RHI Closure Arrangements

Guidance for Closure Participants

Contents

1. Introduction

Background

In line with the New Decade, New Approach agreement[1], and the Northern Ireland Executive's agreed way forward in relation to the Non-Domestic RHI Scheme[2], the Renewable Heat Incentive Scheme (Closure) Regulations (Northern Ireland) 2026 ("the closure regulations") were developed by the Department for the Economy to close the Scheme and to introduce closure arrangements for existing participants. The closure regulations were approved by the Assembly on 7 September 2026.

This document sets out procedural guidance in connection with the administration of the closure arrangements.

Scope of this guidance

This guidance cannot anticipate every situation which may arise. Where an issue arises which is not addressed in this guidance, DfE will adopt an approach which it considers to be consistent with the closure regulations. Any additional guidance will be published on DfE's website and if necessary, this guidance will be revised.

This guidance is not intended to provide comprehensive legal advice on how the closure regulations should be interpreted or itself to have legal effect. At all times, the onus is on the owner and authorised signatory of an installation to ensure that they are aware of the requirements of the closure Regulations.

This guidance describes DfE's approach to matters concerning its general administration of the scheme in accordance with the closure Regulations. If the closure Regulations are amended, DfE will review and revise the guidance as necessary.

Where a closure participant contracts with third parties in relation to the generation of renewable heat, it is the participant's responsibility to ensure, via contractual or other arrangements that these parties comply with any relevant ongoing obligations under the closure arrangements. The obligations entered into on becoming closure accredited remain those of the participant rather than being transferred to the third party concerned.

The guidance is not a definitive legal guide to the closure arrangements, although its publication is made in accordance with the closure Regulations. Participants should familiarise themselves with it and read it in conjunction with the closure Regulations. In the event of any inadvertent conflict between the Regulations and the guidance, the Regulations take precedence.

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[1] https://assets.publishing.service.gov.uk/media/5e178b56ed915d3b06f2b795/2020-01-08_a_new_decade__a_new_approach.pdf

[2] https://www.economy-ni.gov.uk/articles/written-statement-northern-ireland-assembly-closure-non-domestic-renewable-heat-rhi-scheme-15-january-2026

2. Conversion to a closure accreditation

The Department will contact all eligible existing participants in relation to conversion to the closure arrangements, in order to confirm that the Department holds the correct information in relation to the installation. Contact will be aligned with the anniversary of accreditation to the RHI Scheme. If you have not been contacted after 7 days of your anniversary date, please contact the Scheme Management team on 02890 257571 or email RHIManagement@economy-ni.gov.uk.

The conversion will take place via a letter of authorisation (LOA) process which is in 2 parts. LOA1 is sent to the owner of the installation asking them to nominate an Authorised Signatory and to provide contact details for them. The owner may nominate themselves or someone else as the Authorised Signatory. The owner will also be asked to confirm that the details the Department holds are correct.

The Department will then initiate the LOA2 process with the Authorised Signatory to provide further information for verification purposes. When the Authorised Signatory has been verified and the Department is satisfied that the installation is eligible to convert to a closure accreditation, a 'Statement of Eligibility' will be issued confirming that the installation has converted to a closure accredited installation. The Authorised Signatory will then have access to the Department's RHI Register to complete an annual declaration.

The Department may, in certain circumstances, request further information, or carry out an inspection of the installation, to determine whether the installation is an eligible installation for the purposes of conversion to the closure arrangements.

Where an installation is converted, it will, subject to ongoing compliance with the requirements of the closure regulations, be eligible for annual payments, starting from the day following the last day of the last quarter for which a payment was made under the RHI Scheme.

It is therefore critical that the process for converting to a closure accreditation is completed by participants, to remain eligible for payment in respect of the installation. If an installation does not convert to the closure arrangements, accreditation is revoked by the closure regulations and no further payment will be made.

