Renewable Electricity Generation Bill: Response to the Call for Evidence

Submitted by: EnergyCloud Northern Ireland

To: Committee for the Economy, Northern Ireland Assembly

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Executive summary

EnergyCloud Northern Ireland welcomes the Renewable Electricity Generation Bill and supports its objectives of encouraging investment in renewable electricity generation and ensuring that communities share directly in the benefits of the energy transition.

We particularly welcome Clause 13 and the Department for the Economy's stated preference for community benefit arrangements that provide direct financial payments to households living near supported renewable generation projects.

EnergyCloud believes that these payments should be protected. However, we also believe there is an opportunity to deliver additional, longer-term benefits to households experiencing fuel poverty, through the use of renewable electricity that would otherwise be dispatched down.

EnergyCloud is already demonstrating how surplus renewable electricity can provide free heating to households, working within existing electricity market arrangements and in partnership with SONI, NIE Networks, electricity suppliers and housing providers.

We make three principal recommendations:

1. **Protect direct household payments under Clause 13.**

   The proposed community benefit arrangements should ensure that eligible households receive the intended financial benefits from renewable electricity generation.

2. **Enable additional energy-based community benefits.**

   Clause 13 should be sufficiently flexible to accommodate separately funded, complementary initiatives that reduce household energy costs and alleviate fuel poverty, including the provision of free space and water heating using otherwise-dispatched-down renewable electricity. Such initiatives should not reduce the direct payments intended for eligible households.

   We further recommend that the Department's guidance actively encourages renewable generators to work with housing providers, electricity suppliers and not-for-profit organisations to deliver these additional benefits, while protecting the direct household payments provided for under Clause 13.

3. **Ensure appropriate consultation and coordination.**

   The Department should explicitly involve fuel poverty organisations, housing providers and community energy organisations in developing community benefit regulations, and consider how these arrangements can complement wider measures to improve renewable electricity utilisation.

About EnergyCloud Northern Ireland

EnergyCloud Northern Ireland is a not-for-profit company limited by guarantee, currently applying for charitable status. Our purpose is to alleviate fuel poverty by enabling households to benefit from renewable electricity that would otherwise be dispatched down and wasted.

EnergyCloud NI operates in partnership with SONI, NIE Networks, Budget Energy, Click Energy, Share Energy and SSE Airtricity, Social Housing Providers, Bryson Pathways and a range of technology companies. Our approach enables participating households to receive free heating when suitable surplus renewable electricity is available.

EnergyCloud NI has operated a demonstration programme since May 2025, which demonstrates how existing electricity system arrangements and readily available technologies can be used to deliver measurable benefits to households experiencing fuel poverty.

1. Renewable electricity dispatch-down and fuel poverty

Northern Ireland has made substantial progress in developing renewable electricity generation. However, significant quantities of potential renewable electricity output continue to be dispatched down because of network constraints and electricity system operational requirements.

In 2025, approximately 662 GWh of potential renewable electricity generation was dispatched down in Northern Ireland. At the same time, many households continued to experience fuel poverty and struggled to afford adequate heating.

EnergyCloud believes that these challenges should be considered together. As Northern Ireland expands its renewable generation capacity, it should also seek to maximise the productive use of renewable electricity and ensure that its benefits are shared fairly.

2. EnergyCloud's operating model

A defining characteristic of EnergyCloud is that it operates outside the wholesale electricity trading process, after the relevant market trading and scheduling arrangements have concluded. EnergyCloud does not participate in electricity trading, seek to influence wholesale electricity prices or intervene in commercial arrangements between generators and suppliers.

Instead, EnergyCloud operates at the point when SONI is preparing to instruct renewable generators to reduce output for system operational reasons.

Through coordination with SONI, NIE Networks and participating electricity suppliers, suitable household heating systems can be activated so that some of the renewable electricity which would otherwise be dispatched down can be put to beneficial use.

Participating households are initially charged for electricity consumed through their normal supply arrangements. Their electricity suppliers subsequently provide refunds covering qualifying consumption, ensuring that households receive the energy free of charge.

EnergyCloud therefore creates additional social value from renewable electricity that would otherwise be wasted, without requiring changes to wholesale electricity trading or the proposed Contracts for Difference (CfD) framework.

Between May 2025 and April 2026, the programme delivered free energy on 137 activation nights, with an estimated annual benefit to participating households of approximately £120.

Although the programme remains at demonstration scale, it provides practical evidence that flexible household electricity demand can deliver direct social benefits from renewable generation.

3. Clause 13 – Community Benefit

EnergyCloud Northern Ireland strongly supports Clause 13 and the principle that communities hosting renewable electricity infrastructure should receive direct and tangible benefits.

We understand that the Department's preferred approach, as outlined in its evidence to the Committee on 1 September 2026, is for renewable generators receiving CfD support to make direct financial payments to eligible households. We welcome this approach as direct household payments offer a transparent means of ensuring that communities hosting renewable generation share in its financial benefits.

However, we believe that the legislation should also recognise opportunities to deliver additional, sustained benefits to households experiencing fuel poverty.

a. Additional benefits through surplus renewable electricity

EnergyCloud's operating model provides a practical example of how renewable electricity generation can deliver benefits beyond direct financial payments.

For example, separately funded investment in suitable heating controls and associated programme delivery could enable eligible households within communities hosting renewable generation to receive free heating when surplus renewable electricity is available.

This could provide a continuing benefit over several years, supplementing the direct financial payments received by households. Importantly, EnergyCloud is not proposing that the costs of such initiatives should be deducted from the direct household payments envisaged by the Department.

