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COMMITTEE FOR THE ECONOMY - CALL FOR EVIDENCE - RENEWABLE ELECTRICITY GENERATION BILL

RESPONSE FROM THE ULSTER FARMERS' UNION

Tuesday 20th October 2026

Introduction

The Ulster Farmers' Union (UFU) welcomes the opportunity to respond to the Committee for the Economy's Call for Evidence on the Renewable Electricity Generation Bill. The UFU represents approximately 12,000 farming families across Northern Ireland and has considered the proposed legislation, alongside the Department's Final Scheme Design for the Renewable Electricity Price Guarantee (REPG), through its Rural Enterprise Committee.

The UFU recognises the importance of increasing renewable electricity generation in Northern Ireland, both to strengthen energy security and to contribute towards the statutory target of at least 80% of electricity consumption coming from renewable sources by 2030. Renewable energy also presents significant opportunities for agricultural diversification.

However, the UFU has serious reservations about the proposed REPG scheme and its implications for smaller renewable electricity generators. In particular, the 5 MW minimum capacity threshold proposed for the first allocation round would effectively exclude the overwhelming majority of farm-scale renewable projects, preventing farming families from accessing the long-term financial certainty that the scheme is intended to provide.

This is particularly concerning given the substantial contribution agricultural businesses have already made to renewable electricity generation in Northern Ireland. Through investment in smaller wind turbines, solar installations, anaerobic digestion and other renewable technologies, farmers have helped increase renewable generation capacity while diversifying their businesses. The UFU believes it would be unacceptable for these established contributors to be excluded from Northern Ireland's principal new renewable electricity support mechanism.

While the Bill provides the Department with powers to determine eligibility and allocation arrangements through subsequent regulations, it contains no requirement to ensure that smaller agricultural generators can participate. Consequently, the UFU is concerned that the proposed legislation could facilitate a support scheme which favours larger developers without providing corresponding opportunities for farming families.

The UFU is therefore unable to offer unqualified support for the Bill in its present form. The Union considers that meaningful provision for farm-scale renewable electricity generation must be addressed as part of the legislative process and the development of the scheme, rather than being left solely to the discretion of the Department at a later stage.

Eligibility of small-scale renewable generation

The UFU's principal concern relates to the eligibility requirements proposed within the Final Scheme Design, particularly the 5 MW generating capacity threshold.

The UFU considers this threshold to be unnecessarily restrictive and disproportionate to the scale of renewable electricity generation typically undertaken by farming businesses. The vast majority of farm-scale renewable projects operate at capacities significantly below 5 MW, meaning that the proposed threshold effectively excludes farming families from participating in the scheme.

This is particularly concerning given the important contribution smaller generators have already made towards Northern Ireland's renewable electricity generation. Many farmers have invested in renewable technologies under previous support arrangements and have helped to both diversify agricultural businesses and increase renewable generation capacity. Their contribution should be recognised and supported as the Department seeks to make further progress towards its renewable electricity targets.

The UFU believes there is considerable appetite among farmers to invest in renewable electricity generation where appropriate financial incentives, grid access and long-term commercial certainty are available. Excluding smaller projects risks overlooking an established group of potential investors who possess suitable land, infrastructure and experience.

Clause 3 of the Bill provides the Department with powers to determine eligible generators and generating stations through regulations. This flexibility is welcome, but the UFU believes that this flexibility should be utilised to ensure the needs of smaller generators are considered.

The UFU considers that the proposed 5 MW threshold represents a fundamental weakness in the Final Scheme Design. Without a credible route for smaller generators, the scheme risks excluding the very farming businesses which have contributed to the development of Northern Ireland's renewable electricity sector.

The UFU notes the Department's evidence to the Committee for the Economy on 1 September 2026, in which it indicated that projects between 1 MW and 5 MW account for approximately 2% of the additional generating capacity required to meet the 2030 renewable electricity target. We do not consider this an adequate justification for excluding smaller generators, as the value of farm-scale renewable generation should not be assessed solely by its contribution to overall generating capacity, but also by its role in agricultural diversification, supporting rural businesses and encouraging locally owned renewable electricity generation. The UFU believes that these objectives can be pursued alongside the development of larger renewable projects, rather than treating the two as competing priorities.

