Draft Regulations laid before the Assembly under section 113(8) of the Energy Act 2011 and section 1(11) of the RHI (Closure of Non-Domestic Scheme) Act (Northern Ireland) 2026 for approval by resolution of the Assembly.

D R A F T S T A T U T O R Y R U L E S O F N O R T H E R N I R E L A N D

2026 No.

ENERGY

The Renewable Heat Incentive Scheme (Closure) Regulations (Northern Ireland) 2026

Made - - - -	*XX XXX 2026*
Laid before the Assembly	*XX XXX 2026*
Coming into operation in accordance with regulation 1(2)	

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SCHEDULE 1 — Tariffs
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The Department for the Economy(**a**) makes the following Regulations in exercise of the powers conferred on it by section 113 of the Energy Act 2011(**b**) and section 1 of the RHI (Closure of Non-Domestic Scheme) Act (Northern Ireland) 2026(**c**).

Part 1
General

Citation and commencement

1.—(1) These Regulations may be cited as the Renewable Heat Incentive Scheme (Closure) Regulations (Northern Ireland) 2026.

(2) These Regulations come into operation on the day following the day on which they are approved by resolution of the Assembly.

Expiry

2. These Regulations expire on 31 December 2038.

Interpretation

3. In these Regulations—

"annual closure payment" has the meaning given in Part 3;

"closure accreditation" means an existing accreditation that has been converted to a closure accreditation by the Department in accordance with regulation 7;

"closure accredited installation" means an eligible installation that has been given a closure accreditation;

"closure participant" means—

(a) the owner of a closure accredited installation; or

(b) in a case where there is more than one owner, the owner with authority to act on behalf of all owners;

"conversion day" has the meaning given in regulation 9;

(**a**) Formerly the Department of Enterprise, Trade and Investment; see section 1(3) of the Departments Act (Northern Ireland) 2016 c.5 (NI).
(**b**) 2011 c.16.
(**c**) 2026 c. 5 (NI).

"coefficient of performance" means the ratio of the amount of heating or cooling in kilowatts provided by a heat pump to the kilowatts of power consumed by the heat pump;

"eligibility criteria" has the meaning given in Part 4;

"eligible installation" has the meaning given in Part 4;

"existing accreditation" means an accreditation of an installation made in accordance with the 2012 Regulations that has not been revoked, withdrawn, or otherwise come to an end by the date on which these Regulations come into operation;

"existing participant" means a person who is the participant in respect of an installation in accordance with the 2012 Regulations on the day before these Regulations come into operation;

"load factor" has the meaning given in regulation 12;

"kWhth" means kilowatt hours thermal;

"kWth" means kilowatt thermal;

"ongoing obligation" means an obligation specified in Part 5;

"original tariff start date" means the date of accreditation of an installation under the 2012 Regulations;

"scheme" means the renewable heat incentive scheme established by the 2012 Regulations and closed in accordance with these Regulations;

"solar collector" means a liquid filled flat plate or evacuated tube solar collector;

"tariff lifetime" means the total period for which the following are payable—

(a) periodic support payments under the 2012 Regulations, and

(b) annual closure payments under these Regulations;

"the 2012 Regulations" means the Renewable Heat Incentive Scheme Regulations (Northern Ireland) 2012(**a**).

Overview: closure of the scheme

4. These Regulations—

(a) close the renewable heat incentive scheme,

(b) convert existing accreditations under that scheme to closure accreditations,

(c) revoke all accreditations that are not converted, and

(d) provide for annual closure payments for installations with a closure accreditation.

Part 2

Closure accreditation

Notification of pending conversion to closure accreditation

5. The Department must notify an existing participant—

(a) that their existing accreditation, subject to compliance with the requirements set out in these Regulations, is to be converted to a closure accreditation, and

(b) of the relevant information that the Department holds in respect of that accreditation.

(**a**) S.R. 2012 No. 396 S.R. 2012/396. The Regulations were amended by S.R. 2014/301, S.R. 2015/371, S.R. 2016/47, S.R. 2017/32, the Northern Ireland (Regional Rates and Energy) Act 2018 (c.6), the Northern Ireland (Regional Rates and Energy) Act 2019 (c.13), and S.R. 2025/195.

Consideration of whether plant is an eligible installation for purposes of conversion

6.—(1) The existing participant must—

(a) confirm that the relevant information held by the Department is correct, or

(b) update the Department with the correct information, including any information that indicates a change in the circumstances of the accreditation.

(2) The Department may require the existing participant to provide any further information that the Department considers would assist it in exercising its functions under this Part.

(3) The existing participant must confirm or update the relevant information, or provide the further information—

(a) within the time specified by the Department, and

(b) in the form and manner required by the Department, which may include, for example, the participant providing information electronically.

(4) The Department or its authorised agent may request entry without notice at any reasonable hour to inspect the installation and its associated infrastructure for the purposes of ascertaining whether an installation is an eligible installation for the purposes of conversion in accordance with regulation 7.

(5) The power to enter and inspect includes the power to—

(a) take samples and remove them from the premises for analysis,

(b) take photographs, measurements or video or audio recordings.

(6) The Department must either—

(a) provide the statement of closure eligibility in accordance with regulation 7(5), or

(b) notify the existing participant in accordance with regulation 8(3),

within 28 days of the existing participant completing the requirements of this regulation to the satisfaction of the Department.

(7) An existing participant may, instead of complying with paragraph (1), (3) or (4), notify the Department that they do not wish that their existing accreditation be converted to a closure accreditation.

(8) Where paragraph (7) applies, the existing accreditation is revoked in accordance with regulation 8.

(9) This regulation is without prejudice to the powers of the Department to request information and carry out inspections under regulations 28 and 37.

Conversion to closure accreditation

7.—(1) The Department must convert an existing accreditation to a closure accreditation if satisfied that—

(a) the existing participant has complied with regulation 6, and

(b) the installation is an eligible installation.

