

RHI (CLOSURE OF NON-DOMESTIC SCHEME) BILL
WRITTEN EVIDENCE TO THE COMMITTEE FOR THE ECONOMY
SUBMISSION FROM THE ULSTER FARMERS' UNION AND THE RENEWABLE
HEAT ASSOCIATION OF NORTHERN IRELAND

1st December 2025

Background

This is a joint written submission to the Northern Ireland Assembly Committee for the Economy from the Ulster Farmers' Union (UFU) and the Renewable Heat Association of Northern Ireland (RHANI). We welcome the opportunity to provide written evidence. This inquiry is of interest to both organisations as a number of our members are participants on the Non-Domestic Renewable Heat Incentive (RHI) scheme.

Our members have been significantly affected by prolonged uncertainty surrounding the scheme. Many have made substantial investments in good faith, on the basis of government-endorsed policy, and have navigated considerable financial, political, and regulatory disruption in the years since. We therefore approach scheme closure constructively but firmly. We have engaged with the Department for the Economy (DfE) throughout the process to arrive at the closure regulations, but we have not been consulted directly by DfE on the primary legislation.

Position on Closure Regulations

We accept the need for a managed closure of the non-domestic RHI scheme, provided it is fair, transparent, and aligned with the expectations of the participant. We attach our full closure consultation responses as appendix 1 and appendix 2 for our full individual positions on each aspect of the proposed closure regulations. Further, we attach RHANI's commissioned technical report on scheme closure as appendix 3.

Summary of the Bill

The Bill provides the DfE to make regulations under Section 113 of the Energy Act (Northern Ireland) 2011 in order to close the scheme. The closure in question can be partial or complete.

The Bill allows DfE broad discretion over the winding down of the scheme, reducing the costs or scale of the scheme, decreasing the sums payable under the scheme, or restricting or cancelling aspects of the scheme. The regulations brought forward by DfE can either modify or revoke the existing 2012 RHI regulations, and permits retrospective provisions. The Bill will commence the day after Royal Assent.

Risks within the Bill

The Bill provides little certainty for scheme participants and creates a number of significant legal and financial risks.

Legal uncertainty

The Bill confers exceptionally wide regulation-making powers on DfE, including the new ability to make “provisions of any kind” in relation to scheme closure. This breadth of wording creates a high degree of uncertainty for participants, particularly when combined with the Bill’s express provision for retrospective effect. Taken together, these powers undermine participants’ ability to plan with confidence, despite many having entered the scheme on the basis of long-term policy commitments endorsed by government.

Ongoing and repeated regulatory change

The Bill allows DfE to both amend or revoke the existing RHI regulations, but to do so “from time to time”. This is an open-ended power to revisit and re-shape the scheme repeatedly rather than implementing a single, clearly defined closure framework. For participants who have already experienced years of policy instability, this perpetuates uncertainty rather than resolving it.

Retrospective and financial risk

Of particular concern is the explicit provision permitting retrospective changes, including reductions in sums payable and the restriction or cancellation of scheme elements. These powers expose participants to further financial detriment after investments have already been made, and loans or contractual obligations undertaken, in reliance on the scheme as it previously operated. This retrospective risk is especially problematic in the absence of any statutory thresholds, guiding principles, or limits on how such powers might be exercised.

Absence of statutory safeguards

The Bill contains no explicit safeguards for existing participants, such as grandfathering provisions of minimum payment guarantees. There is no statutory requirement to protect legitimate expectations formed under the original scheme terms, nor any obligation on DfE to balance cost control objectives against the financial sustainability of participants. Given the long duration of the scheme and the scale of investment made by participants in good faith, the omission is a serious concern.

Problematic Wording

- Section 1(4) ‘provision of any kind’ – this grants extremely broad discretion over the arrangements for the closure of the scheme.
- Section 1(6)(b) – allows DfE to change or repeal the 2012 regulations from ‘time to time’. This is not a one off allowance, but permits numerous changes.

- Section 1(10) – this allows for retrospective changes.
- Section 1(12) – this explicitly includes reducing sums payable and restricting aspects of the scheme.

Amendments

The Committee should consider amending the Bill to include the appropriate guardrails to mitigate against the risks laid out above. We are clear that appropriate guardrails should be increased for participants, but DfE must be treated in the same way.

Amendments should include that any further downward changes to the level of banding, ‘tariff levels’, or other changes to scheme closure, are subject to a public consultation, scrutiny of the Committee, and affirmative resolution of the Assembly.

Appendix 1

DfE Closure Consultation Response: Ulster Farmers’ Union (UFU)

Appendix 2

DfE Closure Consultation Response: Renewable Heat Association of Northern Ireland (RHANI)

Appendix 3

Technical Report – Ecoerne Limited’s technical assessment on behalf of RHANI (Renewable Heat Association for Northern Ireland) for Response to the Consultation on the Closure of the Non-Domestic RHI Scheme



CLOSURE OF THE NORTHERN IRELAND NON-DOMESTIC RENEWABLE HEAT INCENTIVE SCHEME

RESPONSE FROM THE ULSTER FARMERS' UNION

24th November 2025

Background

The Ulster Farmers' Union (UFU) is the largest farming organisation in Northern Ireland (NI), representing approximately 12,000 members. UFU membership encompasses farmers from all sectors across NI and from all farm sizes, reflecting the diverse nature of the agricultural sector.

The *Non-Domestic Renewable Heat Incentive: Scheme Closure* consultation, brought forward by the Department for the Economy (DfE), is of interest to the UFU and its members as it has a significant impact on farm businesses who have invested in renewable energy technologies under the scheme and have been significantly impacted by the political issues that have surrounded the scheme for many years. The UFU is therefore keen to ensure that any proposed closure arrangements are fair, transparent, and take into account the long-term financial commitments and expectations of participants who joined the scheme in good faith.

The UFU cautiously welcomes the proposals for an uplift in the tariff and scheme closure.

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Acronyms

AME – Annual Managed Expenditure

CPI – Consumer Price Index

DfE – Department for the Economy

DAERA – Department of Agriculture, Environment, and Rural Affairs

GB – Great Britain

HMT – His Majesty’s Treasury

OFGEM – Office of Gas and Electricity Markets

RHO – Renewable Heat Output

RPI – Retail Price Index

UFU – Ulster Farmers’ Union

Tiered Usage Bands

The UFU supports DfE’s proposals to introduce a three-band usage declaration system to determine annual closure payments. It is worth noting that the UFU has consistently asked DfE in engagement sessions for a closure system which involves metering, but accepts DfE explanations as to why this is not possible.

We recognise that, within the unique circumstances of which DfE must operate under in regards to this specific scheme, this approach is both necessary and fair, and it provides a practical means for DfE to give a final, fixed figure to HM Treasury for scheme closure in order to access additional AME funding¹. The UFU believes that the proposed bands represent a balanced and proportionate method of reflecting

¹ Department for the Economy (DfE), *Oral Statement – Closure of the Non-Domestic Renewable Heat Incentive (RHI) Scheme* (22 September 2025), <https://www.economy-ni.gov.uk/articles/oral-statement-closure-non-domestic-renewable-heat-incentive-rhi-scheme-22-september-2025> (accessed 21 November 2025)

varying levels of renewable heat usage across participants, paying for the production of renewable heat, whilst also being able to provide a final closure figure. The structure ensures fair treatment between those with higher and lower usage levels and provides clarity for all participants on how their final payments will be calculated, meaning participants are able to plan into the future.

The UFU also supports DfE's proposal to retain eligibility for participants whose systems fall within the lowest usage band (under 5% load factor / 438 hours per year), provided that installations remain operational and continue to produce renewable heat. Participants that fall under this threshold will be treated as if they had met the threshold. This measure is reasonable and fair as it recognises that even systems with very low usage still incur ongoing fixed costs such as maintenance and insurance costs. These are unavoidable expenses that participants must meet regardless of annual output levels. This band therefore provides an important safeguard for smaller users to ensure that they are not unfairly excluded from receiving closure payments. All participants who continue to generate renewable heat at any level must be appropriately recognised for their contribution to renewable energy targets.

Payment Reference Period

The UFU supports DfE's proposal to use 2017-2019 as the reference period for determining annual closure payments. This timeframe is both largely reasonable and fair, and captures a representative snapshot of usage across the scheme. The 2017-2019 period follows the peak tariff levels of 2017², but precedes the significant tariff reductions introduced in 2019 which saw many systems operate below normal output. As such, it represents a balanced middle ground which reflects genuine and sustainable heat usage levels for the majority of participants.

However, the UFU also recognises that the 2017-2019 reference period will not work for every participant. For a range of legitimate reasons, such as enterprise change, equipment downtime, or other exceptional circumstances, some participants may have atypical usage during that timeframe. In these cases, there must be scope for flexibility which allows participants to request a review of their reference period through the independent appeals process. This approach would maintain overall fairness and scheme integrity while ensuring that participants are not disadvantaged due to circumstances before their control. The UFU therefore supports the use of the 2017-

² Northern Ireland Audit Office, *Northern Ireland Non-Domestic Renewable Heat Incentive Scheme: Assessing progress with the implementation of the Public Inquiry recommendations* (n.d.), <https://www.niauditoffice.gov.uk/publications/html-document/northern-ireland-non-domestic-renewable-heat-incentive-scheme-assessing> (accessed 22 November 2025)

2019 reference period as the default baseline, provided it can be varied on a case-by-case basis where evidence supports an alternative.

The UFU also believes that participants must be notified of their RHO figures upfront, rather than after submitting their first annual declaration. Providing this information early will give participants clarity on how their payment has been calculated, allow them to plan ahead financially, and reduce the likelihood of disputes or confusion at a later stage.

Change of Ownership and Location

The UFU supports DfE's proposal to allow for the transfer of installations and associated payment rights to new owners. This flexibility is essential to ensure fairness and continuity within the scheme, particularly as farm businesses evolve and ownership structures change over time; For example where farms are sold, restructured, or passed to the next generation. Within GB, the equivalent scheme has allowed the change of ownership and treated transferability as a core principle of fairness³. The ability to sell or transfer an accredited installation, along with its associated payment rights, is recognised in GB as essential to maintaining business continuity, supporting normal patterns of inheritance and succession, and ensuring that installations remain in productive use for their full lifespan.

This reflects the reality that renewable heat systems are long-term capital assets that contribute to a business's overall value. NI participants joined the scheme with the same 20-year accreditation expectation as those in GB, so NI closure arrangements must align with GB practice to ensure consistency and avoid disadvantaging NI farm businesses. This is not a new flexibility but an established entitlement relied upon throughout the scheme. It is therefore essential that the right to transfer an accredited installation and its associated payments is fully retained.

The UFU believes this flexibility should be extended to include both ownership and location, providing participants the ability to sell or transfer an installation to another individual who is already on the RHI scheme, provided that the prospective buyer can demonstrate a genuine and fundamental heating need. This would ensure that renewable heat systems continue to provide environmental and operational value rather than being left idle or scrapped. Such an approach would provide an important, fair route for participants who have changed enterprise type or business model, for instance moving from broiler production to egg production, and who therefore no

³ Office of Gas and Electricity Markets (Ofgem), *Non-Domestic Renewable Heat Incentive: Change of Ownership* (n.d.), [ofgem.gov.uk/non-domestic-renewable-heat-incentive-rhi/participants/change-ownership](https://www.ofgem.gov.uk/non-domestic-renewable-heat-incentive-rhi/participants/change-ownership) (accessed 21 November 2025)

longer require the same level of heat output. Allowing existing participants with a verified renewable heat requirement to purchase these systems would not increase the overall cost of the scheme, as the forecast budget already assumes that dormant systems could come back online. Rather, it would maximise the efficiency and environmental impact of existing investments while ensuring value for money from public fund. Retaining the operational use of the asset is important given its environmental potential, and DfE should ensure that boilers do not sit dormant. Change of ownership has been a core feature of the NI RHI scheme subject to Ofgem-imposed caveats, just as it is within the equivalent GB scheme.