3. Annual Declaration

Each closure participant must submit an annual declaration within 28 days of the anniversary of the original tariff start date for each closure accredited installation. The annual declaration must confirm that the installation continues to meet the eligibility criteria and that the closure participant continues to comply with the ongoing obligations of the closure scheme, including that there has been no change in circumstances which may affect eligibility for annual closure payments.

The annual declaration will be available for completion on the anniversary date of the original accreditation to the RHI Scheme and must be submitted within 28 days.

Failure to submit an annual declaration will be treated as a failure to comply with an ongoing obligation and DfE may take compliance action, which may include suspending or withholding payments. However, long-term failure to submit a declaration may result in further compliance action, including revocation. For further details, please see chapter entitled ‘Compliance and Enforcement’.

The Authorised Signatory for the installation is responsible for submitting the annual declaration and agreeing to its terms. This responsibility cannot be delegated.

Submission of the annual declaration is through the online DfE Non Domestic RHI Register (‘the Register’). The Department has produced separate detailed guidance on how to use the register, including the submission of the annual declaration. All guidance can be accessed via https://www.economy-ni.gov.uk/articles/renewable-heat-incentive-rhi-scheme-closure.

4. Calculation of Annual Closure Payments

Information used to calculate payments

The factors that feed into the calculation of the Annual Closure Payment are set out below.

1. Capacity (‘C’)

This is simply the capacity of the installation. For example, if the installation is a 99kWth biomass boiler, ‘C’ in the calculation will be 99.

2. Load Factor (‘LF’)

Load factor is a percentage that shows how much a heating system was used compared with how much heat it could have produced if it had operated at full capacity all year. For example, if an installation was operating every hour of every day for a year, the load factor would be 100%. If a 100kW boiler produced an average of 50kW per hour over the year, then the load factor would be 50%.

In the context of calculating closure payments, 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.

Example

If a quarter has 92 days and the installation has a capacity of 99 kWh, then the maximum potential heat output is calculated as follows:

number of days in quarter x 24 hours per day x installation capacity
= 92 days x 24 hours x 99 kWh
= 218,592 kWhth

If the installation has an actual recorded estimated heat output (EHO) for that quarter of 80,000 kWhth, then the load factor for that quarter is calculated as follows:

Actual EHO / Maximum Potential Heat Output
= (80,000 / 218,592) x 100
= 36.6%

The average of the eight quarterly load factors is calculated by adding the eight quarterly load factors together and dividing by eight. This is the estimated load factor attributed to that installation for Annual Closure Payment calculations.

For tiered installations, LF is divided into LF1 and LF2. Further information on this is included in the section ‘Calculations for tiered installations’ below.

3. Tariff (‘T’)

This is the applicable tariff for the technology type and size.

The tariffs, as set out in the closure regulations, are contained in Tables 1 and 2 below. These tariffs will be amended annually for inflation in line with the regulations.

Table 1: installations where the tariff has no tiers

Tariff name	***Installation capacity***	***Tariff pence/kWh***
Large biomass	200kWth and above, up to but not including 1000kWth	2.3
Small heat pumps	Less than 20kWth	14.8
Medium heat pumps	20kWth and above, up to but not including 100kWth	7.5
All solar collectors	Below 200kWth	15.1

Table 2: installations where the tariff has tiers

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

For tiered installations, ‘T’ is divided into Tier 1 (T1) and Tier 2 (T2). Further information on this is included in the section ‘Calculations for tiered installations’ below.

4. 8760

This is the number of hours in a year.

Calculations for untiered installations

The formula used to calculate the payments for large biomass, small heat pumps, medium heat pumps and solar collectors is below:

C x LF x T x 8,760

Example

An installation has:

- a capacity of 400 kWth,
- its estimated load factor has been calculated as 30% and
- the tariff rate applicable is 2.3p/kWh

The Annual Closure Payment is calculated as:

C x LF x T x 8,760
=400 x 30% x 0.023 x 8760
= **£24,177.60**

Calculations for tiered installations

The formula used to calculate the payments for small and medium biomass is below:

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

For tiered installations, LF1 relates to the part of the load factor that is eligible for payment at the Tier 1 (T1) tariff. LF1 is the first 15 percentage points of the load factor. Where the load factor is less than or equal to 15%, LF1 is equal to the load factor.

