



PUBLIC CONSULTATION ON THE CLOSURE OF THE NORTHERN IRELAND NON DOMESTIC RHI SCHEME

SEPTEMBER 2025

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SECTION 1: MINISTER'S FOREWORD

The New Decade New Approach agreement, published in January 2020, included a commitment to close RHI and replace it with more effective decarbonisation support.

In the absence of closure, over £100m of funding for renewable heat has gone unutilised.

In July 2024, the Executive affirmed its commitment to closure.

Since then, my Department has been developing a Business Case, which contains significant technical and legal detail and we have engaged constructively with stakeholders, including scheme participants.

On Monday, 22 September, I advised the Assembly that the Executive had agreed a pathway to closure of the Non-Domestic RHI Scheme.

This includes a payment mechanism based on annual payments, with uplifted tariffs.

This consultation is an important opportunity to shape the final arrangements on the closure of the scheme.

We now have a clear path to fulfilling the NDNA commitment and delivering a solution that is fair to participants and taxpayers alike.

I encourage all interested parties to share their views.



DR CAOIMHE ARCHIBALD MLA
MINISTER FOR THE ECONOMY



SECTION 2: INTRODUCTION

The Northern Ireland (NI) Non-Domestic Renewable Heat Incentive (RHI) Scheme (“the Scheme”) was launched in 2012 with the aim of increasing the uptake of renewable heating technologies and contributing to a reduction of carbon emissions in businesses by subsidising the difference in cost between more expensive renewable heating systems and lower cost by less environmentally friendly fossil fuels.

The Scheme closed to new applicants in February 2016 following announcement by Jonathan Bell, the then Minister, that the Scheme represented “significant financial risk to the Northern Ireland block grant for the next 20 years.”

The Principal Regulations, which were made under section 113 of the Energy Act 2011, have been amended on several occasions to address concerns about the operation of the Scheme.

A public consultation and a review of small and medium biomass was undertaken by Ricardo Energy and Environment (‘Ricardo’) in May 2018.

On 30 July 2024, the Minister for the Economy received Executive approval to close the Scheme. The Minister outlined to executive colleagues that this ‘would draw a line’ and set out arrangements for closure payments to existing participants. Closure payments should be fair to participants and take into consideration the appropriate tariff payments that they would otherwise expect to receive. Closure payments should also be fair to taxpayers.

On 18th September 2025 an important milestone was reached when the Executive agreed a clear path forward to:

- Introduce the RHI (Closure of the Non-Domestic Scheme) Bill to the Assembly.
- Complete a public consultation on the proposed closure arrangements.
- Bring forward closure regulations; and
- Provide a temporary uplift in tariffs for eligible participants ahead of the upcoming winter period.¹

¹ See Table 1

SECTION 3: GENERAL INFORMATION

WHY WE ARE CONSULTING

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

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	

HOW TO RESPOND

This consultation is hosted online at the following website: NI Direct - Citizen Space. The Citizen Space website has been specially designed to be as user-friendly and welcoming as possible for those who wish to complete the consultation. It also allows DfE to rapidly collate results. For this reason, we would encourage anyone who is interested in responding to this consultation to utilise Citizen Space as the method of their response.

If this is not possible, you can however respond to this consultation via email to RHI.consultation2025@economy-ni.gov.uk or you can respond in writing to the following address:

Non-Domestic Renewable Heat Scheme Consultation
DfE RHI Policy & Legislation Team
6th Floor, Adelaide House
Adelaide Street
Belfast
BT2 8FD

When responding via email or in writing, please state whether you are responding as an individual, or representing the views of an organisation (please state the name of the organisation). Please also quote the following reference in your response: “Non-Domestic Renewable Heat Scheme Consultation”.

Responses must be received by 23:59 on Monday 24th November 2025.

IMPACT ASSESSMENTS

The impact of the options has been analysed for equality of opportunity and it was determined that an Equality Impact Assessment (EQIA) was not required. At this point it is not envisaged that implementation of any of the options would result in a change to the current method of processing or handling data. A draft Data Protection Impact Assessment Report has been prepared.

A draft Rural Needs Impact Assessment (RNIA) and a draft Regulatory Impact Assessment (RIA) have been completed.

Copies of the equality screening form and draft impact assessments are available. To request copies please contact the Department at RHI.consultation2025@economy-ni.gov.uk

These will be revisited to ensure all relevant issues have been considered and finalised prior to the introduction of any new legislation.

SECTION 4: CONSULTATION TOPICS

The Department proposes, subject to all the necessary approvals being secured, that closure payments will take the form of annual payments to eligible participants, based on historic usage.

It is the Department's intention, subject to the passage of the legislation through the Assembly, to close the ND RHI scheme in early 2026, and move to the new arrangements, in advance of the Ofgem departure date of 30 April 2026.

PART A: STRATEGIC RATIONALE AND LEGAL DRIVERS

The decision to close the NDRHI Scheme is based on a range of important factors, including:

1. New Decade, New Approach (NDNA) Commitment

The NDNA agreement, published in January 2020 and endorsed by both the UK and Irish Governments, committed to the closure of the NDRHI Scheme and its replacement with a mechanism that more effectively reduces carbon emissions. This political agreement forms the foundation of the closure decision.

2. Energy Strategy for Northern Ireland

The Energy Strategy, published in December 2021, sets out a long-term vision for net zero carbon and affordable energy. Subsequently The Climate Change Act (Northern Ireland) 2022 (the CCA) set a legally binding target of at least a 100% reduction in greenhouse gas emissions compared to the base year by 2050.

The Department has considered the implications of the proposals set out in this consultation for carbon budgets and is of the view that as one of the requirements of the proposals is that existing NDRHI installations continue in use in line with historic patterns, there will be no adverse impact on emissions.

3. Court of Appeal Judgment (February 2023)

The Court of Appeal reaffirmed that participants' rights under Article 1 Protocol 1 (A1P1) of the European Convention on Human Rights were engaged. The judgment stated:

“There is an interference with this Convention right. The interference is for a legitimate aim to protect public money. The only issue that remains is whether a fair balance is struck in an individual case.”

The Court placed an onus on government to deliver a “proper permanent solution.”

4. OFGEM Withdrawal

On 20 November 2023, OFGEM notified the Department of its intention to terminate the administrative arrangements for the Scheme by April 2026. Without OFGEM's IT systems and expertise, the Department cannot continue to administer the Scheme in its current form.

5. Economic Mission

In February 2024, Economy Minister Conor Murphy outlined a new Economic Mission, with a key priority to reduce carbon emissions and build a green economy. Closure of the NDRHI Scheme is consistent with this mission and enables the Department to develop alternative proposals that effectively deliver reductions in carbon emissions relating to the production of heat in businesses.

6. Executive Approval

On 30 July 2024 the Executive confirmed its preferred option to close the Scheme.

Subsequently, on 18th September 2025, The Executive agreed to:

- The introduction of the RHI (Closure of the Non-Domestic Scheme) Bill, to the Assembly.
- The publication of a public consultation on the preferred closure arrangements, to be implemented through regulations under the powers provided by the closure Bill.
- The introduction of closure regulations to the Assembly following the consultation; and
- The introduction of a separate set of regulations to increase RHI tariffs ahead of the coming winter period.

This marks a significant first step forward in fulfilling the commitment set out in New Decade, New Approach to close the scheme and replace it with more effective decarbonisation support.

PART B: ELIGIBILITY

Definition of scheme closure

Closing the NDRHI Scheme (“the Scheme”), will involve legally and administratively winding it down. The Scheme has been suspended to new applications since 29 February 2016, with closure drawing a permanent close to new applications.

The administration of quarterly periodic support payments based on metered heat will be replaced by annual payments based on ‘*historic heat output*’ for each installation. “*Historic heat output*” refers to the years 2017–2019 and is identified as the most balanced and representative timeframe for estimating continued installation usage under the closing arrangements.

Annual payments will continue until the date the participant would have left the original Scheme provided the installation continues to be utilised in line with the Scheme regulations and guidance, thus bringing the Scheme to a graduated close.

Scope and Eligibility

The Scheme closure proposals will be applied to all technologies and capacity bandings, including large biomass and other technologies.

Proposed closure payments will be provided to accredited installations that continue to generate heat for an eligible purpose, ensuring balance between fairness to participants and value for money to the public purse.