In relation to location, the UFU recognises that there are legitimate operational reasons why an installation may need to be moved within or between sites. Examples include changes to farm layout, expansion, or replacement of buildings, biosecurity requirements, or the relocation of livestock or crop-drying facilities, which are all normal aspects of farm management. During stakeholder engagement, the UFU sought clarification from DfE officials and understands that location is assessed at a postcode level, rather than by the exact physical position on a farm. We welcome this pragmatic interpretation and urge DfE to make this explicit within final guidance or legislation. If the UFU position on the change of ownership is accepted and participants are allowed to sell their installations to others on the scheme, then the change of location provision will need to be widened to allow for this.

The UFU further proposes that DfE implement a pre-notification mechanism whereby participants can seek approval before any change of location or ownership is completed, if DfE allow for change of ownership in their final scheme closure design. This would ensure transparency, protect scheme integrity, and give participants the confidence that their proposed transfer or relocation will not jeopardise eligibility.

A combined and flexible approach to ownership and location, supported by a clear pre-approval process, would help to ensure that installations remain operational, compliant, and producing renewable heat in the spirit of the scheme's original objectives.

Appeals Process

The UFU believes that a fair, transparent, and accessible appeals process is essential to the credibility of the RHI closure arrangements. Participants must have the confidence that decisions affecting their livelihoods will be reviewed impartially and without influence from DfE.

The appeals process must therefore be entirely independent, timely, and robust. It should operate in a manner similar to the Stage 2 appeals system used by DAERA⁴ which has proven to be both effective and trusted by participants. In particular, DfE must not be represented in the room when appeals are being heard to ensure complete separation between decision-making and adjudication. The UFU recommends that the appeals panel would consist of three independent members, including at least one individual with a legal background. Other panel members should be drawn from outside DfE and possess relevant technical or industry knowledge and experience to ensure balanced and informed decisions. Any independent appeals body must have the power to review and overturn DfE's RHO calculations where a participant provides compelling evidence.

Given the nature of the scheme closure, appeals must be processed quickly, with clear timelines and communication at each stage. Undue delay risks undermining confidence in the scheme and could cause unnecessary financial stress for participants awaiting resolution. Consideration may also be given to a modest appeal fee which would deter frivolous or speculative cases while ensuring genuine cases can still be heard. The success of the RHI closure process will depend heavily on the independence and credibility of the appeals mechanisms and participants must be able to that their case will be heard fairly, efficiency, and without departmental interference.

Compliance

The UFU acknowledges the importance of maintaining a strong and proportionate compliance framework to protect the integrity of the scheme as it moves towards closure. Participants have invested significantly in these technologies and must continue to demonstrate that their systems are operating in line with the scheme's rules and intended purpose. However, compliance requirements must be practical, proportionate, and reflective of realities at farm level.

The UFU supports the continued use of inspections and record checks to verify that installations are operational and are producing renewable heat within the declared bands. However, it is vital that these inspections are carried out in a transparent, fair, and efficient manner, with reasonable notice provided to participants and clear communication on any findings that require any remedial action. DfE should ensure that inspection officers are appropriately trained and that the process does not impose unnecessary administrative or financial burdens. Given current capacity constraints

⁴ Department of Agriculture, Environment and Rural Affairs (DAERA), *Guide to Review of Decisions 2025* (10 June 2025), <https://www.daera-ni.gov.uk/publications/guide-review-decisions-2025> (accessed 21 November 2025)

within DfE, it is understood that participants are likely to be subject to only one physical audit during the remainder of their accreditation period. However, in light of the limited number of physical inspections and direct contact opportunities with DfE officials, it is essential that each participant has access to a clearly identifiable point of contact within DfE to discuss their individual circumstances and seek guidance when required.

The UFU recognises that a credible compliance regime must be visible, proportionate, and capable of demonstrating to participants and the wider public that the integrity of the scheme is being upheld. Given the limited number of remaining years of accreditation and the significant public interest in ensuring that the scheme is administered correctly, it would be reasonable for DfE to consider increasing the overall proportion of on-site inspections beyond the levels currently proposed. A modest uplift in inspection activity, combined with the introduction of a small element of randomised site visits, would strengthen public confidence in the system, deter non-compliance, and ensure that oversight remains robust. Any random visits should be undertaken with appropriate and reasonable notice to participants, such as a standard 24-hour period, to ensure that inspections remain practical in the context of farm operations, animal welfare considerations, and biosecurity requirements. These visits must be as equal as possible across all participants. Such an approach would provide a balanced and fair mechanism for monitoring compliance while acknowledging the realities of working farms and the need for inspections to be scheduled in a manner that does not create unnecessary disruption.

At present, it is proposed that participants will only be required to submit an annual declaration each year on their date of accreditation, while maintaining fuel supply and maintenance records to be provided to DfE upon request or during a physical audit. The UFU believes that, in order to uphold the integrity of the scheme and strengthen public confidence in its administration, participants should be required to attach an appendix to their annual declaration. This appendix should include copies of their fuel supply records, maintenance records, or, where such information cannot be provided, a written statement explaining the reasons and outlining their specific circumstances. This approach would enhance transparency, ensure DfE has access to supporting evidence rather than only on request, and help maintain consistency and accountability across all participants. The engineer that carries out maintenance and produces the paperwork should be an accredited biomass service engineer to further protect the integrity of the scheme.

The UFU acknowledges that the implementation of metering presents practical challenges for DfE, including but not limited to the cost of equipment and calibration, the administrative burden of monitoring, and the need to provide HM Treasury with a definitive closure figure. However, it is important to recognise that the vast majority

of installations continue to have their original meters in place. The UFU therefore suggests that scheme participants should take a dated photograph of their meter reading at the time of submitting their annual declaration and retain this within their own records, provided they are reasonably able to do so and still have their meter in place. This practical step would utilise existing equipment, require no additional cost to DfE, and would significantly enhance the integrity and traceability of the scheme by providing easily verifiable evidence of continued operation.

To further enhance confidence in the integrity of the scheme, consideration should be given to requiring that biomass fuel be sourced from suppliers meeting an approved accreditation standard, ensuring traceability and quality assurance. However, there must be an exemption for those who grow their own fuel.

In conclusion, it is essential that compliance and integrity remain at the heart of the scheme as it approaches closure. By adopting small, practical measures such as the inclusion of supporting documentation and the recording of meter readings through dated photographs – steps which place minimal additional burden on either participants or DfE, DfE can ensure robust oversight, maintain public confidence, and uphold the credibility of the scheme.

Administration

The UFU recognises that the successful operation of the new DfE portal will be critical to the smooth delivery of the RHI scheme closure and the administration of annual declarations. With the portal due to go live within weeks, it is essential that it is fully operational, user-friendly, and accessible to allow participants from the outset. Given the diversity of participants on the scheme, including many farmers with limited digital connectivity or experience, the UFU strongly urges DfE to ensure the system is simple to navigate, stable, and well-tested prior to launch. Given the scale of the change and the reliance on a single digital platform for all future interactions, it is vital that DfE does not underestimate the challenges faced by participants with limited digital literacy or poor connectivity. Many scheme participants do not regularly use online government systems and may struggle with multi-step authentication, document uploads, or navigating unfamiliar interfaces. Without robust support, clear guidance, and a system designed around the needs of low-digital-skill users, there is a real risk that compliant participants could unintentionally fall foul of their obligations. It is therefore essential that the portal is designed and tested against the practical realities of rural users to ensure that no participant is disadvantaged simply because of where they live or their level of digital experience.

The UFU is aware that a large proportion of participants will rely on consultants, accountants, or other authorised representatives to complete the annual declaration, and submit any association documents or records on their behalf. This is a long-standing and well-established practice within farm business administration, and reflects the complexity of many government schemes from all departments and the professional support structures that presently exist across the sector and are utilised by many. It is essential that the DfE portal is specifically designed to accommodate this. The portal should include a formal authorisation mechanism, allowing the participant to designate an authorised person or company to act on their behalf. This authorisation could be granted digitally within the system or supported by a signed declaration. The UFU requests that DfE establish clear rules setting out how authorisation is granted and recorded, how responsibility is shared between the participant and their authorised representative, and how DfE will verify that the representative is acting with genuine consent. Without allowing for this functionality, participants who rely on third-party assistance may face unnecessary administrative barriers or may be unable to complete their declaration within the timeframe required. Provisions must be included to accommodate participants who, for genuine and evidenced reasons, cannot complete this within the specified timeframe.

In light of the previous publication of participant data, the UFU also emphasises the need for robust security measures within the portal to protect identities. DfE should adopt modern authentication tools to prevent impersonation or unauthorised access to accounts.

Finally, DfE must provide clear, practical guidance, and communication ahead of launch. This should include written instructions and access to a dedicated support person for those encountering technical issues which may prevent them from adhering to their legal obligations. Early and transparent communication and a properly functioning portal will be essential to maintaining confidence in the administration of scheme closure. UFU recommends that DfE set up a number of regional demonstration events, advertised to all participants.

Finance

The UFU emphasises that clarity and certainty around payments are essential to maintaining confidence in the RHI closure process. Participants must have a clear understanding of when payments will be made, how they are calculated, and how future adjustments such as indexation will operate. For farm businesses, these payments form an important part of their financial planning, and after years of uncertainty, now is the time for certainty around payments to allow farm businesses to plan into the future. Any further uncertainty could have significant implications for

cash flow and business viability. We welcome the draft calculations and method examples within the consultation.

The UFU calls on DfE to publish a clear payment timetable outlining when closure payments will be issued to participants provided that legal obligations are met. This information should be communicated well in advance of scheme closure to allow businesses to plan effectively ahead and work how to meet any financial obligations which are tied to their installations.

The UFU also notes the potential for an underspend within the overall closure budget, currently forecasted to be approximately £196 million given the figure is a forecast for all participants claiming the maximum allowable based on their historic heat output⁵. It is essential that any unspent funds remain within NI and are either used to benefit participants or are rolled into a future scheme with the unlocked AME funds, rather than being returned to HM Treasury. This would ensure that the full funding envelope secured for scheme closure continues to support the objectives of the production of renewable heat and participant fairness.

The UFU welcomes the confirmation that payments will be index linked, as this is both fair and consistent with the original intent of the scheme to preserve the real-term value of support and ensure that participants are not disadvantaged by inflation over the closure period. While DfE has proposed the use of CPI for indexation, the UFU considers that RPI would provide a more appropriate measure in this context, reflecting the index historically used within the NI and GB renewable heat schemes. Aligning the closure arrangements with the established approach in GB would promote consistency across jurisdictions and ensure that participants in Northern Ireland are not placed at a comparative disadvantage.

Whilst the consultation did not explicitly reference the immediate tariff uplift from 1st November as it is being rolled out in parallel with the closure arrangements. We therefore urge DfE to communicate this uplift clearly to all participants.

Equality and Rural Needs Concerns

The UFU does not believe that the proposed closure model, if implemented in the manner we outline in this response, inherently creates new negative equality impacts or rural needs issues beyond those already associated with the scheme's historic operation.