LF2 relates to the part of the load factor that is eligible for payment at the Tier 2 (T2) tariff. LF2 is the load factor minus LF1 (up to a maximum of 400,000 kWhth - see section below on the cap on Annual Closure Payment.)

Example – Tiered installation with a load factor of 15% or less

An installation has:

- a capacity of 99 kWth,
- its estimated load factor has been calculated as 10% and
- the tier 1 tariff rate applicable is 6.3p/kWh
- the tier 2 tariff rate applicable is 1.8p/kWh

The Annual Closure Payment is calculated as:

(C x LF1 x T1 x 8,760) + (C x LF2 x T2 x 8,760)
= (99 x 10% x 0.063 x 8760) + (99 x 0% x 0.018 x 8760)
= (5463.61) + (0)
= £5,463.61

Example – Tiered installation with a load factor of more than 15%

An installation has:

- a capacity of 99 kWth,
- its estimated load factor has been calculated as 40%
- the tier 1 tariff rate applicable is 6.3p/kWh
- the tier 2 tariff rate applicable is 1.8p/kWh

The Annual Closure Payment is calculated as:

(C x LF1 x T1 x 8,760) + (C x LF2 x T2 x 8,760)
= (99 x 15% x 0.063 x 8760) + (99 x 25% x 0.018 x 8760)
= (8195.42) + (3902.58)
= £12,098

Cap on Annual Closure Payment

In relation to medium biomass installations, no annual closure payment is made in respect of any deemed production of heat beyond 400,000kWhth. An example of how this interacts with T1 and T2 is below.

Example – Capped Tariff

An installation has:

- a capacity of 99 kWth,
- its estimated load factor has been calculated as 60%
- therefore, the deemed annual heat usage is 520,344 kWhth

(Capacity x Load factor x 8760 hours per year)

- the tier 1 element of the annual heat usage is 130,086 kWhth
- the tier 2 element of the annual heat usage is capped at 269,914 (400,000 – 130,086)
- the tier 1 tariff rate applicable is 6.3p/kWh
- the tier 2 tariff rate applicable is 1.8p/kWh

The Annual Closure Payment is calculated as:

	Tier 1	Tier 2
Installation Capacity (kWth)	99	
x **Load Factor**	60%	
x **Hours per year**	8,760	
= **Estimated deemed usage each year** (kWth)	520,344	
Cap (kWth)	400,000	
8760 (hours in year) **x 15% =**	1,314	
Tier 1 heat usage (Installation capacity x 1,314) **=**	130,086	
Tier 2 heat usage (400,000 kWth cap – Tier 1 heat usage) **=**		269,914
x **Tariff** (£0.000)	0.063	0.018
Tariff x heat usage =	£8,195.42	£4,858.45
Annual Closure Payment	**£13,053.87**	

Banding

If your installation has been used for less than two-thirds of its 'normal' operating level (eg. because it was temporarily out of operation or you just used it less), then you must declare this when completing the annual declaration and the Annual Closure Payment will be adjusted accordingly.

'Normal' operation is considered the operation established in the 2017-2019 reference period. If the operation of the installation is less than this, the load factor will be adjusted as follows:

Band	Usage	Effect on annual payment calculation
Normal Operation ("Band A")	More than **two-thirds (66.67%)** of the level of use during the 2017-2019 reference period.	**100% of the load factor** is used in the payment calculation.
Minimal use – upper limit ("Band B")	**More than one-third (33.33%)**, but no more than **two-thirds (66.67%)** of the level of use during the	**Two thirds (66.67%)** of the load factor is used in the payment calculation.

	2017-2019 reference period.	
Minimal use – lower limit ("Band C")	**More than 5%**, but no more than **one-third (33.33%)** of the level of use during the 2017-2019 reference period.	**One third (33.33%)** of the load factor is used in the payment calculation.
De-minimus ("Band D")	**5% or less** of the level of use during the 2017-2019 reference period.	5% load factor is used in the payment calculation.