Under Scheme closure proposals certain criteria apply in determining eligibility for receipt of annual support payments. The criteria will include the need to be fully accredited under the current arrangements and the satisfactory completion of an annual declaration.

Owners of eligible installations will be required to register for future payments through a DfE portal. Where a participant fails to register within any deadline set, accreditation of the associated installation may be revoked and the installation will no longer be eligible for future payments.

Frequency and Lifetime of Future Payments

It is proposed that closure payments will be paid annually in arrears, linked to the date of the installation’s original accreditation, and continuing until 20 years after the original accreditation, provided the installation continues to be utilised in line with the Scheme regulations and guidance.

PART C: BASIS FOR FUTURE PAYMENTS

It is proposed that annual payments are calculated based on records of average historic heat usage during the period 2017-2019 and the tariff set out in table 1 below, as adjusted by inflation.

For each installation, the historic records of their individual actual heat produced will be used. These have been obtained from the Eligible Heat Output recorded by Ofgem for quarterly periods with an end date falling during the period 1 April 2017 to 31 March 2019. The Eligible Heat Output will be based on meter reading submissions for participants and relating to the quarter ending on or after 1 April 2017 and the subsequent seven quarters. These eight quarters will be used to produce an Annual Eligible Heat Output figure. Where no meter reading has been submitted in any referenced quarter a zero-heat output for that quarter is assumed. The Department will engage with stakeholders to bring forward a procedure which will allow participants to have the historic output figures reviewed.

The 2017–2019 Reference Period

The NDRHI Scheme had known flaws in its early years (2013–2017), which may have distorted boiler usage. After 2019, the Department observed a significant drop in usage. We therefore identified 2017–2019 as the most balanced and appropriate period to estimate typical boiler performance the preferred reference point for future closure payment calculations.

The use of '**historic heat output**' will eliminate the need for participants to record and submit quarterly meter readings. As such, the current ongoing obligations to metering, placed on participants by the regulations, will no longer apply.

Tariff Calculations

Annual payments will be determined by applying the appropriate tariff (p/kWh), including tariff tiering for small and medium biomass, to the historic heat output (kWh) determined for each installation.

The proposed tariffs for all categories are shown below.

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

The applicable tariff as of 1 April immediately preceding the anniversary of accreditation date will be applied to historic heat output.

For small and medium biomass the established tariff tiering will continue to apply, i.e. for the first 1,314 hours of historic heat output the Tier 1 tariff will apply. For any additional hours of historic heat output the Tier 2 tariff will apply. A usage cap of 400,000kWh will apply to medium biomass installations.

Inflation

Under the 2012 regulations all tariffs were subject to an annual inflationary uplift with effect from 1 April based on the Retail Prices Index (RPI) for the preceding December. Legislative changes in 2019, changed the relevant index for small and medium biomass to the Consumer Price Index (CPI). It is proposed that the relevant indices currently used continue to be applied.

How Annual Payments Are Calculated

Annual payments under the scheme are based on estimated heat usage, using data from 2017 to 2019. For **small and medium biomass systems**, a tiered payment structure is used — meaning different rates apply depending on how much heat is generated.

A. SMALL AND MEDIUM BIOMASS INSTALLATIONS

Step-by-Step Payment Calculation Methodology²

1

TIER 1 ELEMENT

Applies to the first 15% of the installation's load factor
(or the full load factor if it's less than 15%).

Capacity (kW) × min (Load Factor, 15%) × 8,766 × Tier 1 Tariff (p/kWh)

2

TIER 2 ELEMENT

Applies to the remaining load factor above 15%.

Capacity (kW) × (Load Factor – 15%) × 8,766 × Tier 2 Tariff (p/kWh)

3

TOTAL ANNUAL PAYMENT

Tier 1 Element + Tier 2 Element

2 **Key Variables**

- **Capacity:** Size of the installation in kilowatts (kW).
- **Load Factor:** historic heat output as a percentage of maximum possible output based on actual output during 2017-19.
- **8766:** Total hours in a year (24 × 365.25).
- **Tariffs:** Technology-specific rates.

EXAMPLE CALCULATIONS PARTICIPANT A

Capacity:
99kW

Load Factor:
36%

Tier 1 Tariff:
6.1p

Tier 2 Tariff:
1.7p

TIER 1 ELEMENT

Capacity (kW) × min (Load Factor, 15%) × 8,766 × Tier 1 Tariff (p/kWh)

TIER 1 ELEMENT

$99 \times 15\% \times 8,766 \times 6.1p$

TIER 1 ELEMENT

£7,940.68

TIER 2 ELEMENT

Capacity (kW) × (Load Factor – 15%) × 8,766 × Tier 2 Tariff (p/kWh)

TIER 2 ELEMENT

$99 \times (36\% - 15\%) \times 8,766 \times 1.7p$

TIER 2 ELEMENT

$99 \times 21\% \times 8,766 \times 1.7p$

TIER 2 ELEMENT

£3,098.17

TOTAL ANNUAL PAYMENT

$£7,940.68 + £3,098.17 =$

£11,038.85

EXAMPLE CALCULATIONS PARTICIPANT B

Capacity:
99kW

Load Factor:
10%

Tier 1 Tariff:
6.1p

Tier 2 Tariff:
1.7p

TIER 1 ELEMENT

Capacity (kW) × min (Load Factor, 15%) × 8,766 × Tier 1 Tariff (p/kWh)

TIER 1 ELEMENT

$99 \times 10\% \times 8,766 \times 6.1p$

TIER 1 ELEMENT

£5,293.79

TIER 2 ELEMENT

Capacity (kW) × (Load Factor – 15%) × 8,766 × Tier 2 Tariff (p/kWh)

TIER 2 ELEMENT

$99 \times 0\% \times 8,766 \times 1.7p$

TIER 2 ELEMENT

£0

TOTAL ANNUAL PAYMENT

$£5,293.79 + £0 =$

£5,293.79

B. LARGE BIOMASS INSTALLATIONS AND OTHER TECHNOLOGIES

Payment Calculation Methodology

ANNUAL PAYMENT

Capacity (kW) × Load Factor × 8,766 × Tariff (p/kWh)

EXAMPLE CALCULATIONS

PARTICIPANT A

Installation type:

**LARGE
BIOMASS**

Capacity:

400kW

Load Factor:

36%

Tariff:

2.2p

ANNUAL PAYMENT

Capacity (kW) × Load Factor × 8,766 × Tariff (p/kWh)

ANNUAL PAYMENT

400 × 36% × 8,766 × 2.2p

ANNUAL PAYMENT

£27,770.69

PARTICIPANT B

Installation type:

**SMALL HEAT
PUMP**

Capacity:

17kW

Load Factor:

36%

Tariff:

14.2p

ANNUAL PAYMENT

Capacity (kW) × Load Factor × 8,766 × Tariff (p/kWh)

ANNUAL PAYMENT

17 × 36% × 8,766 × 14.2p

ANNUAL PAYMENT

£7,618.00

PART D - PAYMENT BANDING AND ADJUSTMENT

The Department is proposing a common-sense approach to annual closure payments. This approach will ensure payments better reflect actual heat use and deliver value for the taxpayer.

We recognise that heat usage may be lower than the 2017 – 2019 reference period. To address this, we propose introducing three usage bands, based on the participants' understanding of their heat output over the previous 12 months. Participants will self-declare this information each year, and payments will be adjusted accordingly.

Application of a Universal De Minimis

We are aware that a small number of eligible participants have installations with very low historic heat usage (less than 5% load factor). These participants will still qualify for closing arrangements if they declare that their systems were used during the year.

To address this, the Department proposes introducing a universal minimum payment (De Minimis) for this group. Under this approach, all installations with a 2017–2019 historic usage below 5% would receive the same payment, with the calculation based on 5% usage, even if their deemed usage is 0%.

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.

To ensure fairness and accuracy, the Department will carry out inspections and request evidence of heat production, for example records of eligible fuel purchased.

Pro Rata Adjustments

Payments will be adjusted on a pro rata basis for short periods. This will be applied to the historic heat output rather than the calculated payment, ensuring participants receive the full Tier 1 benefit.

In the first year after transition, payments will be pro-rated based on the number of days from the transition date to the next annual accreditation date (as a fraction of 365 days), with a 'fresh start' approach to tariff tiering.

Pro rata adjustments will also apply to other short periods, such as following a change of ownership, decommissioning, or withdrawal from the scheme

PART E: 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.

