



Department for the
Economy
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An Roinn
Geilleagair

ENERGY STRATEGY

**THE PATH TO
NET ZERO ENERGY**

ACTION PLAN 2026

MAY 2026

MINISTERIAL FOREWORD

This year's Action Plan is published at a time when families and businesses across our region continue to feel the sharp impact of global energy price volatility. Recent international events have once again demonstrated the cost of our long-standing reliance on imported fossil fuels and the reality that, for too long, we have been a price taker for the energy we consume.

The Energy Strategy sets out our clear and necessary response: accelerating our journey towards self-sufficiency in affordable, renewable energy, breaking the link with volatile global markets and ensuring that energy prices work for consumers rather than against them. This 2026 Action Plan builds on the foundations laid since the Strategy was launched and reflects the clear message from the Mid-Term Review¹ that delivery must be accelerated.

Progress is being made. Renewable electricity already provides close to half of our electricity consumption, the green economy continues to grow, and previous investment in public sector decarbonisation is delivering real and lasting savings. The Review also confirmed that achieving our 2030 targets requires sustained focus, coordinated action and decisive delivery across government and with industry, regulators and communities.

The actions set out for 2026 reflect that imperative. They focus on removing barriers to renewable deployment, modernising and strengthening our electricity system, supporting households and businesses to reduce energy demand, and creating the conditions for long-term affordability and resilience. Key actions include progressing legislation to stabilise electricity prices for the long-term, accelerating grid and system flexibility measures, and advancing policies that enable locally produced low-carbon energy to replace imported fuels.

This transition must deliver for everyone – all homes and businesses. Protecting consumers, particularly those most exposed to price shocks, remains central to every action we take. This 2026 Action Plan outlines another step in delivering a secure, affordable and renewable energy system that is fundamental to economic resilience, good jobs, a more balanced and productive economy and lower emissions.

¹ [Mid-Term Review of the Energy Strategy – The Path to Net Zero Energy | Department for the Economy](#)

CONTEXT

The Executive's Energy Strategy provides the framework for transforming the region's energy system to one that is secure, affordable and clean, while supporting economic growth and meeting statutory climate obligations. It has three core targets:

- Achieving at least 80% renewable electricity consumption by 2030,
- Delivering 25% energy savings across buildings and industry, and
- Doubling the size of the low-carbon and renewable energy economy.

The Energy Strategy is being delivered in the context of the Climate Change Act (Northern Ireland) 2022, which places a legal requirement on government to significantly reduce emissions by 2030 and achieve net zero by 2050. It also underpins wider Executive priorities, including economic competitiveness, productivity, regional balance and social inclusion.

Our energy system remains highly exposed to global market volatility. A heavy reliance on imported fossil fuels, particularly for heating and transport, means that international price shocks are felt quickly and acutely by households and businesses. Recent price increases have reinforced the importance of accelerating the transition to locally produced renewable energy as the most effective route to affordability and resilience.

Taken together, the actions for 2026 represent a focused programme of work designed to maintain momentum, address critical constraints and keep us firmly on track towards a secure, affordable and renewable energy system.



DELIVERING OUR ENERGY STRATEGY TO 2030

We are at a critical point in our energy transition. By 2020, rapid growth in renewable electricity capacity meant that around half of our electricity consumption could be met from renewable sources. Since then, progress has slowed - not due to a lack of renewable generation or ambition, but because of constraints in how the electricity system operates.

The amount of renewable electricity that can be used at any given time is shaped by system-wide factors, including the need to maintain security and stability, minimum levels of conventional generation, the availability of storage and flexibility, and interconnector flows.

Therefore, the 2026 Energy Strategy Action Plan acknowledges that achieving higher levels of renewable electricity consumption requires coordinated investment in enabling infrastructure, including the transmission and distribution networks, storage and flexibility, alongside continued deployment of renewable generation. The ambition for more renewable electricity must be matched by the infrastructure, services and system capability needed to deliver it affordably, reliably and efficiently.

While interconnection can deliver lower prices for consumers, at certain times it can also result in lower-cost imports displacing local renewable generation. Simply installing more renewable capacity is not sufficient: without the right system capability, renewable electricity can be constrained or dispatched down, undermining value for money and delivery of lower bills, resilience and security.

Alongside electricity, the transition requires action across the whole system. Renewable gases such as biomethane and hydrogen can provide lower-carbon solutions where electrification is not always practical. Community energy policies will help ensure that people and places directly benefit from the transition. Measures to improve energy efficiency and decarbonise heat remain essential, particularly for households and businesses most exposed to higher energy costs.