Example – Banding

An installation has:

- a capacity of 99kWth
- its estimated load factor has been calculated as 40%
- the tier 1 tariff rate applicable is 6.3p/kWh
- the tier 2 tariff rate applicable is 1.8p/kWh
- the installation was only used for 60% of its normal operation due to it being temporarily out of operation due to a fault.

Reduced usage falls within Band B and the estimated load factor is therefore reduced to two thirds:

40% x 2/3rds = 26.7%

The annual closure payment is recalculated using the revised load factor:

	Tier 1	Tier 2
Installation Capacity	99	
Load Factor	40%	
Limited usage of installation (% usage compared to normal operation)	60%	
Revised Load Factor Load Factor x Limited usage (40% x 2/3rds)	26.7%	

Up to 15%	15%	
Revised Load Factor – 15%		11.7%
x Tariff (£0.000)	0.063	0.018
x **8,760 hours per year**	8,760	8,760
= Annual Closure Payment	£8,195.42	£1,826.41
	£10,021.83	

Partial year

The cap is an annual cap. For any periods less than 12 months, the cap is pro-rated and applied accordingly. For example, if an installation withdraws from the Scheme during an annual period, or the transitional period applicable to an installation is less than 12 months, then the annual cap is pro-rated by multiplying by the number of days in the shorter period / 365 days.

5. Payment of Annual Closure Payment

Duration of Annual Closure Payments

Subject to successful registration on the closure arrangements, closure participants will be eligible for payment under the new arrangements from the day following the day of the final quarterly payment period of the Non-Domestic RHI Scheme. For example, if a participant received a final payment for a quarter that ended on 21 July 2026, the first payment under the closure arrangements will be calculated from 22 July 2026.

The first payment under the closure arrangements will cover from this day until the day before the anniversary of accreditation to the RHI Scheme. Subsequent payments will be made on an annual basis. Entitlement to payment under the closure arrangements ends 20 years from the date of accreditation to the RHI Scheme.

Inflationary change in tariffs

Tariffs for all technologies and sizes will be amended annually in line with inflation. The arrangements for this inflationary amendment remain as they were on the RHI Scheme, i.e. the Consumer Prices Index for small and medium biomass and Retail Prices Index for other sizes and technologies.

6. Ongoing obligations

This chapter provides an overview of the ongoing obligations, other than the Annual Declaration (see Chapter 3), with which closure participants must comply. This includes the information required to demonstrate ongoing eligibility. Once a closure participant has received closure accreditation for an installation, those obligations must be met for as long as they remain a participant in the closure scheme.

Maintenance of Equipment

Closure participants must maintain their equipment to ensure that it is operating effectively. As a general principle, DfE expects equipment to be maintained in line with the manufacturer's instructions, where these are available. Closure participants must keep evidence of maintenance work carried out, including servicing receipts, and provide that evidence to DfE on request. These records must be retained for seven years.

Maintenance of the equipment must be carried out by a suitably qualified and competent person.

Fuel requirements

Where an installation uses solid biomass for fuel, the fuel used must be produced sustainably and must be of satisfactory quality. Closure participants must keep records of the type, amount and source of fuel purchased, including information as to whether the fuel was produced in a sustainable manner, and as to the quality of the fuel. These records must be retained for a period of seven years.

Provision of Information

DfE may require a closure participant to provide any information that they hold, or are required to hold, in relation to an installation or closure accreditation. This may include records and evidence which participants are required to retain under Regulation 27 and Schedule 2, as well as information submitted as part of an annual declaration. For example, DfE may request documents relating to the operation and maintenance of the installation, fuel use, photographs of the installation, or other relevant information.