⁵ Northern Ireland Assembly, *RHI (Closure of the Non-Domestic Scheme) Bill: Second Stage* (20 October 2025), <https://www.theyworkforyou.com/ni/?id=2025-10-20.4.1> (accessed 22 November 2025)

However, the proposal to restrict relocation would have a clear and disproportionate impact on rural areas and, in particular, on the rural service and fuel supply sector. Many rural businesses such as boiler service engineers, biomass suppliers, installers, and maintenance contractors rely heavily on the continued operation of existing RHI installations. These businesses grew in direct response to the development of renewable heat systems across many rural communities and remain a source of rural employment and skills. Preventing installations from moving, even in legitimate and practical circumstances such as changes in farm layout, replacement of agricultural buildings, or business restructuring, will mean that some systems are inevitably decommissioned earlier than necessary. When systems are taken out of use, the demand for maintenance and fuel supply falls. The economic consequences of this will be felt almost entirely in rural communities where alternative income streams are limited and where local supply chains are closely interconnector.

The proposal to require a manual opt in to the new DfE portal, rather than automatically transferring existing participants, would also create a disadvantage for rural participants. Many rural areas continue to experience poor digital connectivity, unreliable broadband, or a reliance on mobile-only internet access. Participants in these areas are more likely to struggle with a digital registration processes, particularly if they involve uploading documentation or establishing new login credentials. It is essential that the transition to the new portal is genuinely accessible to participants with limited digital skills, particularly elderly participants. UFU reiterates the importance of ensuring that the system fully accommodate the widespread use of third parties, such as consultants, accountants, and advisers, who routinely complete administrative processes on behalf of participants.

Legacy Back-Payments and Annual Managed Expenditure

The UFU Recognises that the current closure proposals are prospective in nature and do not address the issues of historic payments over the period during which tariffs were significantly reduced. It has been raised by ourselves and other stakeholders at engagement with DfE that, where unutilised AME remains within the overall closure budget, consideration should be given to whether retrospective adjustment is possible to correct underpayments from previous years. Given it is likely that the budget will be underspent and thus returned to HMT, we would urge DfE to look to utilising money that would be returned anyway for the benefit of scheme participants. While we understand the constraints in which DfE is operating, and acknowledge that retrospective calculation would be complex, it is important that DfE explores fully how any underspend each year might be used to support participants in a way that reflects the long-term nature of their investments and the financial challenges many

have faced as a result of earlier tariff reductions. Ensuring that all available AME is deployed for the benefit of scheme participants, rather than being returned to HMT, including for potential retrospective adjustment, would help reinforce fairness within the closure process.

Furthermore, it is evident that installations in the 199 kW band will, under the proposed arrangements, receive a tariff that is materially lower than that available to 99 kW systems, despite comparable investment levels and operational demands. The UFU believes that any unspent AME should also be used to address this disparity, with a view to improving the position of 199 kW participants and bringing their support into line with the standard applied to smaller installations, where this is feasible within the overall budget.

Communication

The UFU believes that effective, timely, and accessible communication will be critical to the successful delivery of the RHI scheme closure. Historically, communication with scheme participants has often been limited, inconsistent, or overly technical, which has contributed to uncertainty, mistrust, and anxiety among those who rely on the scheme for financial stability. Many participants have experienced prolonged periods without meaningful updates, sudden changes to scheme arrangements without sufficient explanation, and correspondence that was difficult to interpret. This history underlines the need for a significantly improved communication approach as the closure process progresses.

It is essential that DfE adopts a clear and proactive communication strategy, ensuring participants receive advance notice of any changes to requirements, timetables, or processes. Regular updates, delivered in a predictable and transparent manner, would help rebuild confidence and ensure that participants are fully informed about their obligations throughout the remaining years of the scheme. As referenced earlier in this response, the UFU also strongly recommends that each participant is provided with a dedicated point of contact within DfE who can respond to queries, provide clarification, and offer guidance tailored to individual circumstances. Direct, reliable access to departmental support is vital given the complexity of the scheme and the diversity of participant needs.

The UFU further urges DfE to undertake a review of its communication practices to ensure that future correspondence is written in clear, plain language and avoids unnecessary technical terminology. For example, references to energy metrics should use terms familiar to participants, such as kWh, rather than less commonly understood units such as EHO. Improving the clarity and accessibility of information will help

ensure that participants can understand and respond to their responsibilities without the risk of misinterpretation or accidental non-compliance. The UFU recommends avoiding acronyms in communications.

Primary Legislation

The UFU will reserve its position on the primary legislation for written submission to the NI Assembly Committee for the Economy, due 1 December 2025.

RENEWABLE HEAT ASSOCIATION

The Renewable Heat Association for Northern Ireland

RHANI response to the DfE RHI closure consultation November 2025

FOREWORD

Engagement. The Association, in representing the interests of its members, is pleased to provide a response to the Department for Economy consultation on the closure of the Northern Ireland Non-Domestic RHI Scheme. For the most part, RHANI accepts that the consultation provides a pathway forward. The revised administrative arrangements and the proposed banding proposals are, under the circumstances, an acceptable prospective solution. However, we have serious concerns about certain technical and legal aspects of the proposals of the Bill which these arrangements relate to.

Good Faith. It is the intent of the of the Association to engage in Good Faith and to work constructively and collaboratively, with officials and the Economy Committee to agree an amicable way forward that can provide a closure model that is acceptable to all.

Independent report – The Association has commissioned an independent technical report on the closure consultation, by Eco-Erne Ltd, widely regarded as the foremost independent technical authority on both NI RHI and more widely renewable energy consultancy in NI. This independent report reviews the Department for the Economy’s consultation on closing the Northern Ireland Non-Domestic Renewable Heat Incentive (NIRHI) scheme. The report assesses proposed tariff structures, usage bands, and operational requirements. It supports the introduction of a three-band usage declaration system, considering it fair and aligned with the scheme’s original intent, though it notes potential anomalies and special cases requiring flexibility. The analysis highlights historical tariff changes (2017–2019) as the most representative period for biomass heat usage and stresses the need for equitable treatment of participants with low or minimal usage.

Key Recommendations.

Key recommendations from the Eco-Erne report include

1. Permitting transfer of ownership.
2. Permitting relocation.
3. Including replacement of installations to avoid legal and economic impacts.
4. Equality and Rural Needs concerns - emphasizing the importance of supporting and utilizing available energy sources available to the rural economies and critically, maintaining skilled jobs.
5. It advocates alternative inflationary tariff adjustments and clearer communication of technical terms.
6. The proposed closure model is seen as an opportunity to revive renewable heat usage, reduce carbon emissions, and sustain industry viability in Northern Ireland.

The association fully endorses this report and submits it as an evidential appendix to its own response.

Professional Advice – The association has received independent advice on the proposed legislation and our concerns are noted within the question responses.

CONSULTATION RESPONSES

1. Do you agree with the proposed three-band usage declaration system to determine annual closure payments is fair and consistent with the legal obligations of the scheme and the original policy intent?

Yes (with reservations).

Comment. The RHANI role is to advocate for a fair and acceptable outcome for our members. Given the constraints imposed by the withdrawal of OfGEM support and in the absence of metering, the proposals seem, at a high level, to be a fair proposal in that they are a step towards the 2017 to 2019 *grandfathered* position.

Reservation. It is inevitable that in over 2000 installations that there will be a significant minority of special cases or anomalies that occur which will have reduced the Participant's heat usage during the 2017-2019 period. The Eco-Erne report details several examples of such. In such cases it is essential that a clear and transparent mechanism exists for the affected participants to apply to have justifiable, evidence-based changes made to the deemed levels.

2. Do you agree that participants with very low estimated usage (under 5%) should remain eligible for closure payments if systems are operational and used for the production of renewable heat?

Yes (Qualified Acceptance)

Clarity should be provided as to whether this band includes those at absolute zero, or only for those who have very minimal usage if the requirement is for system to be "available."

An Inclusive Approach. There should be a **4th band** in the declaration options. This band would be one that could be declared by those in the RHI scheme, who wish to remain part of the closure scheme now and in the future, but in the given declaration year, their boiler has been disconnected.

Examples include those who are renovating their business. Our understanding is that this cohort is of about 100 units. The fourth band annual amount would be £0, with a simple declaration that the installation is in the participants possession, not connected up and that they wish the installation to remain

registered with the closure scheme. This is an integral part of the existing scheme.

3. Do you believe the proposed closure model raises any equality or rural needs concerns?

Yes

Rural Needs- The majority of the NIRHI installations are in rural areas. The tariff uplift in the SL1 and subsequent banding proposals have the potential to increase rural business activity and employment in both the service sector and the fuel supply sector. The wood fuel supply sector largely consists of indigenous manufacturing and as such a large business multiplier effect will apply.

Economic Harm. The proposal to restrict location change is attritional in nature and will serve to decimate the already diminished rural installation and maintenance sector.

Equality Issues – IT literacy affects predominantly elderly and rural participants. An automatic transfer to the new DfE portal IT system would be more desirable than a manual application, which would also mitigate any equality issues with participants

4. Do you agree with the Department’s proposal to allow the transfer of installations (and associated closure payment rights) to new owners?

Yes

The current NIRHI Regulations enable an existing owner of an accredited NIRHI installation to sell or transfer the installation to a new owner, who can assume entitlement to payments under the NIRHI scheme for the remainder of the installation’s tariff lifetime.

Transfer of ownership is currently permissible in the both the NIRHI and GB schemes and it is essential that this is retained for the proposed closure scheme.

5. Do you agree with the Department's proposal to restrict changes to location of installations?

No

The current NIRHI Regulations allow for the relocation of an accredited installation, as does the GB scheme. Any change must retain the status quo and the proposal if enacted would have a significant negative impact on the various industries and participants, not to mention supply chains associated with biomass.

To restrict the right to relocation of an accredited boiler on the proposed scheme has the potential to cause legal ramifications with the potential breach of the Human Rights Act – Protocol 1, Article 1: Protection of property. *“Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. The preceding provisions shall not, however, in any way impair the right of the State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure payment of taxes or other contributions or penalties.”*

To restrict relocation, is attrition in disguise and will result in unutilised AME and a diminished installation and maintenance sector as well as negatively affecting the fuel supply sector.

The Association is open to further discussion on reasonable control to ensure that relocations amendments /replacements are technically appropriate and based upon expert advice – such as described in the Eco-Erne report. Examples include the replacement of fossil fuel systems with auditable historic fuel records with relocated accredited installations.

Restricting relocation and replacement will be attritional and increase carbon emissions.

6. Do you have any other comments or suggestions regarding the proposed closure of the RHI scheme?

RISK MANAGEMENT

In the absence of heat metering it is essential that the closure model operates as designed and risk management is used to ensure that unintended outcomes are avoided.

This could include:

- Submission of electronic invoices and proof of payment reconciling said VAT invoices.
- A framework is required for fuel quality, moisture content, traceability and verification.
- Annual heat meter records should be retained as verification of usage at point of site inspection.
- A framework of standards is required for maintenance and engineering support.
- The inspection regime must be designed to be risk managed, fair and proportionate and with short set notice period.
- There must be a fair inspection review and appeals system set up, using an independent panel as with the current DAERA model, to consider issues raised by participants.
- Any future annual submissions and/or other paperwork must be able to be accepted from either a participant or a nominated third-party agent representing them.

Backdating

The proposed uplift and legacy payments are inadequate to allow for the underpayment to participants from 2019-2025. The DfE supreme court submission mentioned backdating and there is a necessity for backdated payment as part of the *prospective remedy*. Backdating could be paid from any annual underspend of the target AME spend allowed for within the current projected costs of the new tariffs.

Inflation

The original NI scheme was based on an annual inflationary increase of RPI and in both NI and GB this was grandfathered. The 2019 legislation was to be a temporary control move to CPI. This permanent proposal infringes on participants HRA A1 P1 rights. A move to CPI will result in unutilized AME compared to GB and therefore, a reduction in business activity and carbon savings. A solution such as a 50:50% RPI:CPI percentage mix that replicates the GB scheme inflation should be used and would leave the average participant in NI on an equitable basis with the mean participant in GB, representing fairness to both participant and taxpayer.