An annual declaration will issue for each installation registered to the DfE Portal on or after the accreditation anniversary date and must be completed within any deadline set. No annual payments will be issued until a satisfactory annual declaration has been received. Where a participant fails to submit an annual declaration within any deadline set, accreditation of the associated installation may be revoked and the installation will no longer be eligible for any future payments. The annual declaration will include each installation's historic heat output value (kWh) to which applicable tariffs will be applied to determine the payment amount.

The annual declaration will seek confirmation of continued ownership and continued heat generation from renewable sources through self-declaration. Where no heat from renewable sources has been generated in any year, no payment will issue.

Where the installation becomes permanently inactive, for example, through catastrophic failure or decommissioning, payments will cease permanently and the installation will be withdrawn or revoked from the scheme.

The Department will retain an audit function and participants may be required to submit further evidence and/or permit access to the installation for audit and inspection purposes. The Department will retain the right to revoke accreditation and / or withhold payments and / or clawback payments in the event that satisfactory declarations are not made, or satisfactory evidence is not provided. The Department will develop and maintain a fraud policy in respect of ongoing payments.

Inspection

Inspections will check that installations remain in use, declarations are accurate, and participants comply with scheme regulations and guidance. Participants will be notified in advance if selected. Non-compliance may lead to suspension of payments, recovery of previous payments, or exclusion from future payments.

Permitted Changes to Accreditation

In line with the existing scheme regulations, change of ownership will continue to be permitted provided there is no change in location of the installation and eligibility criteria continue to be met. Any change of ownership must be notified to the Department within stipulated timeframes. The right to receive annual closure payments will transfer to any new owner with a pro rata applied to any payments due in the year of transfer

Change of location, including change of location linked to a change of ownership, will not be permitted. Ongoing eligibility for closure payments will remain tied to the original accredited installation being based at the location and address of the installation at the date when the new regulations take effect.

Fair and reasonable maintenance and repair of the original accreditation installation is permitted.

Review process

If a participant is affected by a decision made by the Department, they will have the right to request a review. The Department will set up a review process to consider these cases.

We also plan to introduce an appeals mechanism so participants can challenge decisions they disagree with regarding their installation. To help shape this process, we have looked at how similar systems operate in other departments.

As part of this consultation, we would like your views on what the scope of the review and appeals process should be.

Transition to New Regulations

To smooth the transition from the existing administrative arrangements to the new administrative arrangements it is proposed that installations would transfer on a staged basis linked to their meter reading quarter end date.

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?

SECTION 5: NEXT STEPS

This consultation will remain open until Monday 24th November 2025. Once the consultation period ends, the Department for the Economy will:

1. Analyse all responses

2. Publish a summary of responses

3. Develop, finalise and lay legislation

Subject to the outcome of the consultation and Executive approval, the Department will draft the necessary regulations to implement the closure arrangements. This will include:

- The legal basis for closure payments.
- Eligibility and compliance provisions; and
- Appeals and enforcement mechanisms.

4. Implement closure arrangements

The Department aims to implement the new closure payment model from **2026**, in advance of OFGEM's final withdrawal in April 2026, subject to the passage of the legislation through the Assembly.

SECTION 6: PRIVACY NOTICE

The Department for the Economy (DfE) is committed to protecting your privacy and ensuring that any personal information you provide in response to this consultation is handled in accordance with the law.

Use of Consultation Responses

- Responses will be used solely for the purpose of informing policy decisions related to the closure of the Non-Domestic Renewable Heat Incentive (NDRHI) Scheme.
- A summary of responses may be published, but individual respondents will not be identified without their consent.

Freedom of Information (FOI) and Environmental Information Regulations (EIR)

- Information provided in response to this consultation may be subject to disclosure under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.
- If you wish your response to remain confidential, please clearly state this in your submission and explain why. While we will respect confidentiality requests, we cannot guarantee that information will not be disclosed if required by law.

Data Protection

- All personal data will be processed in accordance with the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.
- You have the right to access your data, request corrections, and object to processing.

For further information on how DfE handles personal data, please refer to our Privacy Notice.



Department for the

Economy

An Roinn

Geilleagair

www.economy-ni.gov.uk

Peter McCallion
Clerk to the Committee for the Economy
peter.mccallion@niassembly.gov.uk
cc committee.economy@niassembly.gov.uk

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39-49 Adelaide Street
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Our Ref: SUB-0013-2026

Date: 08 01 2025

Dear Peter

RHI (Closure of Domestic Scheme) Bill – evidence sessions – Department for the Economy feedback on consultation

Please see briefing paper attached for the upcoming Committee for the Economy Meeting on 14 January 2026. This submission may be exempt from disclosure under Exception 12(4)(e) of the Environmental Information Regulations 2004.

Yours sincerely


Departmental Assembly Liaison Officer

Request

As part of the Committee's forward work programme, the Department for the Economy has been asked to provide written and oral briefing on the work the Department is undertaking on RHI (Closure of Domestic Scheme) Bill – evidence sessions – Department for the Economy feedback on consultation.

Response

Please see 2025 RHI Consultation Response at Annex A.

Officials Attending

Sarah Brady - Director, Energy Operations, DfE

Alan Smith - RHI Project Manager, DfE

Catriona Harkin - Deputy Director, Energy Operations, DfE

**Department for the Economy Response to the 2025 Non-Domestic RHI
Scheme Closure Consultation – Draft (Jan 2026)**

DRAFT

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Executive Summary

The Department for the Economy extends its thanks to all those who participated in the 2025 Public Consultation on the closure of the Northern Ireland Non-Domestic Renewable Heat Incentive (NDRHI) Scheme. This consultation marks a pivotal step in ensuring that the transition away from the NDRHI is managed in a manner that is fair, transparent, and aligned with the region's climate and economic ambitions.

A total of 216 responses were received during the consultation period with one respondent also providing a supplementary report produce by a third-party consultant. Of those 216 responses, 184 respondents self-identified as NDRHI participants or representatives of participants, with 32 responses identifying as either non-participants or unknown.

Key themes emerging from the consultation included:

- The need for a transparent and equitable system for determining closure payments, with many respondents supporting the proposed banding usage declaration model.
- Recognition of the importance of maintaining eligibility for operational installations with low historic usage, provided they continue to contribute to renewable heat generation.
- Calls for flexibility in the transfer of installations and associated payment rights, balanced by robust safeguards to prevent misuse.
- Requests for clear guidance on the administrative requirements of scheme closure and the transition to future support mechanisms.

The Department has carefully considered all views and evidence submitted, drawing on lessons from previous consultations and the findings of the Independent Public Inquiry. The final closure arrangements are designed to:

- Uphold the principles of fairness, transparency, and value for money.
- Protect the interests of legitimate scheme participants and taxpayers.
- Ensure compliance with legal obligations and policy intent.
- Facilitate a smooth transition to new, more effective support mechanisms for renewable heat.

The Department remains committed to ongoing engagement with stakeholders throughout the implementation of closure arrangements. Detailed guidance will be provided to support participants, and the Department will continue to monitor the impacts of closure to ensure that all relevant issues are addressed.

Methodology

A total of 216 responses were received during the consultation period. Of these, 203 responses were submitted via the Citizen Space online platform, ensuring a consistent format and enabling straightforward quantitative analysis. An additional 5 responses were received by email; these followed the Citizen Space question structure and were therefore integrated into the quantitative analysis alongside the online submissions.

A further 8 responses were submitted by email or post in formats that did not correspond to the Citizen Space structure and did not provide clear “yes” or “no” answers to each consultation question. As a result, these responses were excluded from the quantitative analysis presented at the top of each section. However, all such responses were reviewed in detail and fully included in the qualitative analysis, ensuring that every perspective and substantive comment was captured and reflected in the overall findings.

It is notable that across the consultation the majority of qualitative comments were provided by those who did not agree with the proposal or who were unsure. Respondents who supported the proposal were generally less likely to leave additional comments, suggesting that those in agreement were broadly satisfied with the Department’s rationale and approach. It is therefore important that the quantitative and qualitative data be considered holistically to ensure understanding of the full picture of responses.

Data Handling and Anonymisation:

All responses were securely stored and managed in accordance with Departmental data protection policies. Prior to analysis, any personally identifiable information which was submitted via Citizen Space was removed or anonymised to protect respondent confidentiality. Quantitative data was aggregated to present overall trends, while qualitative comments were reviewed thematically, with direct quotes anonymized to prevent identification of individual respondents. Only authorised personnel had access to the raw data, and all findings are reported in a manner that ensures the privacy and anonymity of participants.