Schedule 2 sets out the information that DfE may require in connection with a change of ownership, a change of location, or related administrative checks. This may include the following:

- the participant's name, home address, e-mail address and telephone number
- the address of the installation
- where applicable, company registration details, registered office and company e-mail address
- any trading name or other name by which the participant is commonly known
- bank account details for an account in the participant's name that accepts pound sterling deposits in the United Kingdom

- information or evidence to confirm the identity of the participant
- where someone is acting on behalf of a company, evidence that they have authority to act for that company
- evidence of ownership of the eligible installation
- where the eligible installation replaced another plant, details of the plant replaced
- evidence of the installation capacity of the eligible installation
- details of the fuel used
- for heat pumps, evidence that the heat pump has a coefficient of performance of at least 2.9
- details of how the heat generated will be used, how much heat is expected to be used and the estimated hours of operation each week for eligible purposes
- details of the building in which the heat will be used
- the industry sector in which the heat will be used
- details of any other heat generating plants that form part of the same heating system
- any other information DfE may reasonably require to exercise its functions under the Regulations

Any information requested under Schedule 2 must be provided in the form and manner required by DfE. Any costs associated with providing that information must be met by the participant.

Any information requested must be accurate to the best of the closure participant's knowledge and belief and must be provided within 7 days of the request, or by a later date specified by DfE. Failure to provide the requested information within the required timeframe may result in compliance action.

Access to installation

Closure participants must allow DfE reasonable access to a closure accredited installation and its associated infrastructure. Please see Chapter 9 (Inspections) of this guidance for more information on the circumstances in which DfE may seek access.

Notifying a Change of Circumstances

Closure participants must notify DfE of any change in circumstances which may affect their eligibility to receive annual closure payments. This includes circumstances where they have ceased to comply with an ongoing obligation or become aware that they will not be able to do so. Notification must be given within 28 days of the change occurring, or of the closure participant becoming aware of it.

DfE must also be notified of any change to a closure accredited installation or to the heating system of which it forms part, including the addition or removal of any other plants on that heating system, a change in ownership of all or part of the installation, or the installation being moved to a new location.

Failure to notify DfE of relevant matters within 28 days is a breach of an ongoing obligation. In such cases, DfE may take enforcement action under the Regulations.

In deciding whether enforcement action is appropriate, DfE will consider all the circumstances of the case, including any reasons given for the delay in notification, the impact of the unreported change on eligibility, and any previous delays in notification. For further information, please refer to Chapter 8 (Compliance and Enforcement).

Closure participants must notify DfE in writing within 28 days if any information provided in support of closure accreditation was incorrect. DfE will then assess, on a case by case basis, any impact on eligibility.

Closure participants must keep their contact details, bank details and Authorised Signatory information up to date.

7. Changes of circumstances

Change of ownership

Where ownership of a closure accredited installation is transferred to another person, both the current closure participant and the new owner have responsibilities under the closure arrangements. The current closure participant must notify the Department that ownership has transferred, and the new owner must notify the Department of the change and provide any information required under Schedule 2 within the timeframe specified. Where ownership is transferred to more than one person, the Department may require one owner to act on behalf of all owners and provide evidence of that authority.

No annual closure payment will be made after a change of ownership unless the notification requirements have been met. Once those requirements have been complied with, the Department will review the closure accreditation. If the Department decides that the installation should continue to be closure accredited, it will issue an updated statement of closure eligibility to the new owner and annual closure payments may continue for the remainder of the tariff lifetime, subject to the Regulations.

If the current closure participant and the new owner do not comply with the notification requirements within 12 months of the transfer of ownership, the installation will cease to be closure accredited and no further annual closure payments will be paid. The Department may extend this period where it considers it just and equitable to do so.

Changes of location

Where a closure accredited installation is moved to a new location during its tariff lifetime, the closure participant must notify the Department of the change and provide any information required under Schedule 2 within the timeframe specified. No annual closure payment will be made after the change of location unless the notification requirements have been met.

Once the notification requirements have been complied with, the Department will review the closure accreditation. If the Department is satisfied that the installation continues to be eligible, it will issue an updated statement of closure eligibility and annual closure payments may continue for the remainder of the tariff lifetime, subject to the Regulations and any adjustment required for the year in which the installation is moved.