Future communications

The proposed consultation document states terms such as 'Load Factor' and 'Eligible Heat Output'. These terms are causing confusion and frustration with some participants. NIRHI Participants are more familiar with metrics such as heat usage measured in kWh and running hours per annum.

It is critical that DfE communicate with all participants, with a clear outline of each individual projected payment based on their 2017-2019 usage. This must happen within Q4 2025 to assist in each participant to make an informed decision for their businesses.

Issues with the Current Primary Legislation

(1).RHANI is concerned that the current wording of the draft bill is overly broad and grants wide authority to amend, partially close, or completely close the RHI scheme without adequate consultation with relevant stakeholders or those who may be affected by such actions. This appears to include amending tariff rates.

Section 4 of the Bill states, "*by virtue of this section may contain provision **of any kind** for or as regards partial or complete closure of the scheme*" and 5(a)(i) states "*the arrangements by which partial or complete closure of the scheme is to be achieved*" and (ii) "*the administration and financing of such closure of the scheme*".

These powers provide the Department with broad powers and do not appear to be limited in any way nor require further approval from the Executive.

RHANI respectfully submits that these powers especially those that restrict should be more clearly defined and subject to public consultation requirements as well as appropriate Executive approval and affirmative resolution of the assembly.

(2). Current proposal rates represent an acceptable prospective solution but explicitly not a retrospective one. Fair compensation for years of under

compensation is required. RHANI propose a solution where retrospective payments based on historic metering readings from preferably April 2019 but at least April 2020 are made. That the underutilized AME(renewable heat (the 30M unspent)) budget is used where available to remedy this to the extent that the April 2025 on, under-utilised ring-fenced AME budget allows at the proposed 2025 SL1 tariff rates. RHANI does not seek a situation in which DEL is compromised. Instead, a backdating solution is sought which to the best of everyone's ability, balances the rights of taxpayers and participants.

(3). It is regrettable that the secondary legislation does not form part of this consultation. We are responding with 'a hand tied behind our back'. We would like sight of the secondary legislation/guidance notes at a point where proposals are still at a formative stage, that sufficient reasons are be given for each proposal to allow for intelligent consideration. That adequate time is given for consideration and response and that feedback is conscientiously taken into account before a final decision is made



TECHNICAL REPORT

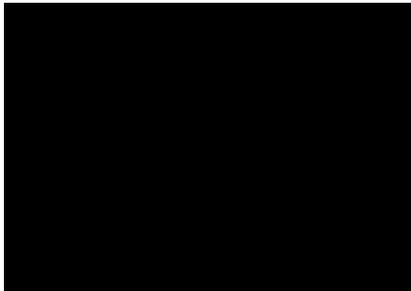
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Ref: Public Consultation on the Closure of the Northern Ireland Non-Domestic RHI Scheme

Technical Report – Ecoerne Limited’s technical assessment on behalf of RHANI (Renewable Heat Association for Northern Ireland) for Response to the Consultation on the Closure of the Northern Ireland Non-Domestic RHI Scheme

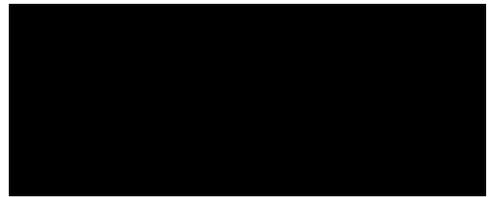
Consultant:

Date: 19th November 2025



Client:

RHANI



Report Contents

1. Details of Consultation Review
2. Consultation Questions
3. Conclusions

1. Details of Technical Review

1.1 Objective

Ecoerne Limited have been asked by RHANI (Renewable Heat Association for Northern Ireland) on behalf of their members, to carry out a technical review assessment of the Public Consultation on the Closure of the Northern Ireland Non-Domestic RHI Scheme:

[Public Consultation on the Closure of the Northern Ireland Non Domestic RHI Scheme](#)

Ecoerne Limited, through this report, aims to provide a technical response to the questions raised through the public consultation report and any other relevant issues raised.

The installation will be assessed in accordance with the following standards, best practice documents and evidence:

- **Non-domestic NI RHI Guidance Volume 1 & 2**
- **‘NDRHI Statutory Information - as at March 2024’**
- **buglass-report-rhi-non-domestic-hardship-research**
- **NDRHI Guidance Volume 2: Ongoing obligations and payments**
- **MCS 040 ISSUE 1.0 - Planned and Preventative Maintenance of Biomass Appliances**

1.2 Consultant’s credentials:

I, 
 confirm that, to the best of my knowledge and belief, I am a competent Chartered Consultant Mechanical Engineer, and my views are impartial and true in relation to the detail of this report. I agree to provide all relevant evidence which is sufficient to satisfy the requirements of the Public Consultation on the Closure of the Northern Ireland Non-Domestic RHI Scheme.

I have been a Chartered Mechanical Engineer with the Institute of Mechanical Engineers (IMechE) since 2007. I have worked in the Engineering industry since 1998 and started a company Ecoerne Consulting in 2013, offering consultancy and professional services to the



Engineering and Renewables Industries. The company changed legal status to a Limited company, namely Ecoerne Limited, in April 2020, of which I am the Managing Director. Ecoerne Limited offers design, inspection and consultancy services to the Engineering and Renewables industry sectors in the UK and Republic of Ireland.

Through my time with Ecoerne Consulting and Ecoerne Limited I have specialised in renewable energy consultancy and would be regarded as one of the leading consultants in the UK & Ireland. I have been heavily involved in all aspects of the NIRHI since 2013 from installation, commissioning, applications for accreditation, Independent Heat Meter Reports, amendments through to technical reporting of non-compliance issues and expert witness reporting for judicial reviews.

I hold many qualifications in renewable energy relating to biomass, heat pumps and solar (pv and thermal) and domestic hot water storage systems. I also hold a NEBOSH National General Certificate in Occupational Health and Safety.

I have been a registered MCS Installer of biomass, heat pumps and solar thermal installations from 2013 – 2016, completing approximately 20 installations in that period.

I am currently an MCS auditor and inspector for Napit Certification (2014 – present).

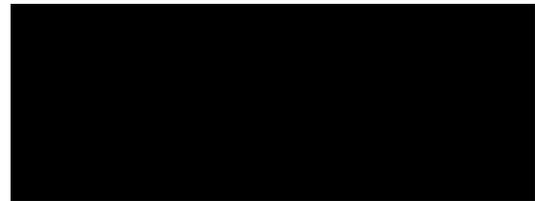
I have completed Team Energy RHI Training for heat metering requirements April 2014 and achieved City & Guilds in Installation of Heat Meters in October 2013.

I have completed to date, more than approximately 500 Ofgem Independent Heat Metering Reports and an excess of approximately 150 Non-Domestic RHI applications for various installers in N. Ireland.

I have also completed to date more than 600 Non-Domestic NIRHI amendments and approximately 40 RHI amendments in GB.

In 2020 & 2021 I completed approximately 100 technical reports for Ofgem Non-Compliance notices in relation to NIRHI installations.

I am suitably qualified and experienced to write this report and assess all the technical aspects in relation to the relevant Public Consultation on the Closure of the Northern Ireland Non-Domestic RHI Scheme.



Consultation General Information

2.1 Considerations

Following consideration of all viable options this consultation seeks views on the Department's proposed approach to Scheme closure.

Please refer to the attached document 'Public Consultation on the Closure of the Northern Ireland Non Domestic RHI Scheme - (FINAL 25 September 2025)'

[Public Consultation on the Closure of the Northern Ireland Non Domestic RHI Scheme](#)

Topic	Description
PART A – Strategic Rationale and Legal Drivers	Reasons for scheme closure, including legal, strategic, and policy drivers.
PART B – Eligibility	Criteria for receiving closure payments, including accreditation and continued use.
PART C – Basis for future payments	Basis for deemed heat output and updated 2025 tariffs.
PART D – Payment Banding and Adjustment	Usage-based payment model with three bands and pro-rata adjustments.
PART E – Compliance	Annual declarations, inspections, and enforcement.
PART F – Consultation Questions	

PART F CONSULTATION QUESTIONS

- 1. Do you agree with the proposed three-band usage declaration system to determine annual closure payments is fair and consistent with the legal obligations of the scheme and the original policy intent?**
- 2. Do you agree that participants with very low estimated usage (under 5%) should remain eligible for closure payments if systems are operational and used for the production of renewable heat?**
- 3. Do you believe the proposed closure model raises any equality or rural needs concerns?**
- 4. Do you agree with the Department's proposal to allow the transfer of installations (and associated closure payment rights) to new owners?**
- 5. Do you agree with the Department's proposal to restrict changes to location of installations?**
- 6. Do you have any other comments or suggestions regarding the proposed closure of the RHI scheme?**



3. Consultation review

3.1 Do you agree with the proposed three-band usage declaration system to determine annual closure payments is fair and consistent with the legal obligations of the scheme and the original policy intent?

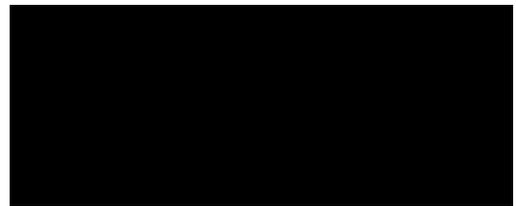
3.1.1 Response:

To review the basis of this question it is important to analyse the current and proposed tariffs as detailed in the Consultation against the historical NIRHI tariffs.

Refer to document: (pg 11 - Public Consultation on the Closure of the Northern Ireland Non Domestic RHI Scheme - (FINAL 25 September 2025)

Table 1: Proposed Tariffs (2025 Prices)

	Current Tariff	Proposed Tariff
Small biomass - T1	9.2	13.8
Small biomass - T2	2.3	4.8
Lower medium biomass - T1	2.2	6.1
Lower medium biomass - T2	0	1.7
Upper medium biomass - T1	1.5	4.2
Upper medium biomass - T2	0	1.5
Large Biomass	2.1	2.2
Small Heat Pumps	13.8	14.2
Medium Heat Pumps	7.0	7.2
Solar Collectors	13.9	14.5



Refer to document: (pg 2 - NDRHI Statutory Information - as at March 2024)

Figure 2: Tariff Schedules for NI Non-Domestic RHI Scheme

Tariff Band ¹	Tariff rate p/kWh 2015-16	Tariff rate p/kWh 2016-17	Tariff rate p/kWh 2017-18	Tariff rate p/kWh 2018-19	Tariff rate p/kWh 2019-20	Tariff rate p/kWh 2020-21	Tariff rate p/kWh 2021-22	Tariff rate p/kWh 2022-23	Tariff rate p/kWh 2023-24	Tariff rate p/kWh 2024-25
Small Solid Biomass Boiler <20kWth (effective date before 18 November 2015)	6.7	6.8	7.0/1.5	7.3/1.6	7.4/1.8	7.5/1.8	7.5/1.8	7.9/1.9	8.7/2.1	9.0/2.2
Small Solid Biomass Boiler <20kWth (effective date on or after 18 November 2015)	6.7/1.5	6.7/1.5	7.0/1.5	7.3/1.6	7.4/1.8	7.4/1.8	7.4/1.8	7.9/1.9	8.7/2.1	9.0/2.2
Lower Medium Solid Biomass Boiler 20 to <100kWth (effective date before 18 November 2015)	6.4	6.5	6.7/1.5	7.0/1.6	1.7/0	1.7/0	1.7/0	1.8/0	2.0/0	2.1/0
Lower Medium Solid Biomass Boiler 20 to <100kWth (effective date on or after 18 November 2015)	6.4/1.5	6.5/1.5	6.7/1.5	7.0/1.6	1.7/0	1.7/0	1.7/0	1.8/0	2.0/0	2.1/0
Upper Medium Solid Biomass Boiler 100 to <200kWth (effective date on or after 18 November 2015)	6.4/1.5	6.5/1.5	6.7/1.5	7.0/1.6	1.2/0	1.2/0	1.2/0	1.3/0	1.4/0	1.5/0
Large Solid Biomass Boiler 200 to <1 MWth (effective date before 18 November 2015)	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.7	1.9	2.0
Small Ground Source Heat Pump <20 KWth	9.0	9.1	9.3	9.7	10	10.2	10.3	11.1	12.6	13.3
Medium Ground Source Heat Pump 20 to <100 KWth	4.6	4.7	4.8	5.0	5.1	5.2	5.3	5.7	6.5	6.8
All Solar Thermal	9.1	9.2	9.4	9.8	10.1	10.3	10.4	11.2	12.7	13.4

¹ For tiered tariffs the first 1,314 hours of eligible heat output are paid at the higher rate and any further heat generated is paid at the lower rate up to a maximum eligible heat output of 400,000kWh.

