Response ID ANON-8E6A-2K4Z-Y

Submitted to Renewable Electricity Generation Bill
Submitted on 2026-10-21 14:48:07

Introduction

1 What is your name?

name:
[redacted]

2 What is your email address?

email address:
[redacted]

3 Are you providing a submission on behalf of an organisation or business?

Yes

If yes, please provide the name of the organisation or business below:

BH Estates

Consent

4 Please confirm that you have read the Northern Ireland Assembly Committee's Privacy Notice by clicking the button below.

yes:
Yes

5 How would you like your submission to be published?

Yes. Publish but with my personal information and any content that could be used to identify me redacted.

Clause 1 - Overview of this Act

6 Do you agree that Contracts for Difference should be the basis for encouraging renewable electricity generation?

Yes

If no, how should this clause be amended?:

7 Do you agree that the generating contracts should be managed using a counterparty?

Yes

If yes, who should the counterparty be?:

The Final Scheme Design names the Low Carbon Contracts Company, which already fills this role in Great Britain, as the REPG Counterparty, and BH Estates supports that choice as likely to be cheaper and quicker than creating a new body. The Bill does not name the counterparty, and we ask the Committee to seek confirmation of the arrangement and its cost, since the counterparty's running costs are recovered from customers, including farm businesses, through the annual operational costs component of the levy, which should be published each year. As a designation needs the company's consent and Schedule 1 lets it withdraw on 12 months' notice, we also ask how continuity would be secured for contracts lasting 15 years.

If no, how should this clause be amended?:

8 Do you agree that the costs of the counterparty should be met by a supplier levy?

Yes

If no, how should this clause be amended?:

9 Do you have any further amendments that you would like to propose to this clause?

clause 1:

Clause 2 - Contracts for Difference

10 Do you agree that the Department should be able to make regulations in respect of the key terms and payments of the Contracts for Difference?

Yes

If no, how should this clause be amended?:

11 Do you have any further amendments that you would like to propose to this clause?

clause 2 :

BH Estates welcomes the Department's intention to compensate generators at the strike price for all constraint and curtailment events, unless compensated elsewhere, given the extremely high constraint rates since July 2023 recorded in the Final Scheme Design. The design describes this as a temporary measure until long-term remedies are in place, however, and lenders will place little value on compensation that can be withdrawn, so we ask that the regulations guarantee it for the full term of any contract signed. The design also proposes to pause all support payments during negative day-ahead prices, under conditions still to be set in the terms and conditions, which clause 2(2)(d) would allow. The design itself warns that supported low carbon capacity could lead to negative price events of six hours or more, which moves real income risk onto generators, and smaller generators have the least headroom to carry it, so the conditions should be published well before each round so that bidders can price them.

Clause 3 - Eligible generators and eligible generating stations

12 Do you agree that the Department should be able to make regulations in respect of the definition of eligible electricity generating activities?

Yes

If no, how should this clause be amended?:

13 Do you have any further amendments that you would like to propose to this clause?

clause 3:

The Final Scheme Design limits the first auction to onshore wind, solar PV and hybrids of at least 5MW, which shuts out anaerobic digestion, hydro and most farm-scale projects. It records an industry preference for 1MW and lists four challenges for small projects, namely weaker competitiveness, a small 1 to 5MW wind pipeline, the system operator's difficulty in controlling small-scale generation and the burden of complex contracts. It accepts these "may be partially mitigated" but kept 5MW "Given the ambitious timeline to deliver the first auction", a reason of timing rather than principle. The Republic of Ireland's main auction has admitted projects from 0.5MW, with a proposal to raise this to 1MW for RESS 6, and it supports SME, farm and community wind and solar from 50kW to 6MW through a separate fixed-tariff scheme, SRESS, so a separate route can work. Clause 1(1) allows support for any generation the Department considers will reduce greenhouse gas emissions, so these exclusions are policy choices, not legal limits.
The Northern Ireland Audit Office recorded 88 operating NIRO-accredited anaerobic digestion stations in March 2019, mostly farm-based, of which 80 were 500kW or below and none above 5MW. Their NIRO support ends by 2037, and the design bars any asset that has received NIRO support unless fully repowered at end of life, so they have no route to continued support under the REPG. Losing them would waste dispatchable generation and a practical outlet for slurry that matters for nutrient management around Lough Neagh.
The Department says options for smaller-scale generation "will therefore continue to be evaluated ahead of future auctions", but that commitment has no date and no statutory footing. We ask the Committee to propose a new clause along these lines:
"(1) Within two years of this section coming into operation the Department must review the regulations made under section 3, including (a) the minimum capacity of eligible generating stations, (b) the technologies eligible, including anaerobic digestion, and (c) whether support should be made available, under this Act or otherwise, for generating stations below the minimum capacity and for community or farmer-owned generation. (2) The Department must publish a report of the review and lay it before the Assembly."
This would not delay the first round but would give the Department's own commitment a deadline.

