



Research and Information Service Briefing Note

Paper 07/26

16 January 2026

NIAR 282-25

RHI (Closure of the Non Domestic Scheme) Bill: supplementary – overview of the Republic of Ireland’s Support Scheme for Renewable Heat

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This Briefing Note seeks to support the Committee for the Economy’s scrutiny of the Renewable Heat Incentive (Closure of the Non-Domestic Scheme) Bill. It provides an overview of the Republic of Ireland’s Support Scheme for Renewable Heat and compares that Scheme’s inspection regime with what currently is known about the RHI Closure inspection regime that subsequently would be introduced in Northern Ireland via draft Affirmative Regulations if the Bill is enacted as introduced.

This information is provided to Members of the Legislative Assembly (MLAs) in support of their duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice, or as a substitute for it.

Introduction

This Briefing Note, commissioned by the Committee for the Economy (the Committee), seeks to support the Committee's scrutiny of the Renewable Heat Incentive (RHI) (Closure of Non-Domestic Scheme) Bill ([the Bill](#)), as introduced into the Northern Ireland Assembly (the Assembly) by the Minister for the Economy on 6 October 2025, and now is at [Committee Stage](#) under [Assembly Standing Orders](#).

The Note supplements the Research and Information Service (RaISe) Bill Paper: "[RHI \(Closure of the Non-Domestic Scheme\) Bill: key considerations](#)" (NIAR 32-2025, 24 November 2025). It provides an overview of the Support Scheme for Renewable Heat (SSRH) in the Republic of Ireland, which is administered by the Sustainable Energy Authority of Ireland (SEAI). It also compares that Scheme's inspection regime with what is currently known about the proposed RHI Closure inspection RHI Closure inspection regime that subsequently would be introduced in Northern Ireland via draft Affirmative Regulations if the Bill is enacted as introduced..

1 SEAI –Support Scheme for Renewable Heat

The SEAI administered SSRH was introduced by the Republic of Ireland Government in 2019, following an earlier commitment to incentivise renewable heat, as set out in the 2015 White Paper: [Ireland's Transition to a Low Carbon Energy Future 2015-2030](#).

The dual initial intentions of that Scheme was both to contribute to 2020 renewable energy targets and to stimulate the domestic production of renewable heat feed stocks. Below is an overview of that Scheme, looking in particular at its operation, along with its specified eligibility criteria, safeguards and inspection regime.

The SSRH includes two support mechanisms, depending on the technology to be supported:

- **Operational-aid**, which was designed to support the operation of renewable:

- Biomass heating systems
- Anaerobic digestion (AD) heating systems.¹

Operational-aid supports the above technologies through a quarterly payment for a period of up to 15 years.²

- **Investment-aid**, which provides an investment grant of up to 40% of the installation costs of:

- Air source heat pumps
- Ground source heat pumps
- Water source heat pumps³

The following sub-sections provide further detail on the operation of the SSRH operational-aid Scheme, as it more closely resembles the RHI Scheme that the introduced Bill is seeking close in Northern Ireland. The sub-sections focus on the SSRH eligibility criteria in terms of its specified operational aid, tariff structure, budget safeguards, inspection regime and ongoing obligations.

1.1 Operational aid

As noted in the introduction to this section, the SSRH eligibility criteria in terms of operational aid specifies a quarterly payment can be made for a maximum period of 15 years for eligible technologies. Such payment is based on each unit heat energy used for an “eligible purpose”, which is defined in RHSS Operating Rules and Guidelines as one, or a combination, of:

- space heating
- water heating
- process heating, e.g. industrial cooking, pasteurisation, agriculture, etc.⁴

“Ineligible purposes” are defined in Operating Rules and Guidelines as including:

¹ SEAI [Tariff-Scheme-Operating-Rules-and-Guidelines-2022.pdf](#)

² As cited immediately above

³ SEAI [Heat pump grant | SEAI](#) (accessed 13 January 2026)

⁴ SEAI [Tariff-Scheme-Operating-Rules-and-Guidelines-2022.pdf](#)

- heating of single domestic dwellings
- direct heating of external surface
- heating of partially open spaces
- heating swimming pools in single domestic dwellings
- drying digestate from an AD plant
- wood fuel drying
- pasteurisation purposes in AD plants
- other purposes determined by SEAI, for example, purposes that do not promote renewable heat⁵

1.2 Tariff structure

Specified SSRH payment tariffs vary according to technology and installation capacity, as measured as Megawatt-hours (MWh) per year. Tariff levels are fixed at the point of entering the Scheme and are not subject to inflation.