Refer to document: (pg 1 - NDRHI Statutory Information - as at March 2024)

Figure 1: Summary of NI Non-Domestic RHI Installations as at 31 March 2024

Tariff Band	No. of Installations	Total Installation Capacity MW	Total Eligible Heat Output GWh	No. of Installations Receiving Payment ¹	Expenditure per Tariff £m
Small Solid Biomass Boiler	12	0.2	1.4	10	0.2
Lower Medium Solid Biomass Boiler	1,864	164.2	3,100.3	1,801	124.6
Upper Medium Solid Biomass Boiler	200	38.8	304.2	193	12.2
Large Solid Biomass Boiler	26	17.8	192.4	14	3.3
Small Ground Source Heat Pump (GSHP)	13	0.2	3.1	10	0.3
Medium Ground Source Heat Pump (GSHP)	6	0.3	2.1	4	0.1
Small Solar Thermal	6	0.1	0.03	4	-
Small Water Source Heat Pump (WSHP)	1	0.02	0.3	1	0.03
Grand Total³	2,128	221.6	3,604	2,037	140.8

1. There are no accredited Biomethane installations within NI

2. Installations may not have received payments for a variety of reasons including rejection from the scheme or voluntary withdrawal.

3. Totals may have slight rounding differences.

- With approximately 97% of the NIRHI installations (**Figure 1**) it is appropriate that the tariff tiering is applied only to the Medium and Large Biomass boiler installations.
- Although not clear from the consultation document, it is assumed that no tiering to be applied to the small and large biomass, heat pumps and solar thermal installations which make up the remaining approximate 3% of installations. This seems appropriate and relevant installations will see appropriate inflation like uplift in tariff. These installations have remained unaffected by the previous tariff cuts, and this should be a straightforward transition to the proposed closure scheme for these Participants.
- Undoubtedly some Participants will feel that the banding proposals are not fair or consistent with the legal obligations and original 2012 policy intent. The appetite for challenge on this would be of minimal desire to the majority of Participants.

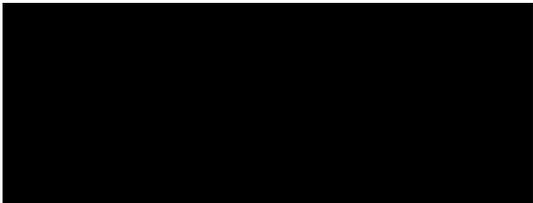
3.1.2 Lower medium biomass:

- The Consultation's proposed tariffs for Lower medium biomass are 6.1p/kWh and 1.7p/kWh for Tier 1/Tier2 respectively (**Table 1**), these are slightly lower but somewhat comparable to the lower medium tiered tariffs in the periods 2017-2018 (6.7/1.5p/kWh) and 2018-2019 (7.0/1.6p/kWh) (**Figure 2**).
- Without forensic analysis of the modelling to derive these proposed tariffs, from my own experience of analysing eligible heat usage of approximately 400-500 biomass boiler installations, majority of which were in the Broiler Growing poultry sector, analysis would suggest that the periods from April 2017 until April 2019 would be representative of typical heat usage with biomass. April 2017 was the initial tariff change when tiering was first introduced to the Lower Medium Solid Biomass tariff band, and it is probably no coincidence that usage began to settle at an appropriate level.
- Following the 100% inspection programme in 2020, instigated by the Department for the Economy, some Participants were subjected to investigation by Ofgem for 'Potential overproduction of heat' and being in breach of Regulation 33 (p), "*Participants must comply with the following ongoing obligations, as applicable - (p) they must not generate heat for the predominant purpose of increasing their periodic support payments;*". The investigation period analysed usage from the four quarters before April 2017 to the corresponding four quarters after April 2017, or the equivalent month depending on meter reading submission date.
- During 2020 and 2021, Ecoerne Limited reviewed in excess of 150 Participants' installations, many of which had multiple boilers, half of which were subjected to claims



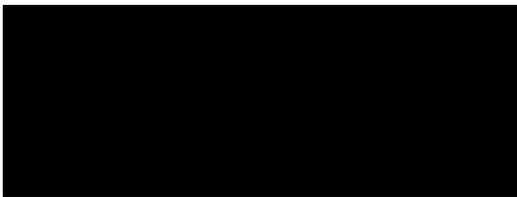
from Ofgem of “*Potential overproduction of heat which it was claimed the level of heat produced annually reduced following introduction of tariff tiering, hence, higher heat produced previously may not have been required, and is in breach of Regulation 33 (p).*”

- During standard investigation protocols of DfE it would have been normal to not instigate further investigation of installations which had a plus or minus 10% change in the investigative period of four quarters before and four quarters after April 2017, as this was assumed as a standard seasonal variation.
- The analysis by Ofgem also took into consideration chicken production periods and weather conditions at the time. The respective Participants that received their non-compliance notices had a change in heat usage ranging anywhere between 20%-65% drop in heat usage from the four quarters before April 2017 to the corresponding four quarters after April 2017.
- It is my opinion that the investigations conducted by Ofgem were fundamentally flawed as their analysis did not take into consideration factors such as:
 - o Learning curve from direct gas heating to indirect biomass heating – majority of biomass users were challenged by the changeover from direct heating to indirect heating, and with the sudden change in Tariff, they subsequently experimented with various aspects to maintain the profitability and welfare conditions for the birds with a combination of biomass and fossil fuel heating/pre-heating/drying out and a variation of inhouse trials and techniques which resulted in a natural drop in biomass heat usage.
 - o Considering the scheme had a period of 20 years it would be expected that heat load and productivity will vary year to year depending on various factors. Poultry Production in particular, is a very complex non-linear business and considering all the varying factors involved and with the introduction of a new heating process such as biomass indirect heating this adds a further complexity which in turn has an effect on the production of crops and heat usage.
 - o The limited period of analysis of two years out of a twenty-year scheme did not lend itself to a controlled comparison test especially considering the other factors that occurred during this period.
 - o Financial restraints – Participants subjected to the accusations of non-compliance regarding the over production of heat, Ecoerne conducted reviews and analysis of their Profits Before Tax Less Repayments (PBTLR), from the financial years they installed biomass to the 2020 financial year end period. It was concluded in the

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majority of investigations that following the tariff cut in April 2017 and with continuous ongoing repayments, Participants had endured considerable deficits of PBTLR as a result and had been put into the position where the respective businesses were struggling financially to afford to pay for the desired level of biomass heat for optimal poultry production along with other associative requirements such as maintenance of boilers and equipment, etc. This situation was then accentuated further by the introduction of the cataclysmic tariff cut in April 2019.

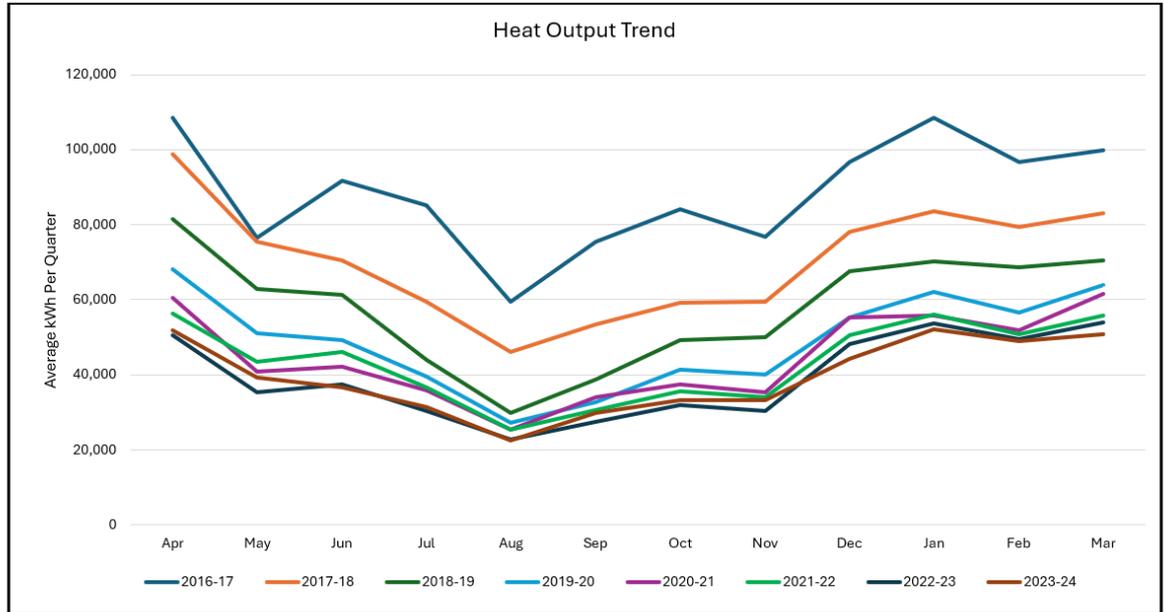
- Reference to the independent review carried out by energy expert Andrew Buglass (**buglass-report-rhi-non-domestic-hardship-research**), to assess the existence and nature of hardship encountered by participants in the Northern Ireland Non-Domestic Renewable Heat Incentive Scheme and specifically whether participants have experienced hardship due to the regulatory reductions to the heat tariff which occurred during 2017 and 2019. The report provides an accurate understanding of the exact implications of the tariff reductions on the running of a poultry farm business. Referring to section 7 on page 17 of the report which details the effects on Northern Irish poultry businesses. Section 9.3 on page 20 of the report details the financing approach for the installation of the new heating system. Section 9.9 of the Buglass report sets out 8 forms of hardship resulting from the tariff reductions. The agriculture sector represented 53% of the total NIRHI installations and majority have felt the implication of each of these 8 forms of hardship.



- Analysis of the Eligible Heat Output (EHO) (**Figure 6**)

Figure 6: NI Non-Domestic RHI Scheme Heat Output Trends Illustrating Average kWh Usage

1. Eligible Heat Output (EHO) is based on average quarterly output.



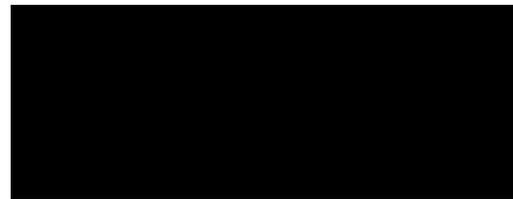
- The clear decline in EHO from the NIRHI installations from the periods 2016-2024 (**Figure 6**) would indicate that the period between 2017-2019 would represent a median level of heat usage.
- The introduction of tiered tariff change in April 2017 did instigate improved energy efficiency practices with majority of Participants, which may not have been present in the period before during the uncapped tariff band.
- Analysis conducted through the defence of the Ofgem non-compliance cases also indicated a significant increase in fossil fuel usage as an alternative to biomass. It is unclear whether Participants provided an accurate account of all fossil fuels used during inspections and therefore difficult to align what percentage affected the drop in EHO in the periods after April 2017. Participants in the Poultry sector in particular, had adopted new methods of partially heating with fossil fuels especially during the pre-heating phase of the crop and no heat usage in the end of crop phase (28 days +)
- Post April 2019 following the dramatic change in tariff and removal of tiering, the EHO further declined but somewhat plateaus with the following years up until 2023-24.
- Post April 2019 undoubtedly incited a reluctance to use biomass. This was also accentuated by the dramatic increase in the price of wood pellets from £170-£191 per tonne (3-24 tonnes respectively) in September 2020 to £380-£416 per tonne (3-24 tonnes respectively) in October 2022 (Prices based on Balcas Energy rates).



