

Written Ministerial Statement

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Department for the Economy

CLOSURE OF THE NON-DOMESTIC RENEWABLE HEAT (RHI) SCHEME

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Mr Murphy (The Minister for the Economy): The 2020 New Decade, New Approach document stated that “RHI will be closed down and replaced by a scheme that effectively cuts carbon emissions”.

This commitment was not implemented and in February 2023 the Court of Appeal reaffirmed the need for a “proper permanent solution”.

Since that judgement, Ofgem has declared its intention to stop administering RHI. This further underlines the urgent need to close the scheme.

The Executive has confirmed its preferred option to close the Non-Domestic RHI Scheme. This decision was taken by FMdFM under Urgent Procedure. The legislation to secure closure will now be developed and brought back to the Executive for final approval. Closure will include a payment mechanism which protects the interests of scheme participants, the majority of whom have acted in good faith, and the taxpayer.

In the interim, a revised tariff will be implemented for small and medium biomass installations this winter.

Discussions will also be conducted with Treasury on how AME could be used to more effectively reduce carbon emissions, in line with the NDNA commitment.

The process is now underway to close RHI, provide participants with fair compensation, and use the available AME to effectively progress our net zero commitments.