This approach ensured that the quantitative analysis is based on directly comparable data, while the qualitative analysis remains inclusive of all substantive feedback, regardless of submission format, and that all data was handled responsibly and confidentially.

Introduction

The Northern Ireland (NI) Non-Domestic Renewable Heat Incentive (RHI) Scheme (“the Scheme”) was launched in 2012 with the aim of increasing the uptake of renewable heating technologies and contributing to a reduction of carbon emissions in businesses by subsidising the difference in cost between more expensive renewable heating systems and lower cost but less environmentally friendly fossil fuels.

The Scheme closed to new applicants in February 2016, following an announcement by Jonathan Bell, the then Minister for the Economy, that the Scheme represented “significant financial risk to the Northern Ireland block grant for the next 20 years.” The Principal Regulations, made under section 113 of the Energy Act 2011, have since been amended on several occasions to address concerns about the operation of the Scheme and to ensure its ongoing integrity.

On 30 July 2024, the Minister for the Economy received Executive approval to close the Scheme. The Minister outlined to Executive colleagues that this would “draw a line” under the Scheme and set out arrangements for closure payments to existing participants. Closure payments are intended to be fair to participants—reflecting the appropriate tariff payments that they would otherwise expect to receive—and fair to taxpayers.

On 18 September 2025, an important milestone was reached when the Executive agreed a clear path forward to:

- Introduce the RHI (Closure of the Non-Domestic Scheme) Bill to the Assembly;
- Complete a public consultation on the proposed closure arrangements;
- Bring forward closure regulations; and
- Provide a temporary uplift in tariffs for eligible participants ahead of the upcoming winter period.

The public consultation on the proposed closure arrangements was conducted from 29 September to 24 November 2025. This consultation provided an opportunity for scheme participants, industry representatives, and members of the public to share their views on the proposed arrangements and to help shape the final approach to scheme closure.

The Department for the Economy is grateful for the high level of engagement and the breadth of perspectives received. This response document is structured to provide an overview of the consultation process, a summary of responses to each consultation question, the Department's position on key issues, and the next steps in implementing the closure of the Scheme.

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Consultation Question Responses

Question 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?

Quantitative Summary of Responses

A total of 208 responses were received via Citizen Space (or were received via email following the Citizen Space question structure) for this question. Of these, 124 respondents (59.61%) agreed with the proposed three-band usage declaration system, indicating a broad level of support for the Department's approach. 47 respondents (22.6%) did not agree, while 37 (17.79%) were unsure indicating that a significant minority had concerns.

Key Themes and Representative Quotes

Supportive respondents highlighted:

The transparency and fairness of a banded approach and the alignment with the scheme's original intent and legal framework

"We agree "...with the proposed three-band usage declaration system as a fair and proportionate mechanism for determining closure payments. The use of historic heat output data (2017–2019) provides a reasonable baseline that reflects genuine operational use and aligns with the original policy intent of incentivising renewable heat generation... We support the principle of rewarding participants based on actual renewable heat generation, and we welcome the clarity and structure that the banding system provides."

The value of a system that recognises operational realities and provides certainty for participants

- "I believe that the proposed three-band usage declaration system is fair. It is less than the initial tariff in 2015 and 2017 but a resolution to this failed scheme is long overdue and is acceptable at this stage."
- "(The respondent) believes that the proposed bands represent a balanced and proportionate method of reflecting 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 same respondent reflected supportively on the use of the “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, but precedes the significant tariff reductions introduced in 2019 which saw many systems operate below normal output.” However, they noted that this period would not work for every participant and that there should be flexibility to allow for review for exceptional circumstances.

Another respondent echoed this view “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.”

Those who did not agree or were unsure raised several recurring concerns, including:

Use of Historic Baseline (2017–2019)

Some respondents objected to using the 2017–2019 period as the reference for closure payments, arguing it does not reflect ongoing operational realities or the original terms of the scheme.

- “Not at all fair. We entered the scheme on entirely different terms, and now our payment is being based on usage in a period after the terms had been changed. Not representative of expectations under the scheme.”
- “The period for 2019 to when scheme is closed or adjusted should be looked at. As a result many biomass companies went bankrupt and no longer provide support, parts servicing for very specialised products. It may not be possible to maintain boilers for 20 years as a result so years 2019 til today should be taken into consideration.”
- “Unfair. Legitimate users could find themselves forced into a band because of eligible heat in a selected 8 quarters which may not be reflective of their usage over the life of the scheme.”

Change from Metered Payments to Deemed Annual Payments

Respondents were concerned that moving from metered to deemed payments fundamentally changes the scheme and undermines its environmental objectives.

- “The scheme was sold to participants as a 20-year metered payment contract, not as a discretionary grant subject to retrospective thresholds.”
- “The scheme should be based on meter readings which provides a fair and visible way forward for participants and the taxpayer.”

Adequacy of Compensation and Tariffs

Some respondents felt the proposed payments do not adequately compensate for past underpayments, increased maintenance costs, or the original expectations set by the scheme.

- “No - it doesn't take into account other costs, the stress factor of all the reputational damage to boiler owners, loss of income as the tariffs haven't been corrected retrospectively - no compensation factor included.”
- “The payment we receive falls far short of anything we were promised, not to mention the massive maintenance costs to keep these boilers working... these costs are much higher than oil boilers.”

Self-Declaration and Compliance

There was concern that self-declaration could lead to ambiguity or abuse, and that metering would be a more robust compliance mechanism.

- “While I agree with the principal of the three-band usage system its implementation and the ‘self-declaration’ aspect is confusing me slightly. I feel it provides opportunity for ambiguity and in extreme cases abuse.”
- “The scheme should continue to be monitored via meter readings.”

Sector-Specific and Structural Issues

Certain sectors (e.g., mushroom growers, poultry farmers, 199 kW boiler owners) feel disproportionately affected by the scheme’s structure and changes.

- “As an under-pressure mushrooms grower we are trying to compete with the Republic of Ireland where they have a much better scheme.”
- “Throughout the scheme, installations like mine [199 kW] have been placed at a structural disadvantage compared with 99 kW boilers, which were able to operate more efficiently within the tariff structure and were not subject to the same early caps or economic constraints.”

Legal and Policy Consistency

Some respondents argued that the changes are inconsistent with the original policy intent and legal obligations, and that the government has not honoured its commitments.

- “It’s unfair that we don’t get paid the rate that we signed up for whenever we joined the scheme.”
- “In breach of the original terms offered by the government to those who committed to the scheme. Tariff was guaranteed rate of payment rising in line with inflation over a period of 20 years.”
- “Stick to original payments agreed for 20 years. People have a right to what they signed up for.”

Department’s Response

Use of Historic Baseline (2017–2019)

Several respondents questioned the fairness of using the 2017–2019 period as the reference for closure payments, noting that this may not reflect their ongoing operational realities or the original terms of the scheme. The Department selected this period as the most balanced and representative for estimating typical boiler performance, as earlier years were affected by known scheme flaws and usage after 2019 dropped significantly. This approach is intended to provide a fair and consistent basis for all participants, while eliminating the need for ongoing quarterly meter readings. Based on feedback received, the Department will allow a limited review for exceptional circumstances in which eligible participants can evidence that the 2017-2019 period is not reflective of their heat use.

Change from Metered Payments to Deemed Annual Payments

Some respondents expressed concern that moving away from metered payments represented a unilateral change to the original contract. The Department’s proposal replaces quarterly metered payments with annual payments based on historic usage, as ongoing metering will no longer be required due to the withdrawal of OFGEM’s administrative support. This change is necessary to ensure the scheme can be closed in a manageable and auditable way. Annual declarations, evidence of continued use, and the right to inspect and audit installations will remain in place to ensure compliance.

Adequacy of Compensation and Tariffs

Respondents also raised concerns that the proposed payments do not fully compensate for past underpayments, increased maintenance costs, or the original expectations set by the scheme. The consultation sets out uplifted tariffs for all technologies, with annual payments calculated using the 2017–2019 historic heat output and adjusted for inflation. Closure Tariffs have been calculated to provide a prospective rate of return of 12% on average factoring in all costs and fuel price differentials. The Department's aim is to ensure closure payments are fair to both participants and taxpayers, and that they reflect the value of renewable heat generated during the reference period. While the new arrangements may not fully replicate the original terms, they are designed to strike a fair balance, as required by the Court of Appeal, and to provide certainty for the remainder of the scheme's lifetime.