(2) The Department may, in converting to closure accreditation, attach any conditions it considers appropriate.

(3) Conversion is deemed to take effect on conversion day, even if conversion day occurs before these Regulations come into operation.

(4) Upon conversion, the existing participant becomes the closure participant.

(5) The Department must provide the closure participant with a statement of closure eligibility stating—

(a) that the installation is now a closure accredited installation,

(b) any conditions attached to the closure accreditation,

(c) the conversion date,

(d) the applicable tariff,

(e) the process and timing for providing annual declarations,

(f) details of the timetable for annual closure payments,

(g) the tariff lifetime,

(h) any other information that the Department considers appropriate.

Revocation of existing accreditation if not converted

8.—(1) If an existing accreditation is not converted, it is revoked.

(2) Revocation takes effect on the day these Regulations come into operation.

(3) The Department must notify the existing participant that the existing accreditation has been revoked.

(4) That notification must inform the existing participant of their right of review.

Conversion day

9.—(1) The conversion day of an installation is the day following its final quarter day.

(2) An installation's final quarter day is the last day of the quarterly period in respect of which a periodic support payment under the 2012 Regulations is payable falling between the period commencing on and including 1 June 2026 and ending on and including 31st August 2026.

(3) Where there is no final quarter day for an installation, conversion day is a day, during the period referred to in paragraph (2), that the Department considers appropriate.

Part 3

Annual closure payments

Payment of annual closure payments

10.—(1) Annual closure payments are payable in respect of a closure accredited installation in respect of the remainder of the original payment period.

(2) The remainder of the original payment period—

(a) commences on the conversion day of the installation,

(b) ends 20 years from the date of the original tariff start date.

(3) Annual closure payments are to be calculated and paid by the Department.

(4) The first annual closure payment is payable in respect of the period—

(a) commencing on conversion day of the installation, and

(b) ending on the day before the next anniversary of the date of the original tariff start date.

(5) Subsequent annual closure payments are in respect of each subsequent period of 12 months ending on the day before the next anniversary of the original tariff start date. But this is subject to regulation 15.

(6) Annual closure payments are not payable until after the Department is satisfied that the closure participant has submitted an annual declaration that satisfies the requirements of these Regulations.

Calculation of annual closure payments

11.—(1) The annual closure payment for an installation of a type set out in Table 1 of Schedule 1 is—

C x LF x T x 8,760

where—

(a) C is the capacity of the installation in kWth,

(b) LF is the load factor, as a percentage,

(c) T is the tariff for that installation in pence per kWh on the date the payment accrues,

(d) 8,760 is the number of hours in a year.

(2) The annual closure payment for an installation of a type set out in Table 2 of Schedule 1 is—

(C x LF1 x T1 x 8,760) + (C x LF2 x T2 x 8,760)

where—

(a) C is the capacity of the installation in kWth,

(b) LF1 is the first 15 percentage points of the load factor, or, where the load factor is less than 15%, the load factor.

(c) LF2 is the load factor minus LF1, as a percentage,

(d) T1 is the tier 1 tariff for that installation in pence per kWh on the date the payment accrues,

(e) T2 is the tier 2 tariff for that installation in pence per kWh on the date the payment accrues, and

(f) 8,760 is the number of hours in a year.

(3) Where an annual closure payment is payable in respect of a period of less than 12 months—

(a) because—

(i) this is the first annual closure payment under the circumstances set out in regulation 10(4), or

(ii) closure accreditation has been revoked,

in the calculation of the annual closure payment, load factor is reduced pro rata by reference to the proportion of the 12 months in respect of which it is payable,

(b) because ownership has been transferred, the calculation of the annual closure payment is reduced pro rata by reference to the proportion of the 12 months in respect of which it is payable.

(4) Where—

(a) paragraph (3)(a)(ii) applies, the relevant tariff rate is the rate in force on the date of revocation,

(b) paragraph(3)(b) applies, the relevant tariff rate is the rate in force on the date of the updated statement of closure eligibility sent under regulation 24(8).

(5) Where the load factor is less than 15%, then LF1 is treated as being the load factor.

(6) The tariff for an installation is determined by reference to its type and capacity, as set out in Schedule 1.

Calculation of load factor

12.—(1) The load factor (LF) for an installation is the average of the eight quarterly load factors for the installation for the period 2017 to 2019, expressed as a percentage.

(2) A quarterly load factor is the ratio of heat output for that quarter to maximum possible heat output for that quarter, expressed as a percentage, calculated as—

LFq = Eq / (C x Nq x 24) x 100

where—

(a) LFq is the quarterly load factor (as a percentage),

(b) Eq is the heat output of the installation for that quarter, in kWhth,

(c) C is the capacity of the installation in kWth, and

(d) Nq is the number of days in that quarter.

(3) For the purposes of this regulation, heat output for a quarter (Eq) is calculated by reference to the quarterly meter reading for the installation for that quarter, submitted and adjusted (where applicable) in accordance with the 2012 Regulations.

(4) For the purposes of this regulation, the period 2017 to 2019 is the period with 8 quarter end dates falling between 1 April 2017 and 31 March 2019.

(5) If, following a request from a closure participant, the Department considers that—

(a) there are exceptional circumstances, and

(b) there is a compelling reason why a quarterly meter reading is not a fair reflection of the heat output of the installation for that quarter,

the Department may revise the calculation of Eq for that quarter.

(6) Where paragraph (5) applies, the Department may—

(a) select an alternative quarterly meter reading, from the period from 1 April 2019 to 31 March 2020, where that alternative reading seems to the Department to better reflect the heat output of the installation, or

(b) use the Department's own estimate of heat output.

(7) A request under paragraph (5) must be received by the Department at least 6 months before the second annual closure payment is due to be paid to the closure participant.