Quarterly heat use is determined through metering, and payments are based on heat used – on Cents per Kilowatt-hour basis (c/kWh). Table 1, below, provides an overview of the tariffs, as stated in the Scheme's Operating Rules and Guidance in 2022.

Table 1: SSRH Tariffs, as introduced in 2022⁶

Tier	Lower limit (MWh/yr)	Upper limit (MWh/yr)	Biomass (c/kWh)	AD (c/kWh)
1	0	300	5.66	2.95
2	300	1,000	3.02	2.95
3	1,000	2,400	0.50	0.50
4	2,400	10,000	0.50	0.00
5	10,000	50,000	0.37	0.00
6	50,000	N/A	0.00	0.00

Source: [SEAI](#) (2022)

⁵ SEAI [Tariff-Scheme-Operating-Rules-and-Guidelines-2022.pdf](#)

⁶ SEAI [Tariff-Scheme-Operating-Rules-and-Guidelines-2022.pdf](#)

The SEAI website notes that there are temporary State Aid restrictions impacting the Scheme's operation, stating:

Due to changes to EU State Aid Rules, a temporary restriction has been placed on the SSRH tariff scheme. The Scheme can currently provide tariff aid for biomass installations up to a maximum rating of 1MW (up to 6MW for SME organisations). SEAI and the Department of the Environment, Climate and Communications are working on removing this restriction.⁷

The tariffs offered to new applicants are reviewed and potentially modified annually. Any changes to tariffs based on such reviews are available to new applicants only. In other words, those changed tariffs do not and will not impact the tariffs applied by projects already approved or in operation. The Scheme also allows for so called “periodic reviews” of biomass tariffs. Such reviews are intended to ensure existing projects do not “benefit from windfall gains as a result of significant changes in market conditions”. Periodic reviews allow for future payments to be reduced under such conditions.⁸

1.3 Budget safeguards

The Scheme is subject to an “annual budget cap”, as set by the Minister for Communications, Climate Action and Environment. As such, the “payment of funding to successful applicants is subject to the availability of funding allocated to the Tariff Scheme in a particular year”. Funding is provided to eligible applicants on “first come, first served basis”. Moreover, once the budget cap is reached in a particular year, no further funding is provided.⁹

In addition to the annual budget cap, each project is subject to an “Eligible Heat Cap” and “Project Budget Cap”. The “Eligible Heat Cap” is defined in the Scheme’s Operating Rules and Guidelines as a:

⁷ SEAI [Operational tariff for biomass and biogas heating systems | SEAI](#) (accessed 13 January 2026)

⁸ SEAI [Tariff-Scheme-Operating-Rules-and-Guidelines-2022.pdf](#)

⁹ As cited immediately above

...limit on the quantum of Eligible Heat that will be support for a Project in each consecutive twelve month period commencing on the first day of operation, as agreed by SEAI. The Eligible Heat Cap will be based on factors such as the expected heat demand and maximum running hours of the project in a typical year will translate to the maximum level of Eligible Heat for a Project.¹⁰

The "Project Budget Cap" is defined in the Scheme's Operating Rules and Guidelines as:

...an upper limit on the level of payment that a Project can receive under the Tariff Scheme in each consecutive twelve month period commencing on the first day of operation, as determined and agreed by SEAI. The Project Budget Cap is determined from the Eligible Heat Cap and the tariffs included in the Tariff Agreement. The Project Budget Cap will not be increase over the lifetime of the Project.¹¹

1.4 Inspection regime

Applicants to the RHSS are subject to inspection prior to the granting of funding and periodic inspections. SEAI is responsible for conducting inspections, which can take the form of desktop audits or onsite inspections.

