



Making a positive difference
for energy consumers

Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London
SW1A 0AA

Date: 26 September 2018

Dear Ms Hillier,

Renewable Heat Incentive in Great Britain inquiry

Further to the letter from Alex Chisholm of 19 September addressing the recommendations made by your Committee to the Department for Business, Energy and Industrial Strategy and Ofgem by September 2018, I also wanted to write to you about another matter that was discussed when I gave evidence to your Committee on 21 March 2018.

As I explained in my evidence to your Committee on 21 March 2018, Ofgem is currently participating in the Renewable Heat Incentive Inquiry in Northern Ireland. This is an independent public inquiry. I am due to give oral evidence to this Inquiry on 5 October 2018.

In the course of preparing for my attendance at this Inquiry, I have reviewed the transcript of my evidence to your Committee, and in particular questions 11 and 12:

Chair: There was clearly gaming going on in the Northern Ireland scheme, more so than in the GB scheme. As the regulator and operator of this scheme, how reactive were you at making the necessary changes to stop this going on?

Dermot Nolan: Chair, I will do my best to answer that, but I should say that this is the question that will probably be asked of us in a judicial inquiry at some point.

Chair: I do not want you to prejudice that inquiry, so please don't say anything that would do so.

Dermot Nolan: Thank you, Chair. All I would say is that we did try and monitor things as carefully as we could throughout and inform the relevant Department there. But as I said, that will be the subject of considerable scrutiny in the Inquiry.

As you will see, given that the Inquiry was still to examine the issue of gaming in Northern Ireland, I did not wish to pre-empt or prejudice its work in anyway. In addition, the comments I did make were in relation to the Northern Ireland Non-Domestic RHI Scheme in general – and were not intended to specifically address work done by Ofgem in respect of gaming.

Having now reviewed the transcript, as well as significant further information in relation to **Ofgem's administration of the Northern Ireland Non-Domestic RHI Scheme**, I wanted to

clarify that while we did generally inform the relevant Department in Northern Ireland of issues as they arose, there was no specific monitoring of gaming in relation to the Northern Ireland Scheme.

While I know that the subject of your Committee's inquiry was the Renewable Heat Incentive in Great Britain – and not in Northern Ireland – I nevertheless wanted to write to you. I hope this clarification will be helpful to your Committee – and I would, of course, be happy for you to publish my **letter, alongside other correspondence related to your Committee's inquiry.**

I have copied this letter to the Renewable Heat Incentive Inquiry in Northern Ireland, and to Alex Chisholm, the Permanent Secretary at the Department for Business, Energy and Industrial Strategy.

Yours sincerely,



Dermot Nolan
Chief Executive

cc: Northern Ireland Renewable Heat Incentive Inquiry and Alex Chisholm (Permanent Secretary, Department for Business, Energy and Industrial Strategy)