Clause 4 - Counterparty

14 Do you agree that the Department should be able to make regulations in respect of the designation of a counterparty?

Yes

If no, how should this clause be amended?:

15 Do you have any further amendments that you would like to propose to this clause?

clause 4:

Clause 5 - Allocation rounds

16 Do you agree that the Department should be able to make an allocation round for Contracts for Difference from time to time and at its discretion?

Yes

If no, how should this clause be amended?:

17 Do you agree that the Department should be obliged to publish related notices, issue terms and publish rules and thus make an allocation scheme, at its discretion?

Yes

If no, how should this clause be amended?:

18 Do you agree that the Department should make regulations in respect of how generators are to apply and how applications are to be adjudged as successful?

Yes

If no, how should this clause be amended?:

19 Do you have any further amendments that you would like to propose to this clause?

clause 5:

The Final Scheme Design timetabled a terms and conditions consultation for the fourth quarter of 2025, final terms for the second quarter of 2026 and the first auction for the first quarter of 2027, and neither of the first two stages has yet taken place. Developers, landowners and lenders need certainty, so we ask that the Department be required to publish, and keep up to date, an indicative timetable of rounds covering at least the next three years. The design requires a bid bond, valid planning permission, an accepted grid connection offer and evidence of financial commitment, and sets the long stop date at three years after contract signing, with termination if it is missed. We ask that these requirements be proportionate to project size, so that smaller and locally owned projects are not kept out by costs a large developer absorbs easily, and that the long stop date be extended where delays outside the developer's control, such as a late grid connection or a legal challenge to a planning consent, are the cause.

Clause 6 - Allocation scheme

20 Do you agree that the NI electricity grid system operator should determine the outcome of a Contracts for Difference allocation round?

Yes

If no, how should this clause be amended?:

21 Do you agree that the allocation scheme devised by the Department and at its discretion should specify the strike price, the setting of targets including how electricity is to be generated?

If no, how should this clause be amended?:

22 Do you have any further amendments that you would like to propose to this clause?

clause 6:

Clause 7 - Agreements to modify certain standard terms

23 Do you agree that the counterparty and the generator should be able to amend the terms of the Contract for Difference contract in the circumstances specified?

Yes

If no, how should this clause be amended?:

24 Do you agree that the Department should have the power to make regulations to specify how and when the terms of the Contract for Difference contract may be modified?

Yes

If no, how should this clause be amended?:

25 Do you have any further amendments that you would like to propose to this clause?

clause 7 :

Clause 8 - Contracts for Difference notifications

26 Do you agree that Contracts for Difference allocations should be sent to the counterparty?

Yes

If no, how should this clause be amended?:

27 Do you agree with the proposed content of the notification?

Yes

If no, how should this clause be amended?:

28 Do you agree that the Department should be able to, through regulations, vary the content and circumstances of issuing for notifications?

Yes

If no, how should this clause be amended?:

29 Do you have any further amendments that you would like to propose to this clause?

clause 8 :

Clause 9 - Allocation: offer to contract on standard terms

30 Do you agree that the counterparty should be required to offer to contract with a relevant electricity generator subject to the terms of the notification?

Yes

If no, how should this clause be amended?:

31 Do you agree that the Department should be able to, through regulations, in respect of how the counterparty is to apply or complete the standard terms and in respect of timelines and failure to complete?

Yes

If no, how should this clause be amended?:

32 Do you have any further amendments that you would like to propose to this clause?

clause 9:

Clause 10 - Supplier levy

33 Do you agree that the Department should be able to make regulations to require electricity suppliers to pay a levy to the counterparty to cover the counterparty's costs of making payments to electricity generators under Contracts for Difference including covering losses as a result of insolvency or supplier default?

Yes

If no, how should this clause be amended?:

34 Do you agree that the Department should be able to, through regulations, allow for the exemption of certain electricity supplies from the levy?

Yes

If no, how should this clause be amended?:

35 Do you have any further amendments that you would like to propose to this clause?

clause 10:

BH Estates accepts the levy, which the Final Scheme Design proposes to collect through a fixed interim rate per MWh, an annual operational costs component and periodic reconciliation. Many farm businesses are heavy electricity users who will pay it as well as, in some cases, hosting the projects it funds. Because any exemption moves the cost onto remaining customers, we ask that exemption regulations be accompanied by a published assessment of their effect on others, including agricultural and other non-domestic customers. We also ask that the Department publish each year the total cost of the scheme and its effect on typical domestic and non-domestic bills, as the Northern Ireland Audit Office did for earlier schemes, which it put at £31 a year on the average domestic bill in 2019, and that the charge be shown separately on customers' bills, which the regulations can require since the design says they will specify how charges and rebates must be set out on bills.