Self-Declaration and Compliance

Concerns were raised about the potential for ambiguity or abuse in the self-declaration process. The Department's proposals include annual self-declaration, supported by requirements to retain records (e.g., fuel receipts, maintenance logs) and to provide evidence on request. Inspections and audits will be carried out, and a review mechanism will be developed to ensure fairness and transparency.

Sector-Specific and Structural Issues

The Department recognises that the impact of the NDRHI Scheme, the proposed closure arrangements and the proposed three-band usage declaration system may not have been uniform across all participants. We acknowledge the specific challenges highlighted by sectors such as mushroom and poultry farming, as well as by owners of 199 kW boilers and small-scale or low-usage participants. We will ensure that future policy development and support mechanisms for renewable heat take account of the lessons learned from these sector-specific experiences, with the aim of designing schemes that are robust, flexible, and responsive to the needs of all participants

Legal and Policy Consistency

Some respondents questioned whether the new system is consistent with the original policy intent and legal obligations. The Department's approach is grounded in the New Decade, New Approach (NDNA) commitment, the Energy Strategy for Northern Ireland, and the Court of Appeal's judgment, which requires a "proper permanent solution" that strikes a fair balance between the rights of

participants and the protection of public funds. The Department believes the banding declaration system, with uplifted tariffs and compliance measures, meets these requirements.

The Department acknowledges and appreciates the wide range of views expressed in response to the proposed three-band usage declaration system. We are reassured that a majority (60%) of respondents agreed with the proposal, while recognising the number of concerns regarding fairness, the use of historic baselines, changes to the original contract, and the adequacy of payments. In response to this feedback, the Department will move forward with the proposed banding usage declaration system but will increase the number of bands from three (100%, 50%, de minimis) to four (100%, 2/3, 1/3, de minimis). This change aims to give participants more accuracy when declaring their annual heat use, while keeping the process straightforward. We will further engage with stakeholders through the legislative process to ensure that all perspectives are carefully considered and that the implementation is as fair and transparent as possible. The Department remains committed to ongoing dialogue and clear communication throughout the closure process.

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Question 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?

Quantitative Summary of Responses

A total of 208 responses were received via Citizen Space (or were received via email following the Citizen Space question structure) for this question. Of these, 174 respondents (83.65%) agreed with the Department's proposal, 17 (8.17%) did not agree, and 17 (8.17%) were unsure. The strong majority in favour indicates broad support for maintaining eligibility for operational installations with low historic usage, provided they continue to contribute to renewable heat generation.

Key Themes and Representative Quotes

Supportive respondents emphasised:

The importance of fairness and honouring commitments:

- "Everyone invested in the scheme; it was not our fault the correct balances were not in place."
- "Anyone on the scheme signed up in accordance with a scheme offered by the Executive/Government, it was grossly unfair for those guarantees to have been revoked leaving participants in the lurch."
- "Yes—all applicants should remain eligible. They all had a contract with the government."
- "The contract I signed was for 20 years of support, not subject to retrospective cut-offs or arbitrary thresholds. Even systems with lower annual output still incur fixed costs for servicing, compliance, insurance, and maintenance. To exclude them entirely would amount to withholding contractual entitlement despite continued compliance."

The need for inclusivity and recognition of genuine participation:

- "All people sign up with good intent and purpose for heat so should be eligible if still operational."

- “Many participants, including those with lower usage, entered the scheme in good faith, made significant investments, and operated systems in line with the scheme’s renewable heat objectives.”
- “Yes, because over the life of the scheme, needs change. For instance, in our case when we started on biomass heat we ran a large...manufacturing operation. This has changed dramatically over the last few years, as I am sure you can imagine.”

The impact of external factors on usage:

- “Legitimate users could find themselves below the 5% because it became uneconomic to use boilers due to tariff cuts.”
- “Due to the previous cuts, it became uneconomic to actually use biomass boilers.”

The necessity of ongoing support for maintenance and insurance costs:

- “Support is required as maintenance and insurance costs are yearly and ongoing.”
- “A basic level of support is necessary as insurance and maintenance costs occur every year.”
- “Even systems used at a low level still have servicing and running costs every year, so some support is important to keep them sustainable.”
- “It’s important to give sustainable systems some basic funding so people can afford the annual maintenance and insurance.”

Broader scheme integrity and future confidence:

- “Excluding systems based on low usage risks undermining the integrity of the scheme and penalising those who acted responsibly. It may also discourage future uptake of small-scale renewables, which are often critical in heritage and rural contexts where energy needs are modest but decarbonisation is no less important.”
- “Not to include them would increase the likelihood of them returning to fossil fuels.”

Recommendation for a more 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.”

Those who did not agree or were unsure raised concerns such as:

The risk of misuse or insufficient verification:

- “If the usage is this low then there should be no payments.”
- “Only people who are using the heat more than 15 percent should get payments.”
- “Participants who are using less than 5% are not making any contribution. Funds should be prioritised to regular users.”
- “As long as checks and balances are in place to mitigate fraud!!”

The need for clarity and simplicity:

- “You seem to want to make the scheme more complicated than it needs to be.”
- “I don’t have enough information to allow me to form an opinion.”

Eligibility and compliance:

- “Only participants who have used the systems over the duration of the scheme should be eligible for any payment going forward.”
- “All participants should be paid on their actual use based on meter readings. Any scheme availing of public money should be transparent and accurate.”
- “It penalises legitimate businesses such as our own who have been forced to suspend activities”

Department’s Response

The Department’s proposal, as set out in the consultation (Part D), is to introduce a universal minimum payment (de minimis) for installations with historic usage below 5%. This approach ensures that all eligible participants receive support, provided their systems are used for renewable heat production and a valid annual declaration is submitted. The Department recognises that some installations may have low historic usage due to seasonal or business-specific factors but still play a role in decarbonisation. The current proposal allows for

participants to declare “zero” heat use while retaining their eligible status for payments subject to evidence being provided.

To safeguard the integrity of the scheme, the Department will:

- Require annual self-declaration of operational status.
- Carry out inspections and request evidence of heat production (such as fuel receipts or maintenance records).
- Retain the right to audit and, if necessary, revoke eligibility where misuse is identified.

The Department is encouraged by the strong support for this proposal and will proceed with the introduction of a universal minimum payment for eligible low-usage installations. Detailed guidance will be provided to clarify operational requirements and compliance expectations, ensuring that the scheme remains fair, inclusive, and guards against misuse.

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Question 3

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

Quantitative Summary of Responses

A total of 208 responses were received via Citizen Space (or were received via email following the Citizen Space question structure) for this question. Of these, 97 respondents (46.63%) believed the proposed closure model raises equality or rural needs concerns, 52 (25.00%) did not, and 59 (28.37%) were unsure. This reflects a notable level of concern and uncertainty among stakeholders regarding the potential impacts of the closure arrangements on equality and rural communities.

Key Themes and Representative Quotes

Many respondents highlighted the rural character of the RHI scheme, and the particular challenges faced by rural businesses and communities:

- “Most boilers were installed in rural areas.”
- “Rural communities will feel the ‘cold draught’, which closure will bring.”
- “We are very much dependent on this scheme in rural Fermanagh.”
- “The closure model must account for the disproportionate impact on rural communities.”
- “A lot of rural football clubs etc. have borrowed money on the back of the scheme. Everyone will be returning to oil or gas once this debacle is ended.”
- “Well yes considering 80 odd percent of installations are in rural areas where the boilers would have brought a massive positive impact over the 20 years of the scheme before you actively destroyed it.”

Equality, Communication, and Trust:

- “NI participants have not been treated fairly in comparison to their UK counterparts.”
- “Equality impacts also arise because participants acted in reliance on government contracts. Some businesses, families, and communities are now disproportionately disadvantaged compared to others who did not engage with the scheme. This undermines trust in government support and disproportionately affects those least able to absorb such financial shocks.”

- “It’s fundamentally unfair because government decided to break a commitment it had made to participants. These people had committed to the scheme in good faith that it would run for twenty years. I certainly wouldn’t commit to any scheme in the future on the assurances of a government that has no standards.”

