



Mr Jonathan Crawford

R Crawford & Co

Personal information redacted by the RHI Inquiry



3 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

A handwritten signature in black ink that reads "Patrick Butler". The signature is written in a cursive, slightly slanted style.

Patrick Butler

Solicitor to the RHI Inquiry

02890408928

SCHEDULE**[No 57 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. Without prejudice to the generality of the foregoing, please specify if you have any connections, familial or otherwise, to any Minister or Special Adviser, in particular but not limited to, Andrew Crawford. If so, please give full details of any communications you had with this person in relation to the RHI Scheme, including but not limited to, the introduction of cost controls, providing all documentation relating to each and every communication.
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 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.
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;
- 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).

14. 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').
15. 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.
16. 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 in the Renewable Heat Incentive Scheme

RHI ref : notice 57 of 2018

Date 23/05/2018

Witness statement of Jonathan Crawford

I Jonathan Crawford will say as follows: -

Q1, I have been a self employed partner in R Crawford & Co since 1999 which operates Crawfords Department store at 18-22 main st, Maghera, Co Londonderry

Q2, Our business model did not change due to any subsidies under the Non Domestic Renewable Heat Incentive Scheme.

Q3, Crawfords first became interested in the RHI scheme for the following reasons

- 1, Provide a local renewable heating source for our retail business
- 2, Hopefully provide a less price volatile heating supply (because of excessive oil price fluctuations in previous years. We thought local grown wood pellets would be more stable supply source)
- 3, It would help our 'Green Credentials' as a local retailer.
- 4, The subsidies also made it attractive.

Q4a, Answers as Q3 also after we came up with the plan as where to site the boilers and the wood pellet storage area.

Q4b, 13th October 2015

Q4c, October 2015 (need to find exact date)

Q4d, 31st March 2016

Q4e, 3 boilers 99kw each, efficiency 94.2%

Q4f, 16th May 2016

Q4g, Samuel and George Neely Plumbers

Q4h, Denzil Cluff (Eco Erne) & Treence Cassidy (C2 Energy)

Q5a, We couldn't make an application until the boilers were installed.

Q5b, No one encouraged us to make an application at that time. We ordered the boilers in May 2015 and it took until October to get them finished. We had extensive works to reinforce steelwork to accommodate the 26 tonne wood pellet storage area.

Q5c, We were not warned of any reduction in tariff.

Q5d, We or I were not in communication with any minister or SPAD

Q5e, From my recollection I first became aware of the scheme in 2012 however was unable to find a suitable site for the equipment on site. Then in 2014 a space became available and we started researching the possibility of biomass. I believe we finally ordered the equipment in May 2015 and installed in October 2015.

Q5f, No steps were taken to expedite our application.

Q6, Terence Cassidy (C2 Energy) whom the boilers were sourced initially helped us with the application to the scheme however the final application was made by Denzil Cluff (Eco Erne)

Q7, Not applicable

Q8, I am not aware of anyone sharing information about the RHI scheme.

Q9, Not applicable

Q10, I have no connections or family ties with any Minister or Special Adviser or Andrew Crawford. I would go as far to say in my recollection I have never met or spoken to Andrew Crawford or any SPAD

Q11, my email

Personal information redacted by the RHI Inquiry

My mobile

Personal information redacted by the RHI Inquiry

My office la

My home landline

Personal information redacted by the RHI Inquiry

Q12, When I began researching the RHI scheme this was not obvious as the price of wood pellets was high (around £300 per tonne) as the oil price was high the scheme was attractive due to high oil price. Also it was difficult to understand the efficiency of the boilers from manufactures. It wasn't until the boilers were up and running (with the lower pellet price around £160 per tonne) that this became apparent.

Q12a, Wood pellet

Q12b, We were able to buy full loads but didn't enter into supply contracts or group buy.

Q12c, See attached spread sheet.

Q12d, The electricity would not be excessive in running 3 boilers however the maintenance and cleaning costs are around £1000 per year per boiler.

Q12e, None

Q13a, Yes I believe we did (would need to check detail with accountants and auditors)

Q13bi, After installation

Q13bii, My Accountants Irwin Donaghy Stockman , Coleraine

Q13biii, No

Q13biv, not aware

Q13c, October 2015

Q13d, year ending 5th April 2016

Q13e, 100% £150,803 any other information required from my accounts Irwin Donaghy Stockman , Coleraine

Q13f, No other financial assistance. The purchases were self funded.

Q14a, I have no connection whatsoever with the DUP

Q14b, I have no connection with Action Renewables

Q14c, I joined RHANI however to date have not renewed my membership.

Q15, None

Q16, None

Date	Shop	price per ton
08/10/2015	6.14	£155.00
13/10/2015	0.5	
30/10/2015	5.44	£155.00
07/12/2015	6.18	
17/12/2015	6	£155.00
31/12/2015	3.6	
11/01/2016	6.26	£155.00
07/03/2016	10.2	
15/03/2016	5.9	
07/04/2016	14.95	
23/05/2016	8.72	£140.00
31/08/2016	14.12	£139.00
25/10/2016	14	£138.00
08/11/2016	0.01	
23/11/2016	10.84	£145.00
09/12/2016	8.72	£145.00
15/12/2016	10.04	£145.00
03/01/2017	0.1	
04/01/2017	14	£145.00
23/01/2017	14.76	£145.00
16/02/2017	10.02	£145.00
01/03/2017	10.24	£145.00
09/03/2017	15.98	£145.00
06/04/17	15.02	£145.00
21/04/17	9.48	£148.00
07/06/2017	10.5	£148.00
21/08/2017	8.18	£145.00
02/10/2017	12	£145.00
27/10/2017	14.02	£145.00
23/11/2017	9.01	£145.00
08/12/2017	9.04	£145.00
18/12/2017	13.22	£145.00
11/01/2018	10.28	£155.00
29/01/2018	17.1	£155.00
08/02/2018	4.02	£160.00
21/03/2018	13.96	£170.00