If the Department is not satisfied that the installation continues to be eligible at its new location, closure accreditation will be revoked from the date the Department considers appropriate and the installation will cease to be an eligible installation.

Replacement of installation

Where a closure accredited installation is completely replaced during its tariff lifetime, the closure participant must notify the Department of the replacement and provide any information required under Schedule 2 within the timeframe specified. No annual closure payment will be made after the replacement unless the notification requirements have been met.

Once the notification requirements have been complied with, the Department will review the closure accreditation. If the Department is satisfied that the replacement installation is of the same type, falls within the same capacity boundaries as the original installation, and continues to be eligible, it will issue an updated statement of closure eligibility.

Where the replacement installation meets these requirements, annual closure payments may continue for the remainder of the tariff lifetime, subject to the Regulations and any adjustment required for the year in which the installation is replaced. If the Department is not satisfied that the requirements are met, closure accreditation will be revoked from the date the Department considers appropriate and the installation will cease to be an eligible installation.

Voluntary withdrawal

A closure participant may withdraw from the scheme by notifying the Department, in the form and manner required by the Department, that they no longer wish to be part of the scheme. Once the Department receives this notification, it may revoke the closure accreditation from the date and in the manner it considers appropriate.

8. Compliance and Enforcement

Compliance and Enforcement Powers

This chapter outlines DfE's approach to ensuring compliance with conditions of the NIRHI Closure Scheme, including enforcement powers and dealing with non-compliance.

Compliance with the Closure Scheme and Enforcement

The Regulations set out the eligibility criteria and ongoing obligations that closure participants must comply with in order to receive annual closure payments under the NIRHI Closure Scheme.

DfE has provided resources to assist closure participants in complying with their ongoing obligations under the scheme. These include the publication of this Guidance and the further guidance documents (see Chapter 12). Contact details for the Department are also set out at Chapter 12, to assist participants with queries, for example in relation to annual declarations and DfE's administration of the scheme.

DfE has a process in place for conversion to closure accreditation which, together with a system of internal checks and review procedures, aims to ensure that only closure accredited installations that meet the eligibility criteria are accredited or registered, and that those closure participants receive the correct annual closure payment as set out in the Regulations.

DfE has a responsibility to ensure compliance with the rules of the Northern Ireland Renewable Heat Incentive Closure Scheme and has a zero tolerance approach to fraud. DfE has a dedicated Counter Fraud team and a Fraud Prevention Strategy aimed at preventing, detecting and deterring fraudulent activity. In the context of the closure arrangements, DfE considers fraudulent activity to be any dishonesty or misrepresentation in relation to the Scheme rules and Regulations. Where evidence of fraudulent activity is found, the Counter Fraud team will refer the matter to the PSNI, together with suspension of annual closure payments and/or revocation of closure accreditation, as appropriate.

DfE may come across non-compliance with the scheme in several circumstances including (but not limited to): during the normal course of running the scheme, following an inspection, due to information submitted by the closure participant or a third party.

Where DfE suspect that a closure participant may be failing to comply with ongoing obligations, they will take steps to determine the facts. In the first instance, DfE will generally contact a closure participant for further information, clarification or evidence.

In the majority of cases, this should be sufficient to establish whether a closure participant is in compliance. However, if DfE is not satisfied with the outcome of initial enquiries, they may require a site inspection to be carried out (see chapter entitled 'Inspections') or, if they have reasonable grounds to suspect that a closure participant has failed or is failing to comply with ongoing obligations, instigate a formal investigation.

When DfE is satisfied that it has all relevant facts, it will decide on any further action which may be appropriate. The approach may include confirming that a closure participant is in compliance, contacting the closure participant informally to advise them of any non-compliance and any action required to rectify the position, or taking compliance action or enforcement action under the Regulations.