(8) Where the calculation of load factor gives a result of less than 5%, load factor is deemed to be 5%.

Inflationary change in tariffs

13.—(1) The tariffs listed in Schedule 1 are increased or decreased on 1st April 2027 and on 1st April of each subsequent year by the percentage increase or decrease in the relevant prices index for the previous calendar year.

(2) Any increase or decrease is to be rounded to the nearest tenth of a penny.

(3) The relevant prices index for installations of a type set out in—

(a) Table 1 of Schedule 1 is the general index of retail prices (for all items) published by the Office for National Statistics,

(b) Table 2 of Schedule 1 is the all items consumer prices index published by the Office for National Statistics.

(4) Where a relevant prices index is not published for a year, the Department may determine to use any substituted index or figures published by the Office for National Statistics.

(5) In this regulation "the Office for National Statistics" means the Statistics Board, a body corporate established under section 1 of the Statistics and Registration Service Act 2007(**a**).

Cap on annual closure payment (small and medium biomass installations)

14.—(1) This regulation applies in respect of installations of a type set out in Table 2 of Schedule 1.

(2) No annual closure payment is to be made in respect of any deemed production of heat beyond 400,000kWhth.

(3) Deemed heat production is—

C x LF x 8,760

(**a**) 2007 c.18

where—

(a) C is the capacity of the installation in kWth,

(b) LF is the load factor, as a percentage,

(c) 8,760 is the number of hours in a year.

Annual closure payment where closure accreditation revoked or ownership transferred

15.—(1) Where—

(a) closure accreditation is revoked, or

(b) ownership of an installation is transferred,

the closure participant (but not the new owner) is entitled to an annual closure payment for that part of the year before revocation or transfer.

(2) Where paragraph (1) applies, the annual declaration may be made in respect of the period ending on the date that—

(a) closure accreditation is revoked, or

(b) ownership is transferred.

(3) Where ownership of an installation is transferred, then provided that the requirements of these Regulations are satisfied, the new owner is entitled to an annual closure payment for the remainder of that year, in accordance with regulation 24.

(4) Where paragraph (3) applies, the annual declaration may be made in respect of the period commencing on the date that ownership is transferred.

Installation operating below normal levels: banding

16.—(1) This regulation applies where, in a particular year for which an annual closure payment is sought, an installation's operating level was less than two-thirds of what is normal, for example, because the installation was temporarily out of operation for part of that year.

(2) In considering what is normal, regard must be had to operating levels reflected in the load factor calculated in accordance with regulation 12.

(3) Where operating levels were—

(a) between more than one-third and up to two-thirds of normal, the installation is in Band B,

(b) between more than 5% and up to one-third of normal, the installation is in Band C,

(c) 5% or less of normal, the installation is in Band D.

(4) In the calculation of the annual closure payment for installations in—

(a) Band B, load factor is reduced to two-thirds,

(b) Band C, load factor is reduced to one-third,

(c) Band D, load factor is reduced to 5%.

Part 4

Eligible installations

Eligibility

Eligible installations

17.—(1) A plant meets the criteria for being an eligible installation (the "eligibility criteria") if—

(a) heat generated by the plant is used for an eligible purpose,

(b) the plant uses liquid or steam as a medium for delivering heat to a space, liquid or process, and

(c) regulation 19, 20 or 21 applies.

(2) But this is subject to regulation 22 where a plant is comprised of more than one plant.

Eligible purposes

18.—(1) Heat is generated for an eligible purpose if it is—

(a) used in a building—

(i) for the purposes of a trade, business, profession or other economic or institutional activity, or

(ii) for the purposes of heating more than one domestic premises,

(b) used otherwise than in a building for either of the following purposes carried out on a commercial basis—

(i) cleaning,

(ii) drying.

(2) Heat is not generated for an eligible purpose where, in the Department's opinion, it is generated solely for the purpose of obtaining an annual closure payment.

(3) For the purposes of this regulation "domestic premises" means single, self-contained premises used wholly or mainly as a private residential dwelling where the fabric of the building has not been significantly adapted for non-residential use.

Installations generating heat from solid biomass

19. This regulation applies if the plant complies with the following requirements—

(a) it generates heat from solid biomass,

(b) it has an installation capacity of less than 1,000kWth,

(c) the heat from the solid biomass is generated using equipment specifically designed and installed to use solid biomass as its only or primary fuel source, and

(d) the fuel used is produced sustainably and is of satisfactory quality.

Installations generating heat using solar collectors

20. This regulation applies if the plant complies with the following requirements—

(a) it generates heat using a solar collector, and

(b) it has an installation capacity of less than 200kWth.

Installations generating heat using heat pumps

21. This regulation applies if the plant is a heat pump and complies with the following requirements—

(a) it generates heat using naturally occurring energy stored in the form of heat from one of the following sources of energy—

(i) the ground (other than naturally occurring energy located and extracted from at least 500 metres below the surface of solid earth),

(ii) surface liquid or ground liquid, and

(b) it has a coefficient of performance of at least 2.9.

Plants comprised of more than one plant

22.—(1) The eligibility criteria are not met if the plant is comprised of more than one plant.

(2) But where two or more plants—

(a) use the same source of energy and technology,

(b) form part of the same heating system, and

(c) are not closure accredited installations,

these plants ("the component plants") are to be regarded as a single plant for the purposes of paragraph (1), provided that each component plant meets the eligibility criteria.

Continuity of eligibility

Change in location of installation

23.—(1) This regulation applies where a closure accredited installation is moved to a new location during its tariff lifetime.

(2) No annual closure payment is to be made after the change in location except in accordance with this regulation.

(3) The closure participant must comply with the notification requirements.

(4) The notification requirements are that the closure participant has—

(a) notified the Department, in accordance with regulation 29, of the change of location,

(b) provided the Department with any of the information set out in Schedule 2 that the Department has required, within the time required.