Clause 11 - Supplier levy: supplementary

36 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 12 - Payments to electricity suppliers

37 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 13 - Community benefit

38 Do you agree with the provisions of this clause?

No

If no, how should this clause be amended?:

Clause 13(1) says the Department "may" make regulations, so community benefit may never be required, and the Committee itself wrote to the Department in May 2025 with concerns about the community benefit options. The Final Scheme Design commits only to exploring the feasibility of mandatory discounted bills for nearby households, paid for either by developers or by spreading the cost across all electricity consumers. We ask that "may" become "must", so that every CfD holder makes community benefit payments, and that these be funded by the developer, since a discount paid for by all consumers, including farm businesses, is a cross-subsidy rather than a benefit.
Clause 13(2)(b)(ii) allows a maximum payment but makes no provision for a minimum, and we ask that it be amended to require one, using as a benchmark the Republic of Ireland's mandatory €2 per MWh, which the design itself cites, and that benefit include a community fund as well as bill discounts, which reach only households. Occupiers of land, including tenant farmers and those taking land in conacre, should be able to receive payments alongside the owners and residents named in clause 13(2)(c). Payments should be additional to, and not offset against, rent, option fees or other sums paid to the landowner hosting the project, and should be published each year and monitored by a body independent of the generator.
The Minister has said the Bill will bring community benefits felt particularly in rural areas, and a mandatory duty is the surest way of delivering that.

Clause 14 - Sums held by, and liabilities of, the counterparty

39 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 15 - Information and advice

40 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 16 - Oversight and resolution of disputes

41 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 17 - Further provision in connection with CfDs

42 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 18 - Making of Regulations

43 Do you agree with the provisions of this clause?

No

If no, how should this clause be amended?:

Under clause 18(1) the Department need consult only those of the Utility Regulator, system operator, distributor, suppliers and other affected persons that it considers appropriate, although new wind, solar and battery projects are likely to be built mainly on farmland and will directly affect farm incomes, land use and rural communities. We ask that the Department of Agriculture, Environment and Rural Affairs and representatives of agricultural, rural and community energy interests be added as named consultees, and that consultation be public, with responses and the Department's reply published. We support affirmative resolution under clause 18(3), but ask that it also apply to clause 5 regulations, since the rules on how applications are made and judged will decide who can realistically take part.

Clause 19 and Schedule 2 - Consequential and other provisions

44 Do you agree with the provisions of this clause and Schedule?

Yes

If no, how should this clause and schedule be amended?:

Clause 20 - Interpretation

45 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 21 - Commencement

46 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 22 - Short title

Schedule 1 - Designation of other persons to be the counterparty

47 Do you agree with the provisions of this schedule?

Yes

If no, how should this schedule be amended?:

Additional Comments

48 Please provide any additional comments on the Bill you feel should be considered.

additional comments:

BH Estates supports the Bill and wants the REPG to succeed. There has been no scheme open to new renewable generation since the NIRO closed, and rural landowners and farm businesses, on whose land most new wind and solar is likely to be built, want it delivered without further delay.
Our concern is that the scheme treats landowners and farm businesses as hosts for large developments rather than generators in their own right. The 5MW minimum, the exclusion of anaerobic digestion from the first auction, the bar on assets that have received NIRO support unless fully repowered and the need for planning permission and a grid connection offer before bidding will together keep most farm-scale and community projects out. That is despite the appetite for smaller-scale generation shown by on-farm wind and anaerobic digestion under the NIRO, whose support ends by 2037 with nothing to move on to. Smaller, locally owned projects keep their revenues in the rural economy, where they are spent with local contractors and suppliers and reinvested in farm businesses, whereas much of the return from large investor-led developments goes to owners and funders outside Northern Ireland. The Department's own Energy Strategy aims to ensure that more of the money spent on energy stays in the local economy, and a scheme open only to large projects works against that aim.
We ask the Committee to pursue (a) a new clause requiring a review of eligibility within two years, covering the minimum capacity, anaerobic digestion and a route for small-scale and farmer-owned generation, reported to the Assembly (question 13), (b) a developer-funded community benefit duty in place of the power in clause 13, with a minimum level, provision for occupiers and no offsetting against rent (question 38), (c) public consultation on and Assembly scrutiny of each allocation scheme and set of standard terms, with an assurance that clause 6(4)(e) will be used to reserve capacity for smaller and locally owned projects (question 22), (d) agricultural, rural and community energy interests as named consultees under clause 18 (question 43), (e) dispatch down compensation guaranteed for the life of each contract (question 11), and (f) annual publication of the scheme's cost to domestic and non-domestic customers (question 35).
Beyond the Bill, the scheme will only deliver if rural grid capacity and the planning system keep pace, and we ask the Committee to keep both under scrutiny.