Together, these actions reflect a system-led, consumer-focused approach. They are designed not just to meet targets, but to ensure that the transition delivers tangible benefits: lower and more stable energy costs, improved energy security, reduced emissions and new economic opportunities across the region.

The 2026 Action Plan focuses on delivery, putting in place the policies, the enabling legislation, market frameworks and safeguards needed to keep us firmly on track towards a secure, affordable and renewable energy future.

Each action has been assessed for feasibility, strategic alignment and readiness for delivery, incorporating SMART principles, appropriate use of consultation, and delivery milestones to ensure actions are targeted, deliverable and support progress towards the Energy Strategy targets.

This Action Plan is supported by a wide range of complementary Departmental and Executive-led activity, reflecting the cross-cutting nature of the Energy Strategy. This includes the Warm Healthy Homes Strategy 2026–2036, which provides the overarching framework for addressing fuel poverty and improving energy efficiency in homes, as well as work led by other Departments to enable delivery of renewable energy and infrastructure. Work to enable Offshore Renewable Energy is also progressing, including continued engagement with stakeholders on the development of supporting frameworks and grid connection arrangements. This work is being delivered through the Offshore Renewable Energy Action Plan.

ACTIONS

	Action	Detail	Impact on Energy Strategy targets
1	DfE will introduce the Renewable Electricity Price Guarantee (REPG) Bill to the Assembly.	<p>Subject to Executive agreement, the REPG Bill will put the legal framework in place for auctions and contracts for renewable electricity generation and can be used over the long term to support stable electricity prices for consumers.</p> <p>The Bill will also enable follow-on regulations and align with grid-readiness work, so projects are awarded contracts at the right time to ensure the best outcome for consumers.</p>	<ul style="list-style-type: none"> • Directly supports 80% renewable electricity by enabling price-guarantee auctions for the new renewable generation capacity that is needed both for the 2030 target and thereafter the 2050 target of full power decarbonisation. • Supports the low-carbon economy by increasing investment certainty for renewable developers.
2	DfE will develop a draft biomethane policy, with support from the Interdepartmental Biomethane Group.	<p>We will develop a draft biomethane policy to help grow a local supply of home-produced and environmentally sustainable renewable gas.</p> <p>The draft policy will consider the energy, agricultural, environmental policy aspects of the production and use of biomethane.</p> <p>Biomethane can replace fossil gas without needing new appliances, cut carbon emissions, create new opportunities for businesses, but must also deliver positive complementary environmental impacts.</p> <p>A clear biomethane policy framework will give producers and investors confidence.</p>	<ul style="list-style-type: none"> • Supports the low-carbon economy through development of an environmentally sustainable biomethane industry.

	Action	Detail	Impact on Energy Strategy targets
3	DfE will publish a government response to the hydrogen consultation.	<p>We will publish the government’s response report to the 2025 hydrogen consultation.</p> <p>The response report will summarise feedback on the key themes from the consultation and provide a response to the issues raised.</p>	<ul style="list-style-type: none"> • Supports the low-carbon economy by encouraging investment in clean hydrogen technologies.
4	DfE will develop a Community Energy Policy Framework.	<p>This framework will set out a clear and ambitious approach to empowering communities to play an active and meaningful role in generating and sharing their own clean energy.</p> <p>It will highlight how legislation and regulation can enable and strengthen locally owned, community-led initiatives, ensuring that people and communities directly benefit from renewable energy.</p> <p>The framework will also consider a mechanism to deliver available funding to support communities at every stage - from building grassroots capability and developing community energy projects, through to project establishment, construction, and long-term resilience.</p>	<ul style="list-style-type: none"> • Supports 80% renewable electricity by encouraging community-owned generation. • Supports energy and cost savings through local energy efficiency, shared energy and demand-reduction initiatives. • Contributes to the low-carbon economy via community-based investment and skills.

	Action	Detail	Impact on Energy Strategy targets
5	DfE will publish an Electricity Interconnector Policy Statement.	<p>Publishing an interconnector policy statement will help the region keep the lights on, lower bills and cut emissions.</p> <p>Through growing links for our electricity system with neighbouring markets, we can export surplus renewable power when it's windy and import electricity when we need it. This helps lower prices, reduces reliance on fossil fuels, and strengthens long-term energy security.</p>	<ul style="list-style-type: none"> Enables growth of the low-carbon economy by improving grid stability for green investment.
6	DfE will publish a consultation on Geothermal policy to inform regulation and licensing.	<p>We currently have no dedicated system for regulating geothermal energy. This consultation will gather views on policy proposals aimed at creating a fair and transparent licensing system so geothermal systems can operate sustainably.</p> <p>Developing clear policy will help unlock this low carbon, local and continuous source of energy, reduce reliance on fossil fuels, and support long-term progress toward net zero.</p>	<ul style="list-style-type: none"> Greater uptake of geothermal energy systems can contribute to energy-saving efforts by enabling low-carbon heat sources for buildings and industry. Contributes to the low-carbon economy through emerging geothermal investment and skills development.