(5) The Department must, within 28 days of completion of the notification requirements to the satisfaction of the Department, review the closure accreditation.

(6) If the Department is satisfied that the installation continues to be eligible—

(a) it must send the closure participant an updated statement of closure eligibility, setting out the information referred to in regulation 7(5),

(b) annual closure payments are payable for the remainder of the tariff lifetime, having regard to regulation 16 in respect of the year in which the installation is moved.

(7) Where the Department is not so satisfied, accreditation is revoked on the date the Department considers appropriate.

Change in ownership of installation

24.—(1) This regulation applies where ownership of a closure accredited installation is transferred to another person ("the new owner").

(2) No annual closure payment is to be made after the change in ownership except in accordance with this regulation.

(3) The current closure participant must notify the Department, in accordance with regulation 29, that ownership has been transferred.

(4) The new owner must comply with the notification requirements.

(5) The notification requirements are that the new owner has—

(a) notified the Department of the change in ownership,

(b) provided the Department with any of the information set out in Schedule 2 that the Department has required, within the time required.

(6) Where ownership is transferred to more than one person, the Department may require that—

(a) the notification is by only one of those owners,

(b) that owner has the authority from all other owners to be the new closure participant, and

(c) that owner provides to the Department, in such form and manner as the Department may require, evidence of that authority.

(7) The Department must, within 28 days of completion of the notification requirements to the satisfaction of the Department, review the closure accreditation.

(8) Where the Department is satisfied that the installation should continue to be closure accredited with the new owner as the closure participant—

(a) it must send the new owner an updated statement of closure eligibility, setting out the information referred to in regulation 7(5),

(b) annual closure payments are payable for the remainder of the tariff lifetime, having regard to regulation 16 in respect of the year in which ownership is transferred.

(9) Where the Department is not so satisfied, accreditation is revoked on the date the Department considers appropriate.

(10) If, within a period of 12 months from the transfer of ownership, paragraph (3) and the notification requirements have not been complied with, the Department must revoke the closure accreditation.

(11) The period specified in paragraph (10) may be extended by the Department where the Department considers it is just and equitable to do so, including where the new owner has complied with the notification requirements, but the current closure participant has failed to comply with paragraph (3).

Replacement of installation

25.—(1) This regulation applies where a closure accredited installation is completely replaced.

(2) No annual closure payment is to be made after the replacement except in accordance with this regulation.

(3) The closure participant must comply with the notification requirements.

(4) The notification requirements are that the closure participant has—

(a) notified the Department, in accordance with regulation 29, of the replacement,

(b) provided the Department with any of the information set out in Schedule 2 that the Department has required, within the time required.

(5) The Department must, within 28 days of completion of the notification requirements to the satisfaction of the Department, review the closure accreditation.

(6) If the Department is satisfied that—

(a) the replacement installation is of the same type and falls within the same capacity boundaries (by reference to the categories set out in Schedule 1) as the original installation, and

(b) the installation continues to be eligible,

then paragraph (8) applies.

(7) Where the Department is not so satisfied, accreditation is revoked on the date the Department considers appropriate.

(8) Where this paragraph applies—

(a) the Department must send the closure participant an updated statement of closure eligibility, setting out the information referred to in regulation 7(5),

(b) annual closure payments are payable for the remainder of the tariff lifetime, having regard to regulation 16 in respect of the year in which the installation is replaced.

Part 5

Ongoing obligations on closure participants

Annual declaration

26.—(1) Each year, a closure participant must submit an annual declaration to the Department in respect of each closure accredited installation for which they are the closure participant.

(2) The annual declaration must be submitted within 28 days of the anniversary of the date of the original tariff start date.

(3) The annual declaration must be submitted in the form and manner required by the Department.

(4) The annual declaration must—

(a) state that the installation continues to satisfy the eligibility criteria,

(b) state that the closure participant is complying with the ongoing obligations set out in this Part,

(c) include any other information that the Department may reasonably require for the purposes of administering and enforcing these Regulations.

(5) Where the installation's operating level was less than two-thirds of what is normal, the annual declaration must also state whether it falls within Band B, C or D (see regulation 16).

(6) Where regulation 15(1) applies—

(a) the annual declaration must be submitted within 28 days of the date referred to in regulation 15(2) and not the date set out in paragraph (2),

(b) paragraph (4)(a) and (b) do not apply.

General obligations

27. A closure participant must—

(a) keep records of the type, amount and source of fuel purchased (including information relating to as to whether the fuel was produced in a sustainable manner, and as to the quality of the fuel) for a period of seven years,

(b) ensure that the installation continues to meet the eligibility criteria,

(c) comply with any condition attached to their closure accreditation,

(d) keep the installation maintained in good order to the satisfaction of the Department, with maintenance carried out by a suitably qualified and competent person, and keep evidence of this, including service and maintenance documents, for a period of seven years,

(e) allow the Department, or its authorised agent, reasonable access in accordance with regulation 37,

(f) repay any overpayment in accordance with any notice served under regulation 35,

(g) if requested, provide evidence to satisfy the Department that the heat for which the annual closure payments are made is used for an eligible purpose,

(h) comply with such other administrative requirements that the Department may specify in relation to the effective administration of the scheme.

Provision of information

28.—(1) A closure participant must provide to the Department on request—

(a) information that the closure participant holds, or is obliged to hold, in respect of the installation or the closure accreditation,

(b) records or evidence that the participant is required to keep under these Regulations, and

(c) information set out in Schedule 2,

and which the Department requires in order to discharge its functions under these Regulations.

(2) Information requested under paragraph (1) must be provided within 7 days of the request or such later date as the Department may specify.

(3) Information provided to the Department under these Regulations must be accurate to the best of the participant's knowledge and belief.