The UFU therefore calls for the Department to reconsider the proposed threshold and establish an accessible mechanism for farm-scale renewable electricity generation. This could include a dedicated allocation category for smaller generators, a substantially lower minimum capacity threshold or a complementary support mechanism.

Allocation arrangements for smaller generators – Clauses 5 and 6

The UFU notes that Clauses 5 and 6 provide flexibility for the Department to establish allocation arrangements for different types and capacities of renewable electricity generation. The UFU believes this flexibility should be used to establish a dedicated allocation category for smaller renewable generators, with eligibility criteria and auction arrangements proportionate to the scale of the projects concerned.

The UFU therefore calls on the Department to establish a clear timetable for introducing an allocation category accessible to smaller generators, ensuring that farm-scale projects are not left indefinitely without access to financial support.

Regulatory oversight and implementation

The UFU recognises that the Bill is intended to provide an enabling legislative framework, with the detailed operation of the REPG scheme to be established through subsequent regulations. However, the Union is concerned that significant policy decisions, including generator eligibility, allocation arrangements and financial conditions, will be determined following the passage of the primary legislation.

Given the substantial implications of these decisions for agricultural generators, the UFU believes that the Committee and wider stakeholders must have a meaningful opportunity to scrutinise the proposed regulations before they are implemented.

The UFU therefore requests a full consultation on the detailed scheme regulations, including the eligibility of smaller generators, and for the Department to publish a clear implementation timetable. The Committee should also seek assurances that the scheme's operation and accessibility will be kept under review, including an assessment of participation by smaller and agricultural generators.

The UFU considers it essential that the flexibility provided by the Bill does not result in the indefinite exclusion of farm-scale renewable generation from financial support.

Existing renewable generators and the Renewables Obligation

The UFU considers it particularly concerning that, as existing NIRO-supported installations approach the end of their support periods, there is no clear replacement mechanism for smaller agricultural generators.

Without an accessible route to future support, farmers may be discouraged from maintaining, repowering or replacing existing renewable generation infrastructure. This could result in viable generating assets being retired or investment being deferred at a time when Northern Ireland is seeking to increase renewable electricity generation.

The UFU is not suggesting that existing generators should automatically receive overlapping financial support. Rather, the Department should establish whether an appropriate mechanism can be provided for generators whose NIRO support has ended, particularly where further investment could extend the operational life of existing installations.

The UFU believes this issue must be considered alongside the proposed 5 MW eligibility threshold, as the two matters together risk leaving existing farm-scale generators without a viable route into the new support framework.

Contract duration and long-term investment certainty

The UFU notes that the Final Scheme Design proposes a 15-year Contract for Difference.

While long-term price certainty is welcome, members questioned whether a 15-year support period adequately reflects the anticipated operational lifetime of renewable electricity generation infrastructure. A longer contract duration could provide greater

income certainty, improve the investment proposition and potentially support access to finance, particularly for smaller generators with more limited financial resources. The Department may wish to consider a 20-year contract period, especially if farm-scale projects are permitted to participate.

Grid access, curtailment and investment risk

The UFU considers that the availability, cost and timing of grid connections remain significant barriers to investment in farm-scale renewable electricity generation. These challenges are compounded by curtailment and constraint, where generators may be prevented from exporting electricity due to network limitations or wider system conditions, creating uncertainty over potential income and project viability. The UFU therefore calls for greater transparency around grid connection costs and timescales, clarity on how curtailment and constraint risks will be treated under REPG contracts, and continued investment in electricity network infrastructure to ensure that smaller agricultural generators are not disadvantaged.

Community benefit

The UFU wishes to emphasise that community-benefit arrangements, while potentially valuable, are not a substitute for enabling farming families to participate directly in renewable electricity generation.

A scheme under which farmers primarily host infrastructure for larger developers, while being excluded from accessing support for their own generating projects, would fail to realise the full potential of agricultural diversification.

The UFU therefore considers that community-benefit provisions must be accompanied by meaningful opportunities for locally owned and farm-scale renewable electricity generation, rather than being presented as an alternative to direct participation.