Desktop audits, as defined under the Scheme:

...undertake a remote quality assurance review of selected documents to provide independent assurance have been carried out in accordance with the Tariff Scheme Documentation.¹²

Onsite inspections under the Scheme are carried out on an ad-hoc basis and are risk-based. Such inspections consist of:

- a review of documentation

¹⁰ SEAI [Tariff-Scheme-Operating-Rules-and-Guidelines-2022.pdf](#)

¹¹ As cited immediately above

¹² As cited in footnote 10

- an inspection of physical works.¹³

According the SSRH Operating Rules and Guidance SEAI is entitled to carry out “ad-hoc periodic desktop and site inspections during the term of the tariff agreement to monitor an applicant’s ongoing compliance”. The Rules and Guidance further state that such inspections can be carried out at SEAI’s “own discretion”. Within the Rules and Guidance periodic desktop audits are defined to include a review of documentation, operation reports, annual declaration and meter readings. The same documents states that periodic onsite inspections are carried out to “verify meter readings and to review ongoing compliance” and may triggered by

... a complaint received by SEAI, or where non-compliance is identified as a result of a data review prior to the issuing of Tariff payments during the term of the Tariff Agreement.¹⁴

Furthermore, information shared with RalSe by SEAI (15 January 2026) explains that periodic inspections occur under the following circumstances:

- A first periodic inspections occurs three-months after the annual anniversary of “entering onto the payment cycle”.
- If the first period inspection:
 - is passed, the next periodic inspection will take place in two-years.
 - identifies “significant re-works or particular risks”, the next periodic inspection will take place in one-year.
- The replacement of key component parts may result in an immediate inspection.
- Subsequent inspection intervals depend on the previous audit results, the review of the six-monthly and Annual Reports submitted by the Operator and identification of particular risk.¹⁵

¹³ As cited in footnote 10

¹⁴ SEAI [Tariff-Scheme-Operating-Rules-and-Guidelines-2022.pdf](#)

¹⁵ SEAI email correspondence with RalSe 15 January 2026

The rules state that where a periodic inspection is failed, SEAI may “cease to make payments” until non-compliance has been addressed, or “clawback the payment(s)”.

Furthermore, the rule also set out that applicants are “generally notified” prior to onsite inspections. SEAI does have the right to:

...carry out inspection without notice to the applicant in the appropriate circumstance. Such circumstances may include, but are not limited to, where SEAI receives complaints indicating non-compliance with the Tariff Scheme Documentation and where there are discrepancies in relation to the period data submitted by an applicant.¹⁶

Information shared with RalSe by SEAI (15 January 2026) notes that in practice applicants are provided with two-weeks notice. SEAI has also confirmed that:

- Inspections are out sourced to a contractor, known as the Managing Agent.¹⁷
- Inspections are undertaken by three inspectors who spend part of their time on SSRH inspections. The work of these inspectors is overseen by one Manager who spends 20% of their time of SSRH inspections.
- In 2025, 50 inspections were conducted. This included 10 site inspections of new applications and 40 periodic inspections of installations that had been operating for more than one year.¹⁸

1.5 Ongoing obligations

Successful RHSS applicants are required to meet the following ongoing obligations, as specified the Scheme’s Operating Rules and Guidelines:

- **Eligibility:** the installation must continue to satisfy the [eligibility criteria](#).
- **Reporting:** successful applicants must regularly submit periodic data, including heat data, meter readings, maintenance reports, sustainability

¹⁶ As cited immediately above

¹⁷ According to email correspondence from SEAI (15 January 2026) this contract is currently out for tender. As a result, at the time of writing, SEAI were not in position to disclose expenditure on inspections, due to commercial sensitivity.

¹⁸ SEAI email correspondence with RalSe 15 January 2026

data and additional fuel data (such as data on quantity and quality, and receipts, etc.). In addition, the applicant must also provide an:

- **Annual Declaration:** this document is intended to demonstrate and confirm compliance with ongoing obligations.
- **Operations Report:** applicant are required to submit an operations report every six months. That report should include information on fuel use. Applicant are required to retain all relevant documentation on fuel quality and traceability to source.
- **Period inspections:** applicants must comply with desktop audit and/or periodic inspections undertaken by SEAI.
- **Sustainability:** applicants must comply with the sustainability obligation set out in the [Tariff Scheme Operating Rule and Guidelines](#).
- **Operation and maintenance:** applicants must ensure installation and metering equipment are maintained in line with equipment supplier recommendation. Relevant operation and maintenance documentation should be retained and service records should be included with Annual Declaration when service occur in a year.¹⁹