Notification of change in circumstances

29. A closure participant must notify the Department within 28 days of any of the following change of circumstances—

(a) they have ceased to comply with an ongoing obligation or have become aware that they will not be able so to comply,

(b) they have ceased to comply with a condition attached to closure accreditation,

(c) they have ceased to be the owner of the installation,

(d) the installation has changed location,

(e) the installation has ceased to be an eligible installation,

(f) the installation has permanently ceased operating,

(g) the installation has been completely replaced, or

(h) there has been any other change in circumstances which may affect their eligibility to receive annual closure payments.

Part 6

Enforcement

Failure to comply

30. For the purposes of this Part, a closure participant fails to comply with these Regulations if—

(a) the information confirmed, updated or provided by the participant in accordance with regulation 6 was incorrect,

(b) an installation has ceased to be an eligible installation,

(c) an installation has permanently ceased operating,

(d) an annual declaration has not been submitted in accordance with regulation 26, or

(e) the closure participant has failed to comply with an ongoing obligation set out in regulations 27 to 29.

Temporary withholding of annual closure payments pending investigation

31.—(1) Where the Department has reasonable grounds to suspect that a closure participant has failed or is failing to comply with these Regulations and the Department needs to investigate, it may temporarily withhold all or part of that closure participant's annual closure payments.

(2) Within 21 days of a decision to withhold annual closure payments, the Department must send a notice to the closure participant specifying—

(a) the respect in which the Department suspects the closure participant has failed or is failing so to comply,

(b) the date from which annual closure payments will be withheld,

(c) the next steps in the investigation, and

(d) details of the closure participant's right of review including any relevant time-limits.

(3) The Department's investigation must be commenced and completed as soon as is reasonably practicable.

(4) The Department may withhold a closure participant's annual closure payments for a maximum period of 6 months commencing with the date specified in accordance with the notice required by paragraph (2).

(5) For the purposes of calculating the time-limit specified in paragraph (4), no account is to be taken of any period attributable to the closure participant's delay in providing any information reasonably requested by the Department.

(6) For the purposes of paragraph (5), a closure participant is not to be deemed to have delayed in providing information if that closure participant responds within 21 days of a request from the Department.

(7) On expiry of the period referred to in paragraph (4) or, if earlier, the conclusion of the investigation, the Department must—

(a) send the closure participant a notice specifying the outcome of the investigation or, where the investigation is not concluded, inform the closure participant accordingly, and

(b) pay within 28 days of the date of that notice all annual closure payments temporarily withheld under this regulation, subject to any suspension, permanent withholding or reduction of any such payments under this Part.

(8) If, on conclusion of the investigation, the Department is satisfied that a closure participant is failing or has failed to comply with an ongoing obligation it may impose one or more of the other sanctions set out in this Part.

Suspension of annual closure payments where ongoing failure to comply

32.—(1) Where the Department is satisfied that a closure participant is failing to comply with these Regulations it may suspend that closure participant's annual closure payments.

(2) Within 21 days of a decision to suspend annual closure payments the Department must send a notice to the closure participant specifying—

(a) the reason why annual closure payments are being suspended,

(b) the date from which the suspension is effective,

(c) the steps that the closure participant must take to satisfy the Department that the closure participant is complying with these Regulations,

(d) the consequences of the closure participant failing to take the steps required pursuant to sub-paragraph (c) including potential sanctions, and

(e) details of the closure participant's right of review including any relevant time-limits.

(3) Within 21 days of being satisfied that the closure participant is complying with these Regulations the Department must remove the suspension.

(4) If, within 6 months of the suspension, the Department is satisfied that the closure participant has taken the steps specified by notice under paragraph (2), the Department may pay within 28 days of being so satisfied all annual closure payments withheld under this regulation.

(5) The maximum period for which the Department may suspend a closure participant's annual closure payments is 1 year.

(6) Subject to paragraph (4), a closure participant may not recover any annual closure payments suspended in accordance with this regulation.

Permanent withholding or reduction of annual closure payments

33.—(1) Where the Department is satisfied that there has been a material or repeated failure by a closure participant to comply with these Regulations during any 12 month period and the annual

closure payment for that 12 month period has not been paid, the Department may take one or more of the following actions—

(a) permanently withhold a proportion of the closure participant's annual closure payment which corresponds to the proportion of that 12 month period during which the closure participant failed so to comply,

(b) reduce a closure participant's annual closure payment for that 12 month period or for the 12 month period immediately following.

(2) Within 21 days of a decision to permanently withhold or to reduce an annual closure payment, the Department must send a notice to the closure participant specifying, as applicable—

(a) the reason why an annual closure payment is being withheld or reduced,

(b) the period in respect of which any annual closure payment is to be withheld or reduced,

(c) the level of any reduction, and

(d) details of the closure participant's right of review including any relevant time-limits.

(3) Where reducing an annual closure payment in accordance with paragraph (1)(b), the Department may decide the level of the reduction up to a maximum reduction of 100 per cent of the annual closure payment in question.

Revocation of closure accreditation

34.—(1) The Department may revoke closure accreditation if satisfied that there has been a material or repeated failure by a closure participant to comply with these Regulations.

(2) Within 21 days of a decision to revoke accreditation the Department must send a notice to the closure participant specifying—

(a) the reason for the revocation of accreditation,

(b) an explanation of the effect of the revocation, and

(c) details of the participant's right of review including any relevant time limits.

(3) Where revocation follows enforcement action taken by the Department under regulation 31, 32 or 33, then, subject to the notice period in paragraph (2) and the right of review, the Department may deem revocation to have effect from the date that enforcement action took effect.