	Action	Detail	Impact on Energy Strategy targets
7	DfE will publish a consultation on Heat Networks to inform policy options and regulation.	<p>Heat networks can provide low-carbon, affordable heating to homes, businesses and public buildings by supplying heat from a central source through a network of insulated pipes.</p> <p>The Heat Networks sector is still relatively immature here, serving around 3,000 consumers, with the majority via communal heating systems. We expect that in the future, Heat Networks could meet over 20% of our heat demand. This consultation will gather views on how best to regulate the heat network opportunity. Clear rules will help protect consumers, encourage investment, and ensure heat networks grow safely and responsibly as part of the journey to self-sufficiency in affordable renewable energy.</p>	<ul style="list-style-type: none"> • Contributes to the low-carbon economy by enabling investment and innovation in heat networks.
8	DfE will publish an Energy Storage Policy Statement.	<p>Energy storage will play an increasingly important role in managing the costs and operational challenges associated with a more variable electricity system. Storage can reduce curtailment, lower costs for consumers, and limit reliance on higher-cost fossil fuelled generation.</p> <p>The publication of an energy storage policy statement will provide clear strategic direction on the role of storage within the electricity system, with a particular focus on long duration storage and its contribution to affordability and security of supply.</p>	<ul style="list-style-type: none"> • Supports the 80% renewable electricity target by enabling higher levels of renewable generation to be used efficiently on the system. • Plays an enabling role in supporting the low-carbon economy by providing policy clarity for investment in storage and flexibility technologies.

Roll-over Actions (from Energy Strategy Action Plan 2025)

	Action	Detail	Impact on Energy Strategy targets
RO	DfC will publish a consultation on a new Warm Healthy Homes Fund (rollover from Action 16 2025 - formerly called Fuel Poverty Energy Efficiency Scheme).	<p>The consultation on a new Warm Healthy Homes Fund as the primary long-term sustainable solution to fuel poverty will publish in 2026.</p> <p>For households least able to pay, the fund will take a whole house approach to deliver better insulation, improved heating systems and other measures that make homes warmer, healthier and cheaper to heat, an essential step in tackling fuel poverty and supporting a fair transition to net zero.</p>	<ul style="list-style-type: none"> • Directly supports the delivery of the energy savings target by improving insulation and reducing heat loss in homes. • Contributes to the low-carbon economy by boosting retrofit activity and clean-heat services.
RO	DfE will publish the environmental assessments and reports for Offshore Renewable Energy (R4 from 2025).	<p>This action is an outcome of the consultation held in 2025.</p> <p>Publishing these assessments and reports is essential for identifying suitable areas at sea, protecting the marine environment, and enabling transparent, evidence-based decisions on future offshore renewable development. This is an important step in a significant economic opportunity for the region.</p>	<ul style="list-style-type: none"> • Contributes to the low-carbon economy by supporting the conditions needed for offshore investment.

	Action	Detail	Impact on Energy Strategy targets
RO	DAERA will consult during 2026 on changes to the environmental assessment process for offshore wind projects to include strategic compensation measures and the use of a Marine Recovery Fund (rollover from Action 3 2025).	DAERA will explore policy proposals to implement the Energy Act 2023 provisions for the environmental assessment of offshore wind projects and the use of a Marine Recovery Fund.	<ul style="list-style-type: none"> • Supports the low-carbon economy by strengthening the environmental and regulatory framework for offshore wind, helping to enable sustainable project development and future investment.
RO	DfE will publish a consultation on scheme design and funding options for a new Domestic Energy Efficiency & Heat Programme (amalgamation of Actions from 2024 & 2025).	<p>This consultation, alongside the publication of the scheme design, will help shape the development of a new support programme for households to reduce energy use and switch to cleaner, cheaper heating. This programme will operate alongside the Warm Healthy Homes Fund to ensure government targets support to as many households as possible.</p> <p>It will gather views on scheme design and funding options, helping DfE build a strong business case and prepare the necessary regulations through 2026.</p> <p>This work brings together and streamlines earlier actions, ensuring a well-designed programme can launch in 2027.</p>	<ul style="list-style-type: none"> • Directly supports the 25% energy savings target by reducing energy demand in homes. • Supports the low-carbon economy through development of retrofit and clean-heat supply chains.