- Despite an increase in fossil fuels in the same period, Participants had less incentive to maximise the usage of their biomass boilers.
- On the basis of my own research and analysis through the defence of the Ofgem non-compliance cases, it is my opinion that the periods between April 2017 and April 2019 are most indicative of average usage and the comparable proposed tariff tiering during this same period is reflective of a fair level of subsidy for continued usage of renewable heat and displacement of fossil fuels which was the initial requirement of the scheme. The Non-Domestic Renewable Heat Incentive (NDRHI) was a government environmental programme designed to increase the uptake of renewable heat to help reduce carbon emissions and meet the United Kingdom's renewable energy targets.

3.1.3 Upper medium biomass:

- The Consultation's proposed tariffs for Upper medium biomass are 4.2p/kWh and 1.5p/kWh for Tier 1/Tier2 respectively (**Table 1**) and are significantly lower compared to the upper medium tiered tariffs in the periods 2017-2018 (6.7/1.5p/kWh) and 2018-2019 (7.0/1.6p/kWh) (**Figure 2**).
- Despite the NIRHI installations in the upper medium tariff band only accounting for 9.4% of the total installations, this would seem somewhat unfair to Participants that installed boilers ranging 100 to < 200 kWth output. Majority of these 200 installations would have been installed post November 2015 and therefore had less than three years on this tariff before the dramatic cut to 1.2p/kWh from April 2019. It would seem from the outset very harsh on Participants who opted for the upper medium tariff considering their installations were significantly more expensive and experienced a greater negative impact on their return on investment.
- Without forensic analysis of the details of installations in the upper medium tariff band and considering the smaller percentage of installations, it would have seemed more appropriate to leave it the same as the proposed lower medium tariff.
- It would be beneficial if the upper medium tariff band was reviewed in 12 months post introduction of the closure scheme to establish if the banding is inadequate with a view to increasing it to similar to that of the lower medium tariff band if the budget permits.



3.1.4 Proposed banding:

Proposed Usage Bands

1. Standard Operational Use
 - Definition: Installation operated in line with historic heat needs for 50–100% of the year.
 - Payment: Full annual payment.

 2. Limited Operational Use
 - Definition: Installation operated for less than 50% of historic heat output , but more than 438 hours (5% of historic heat output) in the past 12 months.
 - Payment:
 - Payment based on higher of
 - 50% of historic heat output; or
 - The de minimis amount

 3. Minimal or De Minimis Use
 - Definition: Installation operated for less than 438 hours in the past year.
 - Payment: Based on a historic heat output equivalent to 438 hours.
 - Dependent on receipt of a valid annual declaration, any installation that had less than 438 hours of heat output during the 2017-2019 reference period will receive the de minimis payment.
-
- With the proposed closure payments based on the 2017-2019 period being regarded as the most reflective of biomass heat usage in the scheme for the majority of Participants, the proposed usage bands would seem fair from the outset.
 - It is my opinion that the Standard and Limited Operational Use bands are weighted fairly to encourage usage of biomass renewable heat displacing fossil fuels.
 - Participants that have a genuine requirement for heat will now be suitably subsidised to use renewable heat instead of fossil fuels. It is my opinion that through the proposed closure model, renewable heat will become the primary source of heat and fossil fuels the secondary back up source for majority of installations in these two operational use bands.
 - The Standard and Limited Operational Use bands also prevent any potential ‘gaming’ of the scheme as it does not lend itself to burning biomass for the sake of it, just to attain the subsidy. The Standard and Limited Operational Use bands will not be beneficial to Participants without the genuine requirement for heat.
 - The only concern for the Limited Operational Use band is that in some circumstances if the historic heat output may be close to the Minimal or De Minimus Use band, this may discourage Participants using renewable heat in place of fossil fuels. This will come down to a financial decision by each Participant. It is my opinion that the Limited Operational Use band will have minimal utilisation as Participants will either decide to continue with

renewable heat or not. This may lead to a significant number of Participants opting out of the scheme or maintaining the Minimal or De Minimus requirements.

3.1.5 Proposed usage bands Anomalies and Special Cases

- It is inevitable that there will be a number of special cases or anomalies that occur which will have reduced the Participant's heat usage during the 2017-2019 period.
- The following are examples of some particular cases:
 - o Participant A started a renovation of their factory in March 2018, and their biomass boiler would not have been used in the period of the works being completed.
 - o Participant B had a faulty heat meter in May 2018 and was not detected immediately and lost out on three quarters, leaving their annual usage approximately 100,000 kWh less than what it should be. The Participant did not opt to do an Estimated Data process with Ofgem to retrieve lost payments.
 - o Participant C has an Energy Supply Contract type arrangement with a Poultry grower who purchased the renewable heat and paid per kWh of heat used. Owing to the negative press from the NIRHI scandal the grower decided not to use renewable heat any further and changed back to fossil fuels as the primary heat source.
 - o In all three cases there is genuine usage demands that would fit with the proposed Standard Operational Use band however they are recorded as low or even zero heat quarters.
 - o What would be welcome from the Department is their intent to engage with Participants in these exceptional cases where justification of their historical or alternative uses of heat is reviewed and objectively and fairly treated. Justification of these exceptional circumstances, including key dates and events, detailed commentary of the effects on the heat data and any other supporting information to be provided to the Department for review and approval.
 - o Participant A could provide an Engineers/Energy report which deems what the newly renovated buildings heat usage should be alongside any historical usage post renovation of alternative heat sources. This would encourage the Participant to use renewable heat and displace any fossil fuels as opposed to opting for the De Minimis usage band.

- Participant B can also easily provide Estimation of data at the time of the faulty heat meter and provide justification by wood pellet fuel usage at the time in question.
- Participant C could provide fossil fuel usage during the period of 2017-2019 and an equivalent biomass energy usage could be deemed for that period and agreed between both Department and Participant. This would encourage the use of renewable heat to displace fossil fuels for the remainder of the scheme.
- From 2016 to present, Ecoerne have processed multiple Estimation of Data processes on an annual basis for Participants that have had faulty or defective heat meters and had estimated data requirements for cases of overlooked meter reading submissions. On each occasion we have prepared the data, justified the circumstances, providing the key dates and supported with evidence of fuel receipts and historical data retrieved from the meters. In all instances the information was provided to Ofgem for their approval and instructions followed to amend relevant meter readings. The process is very straight forward with minimal administration input from Ofgem. The onus is on the Participant to provide the evidence and engaging consultancy services such as our own to liaise with Ofgem. A similar approach to special circumstances of low heat usage in the period between 2017-2019 could be adopted for Participants transitioning to the proposed closure model scheme.

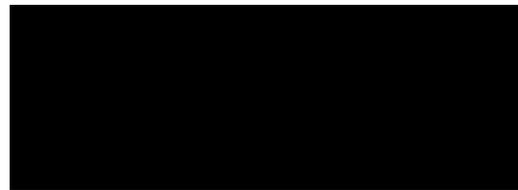
3.2 Do you agree that participants with very low estimated usage (under 5%) should remain eligible for closure payments if systems are operational and used for the production of renewable heat?

3.2.1 Response:

- The Minimal or De Minimus Operational Use band definition would need further clarification. Clarification will be required if the biomass boiler remains operational and connected to the original RHI accredited heating system but uses absolute minimum amount of biomass fuel, will it be still eligible for De Minimis payment and how will the Department assess this?
- The Minimal or De Minimus Operational Use band will be the preferred option for Participants that have or intend to change their heat usage to a minimal level or if they no longer intend to use renewable heat as their primary heat source but as a backup heat

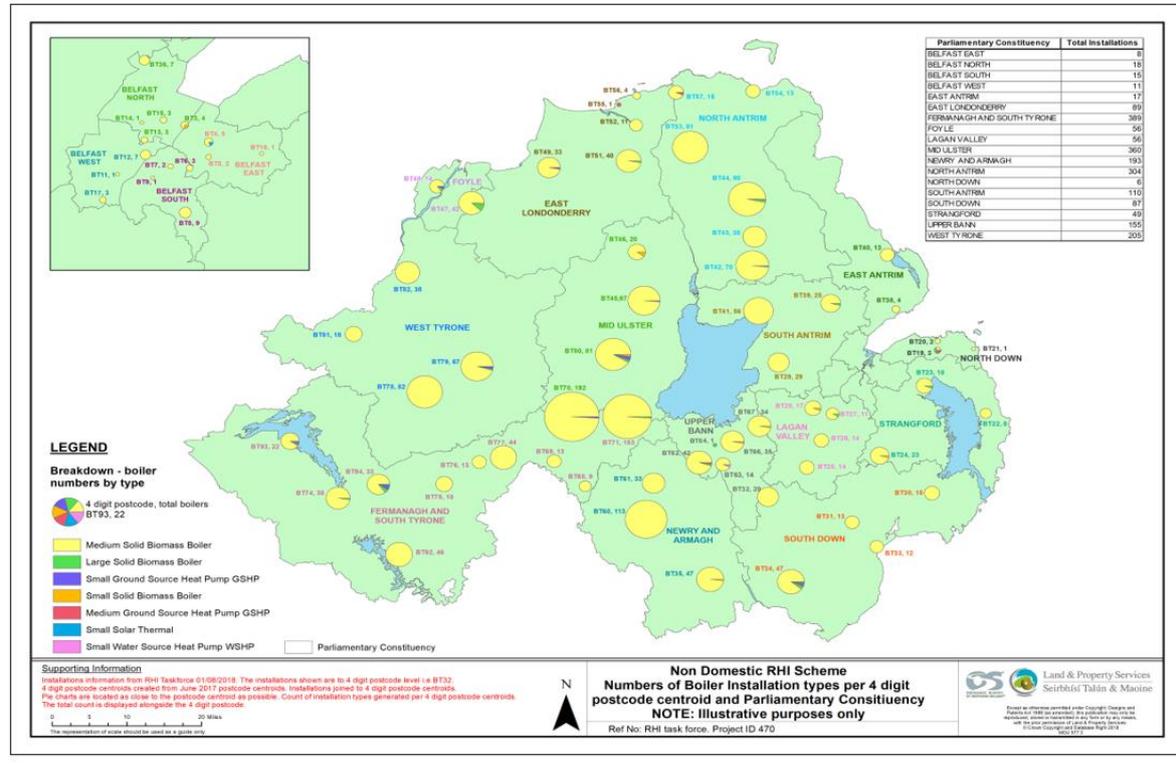
source. It would seem to be more of a compensatory option for those Participants that following the initial tariff cut in April 2017, felt let down by The Department for the Economy and decided to switch off their boilers and use alternative fossil fuels.