Administrative Barriers and Digital Exclusion:

- “It would be important to ensure that any proposed closure model is available for all, in particular those clients who are elderly or have limited IT skills.”
- “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”
- “Restricting relocation would have a detrimental impact on the rural service and fuel supply sector. Requiring participants to manually opt in—rather than being automatically transferred to the new portal—would disproportionately disadvantage rural users.”
- “There is potential for older people with lesser IT skills to be left behind as they try to navigate their way through forms and bureaucracy. There should be additional help for these people. Automatic transfer to the new portal would help people.”

Sector-Specific and Structural Issues:

- “With regards to equality, it is felt that those participants with 199kw boilers will be unfairly treated under the proposed closure scheme causing an inequality. The average pence per kilowatt would be more than 23% less when compared with those that operate 99kw boilers. This is unjustifiable.”
- “Discriminates against rural users processing own timber and genuinely using renewables and reducing fossil fuel usage.”
- “Closure will affect businesses which have grown from the higher demand for biomass products.”

Others noted the need for fairness and ongoing support, while some felt the model applies equally to all participants:

- “All participants should be paid on their actual use based on meter readings, regardless of location.”
- “As long as checks and balances are in place to mitigate fraud!!”

Department's Response

The Department recognises that the RHI scheme has a predominantly rural footprint, with the majority of installations located in rural areas and many rural businesses and community organisations relying on renewable heat. We acknowledge that changes to the scheme are therefore likely to be felt most acutely in rural communities.

However, the Department's analysis, including the draft Equality Impact Assessment (EQIA) and Rural Needs Impact Assessment (RNIA), found no evidence that the closure proposals themselves would have a disproportionate or adverse impact on rural participants compared to others. The closure arrangements have been designed to apply equally to all eligible participants, regardless of location, technology, or business size. Payments are based on historic usage and technology type, and the same eligibility and compliance requirements apply to all.

The Department remains committed to:

- Monitoring the impacts of closure on rural and other groups.
- Engaging with rural stakeholders to ensure their concerns are heard and addressed.
- Updating impact assessments as necessary prior to the introduction of any new legislation.
- Ensure that the transition to the new closure arrangements is as straightforward as possible, that guidance is comprehensive and understandable and providing additional support for those with limited IT skills.

The Department recognises the rural character of the RHI scheme and the concerns raised by stakeholders. While we do not consider that the closure proposals themselves disproportionately impact rural areas, we will continue to monitor and review the effects of the closure arrangements to ensure the scheme remains fair, inclusive, and effective for all participants.

Question 4:

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

Quantitative Summary of Responses

A total of 208 responses were received via Citizen Space (or were received via email following the Citizen Space question structure) for this question. Of these, 164 respondents (78.85%) agreed with the Department's proposal, 23 (11.06%) did not agree, and 21 (10.1%) were unsure. This strong majority in favour indicates broad support for allowing the transfer of installations and associated closure payment rights to new owners, provided eligibility criteria continue to be met.

Key Themes and Representative Quotes

Supportive respondents emphasised:

The importance of flexibility, business continuity, and fairness

- "Yes, I agree with the Department's proposal to allow the transfer of installations and closure payment rights to new owners."
- "It would seem fair for all accredited installations to be able to transfer to new owners."
- "If the system has been accredited for use then if a property changes hands, it should be able to sell this installation."
- "Maintaining the ability to change ownership of something that we as participants have invested in is important."
- "Transferability is essential to maintain business flexibility, to protect participants' property rights (as recognised by the Court of Appeal), and to ensure that systems remain operational and continue to deliver renewable heat within Northern Ireland."
- "The original RHI framework recognised that ownership could change and that rights should flow with the accredited installation. Closure payments should follow the same principle, ensuring that the support remains tied to the system rather than the individual."
- "This is absolutely essential. If I sell my factory, it seems unfair that the payment rights would not also transfer."

- “As a core feature of the scheme in both Northern Ireland and Great Britain, it is essential that this be retained.”
- “This element is essential when succession planning on farms is in play, particularly with next week’s budget coming up.”
- “The ability to transfer installations, along with the associated entitlement to closure payments is a long-standing and fundamental element of the scheme, both locally and in Great Britain. Retaining this feature is essential to ensuring continuity, fairness, and the ongoing value of existing investments.”
- “Yes, (named organisation) supports the proposal to allow the transfer of installations and associated closure payment rights to new owners. This flexibility is important for ensuring that renewable heating systems continue to deliver environmental benefits over their full operational life, regardless of changes in ownership.”

Those who did not agree or were unsure raised concerns such as:

The risk of misuse or loss of scheme integrity

- “Only people who are currently using the scheme should be allowed payment. Transfer of installations is another method for fraud.”
- “There is no need to transfer rights of payments to new owners, you might as well allow new participants in the scheme”
- “Any money saved from disallowing transfer of ownership should be divided across remaining scheme participants.”

The need for clear rules and safeguards

- “Depends on the terms of this arrangement. It would seem fair for all accredited installations to be able to transfer to new owners, provided all eligibility criteria are met.”
- “Transfer should be permitted but must be closely monitored to prevent abuse.”
- “There should always be a full inspection of the premises and the installation before any transfer is approved. This would ensure that the system is operational, compliant, and being properly maintained before rights are passed on.”

Department’s Response

The Department’s proposal, as set out in the consultation, is to allow the transfer of installations and associated closure payment rights to new owners, provided all eligibility criteria continue to be met. This approach supports business

continuity and flexibility, while ensuring that closure payments remain tied to the original accredited installation. The Department will continue to monitor transfers to prevent misuse and ensure compliance with scheme rules.

The Department is encouraged by the strong support for this proposal and will proceed with arrangements to allow the transfer of installations and associated closure payment rights to new owners, subject to safeguards and ongoing compliance requirements. Detailed guidance will be provided to clarify the process and ensure transparency for all participants.

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Question 5:

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

Quantitative Summary of Responses

A total of 208 responses were received via Citizen Space (or were received via email following the Citizen Space question structure) for this question. Of these, 57 respondents (27.4%) agreed with the proposal to restrict changes to location, 132 (63.46%) did not agree, and 19 (9.13%) were unsure. The majority of respondents did not support restricting the relocation of installations, and many provided detailed arguments against the proposal.

Key Themes and Representative Quotes

Impact on Business Flexibility and Asset Value:

- “What if a business needs to move/change location?”
- “The contractual agreement I entered into was based on the installation of a renewable heat system in Northern Ireland, not a permanent tie to a single building or site. Businesses evolve, they consolidate, tenants change, companies relocate. Preventing relocation would unfairly penalise participants who remain committed to generating renewable heat but require flexibility to move their operations.”
- “Not allowing relocation would devalue the boilers even more.”
- “Should be looked at as an asset that can be sold to another business with remaining payments transferred with the boiler. This happens under the RHI scheme in England.”

Need for Exceptions and a Fair Process:

- “I believe the proposal should also allow for the change of location of the installation and eligibility to be retained in exceptional circumstances.”
- “Relocation should continue to be permitted, but managed through a controlled, case-by-case assessment process.”

Effect on Rural and Small Businesses:

- “This will hit rural businesses hardest, as they are more likely to need to relocate.”

- “This is a change to policy and does nothing to encourage carbon reduction in larger energy users, especially in rural areas.”

Consistency with Current Rules and Scheme Intent:

- “Currently relocation is allowed within the scheme, why would the department change this now?”
- “It diverges from GB T&Cs, leading to a disadvantage if the owner decides to sell.”
- “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.”

Property Rights and Legal Concerns:

- “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.”
- “Anything less is a deprivation of a participant’s property rights.”
- “It would be unlawful to remove this right from the Participant without compensation.”

Like-for-Like Replacement

- “Allow like-for-like replacement – enabling end-of-life plant to be replaced with equivalent biomass systems on the same site, maintaining accreditation and the original heat-use profile and recognise lifecycle limits – reflect realistic equipment lifespan within the closure framework and payment model.”
- “Once these boilers need to be replaced that will be them out of the scheme”

Department’s Response

The Department has carefully considered the strong feedback received on this issue. The majority of respondents did not support restricting the relocation of installations, and many highlighted the importance of business flexibility, asset value, and alignment with current scheme rules and property rights.

In response to this feedback, the Department has decided to revise its policy position and will allow for the relocation of installations. This change recognises the need for flexibility as businesses evolve, the importance of protecting participants' investments, and the value of maintaining consistency with the existing scheme and with arrangements in GB.

