

Small-Scale Green Energy Bill

[AS INTRODUCED]

LEGISLATIVE COMPETENCE

At Introduction the Member in charge of the Bill, Mr John O'Dowd, has made the following statement under Standing Order 30:

“In my view the Small-Scale Green Energy Bill would be within the legislative competence of the Northern Ireland Assembly.”

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BILL

TO

Make provision for the establishment of a scheme to promote the micro-generation of renewable electricity; and for connected purposes.

BE IT ENACTED by being passed by the Northern Ireland Assembly and assented to by Her Majesty as follows:

Small-scale green energy scheme

Establishment of scheme

1.—(1) The Department must make regulations (“scheme regulations”) establishing a small-scale green energy scheme for Northern Ireland.

5 (2) Scheme regulations must—

(a) require major electricity providers to provide a minimum price tariff for micro-generated renewable power exported into the Northern Ireland electricity grid; and

10 (b) set targets for major electricity providers to have a specified percentage of their electricity supply sourced from micro-generated renewable power by a specified date.

(3) Scheme regulations must include provision—

15 (a) determining, or enabling the determination of, the electricity providers who are to be treated as major electricity providers for the purposes of the scheme, by reference to computation of market share;

(b) defining “micro-generated renewable power”;

(c) setting, or making provision for setting, the minimum price tariff;

(d) permitting or facilitating the participation of community projects in the scheme, subject to terms or conditions specified in the regulations; and

20 (e) for the enforcement of the minimum price tariff, targets and other provisions of the regulations.

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- (4) The first scheme regulations must specify for the purposes of subsection (2) (b)—
- (a) 5% as the specified percentage; and
 - (b) 1 January 2025 as the specified date.
- 5 (5) For the purposes of subsection (3)(b) the Department must—
- (a) include provision defining “micro-generated” by reference to generation capacity; and the first scheme regulations must specify 50 kilowatts as the maximum net capacity; and
 - (b) in defining “renewable power” consider, in particular, the inclusion of—
- 10 (i) wind power;
- (ii) solar power;
- (iii) combined heat and power technology;
- (iv) bio-fuels; and
- (v) hydroelectric power.
- 15 (6) In making scheme regulations the Department must have regard to the objectives (“the small-scale green energy objectives”) of—
- (a) reducing dependency on non-renewable electricity supplied by the Northern Ireland electricity grid;
 - (b) reducing environmentally harmful emissions from farms and other
- 20 businesses; and
- (c) increasing the geographical and sectoral diversity of renewable energy inputs to the Northern Ireland electricity grid.
- (7) In making scheme regulations the Department must, in particular, ensure that the scheme is compatible with, and reflects—
- 25 (a) the Single Electricity Market in Northern Ireland and Ireland, as provided for by the Electricity (Single Wholesale Market) (Northern Ireland) Order 2007; and
- (b) the Renewables Obligation Order (Northern Ireland) 2009.

Scheme regulations: supplementary

- 30 **2.**—(1) Scheme regulations may—
- (a) provide different minimum prices for different purposes;
 - (b) make provision about contract terms;
 - (c) provide for terms, conditions, limitations and exceptions in respect of requirements of the regulations.
- 35 (2) Scheme regulations may—
- (a) amend or modify, or apply with or without modification, a provision of the 1992 Order or any other Northern Ireland legislation;
 - (b) make provision by reference to any other enactment or to any published report or other document;
- 40 (c) confer enforcement functions (which may include a power or duty to impose financial penalties) on the Northern Ireland Authority for Energy

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Regulation or any other specified person with regulatory responsibilities in connection with the energy sector;

- (d) provide for a matter to be determined by, or confer a discretionary function on, the Department or any other specified person;
 - 5 (e) make provision that applies generally or only for specified purposes (which may include specified electricity providers or classes of electricity provider);
 - (f) make different provision for different purposes (which may include specified electricity providers or classes of electricity provider);
 - 10 (g) include transitional provision and savings.
- (3) Before making scheme regulations the Department must consult—
- (a) the Northern Ireland Authority for Energy Regulation;
 - (b) any other person with regulatory functions appearing to the Department to be relevant;
 - 15 (c) persons appearing to the Department to represent the interests of electricity providers;
 - (d) persons appearing to the Department to represent the interests of persons who are, or who wish to be, providers of micro-generated renewable electricity;
 - 20 (e) persons appearing to the Department to represent the interests of energy consumers; and
 - (f) persons appearing to the Department to have knowledge and experience in relation to environmental matters.
- (4) Scheme regulations are subject to affirmative resolution.

25 **Review and revision**

3.—(1) The Department must review the operation of the small-scale green electricity scheme from time to time.

(2) In carrying out a review, the Department must have regard to all relevant economic conditions and other circumstances, including—

- 30 (a) macro-economic conditions,
- (b) unit cost prices of renewable energy, and
- (c) the financial stability and performance of electricity providers.

(3) The Department must revise the scheme by making new scheme regulations when the Department considers revision necessary or appropriate.

35 **Suspension and revocation**

4.—(1) Scheme regulations must include provision enabling any aspect of the scheme to be suspended or revoked (whether or not by the making of amending or revoking scheme regulations) where it appears to the Department that—

- 40 (a) any aspect of the scheme is having, or is likely to have, unintended and harmful consequences, or
- (b) urgent action needs to be taken to control the operation of the scheme regulations for any other reason.

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(2) Provision under this section—

- (a) must require the provision of information to the Assembly; and
- (b) may make provision for scrutiny (before or after suspension or revocation) by the Assembly.

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Final provisions

Guidance

5. The Department may give guidance about—

- (a) the operation of the small-scale green energy scheme;
- (b) the pursuit of the small-scale green energy objectives.

10 **Interpretation**

6. In this Act—

“the 1992 Order” means the Electricity (Northern Ireland) Order 1992;

“community project” means a project organised for the benefit of a group of individuals comprising at least 5 households;

15 “the Department” means the Department for the Economy;

“electricity provider” means a person who is licensed under Article 10(1) of the 1992 Order (licenses authorising supply, etc.);

“major electricity provider” is to be construed in accordance with section 1(3) (a);

20 “scheme regulations” has the meaning given by section 1(1); and

“the small-scale green energy objectives” has the meaning given by section 1(6).

Commencement

25 7. This Act comes into operation at the end of the period of 6 months beginning with the day on which it receives Royal Assent.

Short title

8. This Act may be cited as the Small-Scale Green Energy Act (Northern Ireland) 2021.

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A Bill to make provision for the establishment of a scheme to promote the micro-generation of renewable electricity; and for connected purposes.

Introduced by: Mr John O'Dowd

On: 6 July 2021

Bill Type: Non Executive Bill

ACCOMPANYING DOCUMENTS

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