- The biomass boiler heating systems that qualify for the De Minimis usage band and adhere to the relevant ongoing obligations and compliance requirements, would require a form of support in order to maintain the equipment, insurance and administration. The level of support would seem fair however the potential for the system to be providing renewable heat and displacing fossil fuels seems like a missed opportunity.
- From my own extensive experience of the NIRHI scheme there has been a significant number of Participants that have not maintained their meter readings appropriately despite the boilers being connected and operational. The main reason for this is the lack of administrative input from the Participants or lack assistance from external personnel such as installers maintaining meter readings for Participants. With the introduction of the closure scheme this may well encourage Participants to get their systems up to date and hopefully encourage increased reliance on renewable heat instead of fossil fuels.
- It is also my understanding that there has been a significant number of Participants entering 'zero usage' readings and adhering to their ongoing obligations in the hope that there is a favourable outcome to the NIRHI in the form of an uplift tariff or a compensatory payout. With the introduction of the closure scheme this may well encourage Participants to get their systems back online, increasing reliance on renewable heat instead of fossil fuels.
- It is also my understanding that a significant number of Participants may have changed their industry heat usage requirements and therefore have minimal to no heat requirement. A good example of this is a portion of the Broiler Grower Poultry sector have transitioned to Laying Hens which require minimal to no heat. With the introduction of the closure scheme and without relocation their only options will be to avail of the De Minimis usage band or to opt out of the scheme entirely.
- It appears that under current proposals, an installation that is not hydraulically connected to an eligible system on either the "transition point" (the first quarter end date after Jan 1st 2026) or certainly the anniversary date (anniversaries post 1st April 2026 onwards), with all meter reading up to date, etc, will be ineligible for the closure transition. It would be a valid proposal that a 4th band (payment £0) should be created, for those that have installations not currently able to certify to de minimis standard but who wish to be part of the closure scheme in the future.



3.3 Do you believe the proposed closure model raises any equality or rural needs concerns?

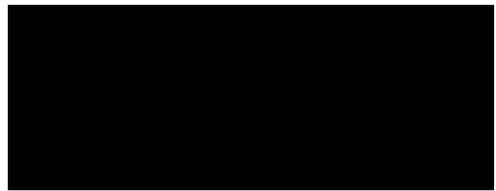
Figure 5: Distribution of NI Non-Domestic RHI Accreditations



3.3.1 Rural needs concerns:

Refer to document: (pg 5 - NDRHI Statutory Information - as at March 2024)

- Figure 5 clearly shows the majority of the NIRHI installations are located in rural areas.
- The proposed closure model in my opinion has the potential to boost the rural and general economy of Northern Ireland. The potential for the increased use of renewable heat is welcomed following the significant demise of the NIRHI since the April 2019 tariff cuts.
- Companies providing services such as maintenance and repair of boilers have dramatically reduced since the scheme began in November 2012. Some manufacturers of biomass boilers installed in N. Ireland have no longer any agents or service engineers to service or maintain boilers. Other manufacturers have maybe single companies in some cases one individual covering all of N. Ireland. The current scheme does not encourage Companies to get involved with biomass and has the potential for a lot of experience being lost in the industry. The introduction of the closure model should increase the

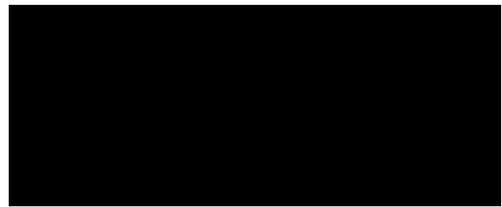


demand for biomass services and with the fair tariff bands and appropriate ongoing obligations and compliance arrangements, it will in my opinion encourage Participants to maintain their assets accordingly and hopefully attract existing and new installation and service companies to offer biomass technical services.

- The introduction of the closure model will also support local wood fuel supply companies with an increased demand for pellets, chip and logs. This has a knock-on effect for companies involved in processing, transport, etc.
- The potential for an increase in local wood fuel supply also displaces the requirement of imported of fossil fuels.
- One concern the proposed closure model offers is the restriction of Relocation of the biomass boilers. This has the potential to severely affect the rural sector, in particular the biomass technical and fuel supply sectors. This concern will be explained in more detail in Section 3.5

3.3.2 Equality issues:

- The introduction of the proposed closure model has the potential to raise some equality issues especially for the Participants in the rural sector.
- The current Ofgem portal IT system causes Participants significant issues mainly down to the limited IT literacy and capability of smaller Organisations and individuals. Support from consultancy companies such as our own company, Ecoerne, has been essential for some Participants to adhere to their ongoing obligations and compliance.
- The transition to the new scheme would therefore need to be user friendly or the availability of organisations such as our own to facilitate the transfer and maintain ongoing obligation and compliance records.
- An automatic transfer to the new DfE portal IT system would be more desirable than a manual application, which would also prevent any equality issues with Participants.



3.4 Do you agree with the Department's proposal to allow the transfer of installations (and associated closure payment rights) to new owners?

3.4.1 Response:

- Yes, the current NIRHI Regulations allow for the ownership of an installation, or part of an installation, to be transferred. The current scheme enables an existing owner of an accredited NIRHI installation to sell or transfer all or part of the installation, the new owner, who can assume entitlement to payments under the NIRHI scheme for the remainder of the installation's tariff lifetime.
- Re-ownership is currently permissible in the both the NIRHI and GB schemes and it is essential that this is retained for the proposed closure scheme.

3.5 Do you agree with the Department's proposal to restrict changes to location of installations?

3.5.1 Response:

- No, the current NIRHI Regulations allow for the relocation of an accredited installation, as does the GB scheme and it would have a significant negative impact on the various industries and Participants, not to mention supply chains associated with biomass.
- With the current NIRHI scheme, the administration and process of relocation is as straightforward as the re-ownership process. In my own experience, most re-ownership cases have also involved relocation of the accredited boilers. Re-ownership cases on their own usually entails companies changing legal status from sole trader or partnership to a limited company, or if a company has sold its premises or business, and the accredited boiler is transferred to the new owners.
- To restrict the right to relocation of an accredited boiler on the proposed scheme has the potential to cause legal ramifications with the potential breach of the Human Rights Act – Protocol 1, Article 1: Protection of property. *“Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. The preceding provisions shall not, however, in any way impair the right of the State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure payment of taxes or other contributions or penalties.”*

- It would seem strange that the proposed closure model restricts relocation and allows only for re-ownership. The current NIRHI scheme legislation and guidance allow for both processes.
- Restricting relocation in the proposed closure model would have the following negative impacts:
 - o Participants would no longer be able to trade their asset if their business circumstances changed or if they decided to relocate their business. Either situation has the potential to reduce the option of displacing fossil fuels for renewable heat and thus restricting the potential to reduce carbon emissions.
 - o For a company to move location from having a renewable heat source to a new location which doesn't, combined with the fact that the proposed closure scheme is not open to new applicants, this would inevitably have a financial and environmental impact on the business or Participant.
 - o Not being able to relocate the accredited biomass boiler and be forced to sell it as part of the fixtures and fittings of the property, can also have a negative impact on the sale, despite the transfer of entitlements and payments. Presently, Ecoerne have been engaged by a NIRHI Participant to prepare a comprehensive biomass specification for a high-end property for sale which presently has an accredited RHI biomass boiler. The issues being raised by potential purchasers are that of a reluctance to purchase a property with biomass equipment, and also not being able to attain the transfer of the RHI entitlements owing to not having a commercial entity at the new premises. This may be an exceptional case however it highlights the potential restriction that can occur if relocation is not permitted in the proposed closure model.
 - o As a relevant example of the potential negative impact of restriction in relocation of biomass boilers, a significant number of Participants in the poultry sector have quite recently, with more intending to change their businesses from broiler growing to laying hens. The latter sector requires significantly less heat, if any in some cases. Majority of these specific RHI accredited installations will have historical heat usage from 2017-2019 which is deemed usage in the Standard Operational Band. In the present NIRHI scheme these Participants have the potential to sell their asset and complete a re-ownership and relocation process with the transfer of entitlements and payments. New owners of the accredited RHI installations can then use renewable heat to displace fossil fuels at their

respective businesses. Under the proposed closure model and with the restriction of relocation, these same Participant's options are limited to utilising the De Minimis usage band or opting to withdraw from the scheme entirely depending on their circumstances. This would result in a potentially significant reduction in renewable heat displacing fossil fuels and with no option for new applicants to the closure model, this would be a significant oversight for a government environmental programme designed to increase the uptake of renewable heat to help reduce carbon emissions and meet the United Kingdom's renewable energy targets.

- There is also the remote chance that a business becomes insolvent or defaults on asset finance, the Liquidators or Finance companies may wish to sell their assets and with the restriction of relocation this would also have a negative impact financially and environmentally.
- As a renewable consultancy company, Ecoerne, have successfully facilitated approximately twenty relocations in N. Ireland with the current NIRHI scheme. Approximately half of these relocations have also involved re-ownership and transfer of accreditation and payment rights.
- The administration process is the responsibility of the Participant who would usually engage the services of a consultancy company that had a professionally indemnified Chartered Engineer. The most important documents for the relocation process are the schematic, recommissioning documents for the boiler and heat meter and the independent report on metering arrangements (IRMA). The IRMA report is crucial for not only the new location's metering arrangement but a technical explanation and justification from a suitably qualified Engineer with provision of supporting evidence. The provision of said documents to Ofgem enables them to review and approve the relocated accredited installation with minimal administration or processing of documentation. Approval is gained following the submission of relevant information by the Engineer through the Ofgem portal to complete the relocation and or re-ownership process.
- With the proposed closure model there would be no reason why a similar process could be adopted for any relocation and or re-ownership of accredited boilers in N. Ireland. The process could be facilitated in the same manner as the current scheme by a chartered engineer with suitable Professional Indemnity insurance providing a comprehensive solution for the Department to make a decision for approval.



- A potential solution to enable the inclusion of relocation in the proposed closure model could involve the following process:
 - Participants notify Department regarding the proposed sale and relocation of accredited RHI boiler under the proposed closure scheme.
 - Department provide template documents to proposed new owners to provide Company details, solvency and eligible building declarations to ensure eligibility.
 - On pre-approval of the relocation by the Department, the Participant and new owner are instructed to proceed with the relocation and re-ownership of the accredited RHI boiler. The Participant/new owner then engage a Chartered Engineer or suitably qualified Engineer with appropriate professional indemnity (PI) insurance to oversee the administration process. On completion of the relocation and re-ownership of the accredited RHI boiler installation, the Engineer then conducts a site visit and processes the relevant information. The relevant information would include, but not limited to:
 - Basic schematic, similar to the current Ofgem required schematic detailing boiler location, building(s) location(s) and identifying eligible heat uses in each.
 - Design report from Engineer, similar to existing IRMA report, detailed technical explanation of new installation, details of biomass boiler and other back up heat sources, details of eligible heat use, historical fuel usage of building(s), approximate sizes of the building(s). This technical document can be signed off by Engineer.
 - Collation of relevant commissioning reports for the boiler, provision of planning or building control approvals or exemptions if applicable.
 - Provision of invoice for sale of RHI accredited boiler and proof of payment from Participant.
 - These documents can be uploaded to the new portal for review by the Department to approve and confirm transfer of entitlements and payments to the new owner.
 - This process of relocation would have minimal cost to the Department and costs associated with the external management involving the Engineer, Building Control, Planning, etc, are covered by the Participant or new owner, as is the case with the present NIRHI scheme.