Relocation will be permitted, subject to appropriate controls to ensure that:

- The installation remains operational, compliant, and continues to deliver renewable heat within Northern Ireland.
- Relocation requests are assessed through a clear, transparent process, with defined criteria and supporting evidence requirements.
- The process includes safeguards to prevent misuse and to ensure that the scheme's objectives are upheld.

A detailed policy will be introduced which will clarify the relocation process and compliance requirements. The Department will not allow like-for-like replacement of installations but will allow for ongoing maintenance and replacement of parts. The Department remains committed to fair, workable, and transparent closure arrangements that supports participants, the wider renewable heat objectives and represents value for money for the taxpayer.

Question 6

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

Quantitative Summary of Responses

A total of 208 responses were received via Citizen Space (or were received via email following the Citizen Space question structure) for this question. Of these, 143 respondents (68.75%) provided additional comments or suggestions regarding the proposed closure of the RHI scheme, indicating a high level of engagement with the consultation. 61 respondents (29.33%) had no further comments, while 4 respondents (1.92%) were unsure.

Key Themes and Representative Quotes

Calls for Fair and Final Compensation

Some respondents urged the Department to provide a one-off, fair, and tax-free compensation payment, rather than extending payments over many years:

- “Give participants a clean break from this scheme—a one-off final tax-free compensation scheme, not to drag this on for another 10 years, give them a fair but generous compensation after all this stress they have endured through no fault of their own.”
- “Why can the Scheme not purchase my equipment off me and buy me out?”

Broken Trust and Contractual Concerns

Respondents expressed frustration over perceived broken promises and changes to the original contract:

- “The executive should keep the promises they made to genuine participants of the scheme at the time they signed up for the scheme.”
- “By delaying the payments by 10 years you have caused more financial strain on the participants. The older participants may not even live to see the end of the payments.”

Financial and Emotional Impact

Many highlighted the financial losses, business pressures, and emotional distress caused by the scheme's management:

- “Being an RHI participant has caused me and my family undue stress because of how the scheme has been handled and this should be acknowledged.”
- “It is deeply regrettable that honest scheme participants have been treated like criminals.”
- “The erosion of trust in our institutions is not just a personal loss—it is a generational one.”
- “This closure package seems to have been designed to ensure operators such as ourselves are deliberately excluded”

Tariffs, Requests for Retrospective Compensation and Parity with GB

Comments called for compensation for past years when tariffs were reduced, and for parity with the rest of the UK. Some respondents urged a return to the 2012 tariffs, terms and conditions

- “Where is the compensation for past years when the tariff was set too low!?”
- “The scheme should mirror that of GB. All customers that have been lied to and had their contracts mishandled by the govt should have retrospective payments made (at GB rates) to ensure that they are not disadvantaged when compared to their GB neighbours.”
- “Back date the tariff uplift to 2019 for all participants still active in the scheme.”
- “Current proposal rates represent an acceptable prospective solution but explicitly not a retrospective one. Fair compensation for years of under compensation is required.”
- “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.”
- “The current 199kW tariff banding is inadequate and does not reflect the real-world costs of operating these installations.”

- “Participants should be paid on the basis of their highest usage year to date and should also be compensated in full for loss of earnings”
- “The proposed payments are too low and the genuine people should be paid fairly—this has put a lot of pressure on our business and family stress due to being under pressure to make bank payments.”
- “Retrospective tariff changes and annual caps cut my payments by over 80%. I now face substantial running costs for biomass pellet systems, while receiving only a fraction of the support contractually guaranteed.”
- “The banding rules and reduced tariff levels still fall far short of the original contract, and risk continuing to punish compliant participants who acted in good faith.”
- “Back date the tariff uplift to 2019 for all participants still active in the scheme.”
- “The current 199kW tariff banding is inadequate and does not reflect the real-world costs of operating these installations.”
- “The tariff for 199kW band is too low, it is not fair. The 99kW produces half the capacity of energy but the figure paid per annum is the same? Why. The original 199kW capped tariff (in line with GB) should not have been altered.”
- “The rates paid, especially the highest rate, should be more in line with present GB rates as this will encourage more usage from existing installations... Also it would at a basic level be more fair.”
- “There must be proper inflationary adjustment made to new tariffs.”
- “The original terms and conditions should be reinstated. Government should have to honour their side of the legal contract. Those participants still in the scheme should have the promised tariff rate reinstated and paid for the promised 20 years, with no quibbles over usage. The tariff should be in line with the rest of the UK.”
- “The proposal to raise the tier 1 tariff from 01/12 2025 to 6.1p/kWth recognises the failure of the 2019 legislation to appropriately compensate participants for renewable heat production from 01/04/2019 until 30/11/2025. This shortfall needs to be rectified through a backdated payment between the tariff paid during the period and the 6.1p/kWth now proposed.”
- “As a later entrant to the scheme, operating 199 kW boilers, I feel that this group has been particularly overlooked. We were capped from the outset and, even then, the RHI payments only ever covered the cost of fuel and part of installation loan. The more recent cuts have taken us far beyond that point, leaving us in a financially unsustainable position.”

Scheme Administration and Future Policy

Some respondents suggested improvements to scheme administration, including maintaining meter readings, simplifying processes, and ensuring robust safeguards:

- “The scheme should continue to be monitored via meter readings.”
- “Full worked examples for different boiler sizes would make it easier to calculate approximate payments.”
- “There must be proper inflationary adjustment made to new tariffs.”
- “Records of fuel use and servicing records should be maintained for any inspections that may happen.”
- “Annual meter readings should be uploaded annually and accompanied by a photo as proof.”
- “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.”

Equality, Accessibility, and Administrative Fairness

Some respondents highlighted the need for fair treatment of all participants, including those with limited IT skills, and called for automatic migration to the new portal:

- “The Department must ensure that the transition to the new DfE portal is user-friendly, particularly for rural participants and those with limited IT skills.”
- “An automatic transfer of existing participant details — rather than requiring a manual opt-in — would prevent vulnerable participants from unintentionally losing eligibility.”
- “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.”

- “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.”

Terminology

There were a number of comments about terminology used in the consultation document and in future communications. Respondents raised concerns about the use of “Eligible Heat Output” (EHO) as a metric in the proposed closure arrangements, expressing a strong preference for the continued use of kilowatt-hours (kWh) instead.

- “I’m not familiar with EHO, so kWh would be clearer for future communication.”
- “Future communications should use kWh, not ‘EHO’. kWh is a standard, universally understood metric, whereas EHO is not familiar to many participants and only adds confusion. Clear communication is essential, especially for rural and older participants.”
- “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.”
- “Please stick to measurements that we all know like kWh and not EHO.”
- “In future communications, references should be expressed in kWh rather than EHO, as EHO is not a widely understood metric and is not commonly used by participants.”
- “The terminology of load factor and EHO is very complex and difficult to understand in the consultation. kWh and running hours make more sense and would be more appropriate for better understanding.”
- “Use of EHO: It would be better if future communications used kWh instead of EHO. EHO isn’t a unit I’m familiar with and appears to me to be simply a way to cause confusion.”

Inspections and Compliance

A number of respondents commented on the proposed inspections and compliance regime:

- “There must be records kept of fuel deliveries and fuel must be sourced from an accredited supplier from April 2026 on with service records kept from an accredited biomass service engineer. Photographs must be taken

annually of the meter readings and kept to be presented at any inspection.”

