or the NFU in connection with RHI

10 none

11 none

12 no I was not aware of this

13 CHP Mechanical services 62 Dromara road dundum Newcastle county down bt330ns handle all rhi applications and correspondences on my behave

14 info@chpmechanical.com

15 I was not aware the rhi Tarff did as you suggest if it did it was for a short time only with low fuel prices with a weak euro currency and now has changed as suspected the projected fuel costs by the departments DITE what we suspect with pending serves and maintenance costs for ageing boiler and the projected life of its components and its associated equipment and the duty cycle of the 99kw boiler so I don't accept it ever was

A we use EN plus accredited wood pellet

B buying bulk i.e. full truck load will be at the market prices

C 2014 price started at £145 per tonne 2015 to £189 per tonne in less than one year then dropped 2016 to £155

Now up to £185 and rising to date

E I had no I did need to alert any one because we had seen nothing different from our poultry farmer colleagues in England with their starting tariff's which equated to a similar financial support

16 we did not apply for (ECA)

A none

B N/A

C none

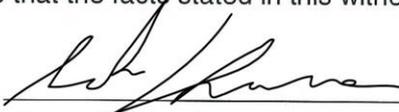
17 I am a RHANI member I have no connections with any of the fore mention organizations

18 none that I am aware of

19 none that I am aware of

Statement of Truth

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

Signed:  _____

Dated: 24/5/2018