We support protecting those payments and making the case for additional investment in complementary energy-based benefits. Such investment could be supported through voluntary additional contributions from generators, separately funded programmes, charitable or other external funding, or partnerships with housing providers and other organisations.

These arrangements would be additional to the mandatory community benefit requirements and should not be counted towards satisfying those requirements where doing so would reduce the intended household payments.

EnergyCloud's operating model would continue to depend on appropriate arrangements with SONI, NIE Networks and participating electricity suppliers. It would not require generators to transfer funds directly to households or alter their participation in wholesale electricity markets.

b. Clarification of Clause 13

Clause 13 provides powers for the Department to make regulations requiring generators receiving CfD support to make arrangements for specified community benefit payments.

We recommend that the Committee seek clarification from the Department as to whether the existing wording provides sufficient flexibility to accommodate additional, non-financial community benefits alongside the proposed direct household payments.

We further recommend that the Committee invites the Department to provide clear guidance encouraging generators to develop additional, voluntary community benefit initiatives in partnership with housing providers, electricity suppliers and not-for-profit organisations such as EnergyCloud Northern Ireland. Such partnerships could deliver sustained reductions in household energy costs, including through the use of otherwise-dispatched-down renewable electricity, without reducing the direct financial payments intended for eligible households.

In particular, we suggest that the legislation or accompanying regulations should recognise the potential for community benefit to include:

- Reductions in household energy costs.
- The provision of free or discounted electricity or heating.
- Investment in technologies that enable households to benefit from renewable electricity.
- Programmes designed to alleviate fuel poverty.

We recommend that the Committee considers whether clarification or an amendment is necessary to ensure that these additional benefits can be recognised without weakening the intended direct household payment arrangements.

For the avoidance of doubt, EnergyCloud is not seeking to participate in CfD allocation rounds or receive financial support intended for renewable generators. Our objective is to ensure that the community benefit framework does not inadvertently restrict opportunities for generators and other organisations to support additional, independently delivered fuel-poverty initiatives.

4. Clause 12 – Payments to electricity suppliers

EnergyCloud recognises that Clause 12 concerns payments from the CfD counterparty to electricity suppliers, including provisions intended to ensure that resulting financial benefits are passed through to customers.

These arrangements are distinct from EnergyCloud's existing supplier credit mechanism, which compensates participating households for electricity consumed during qualifying activations.

We support the principle that any customer benefits arising under Clause 12 should be transparent, appropriately accounted for and passed through to the intended recipients. We do not propose that EnergyCloud's existing credit arrangements should be incorporated into the CfD counterparty payment mechanism.

5. Clause 18 – Consultation

EnergyCloud welcomes the consultation provisions under Clause 18, which already allow the Department to consult other parties it considers relevant.

Given the importance of the proposed community benefit arrangements to households experiencing fuel poverty, we recommend that the Department makes an explicit commitment to consult fuel poverty organisations, housing providers, consumer representatives and community energy organisations when developing the regulations under Clause 13.

These organisations can contribute practical experience of household needs, programme delivery, consumer protection and the measurement of social outcomes.

We believe that this commitment could be provided through the Department's approach to implementing Clause 18, without necessarily requiring amendment of the primary legislation.

6. Wider policy considerations

The Renewable Electricity Generation Bill is principally concerned with establishing a framework for supporting investment in renewable electricity generation.

However, increasing renewable generation capacity must be accompanied by measures to improve the utilisation of renewable electricity, particularly where it would otherwise be dispatched down.

EnergyCloud believes that demand-side flexibility, including flexible household heating in low-income homes, has an important role to play in achieving this objective.

We recommend that the Department for the Economy, working with the Utility Regulator, SONI, NIE Networks and other relevant stakeholders, considers how programmes that deliver social benefits from surplus renewable electricity can be supported within Northern Ireland's wider energy and fuel poverty policies. Such measures need not form part of the CfD framework itself, however, they should complement the expansion of renewable generation and help ensure that Northern Ireland derives maximum social, economic and environmental value from its renewable electricity resources.

7. Conclusion

EnergyCloud Northern Ireland supports the Renewable Electricity Generation Bill and particularly welcomes the intention to provide direct financial benefits to households living near renewable electricity generation projects.

While we believe that these benefits should be protected, we also believe that Northern Ireland has an opportunity to go further by enabling additional, sustained benefits to households experiencing or at risk of fuel poverty.

EnergyCloud's operational experience demonstrates that renewable electricity which would otherwise be wasted can provide free space and water heating to households without requiring EnergyCloud to participate in wholesale electricity trading.

We therefore encourage the Committee to seek clarification that Clause 13 does not preclude complementary, separately funded energy-based community benefit initiatives, while protecting the direct household payments envisaged by the Department.

We also ask the Committee to recommend that the Department's guidance actively encourages renewable generators to develop additional partnerships with housing providers, electricity suppliers and not-for-profit organisations to deliver measurable benefits to households experiencing fuel poverty.

More broadly, we encourage the Department to recognise the potential contribution of socially beneficial demand-side flexibility in Northern Ireland's renewable electricity and fuel poverty strategies.

The expansion of renewable electricity generation should not only deliver more clean electricity, but also create opportunities to reduce fuel poverty and ensure that the benefits of the energy transition are shared fairly.

EnergyCloud Northern Ireland would welcome the opportunity to provide further evidence to the Committee on its operational experience and the potential for renewable electricity and demand-side flexibility to deliver direct social benefits.