3.6 Do you have any other comments or suggestions regarding the proposed closure of the RHI scheme??

3.6.1 Absence of compulsory heat metering:

- The proposal to not have compulsory heat metering in the proposed closure scheme is to be welcomed, as through my own extensive experience, Class 2 RHI compliant heat meters can be quite an onerous task to maintain and expensive to repair or replace. The paperwork process involved with the existing NIRHI scheme is quite complex and requires an Estimation of Data for faulty heat meters in some cases. Typical cost to replace some heat meters and complete the associated paperwork and submission on the Ofgem Portal can be anywhere in the region of £1000 up to £1500 for certain heat meter brands. Multiple boiler sites can have biomass and fossil fuel heat meters and with a general lifespan and calibration period of 10 years with some manufacturers this can prove to be a very expensive and frustrating aspect of RHI biomass heating.
- With the proposal of heat metering being replaced by the submission of fuel records, it is paramount that certain procedures are followed to provide safeguarding and prevention of 'gaming' or fraudulent activity. Similar schemes have adopted the process of submitting electronic invoices and proof of payment reconciling said invoices with the provision of redacted bank statements. In my opinion this is not too much of a task for most organisations that are operating businesses. This reduces the risk of any Participants falsifying invoices or records.
- Provision of invoices for wood pellets is very straight forward with all suppliers on the accredited Biomass Suppliers List (BSL) or equivalent ISO 17225 (Solid biofuels — Fuel specifications and classes) accreditation.
- Chip and log wood fuel are more complicated owing to the absence of having to purchase wood fuel from an accredited supplier in the current NIRHI scheme.
- With regards to wood logs this can be difficult to provide invoices or related costs as in some cases the logs are self-harvested from the Participant's farms. The number of log gasification boilers on the current NIRHI scheme may be insignificant in comparison to wood pellet and chip boilers, and therefore low risk from a safeguarding point of view.
- Wood chip is not as complicated as logs, as the majority would be purchased from local suppliers providing invoices for accountability. Participants that purchase pulpwood for chip, usually naturally dry the product first before chipping it. Invoice trails can be

accounted for the purchase of pulp wood and also the wood chipping process in the majority of cases.

- The option to purchase fuel from an accredited supplier is an option long term but in the short term this could cause financial and practical issues if existing suppliers are not accredited. With the absence of the requirement of the BSL in the current NIRHI scheme reliance on suppliers with certification to ISO 17225 accredited schemes such as Woodsure or Wood Fuel Quality Assurance (WFQA) schemes could be onerous and time consuming in the short term.
- Longterm solution would be to allow a suitable transition period, a year from start of closure scheme perhaps, to enable existing or new wood fuel suppliers to gain accreditation to the appropriate ISO 17225 certification. After this transition period Participants must purchase their wood fuel from suitably accredited suppliers. Organizations that self-harvest their own wood fuel can also apply to schemes such as Woodsure and WFQA, to enable them to self-certify their fuel and provide complete traceability.
- Presently, the BSL does not operate in N. Ireland and applications are not open to join unless you supply wood fuel to GB. There are several wood chip and log supplies based in N. Ireland that have relevant ISO 17225 certification including Woodsure and WFQA.
- Currently, the schemes operating in GB (RHI) and Republic of Ireland (SSRH), wood fuel can only be bought through the BSL or the WFQA respectively. Both these schemes have been operating successfully with compliance and full traceability.
- Details of how the Department are going to translate quantities of the various wood fuels into the equivalent kWh heat usage will require clarification. Direction on wood fuel calorific value, moisture content and average seasonal efficiency of the biomass boilers will have to be taken into account.
- With majority of Participants retaining their existing RHI heat meters on their biomass systems, it would be advised that an annual meter reading photo is taken and kept on record for any potential site inspection. This may be useful for evidence of heat usage if it is close to the transition of the three usage bands. It would also be beneficial for the Participants using chip and log wood fuel.



3.6.2 Replacement boilers:

- The proposed closure model does not mention the option of replacement biomass boilers. The GB RHI scheme introduced replacement of biomass boiler plants to retain the same tariff and scheme lifetime as the original plant which was replaced. The RHI Regulations define a replacement plant as “a plant which is installed in place of an original plant and uses the same source of energy and technology as the original plant”
- Certain manufacturers that provided biomass boilers for NIRHI installations are no longer supporting these products in N. Ireland, namely Turco and Domusa brands as two examples but not limited to other manufacturers. Neither of these manufacturers presently support Participants or Installers with their biomass boilers installed during the NIRHI scheme. Many of the Participants have had no choice but to switch off their boilers and resort to using alternative fossil fuel back up heat sources. Some Participants have even had to bring Engineers over from GB to try and repair and maintain boilers.
- Now that the NIRHI installations are all approaching over ten years in the scheme the likelihood of biomass boilers breaking down will increase significantly in the coming years.
- Some biomass boilers which are maintained and repaired regularly are also showing signs of significant damage that naturally and inevitably occurs as a result of normal wear or aging which also can have an impact on efficiency.
- Introduction of replacement biomass boilers would be desirable on the new proposed closure model. Similar to the re-ownership or relocation models, the administration and approval of the replacement by the Department could be kept straight forward with the responsibility on the Participant to engage a Chartered Engineer or suitably qualified Engineer with appropriate PI insurance in place to oversee the process.
 - o Replacement biomass boiler process steps:
 - Notification to the Department
 - Letter from Manufacturer/Engineer confirming irreparable, impractical or lack of parts to repair
 - Pre-approval from the Department
 - Replacement of biomass boiler
 - Report from Engineer confirming commissioning of new plant
 - Submission of relevant documents and supporting evidence

- Approval from Department and continuation of the closure model payments for the remainder of the scheme
 - Zero cost to Department with minimal administration for approval.
 - Replacement boiler process would ensure renewable heat continues to displace fossil fuels and reduce carbon emissions for the remainder of the scheme.

3.6.3 Boiler service and maintenance:

- To aid safeguarding of the proposed scheme and support of the rural network the inclusion of accredited or approved technicians with appropriate insurances in place, to carry out planned and preventative maintenance of biomass appliances, would be welcome in the proposed closure scheme.
- With the present NIRHI scheme there is no criteria or requirement for any qualifications or insurances, for an individual or organisation to carry out any maintenance or repair of biomass appliances.
- In April 2022, the GB RHI scheme introduced new annual maintenance requirements for those using solid biomass as fuel in an accredited biomass boiler. The changes required Participants to ensure an approved maintenance check is carried out in each year to be eligible to receive payment.
- The GB RHI scheme adopted the standard, **MCS 040 ISSUE 1.0 - Planned and Preventative Maintenance of Biomass Appliances**, that all service technicians/engineers must be accredited to the HETAS Approved Biomass Maintenance Scheme (HABMS), or an equivalent body approved by the Secretary of State, to carry out annual maintenance checks or repair works.
- With the MCS 040 standard in place presently, this could easily be adopted for the proposed closure scheme. Similar issues to gaining an approved wood fuel supply accreditation in the short term would be difficult, however a long-term solution would be to allow a suitable transition period, a year from start of closure scheme perhaps, to enable existing or new service and repair technicians/engineers to gain accreditation to the MCS 040 standard certification. After this transition period Participants must use MCS 040 accredited technicians/engineers. This option would provide a built-in safeguard to prevent Participants from carrying out annual planned and preventative maintenance themselves without the appropriate training, insurance, etc.

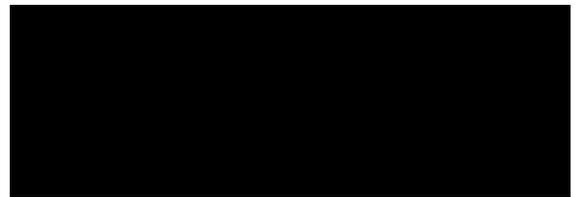


3.6.4 Compliance:

Ongoing Obligations and Conditions for Payment

As is the case under the existing scheme regulations and guidance, in order to receive an annual payment, participants will be required to comply with a number of ongoing obligations including:

- The need to submit an annual declaration by a set deadline.
 - Provision of supplementary information including photographs of the installation.
 - Retention of records of eligible fuel sources to be provided on request.
 - Retention of any maintenance records, to be provided on request.
 - Notifying the Department of changes in circumstances that may, or do, affect eligibility for payment; and
 - Providing access to the premises in which the installation is sited for the purposes of inspection and audit.
-
- The proposed ongoing obligations and conditions for payment would seem fair.
 - Will the Department's audit and inspection function be using the previous information of the accredited installation from the Ofgem Portal to verify the installation remains compliant to the current NIRHI scheme regulations?
 - As a minimum, it would be expected that the Ofgem schematic and IRMA if applicable is used a basis of confirmation of the compliant NIRHI installation.
 - More detailed information on the requirements of the annual declaration required from the Department.
 - Confirmation from the Department regarding the number and frequency of onsite inspections. The proposed single site visit for each installation over the remaining scheme would seem minimal.
 - Set up of a review process for Participants affected by decisions made by the Department is welcome. It would be beneficial that the appeals mechanism system should be made up of an independent panel to consider issues raised by the Participants, similar to other Government Departments, DAERA for example.
 - Inclusion of an agent section on the new portal to be introduced, whereby an authorised agent with relevant Professional Indemnity insurance can act directly on a Participant's behalf, with agent capacity and verifiable audit traceability. I would propose that in the present NIRHI Ofgem portal, the 'Additional User' feature has the same functionality and permissions as the proposed agent section.



3.6.5 Inflation:

- Applying the inflationary uplift to the tariffs is welcomed, however the original legislation stated an increase based on RPI and not CPI. A more appropriate inflation index that tracks the GB scheme inflation would be more desirable.

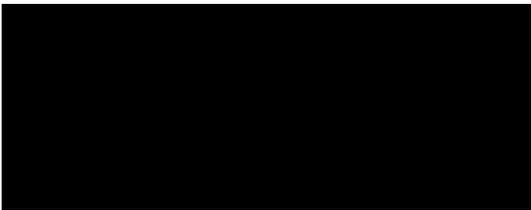
3.6.6 Future communications:

- The proposed consultation document states terms such as 'Load Factor' and 'Eligible Heat Output'. These terms are causing confusion and frustration with some Participants. NIRHI Participants are more familiar with metrics such as heat usage measured in kWh and running hours per annum:
 - o Tier 1 Element: **99 x 15% x 8766 x 6.1p**
understood better as **99kW x 1314 hrs x 6.1p** or **130,086 kWh x 6.1p**

4. Conclusions

My review of this technical assessment of the consultation for the proposed closure scheme leads me to the following conclusions:

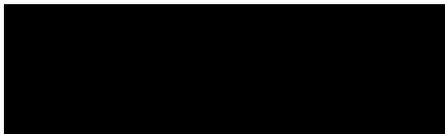
- The three band usage declaration system seems fair and consistent and will be welcomed by the majority of Participants.
- Minimum or De Minimus closure payment will be the basic level of financial support required for the biomass system to cover associated costs such as maintenance and insurance.
- Proposed closure model will raise equality issues and rural needs concerns and it is the Department's responsibility to ensure they are addressed and the closure model supports long term skilled jobs, particularly in rural areas.
- Permission to allow re-ownership of installations is a key feature in the current NIRHI scheme and it is essential that it is retained.
- Relocation of boilers should be permitted and assessed on a case-by-case basis. It is essential to continue to allow a change of location as per the existing legislation and guidance or it would be a potential breach of the Participant's property rights.
- Absence of future heat metering will be preferred by majority of Participants due to the financial and maintenance burden.



- Replacement of boilers would be desirable in the proposed closure model similar to the GB RHI scheme.
- Biomass heat is a proven, practical way to reduce carbon emissions from buildings and hopefully the proposed closure model scheme will reignite this in N. Ireland.
- Participants require certainty and that any closure legislation must never repeat 2019 or enable the potential of such an act.
- Upon the conclusion of the proposed closure scheme, the result should be that biomass (and Combined Heat & Power (CHP)) is a robust, dispatchable renewable heat technology, that has an undoubtable place in the future energy mix of NI and essential to meeting net zero requirements.

Dated this 24th day of November 2025.

Signed:



Ecoerne Limited
Managing Director