(4) Where revocation does not follow enforcement action taken by the Department under regulation 31, 32 or 33, then, subject to the notice period in paragraph (2) and the right of review, the Department may deem revocation to have effect on—

(a) where regulation 30(a) applies, conversion day,

(b) where regulation 30(b) applies, the date, in the opinion of the Department, that the installation ceased to be an eligible installation,

(c) where regulation 30(c) applies, the date, in the opinion of the Department, that the installation ceased to be operational,

(d) where regulation 30(d) applies, the start of the period in respect of which the annual closure payment is payable,

(e) where regulation 30(e) applies (otherwise than by virtue of regulation 27(e), regulation 29 (c), (d) or (g)), the date, in the opinion of the Department, of the failure,

(f) where regulation 37(2) applies, the start of the period in respect of which the annual closure payment is payable.

Overpayment notices and offsetting

35.—(1) Where the Department is satisfied that a closure participant has received a relevant payment which exceeds the closure participant′s entitlement, or has received a relevant payment whilst failing to comply with a relevant obligation, it may—

(a) require the closure participant to repay the relevant payment, or part thereof, as a civil debt owed to the Department, or

(b) offset the relevant payment, or part thereof, against any future annual closure payments.

(2) Within 21 days of a decision to offset or require the closure participant to repay any relevant payment, the Department must send the closure participant a notice specifying—

(a) the relevant payment which the Department believes has been overpaid and the sum which it is seeking to recover from the closure participant,

(b) whether the sum specified in sub-paragraph (a) will be recovered in accordance with paragraph (1)(a) or (1)(b),

(c) where applicable, a date by which the sum specified in sub-paragraph (a) must be repaid,

(d) the consequences of failing to make any repayments requested including potential sanctions or civil action, and

(e) details of the closure participant's right of review including any relevant time limits.

(3) In this regulation—

"relevant obligation" means—

(a) an ongoing obligation within the meaning of these Regulations, and

(b) an ongoing obligation within the meaning of the 2012 Regulations,

"relevant payment" means—

(a) an annual closure payment, and

(b) a periodic support payment within the meaning of the 2012 Regulations.

(4) For the purposes of this regulation, a closure participant is entitled to a periodic support payment if they were entitled to it by virtue of the 2012 Regulations during the period when those Regulations were in operation.

Revocation of sanctions

36.—(1) The Department may at any time revoke a sanction imposed in accordance with this Part if it is satisfied that—

(a) there was an error involved in the original imposition of the sanction, or

(b) it is just and equitable in the particular circumstances of the case to do so.

(2) Within 21 days of a decision to revoke a sanction, the Department must send a notice to the closure participant specifying—

(a) the sanction which has been revoked,

(b) the reason for the revocation, and

(c) what action if any the Department proposes to take in relation to any loss incurred by the closure participant as a result of the imposition of the sanction including the time within which any action will be taken.

Power to inspect

37.—(1) The Department or its authorised agent may, upon giving notice of at least 24 hours, request entry at any reasonable hour to inspect a closure accredited installation and its associated infrastructure for the purposes of verifying that the closure participant is complying with these Regulations.

(2) The power to enter and inspect includes the power to—

(a) take samples and remove them from the premises for analysis,

(b) take photographs, measurements or video or audio recordings.

(3) If the closure participant—

(a) refuses this request, or

(b) obstructs the Department or its authorised agent in the exercise of its inspection,

in a way that the Department considers unreasonable, the Department may take any of the enforcement actions set out in regulations 31 to 34.

Part 7

Administration

Right of review

38.—(1) Any prospective, current or former closure participant affected by a decision made by the Department in exercise of its functions under these Regulations (other than a determination made in accordance with this regulation) may have that decision reviewed by the Department.

(2) An application for review must be made by notice in the form and manner required by the Department and must—

(a) be received by the Department within 28 days of the date of issue of notification of the decision being reviewed,

(b) specify the decision which that person wishes to be reviewed,

(c) specify the grounds upon which the application is made, and

(d) be signed by the participant or their authorised signatory.

(3) The applicant must provide the Department with such information and such declarations as the Department may reasonably request in order to discharge its functions under this regulation, provided any information requested is in that person's possession.

(4) The review must be carried out by a person who was not involved in making the decision under review.

(5) Upon determining the review, the Department may—

(a) confirm its decision,

(b) revoke or vary its decision,

(c) vary any sanction or condition it has imposed, or

(d) replace any sanction or condition it has imposed with one or more alternative sanctions or conditions.

(6) The Department must determine the review within 42 days of—

(a) the date it receives the application, or

(b) if later, the date it receives all the information it requested.

(7) The Department may extend this period for up to a further 42 days if satisfied that—

(a) the application raises matters of particular complexity, or

(b) it requires additional information in order to make a determination.

(8) If the Department extends this period, it must notify the applicant and set out its reasons for the extension.

(9) The Department must, as soon as is possible, notify the applicant, and any other person who is in the Department's opinion affected, of its determination and the reasons for its determination.

Right of further review

39.—(1) The applicant, and any other person who is in the Department's opinion affected by a determination under regulation 38, may request a further review of the Department's determination.

(2) An application for further review must be—

(a) in the form and manner required by the Department, and

(b) received within 28 days of notification of that determination.

(3) The further review must be carried out by an independent panel.

(4) The panel must be appointed by the Department and consist of persons who are suitably qualified and independent of the Department.

(5) The panel may—

(a) confirm the Department's determination,

(b) direct the Department to revoke or vary its determination,

(c) direct the Department to vary any sanction or condition it has imposed, or

(d) direct the Department to replace any sanction or condition it has imposed with one or more alternative sanctions or conditions.

(6) The Department must, as soon as is possible, notify the applicant, and any other person who is in the Department's opinion affected, of the panel's determination and the reasons for its determination.

(7) The Department must give effect to the panel's determination as soon as is reasonably practicable, and in any event, within 56 days of that determination.

(8) Where the Department considers that it is not reasonably practicable to give effect to the panel's determination within that period, it must notify the applicant of the reasons for the delay and the steps being taken to implement the determination.

Voluntary withdrawal from scheme

40.—(1) A closure participant may withdraw from the scheme by notifying the Department, in the form and manner required by the Department, that the closure participant no longer wishes to be part of the scheme.

