



Department for the

Economy

An Roinn

Geilleagair

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Our ref: CQ DfE 308/25

Your Ref: EC2025:606

Date: 06 01 2026

Dear Peter

**RHI (Closure of Non-Domestic) Scheme Bill
Regulation-making Powers**

Further to your letter dated 11 December 2025, in relation to the RHI (Closure of Non-Domestic Scheme) Bill, and to specific regulation-making powers set out in Clause 1(5) and 1(10). Please see response below which has been cleared by Minister Archibald. This submission may be exempt from disclosure under Exception 12(4)(e) of the Environmental Information Regulations 2004.

Clause 1(5)

In relation to specific functions potentially being carried out by other persons under Clause 1(5), the Department would not wish to restrict options in relation to the delivery of the closure arrangements. A specific example would be relating to inspections, where this clause would allow the Department to procure technical capability to deliver this function.

Clause 1(10)

The current Scheme regulations provide for payments to be made to participants for the generation of heat from renewable sources, based on the submission of quarterly meter readings which measure the amount of heat generated by accredited installations. The closure arrangements, to be established by the proposed regulations, provide instead for annual payments to be made to participants for deemed heat, that is, calculated on meter readings of heat generated submitted during a prior period (2017-2019).

The meter reading periods vary as they depend on the dates which participants' installations were accredited to the current Scheme. Consequently, there will inevitably be a time gap between the end of the individual participants' final quarterly period in 2026 and the commencement of the closure arrangements.

The purpose of clause 1(10) is to enable the transition from the current Scheme to the closure arrangements by allowing the regulations to provide for the calculation and making of payments to participants, by reference to the closure arrangements, during the period immediately before the proposed regulations will come into operation ("the time gap").

To ensure that participants receive adequate and timely payments in respect of "the time gap", clause 1(10) will enable the proposed regulations to provide that payments are made by reference to the payment system being established in the closure arrangements, that is, annual payments based on deemed heat.

Yours sincerely

GARY FINLAY

Departmental Assembly Liaison Officer



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Our Ref: **EC2025:606**

11 December 2025

Dear DALO,

RHI (Closure of Non-Domestic) Scheme Bill Regulation-making Powers

At its meeting of 10 December, the Committee considered the regulation making powers in the RHI (Closure of Non-Domestic) Scheme Bill.

The Committee considered Clause 1(5) which authorises the Department to enter into agreements with other persons as to the exercise of specific functions on the Department's behalf and in collaboration with the Department.

The Committee agreed to write to the Department seeking clarity in respect of which "specific functions" are likely to be undertaken on the Department's behalf or in collaboration with the Department. Further to this the Committee agreed to seek clarity as to who the "other persons" are likely to be.

The Committee also considered Clause 1(10) which sets out that regulations made under Section 113 of the 2011 Act may include provisions concerning things done, or facts or circumstances existing, before this section comes into operation.

The Committee agreed to write to the Department seeking clarity in respect of Clause 1(10), as to what matters covered by anticipated delegated legislation will have retrospective effect and under what circumstances the Department is likely to seek to make regulations with retrospective effect.

A written response on or before 9 January 2025 would be greatly appreciated. The Committee would also greatly appreciate any related background policy information that the Department can provide.

If you require further information or clarification in respect of the above, please do not hesitate to contact me.



Yours sincerely,

Peter McCallion

Peter McCallion
Clerk to the Committee for the Economy