- “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.”
- “To keep the scheme fair for everyone including the taxpayer there must be a higher % of site visits than currently proposed with random site inspections over the remaining years with a 48-hour notice period given.”
- “Participants should take and retain an annual dated photograph of their meter reading, to be presented at any inspection.”
- “The Department should conduct a higher percentage of site visits than is currently proposed, with random inspections and 24-hour notice to ensure installations remain operational and compliant.”
- “More details on the actual inspections would be required. We would be hoping that the information before, during and after the inspection is a relatively straightforward user-friendly process and not too complex.”
- “Annual meter readings should be uploaded annually and accompanied by a photo as proof. This works well with the solar PV systems.”
- “There should be more site checks than currently planned, including random inspections with 24 hours’ notice.”
- “Site inspections with prior notice not a problem.”
- “Proper record keeping and inspections would ensure that honest parties could prove their bona fides.”
- “More details on the actual inspections would be essential. What level of paperwork is required for the pre, during and post inspection phase. This needs to be very user friendly.”
- “We are happy to have onsite inspections, but we would like to have more detail on the guidelines of the process and what will be expected before, during and after the inspection visit from a physical and paperwork perspective.”
- “Participants should still be afforded a fair scheme with an appeals system set up, using an independent panel identical to the current DAERA model, to consider issues raised by participants.”
- “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.”
- “it would be reasonable for DfE to consider increasing the overall proportion of on-site inspections beyond the levels currently proposed”

Inflation

A number of respondents offered comments on the proposed inflationary uplifts of tariffs:

- “There must be proper inflationary adjustment made to new tariffs.”
- “The original legislation stated an annual inflationary increase based on RPI, not CPI. A more appropriate inflation index that tracks GB scheme inflation would be more beneficial.”
- “Inflation adjustments should be based on RPI, not CPI.”
- “The inflation calculations should be the same as in the initial legislation or at the very least track based off of the GB scheme to keep N.I in line with the mainland.”
- “Inflation: The original scheme used RPI, not CPI. A more suitable inflation index—ideally one that matches the GB scheme—should be used.”
- “Participants were told that an annual increase based on RPI would be applied, however it would be more appropriate to use an inflation index that tracks the GB scheme.”
- “Inflationary increases in annual payments should be based equally on CPI and RPI, as is the case with the GB scheme.”
- “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.”
- “There must be proper inflationary adjustment made to new tariffs.”
- “RPI is more reflective of inflation.”

Lessons Learned and Future Schemes

Some respondents commented on the future of heat policy and encouraged lessons learned be applied to future schemes:

- “Lessons from the RHI scheme inform the design of successor schemes—ensuring they are transparent, equitable, and aligned with long-term climate goals.”
- “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.”
- “We hope that with the closure of the Northern Ireland Non-Domestic RHI Scheme will allow for the Department for the Economy to fully engage with the business community across Northern Ireland and provide support to help reduce energy costs, which are currently the highest in the UK.”
 - “If the government wants people to enter into any type of green energy scheme again, the government needs to build people’s trust.”
 - “If the government wants business to work with them again and invest in future environmentally friendly schemes, which we would wish to do, they need to implement the proposed solution as a minimum to restoring confidence for the future.”

Department Response:

Calls for Fair and Final Compensation:

The Department acknowledges the calls for a one-off compensation payment to bring closure to participants. The Department must operate within legal and budgetary frameworks and all options for delivering closure payments have been carefully considered. The current approach aims to balance fairness to participants with the need to protect public funds and comply with legal obligations

Broken Trust and Contractual Concerns

The Department recognises the significant financial and personal impact the RHI scheme has had on participants and their families. Many have experienced stress and uncertainty as a result of changes to tariffs, administrative processes, and public scrutiny. The Department is committed to upholding the principles of fairness, transparency, and legal compliance in all closure arrangements. Lessons learned from the RHI scheme will inform the design and delivery of future support mechanisms, with the aim of rebuilding trust.

Financial and Emotional Impact

The Department acknowledges the financial and emotional impact the RHI scheme has had on participants and their families. We acknowledge the stress and uncertainty experienced by many as a result of changes to tariffs, administrative processes, and public scrutiny. The Department is committed to providing clear guidance, support, and communication throughout the closure process to help alleviate ongoing concerns. We will also ensure that the lessons

from this experience are reflected in future policy development, with a focus on participant wellbeing and support.

Requests for Retrospective Compensation and Parity with GB

The Department notes the calls for retrospective compensation for periods of reduced tariffs and for parity with the support provided in GB. We remain committed to ensuring that closure arrangements are as fair and equitable as possible for all participants however it is our position that backdating of tariffs does not represent value for money for the taxpayer. GB has a distinctly different scheme and tariff structure and has done since inception therefore is not directly comparable to the NI Scheme. However, tariff modelling completed by the Department and independently verified shows that the proposed closure tariffs are fair and broadly equitable.

Scheme Administration and Future Policy

The Department welcomes suggestions for improving scheme administration. We are committed to providing detailed guidance and support to participants to ensure the closure process is straightforward and transparent. Feedback on administrative processes will be used to refine future support mechanisms for renewable heat, with an emphasis on simplicity, fairness, and effective oversight. The Department will also ensure that future schemes are designed to support Northern Ireland's climate and economic objectives, drawing on the lessons learned from the RHI scheme.

Equality, Accessibility, and Administrative Fairness

The Department recognises the importance of ensuring that all participants, especially those in rural areas or with limited IT skills, can access and benefit from the scheme without unnecessary barriers. We are committed to making the transition to the new DfE portal as user-friendly as possible, including providing clear guidance and support.

Terminology

The Department acknowledges the concerns raised by respondents regarding the terminology used in the consultation and the need for clearer communication going forward. One specific issue relates to the use of "EHO" as a measurement for calculating closure payments.

For clarity, EHO is defined as:

(Metered Heat Output (in kWh) – Heat Loss Adjustment) × Eligibility Factor

The Heat Loss Adjustment applies where there is significant heat loss, for example through external pipework, while the Eligibility Factor is relevant for complex systems where heat is shared or ineligible uses exist.

Although this approach aligns with the calculation methodology applied by Ofgem since the Scheme's inception, we recognise that it is complex. To address this, the Department will use plainer language and provide clear explanations of technical concepts in all future communications to ensure stakeholders fully understand the process

Inspections and Compliance:

The Department recognises the critical role that inspections play in ensuring the integrity and fairness of the RHI scheme. The Department will:

- Work to increase the proportion of random site inspections, with appropriate notice to participants, and complete desk-based audits.
- Require participants to maintain and present records of fuel deliveries, service history, and other documentation at inspections.
- Provide clear, accessible guidance outlining the inspection process and documentation requirements.
- Ensure that the inspection process is as straightforward and supportive as possible, particularly for rural participants and those with limited administrative resources.

Inflation

The Department notes the feedback in relation to inflationary uplifts and specifically the methodology used to calculate these uplifts. The UK Government has decided to stop using RPI in 2030 and replace with CPI excluding housing costs. Therefore, the Department will consider further how this will impact on the inflationary measure that will be utilised in the closure scheme.

Lessons Learned and Future Schemes

The Department recognises the importance of learning from the experience of the RHI scheme to inform the design and delivery of future support mechanisms for renewable heat and broader decarbonisation efforts. We appreciate the strong feedback from participants and stakeholders calling for future schemes to be transparent, equitable, robust, and aligned with long-term climate and environmental goals. Restoring trust is a key priority. The Department is committed to engaging openly with stakeholders, ensuring that future schemes

are designed in partnership with industry, participants, and the wider public. We will prioritise clear communication, fair processes, and effective oversight to rebuild confidence and encourage participation in future initiatives.

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Conclusion and Next Steps

The feedback received from the consultation is invaluable in shaping the proposed closure arrangements for the Non-Domestic Renewable Heat Incentive (NDRHI) Scheme. Your insights and constructive suggestions have helped us better understand the diverse needs and concerns of those affected, directly informing our approach to ensuring a fair and effective transition.

We remain firmly committed to managing the closure of the NDRHI Scheme in a manner that is fair, transparent, and consistent with the region's climate and economic objectives. The Department recognises the importance of maintaining public trust and supporting participants throughout this process. We are dedicated to providing clear guidance, timely communication, and practical support to all those impacted by the closure arrangements.

Looking ahead, the Department will take the following next steps:

- Progress the Winter Tariff Uplift: Implement the uplift in tariffs for small and medium biomass.
- Return to the Executive: Present the final closure arrangements and consultation outcomes to the Executive for approval.
- Detailed Communication with Participants: Provide further, detailed information to all scheme participants, ensuring clarity on the closure process, payment calculations, and compliance requirements.
- Legislation: Work to pass the necessary Bill and supporting regulations through the Assembly to give legal effect to the closure arrangements.
- Commence Annual Payments: Once the legislative framework is in place, begin making annual closure payments to eligible participants in line with the agreed arrangements.

As we move forward, the Department will continue to engage openly with stakeholders, monitor the impacts of the closure, and adapt our approach as necessary to address emerging issues. We are also committed to applying the lessons learned from this scheme to the design of future support mechanisms for renewable heat and broader decarbonisation efforts, ensuring that they are robust, equitable, and aligned with the long-term interests of all our citizens.

Once again, we thank everyone who participated in this consultation for their valuable contributions. Your engagement has played a crucial role in shaping the future of renewable heat policy.

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