2 Comparison of existing SSRH inspection regime in Republic of Ireland with proposed for Northern Ireland under introduced Bill

The introduced RHI (Closure of Non-Domestic Scheme) Bill (the [Bill](#)), if enacted, would empower the Department for the Economy (DfE) to make regulations that would allow the it to: (i) “partially” or “completely” close the Non-Domestic RHI Scheme; (ii) set out in regulation how such a closure would be administered and financed; and, (iii) set out how and in what form payments would be made to existing participants upon closure.

The proposed regulations, which would be subject to “[draft affirmative resolution](#)” under Northern Ireland Assembly Standing Orders, underwent a DfE public consultation; launched on 29 September 2025 and closed on 24

¹⁹ SEAI [Tariff-Scheme-Operating-Rules-and-Guidelines-2022.pdf](#)

November 2025.²⁰ That consultation document set out the DfE's preference to enable Scheme Closure using a regulatory approach. The RaISe Bill Paper "[RHI \(Closure of the Non-Domestic Scheme\) Bill: key considerations](#)" (NIAR 32-2025, November 2025) provides further details regarding that consultation.

As noted in that Bill Paper, the consultation provided limited information on the anticipated inspection regime the DfE would implement should the Bill be enacted as introduced. It noted that inspections would be undertaken to check that installations remain in use, declarations are accurate and participants comply with Scheme regulations and guidance".²¹

Further information was provided to the Committee by the DfE in evidence on 8 October 2025. The DfE stated that it:

- anticipated 100 inspections per year over the next ten years, with all 900 participants to be inspected over that period
- intended to tender for "external providers for the inspections"
- would provide participants with notice prior to an inspection and that the terms of that notice would be set out in guidance²²

Information provided to RaISe by the DfE in November 2025, the DfE stated that its policy on "inspections has not yet been finalised". Adding that, inspections may be outsourced or facilitated in-house.²³

More recently, in evidence to the Committee on 14 January 2026, the DfE stated that it would engage in "random physical inspections" but reiterated that the inspection regime had not been finalised. In the same evidence session the DfE stated that following the public consultation they would adopt a risk-based approach to inspections, which would enable greater flexibility and could result in a higher number of inspections than previously anticipated.²⁴

²⁰ Department for the Economy, [Public Consultation on the Closure of the Northern Ireland Non-Domestic RHI Scheme](#) (24 September 2025)

²¹ Department for the Economy, [Public Consultation on the Closure of the Northern Ireland Non-Domestic RHI Scheme](#) (24 September 2025)

²² Committee for the Economy [Minutes Of Evidence Report](#) (8 October 2025)

²³ Email correspondence with DfE November 2025

²⁴ [Committee for the Economy Meeting, Wednesday 14 January 2026 - Northern Ireland Assembly TV](#)

Table 2, below, compares what is currently known about the RHI Closure inspection regime, with the inspection regime utilised in the SSRH, as outlined in sub-section 1.4 above.

Table 2: Prospective RHI Closure inspection regime compared to SSRH inspection regime

	SSRH	Proposed RHI Closure
Inspection purpose	Inspections are carried out prior to the granting of funding and on an ad-hoc basis. Ad-hoc inspections are risk-based and seek to assess ongoing compliance.	Proposed inspections will “check that installations remain in use, declarations are accurate and participants comply with Scheme regulations and guidance”.
Inspection type	Desk top audits and on-site inspection	Audits and on-site inspections are proposed. Including “random physical inspections”.
Inspection triggers	Pre-grant of funding inspections occur with all applicants. Ad-hoc inspections occur where a complaint or data review identifies non-compliance.	The DfE intends to inspect “all 900 Scheme participants” over a ten year period. Inspections also risk-based.
Notice of inspection	Applicants are “generally” notified of on-site inspections. In practice notice of two-weeks is provided. SEAI may carry out inspections without notice.	Notice to be provided.
Enforcement	Payments may be suspended and/or clawed back.	Payments may be suspended and/or clawed back.

Sources: [SEAI](#) (2022), [DfE](#) (2025), [RaISe](#) (2025)