(2) Upon receiving this notification, the Department may revoke that closure accreditation in such manner, and from such date, as the Department considers appropriate.

(3) Revocation following withdrawal does not affect any right, privilege, obligation or liability acquired, accrued or incurred under these Regulations, or the 2012 Regulations, in respect of the time before revocation.

Publication of guidance

41. The Department must publish procedural guidance to closure participants and prospective closure participants in connection with the administration of the scheme.

Publication of information

42. The Department must publish the following information in aggregate form on its website—

(a) the number of closure accredited installations,

(b) the technology and installation capacity of those installations,

(c) the total amount of annual closure payments made under each tariff.

Notices

43. A notice under these Regulations—

(a) must be in writing, and

(b) may be transmitted by electronic means.

Part 8

Final

Savings and transitional provisions consequent upon revocation of 2012 Regulations

44.—(1) Part 5 of the 2012 Regulations (periodic support payments) continues to apply, for the purposes of the Department exercising its functions in relation to periodic support payments under the 2012 Regulations, including processing a periodic support payment, where entitlement to that periodic support payment arose before the coming into operation of these Regulations.

(2) But a person is not entitled to a periodic support payment under the 2012 Regulations in respect of a period of time in which the person is entitled to an annual closure payment under these Regulations.

(3) Regulation 24 of the 2012 Regulations (changes in ownership) continues to apply, for the purposes of the Department processing a change of ownership under the 2012 Regulations, where the Department received notification of the change in ownership in accordance with regulation 24(2)(a) of the 2012 Regulations before the coming into operation of these Regulations.

(4) Regulation 24A of the 2012 Regulations (changes in location of accredited RHI installations) continues to apply, for the purposes of the Department processing a change in location of an accredited RHI installation under the 2012 Regulations, where the Department received notification of the change in location in accordance with regulation 24A(2)(a) of the 2012 Regulations before the coming into operation of these Regulations.

(5) Regulation 50 of the 2012 Regulations (right of review) continues to apply, for the purposes of a review of a decision made by the Department, where the application for the review was made in accordance with regulation 50 of the 2012 Regulations before the coming into operation of these Regulations.

(6) Subject to paragraph (5), regulations 38 and 39 of these Regulations apply in respect of a review of a decision made by the Department in the period before these Regulations come into operation as they apply in respect of a decision made by the Department after these Regulations come into operation.

(7) Where an existing accreditation is revoked under these Regulations, regulation 47 of the 2012 Regulations (overpayments and offsetting) continues to apply in respect of that accreditation for the purposes of requiring a person to repay a periodic support payment as a civil debt owing to the Department.

(8) Provisions of the 2012 Regulations that continue to apply by virtue of this regulation cease to apply on 01 March 2027.

Savings consequent upon expiry of these Regulations

45. Notwithstanding the expiry of these Regulations, regulations 38 and 39 apply in respect of a review if the application for the review was made before the expiry of these Regulations.

Revocations

46. The following are revoked—

(a) the Renewable Heat Incentive Scheme Regulations (Northern Ireland) 2012,

(b) regulation 61 of the Domestic Renewable Heat Incentive Scheme Regulations (Northern Ireland) 2014 (SR 2014/301),

(c) regulations 3 to 15 of the Renewable Heat Incentive Schemes (Amendment) Regulations (Northern Ireland) 2015 (SR 2015/371),

(d) regulations 3 to 6 of the Renewable Heat Incentive Schemes (Amendment) Regulations (Northern Ireland) 2016 (SR 2016/47),

(e) the Renewable Heat Incentive Scheme (Amendment) Regulations (Northern Ireland) 2017 (SR 2017/32),

(f) the Renewable Heat Incentive Scheme (Amendment) Regulations (Northern Ireland) 2025 (SR 2025/195).

Sealed with the Official Seal of the Department for the Economy on XXxx XXX 2026.

Name of officer
A senior officer of the Department for the Economy

SCHEDULE 1

Regulations 11 and 14

Tariffs

Table 1: installations where the tariff has no tiers

Tariff name	*Sources of energy of technology*	*Installation capacity*	*Tariff pence/kWh*
Large biomass	Solid biomass	200kWth and above, up to but not including 1000kWth	2.3
Small heat pumps	Ground source heat pump, water source heat pump, deep geothermal	Less than 20kWth	14.8
Medium heat pumps	Ground source heat pump, water source heat pump, deep geothermal	20kWth and above, up to but not including 100kWth	7.5
All solar collectors	Solar collectors	Below 200kWth	15.1

Table 2: installations where the tariff has tiers

Tariff name	Sources of energy of *technology*	*Installation capacity*	*Tariff Pence/kWh*
Small biomass	Solid biomass	Less than 20kWth	Tier 1: 14.3 Tier 2: 5
Medium biomass (lower capacity)	Solid biomass	20kWth and above, up to but not including 100kWth	Tier 1: 6.3 Tier 2: 1.8
Medium biomass (upper capacity)	Solid biomass	100kWth and above, up to but not including 200kWth	Tier 1: 4.3 Tier 2: 1.6

SCHEDULE 2

Regulations 23 to 25 and 28

Information required in respect of closure accreditations

Information required in respect of closure accreditations

1.—(1) This Schedule specifies the information that may be required of a closure participant, including in particular—

(a) a closure participant who moves the installation to a new location during its tariff lifetime,

(b) a closure participant who completely replaces an installation,

(c) the new owner of a closure accredited installation,

in this paragraph, referred to as "the participant".

(2) The information is, as applicable to the participant—

(a) name, home address, e-mail address and telephone number,

(b) address of the installation,

(c) any company registration number, registered office and e-mail address,

(d) any trading or other name by which the participant is commonly known,

(e) details of a bank account in the participant's name which accepts pound sterling deposits in the United Kingdom,

(f) information to enable the Department to satisfy itself as to the identity of the participant,

(g) where an individual is acting on behalf of a company, evidence which satisfies the Department, that the individual has authority from the company to act on its behalf,

(h) evidence, which satisfies the Department, as to the ownership of the eligible installation,

(i) where an eligible installation has replaced a plant, details of the plant replaced,

(j) evidence which demonstrates to the Department's satisfaction the installation capacity of the eligible installation,

(k) details of the fuel which the participant uses,

(l) where the plant is a heat pump, evidence which demonstrates to the Department's satisfaction, that the heat pump meets a coefficient of performance of at least 2.9,

(m) details of what the heat generated will be used for and an estimate of how much heat will be used together with an estimate of the number of hours of operation per week in which heat will be generated for an eligible purpose,

(n) details of the building in which the heat will be used,

(o) the industry sector for which the heat will be used,

(p) details of other plants generating heat which form part of the same heating system as the eligible installation to which the accreditation relate,

(q) such other information as the Department may require to enable it to exercise its functions under these Regulations.

(3) Information specified in this Schedule must be provided in such form and manner required by the Department.

(4) The costs of providing the information specified in this Schedule are to be borne by the participant.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations close the renewable heat incentive scheme established by the Renewable Heat Incentive Scheme Regulations (Northern Ireland) 2012 (S.R. 2012/396) ("the 2012 Regulations"). They convert existing eligible installations to a closure scheme providing annual closure payments for the remainder of their original tariff lifetimes.

Part 1 contains standard introductory provisions, including that these Regulations expire on 31 December 2038. It also includes an overview clause.

Part 2 sets out how existing accreditations under the 2012 Regulations are to be converted to closure accreditations. The Department must notify existing participants of its intention to convert their accreditation and of the relevant information it holds in respect of that accreditation (regulation 5). Participants must confirm or update that information (regulation 6).

Following the notification and confirmation process, the Department must consider whether the installation is an eligible installation for the purposes of conversion. Eligibility for conversion

does not depend on the level of recent activity or the receipt of recent payments under the 2012 Regulations; matters relating to activity or usage are addressed through post-conversion compliance and inspection arrangements.

Where the Department is satisfied that the installation is eligible and that the participant has complied with the notification requirements, it must convert the existing accreditation to a closure accreditation (regulation 7). Existing accreditations that are not converted are revoked (regulation 8). Regulation 9 defines the "conversion day" for each closure accredited installation.

Part 3 covers the new annual closure payments to be paid by the Department for the remainder of the original payment period (regulation 10), subject to the submission of an annual declaration. It sets out how annual closure payments are calculated, including the approach for tariffs with one tier and for tariffs with two tiers (regulation 11), and how the load factor is determined (regulation 12), principally by reference to historic metered heat output for the period 2017 to 2019, with provision for revision in exceptional circumstances.

Part 3 also provides for inflationary increases in tariffs (regulation 13), retains a cap on deemed heat production for certain biomass installations (regulation 14), and makes provision for pro-rating of annual closure payments where a closure accreditation is revoked, or ownership of an installation is transferred (regulation 15). Where an installation operates below normal levels, banding rules apply which reduce payment (regulation 16).

Part 4 contains two subdivisions. The first subdivision sets out the eligibility criteria for installations that may receive annual closure payments. Regulation 17 sets out the general eligibility criteria for installations and regulation 18 defines eligible purposes for which heat must be used. Regulations 19 to 21 make specific provision for installations generating heat from solid biomass, solar collectors and certain heat pumps. Regulation 22 makes provision about plants comprised of more than one plant, including circumstances in which component plants may be treated as a single plant for eligibility purposes.

The second subdivision in Part 4 deals with continuity of eligibility. This governs circumstances where an installation is transferred to a new owner, it is moved to a new location, or it is completely replaced.

Part 5 imposes ongoing obligations on closure participants. These include the duty to submit an annual declaration (regulation 26), general obligations relating to record-keeping, maintenance and continuing compliance with eligibility criteria and any conditions of closure accreditation (regulation 27), duties to provide information on request (regulation 28) and duties to notify the Department of specified changes in circumstances that may affect eligibility or payment (regulation 29).

Part 6 is concerned with enforcement. Regulation 30 sets out when a closure participant is to be treated as failing to comply with these Regulations. Regulations 31 to 33 provide for a graduated range of enforcement responses, including temporary withholding of annual closure payments pending investigation, suspension of payments, and permanent withholding or reduction of payments. Regulation 34 provides for revocation of closure accreditation in cases of material or repeated non-compliance. Regulation 35 makes provision for recovery of overpayments, including by requiring repayment as a civil debt owed to the Department or by offsetting against future annual closure payments, and regulation 36 provides for the revocation of sanctions. Regulation 37 confers powers of inspection.

Part 7 is concerned with administration of the scheme. Regulations 38 and 39 establish a right of review in relation to Departmental decisions, including provision for internal review by a person not involved in the original decision and for further independent review by a panel appointed by the Department. Provision is also made for participants to voluntarily withdraw from the scheme (regulation 40). Regulations 41 and 42 require the publication of guidance and certain aggregate information about the scheme, and regulation 43 concerns notices.

Part 8 covers some standard final provisions. Regulation 44 makes savings consequent upon the revocation of the 2012 Regulations, enabling the completion of residual administrative matters—

such as final periodic support payments and changes of ownership or location notified before commencement—under the 2012 Regulations for a limited transitional period. Regulation 45 makes savings consequent upon the expiry of these Regulations, ensuring that review rights continue to apply in respect of applications made before expiry. Regulation 46 revokes all Regulations establishing the old scheme.

Schedule 1 sets out the applicable tariffs by reference to technology type and installation capacity.

Schedule 2 specifies information that may be required, including in connection with changes in ownership, changes in location, and replacement of installations.

An impact assessment has been produced for this Statutory Rule.

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