DfE may act to recover any overpayment as a civil debt in circumstances where:

- it is established that a closure participant has received a payment which exceeds their entitlement;
- the closure participant is failing to comply with ongoing obligations;
- the overpayment is not offset against the participant's future payments; or
- the closure participant fails to repay an overpayment.

In deciding whether to take enforcement action, DfE will consider all the circumstances including:

- seriousness of the non-compliance and the duration;
- whether the closure participant voluntarily reported the non-compliance;
- reasons why the non-compliance occurred and any mitigating circumstances;
- whether there is a history of non-compliance by the participant;
- whether the closure participant has gained financially through the non-compliance; and
- the conduct of the closure participant after the non-compliance has been discovered.

The range of enforcement actions that DfE may exercise under the Regulations and examples of how these might be applied, are described in the rest of this chapter.

<u>Temporary Withholding of Annual Closure Payments Pending Investigation</u>

Where DfE have reasonable grounds to suspect that a closure participant has failed or is failing to comply with their ongoing obligations, a formal investigation may be conducted. For all cases DfE has the power to temporarily withhold all or part of a closure participant's annual closure payment until the investigation is concluded (up to a maximum of six months from the date that the payments were withheld). Payments will continue to accrue but will not be paid while the investigation is ongoing.

If an annual closure payment is temporarily withheld, DfE will notify the closure participant within 21 days of making that decision and state:

- the reason they suspect the closure participant is failing or has failed to comply with their ongoing obligations;
- the date from which payments will be withheld;
- the next steps in the investigation process; and

- details of the closure participant's right to request a review of DfE's decision, including any relevant time limits.

DfE will aim to conduct investigations in a timely manner and will not temporarily withhold a closure participant's annual closure payments for longer than six months. If a closure participant takes longer than 21 days from the date of the request to provide information during the investigation the Department's six month time limit is extended.

On conclusion of an investigation, or after six months, whichever is earlier, DfE will notify the closure participant of the outcome of the investigation or, if the investigation is not concluded, inform the closure participant accordingly.

Where an investigation concludes within six months and DfE are satisfied that the closure participant was in (or has resumed) compliance with their ongoing obligations, any annual closure payment which had been temporarily withheld will resume within 28 days of notification. This will be less any portion of the payments which DfE withholds permanently or reduces due to the closure participant's material or repeated failure to comply with ongoing obligations.

Where an investigation has not concluded within six months, DfE will notify the closure participant that the investigation is continuing. Within 28 days of sending such notification, any annual closure payment which was temporarily withheld will resume, less any portion of the payments which DfE withholds permanently due to the closure participant's material or repeated failure to comply with an ongoing obligation.

Following this the closure participant will continue to receive annual closure payments until the investigation is concluded less any portion of the payments which DfE withholds or reduces permanently due to the closure participant's material or repeated failure to comply with an ongoing obligation. If, on the conclusion of the investigation, DfE consider that the closure participant was in (or has resumed) compliance with its ongoing obligations under the closure scheme, the case will be closed.

Payments previously made to a closure participant which relate to periods during which the closure participant was not in compliance with their ongoing obligations may be recovered. Recovery may be actioned by offsetting the amount in question against any future annual closure payments or by requiring repayment from the closure participant (see section 'Recouping overpaid annual closure payments').

Where an investigation has concluded and DfE is satisfied that the closure participant is either failing to comply with an ongoing obligation or there has been a material or repeated failure to comply with ongoing obligations, DfE may then take further enforcement action as set out in the following sections.

Suspension of Annual Closure Payments

Where DfE is satisfied that a closure participant is failing to comply with an ongoing obligation under the scheme, annual closure payments may be suspended.

This sanction will generally be imposed where the closure participant, whilst currently failing to comply with an ongoing obligation, is capable of rectifying the non-compliance. Examples include, but are not limited to, a failure to submit an annual declaration within the required timeframe or a failure to provide information, records or replacement evidence requested by DfE.

DfE may suspend payments if a closure participant advises they are currently unable to comply with the closure scheme rules for a particular period (e.g. due to a temporary inability to source eligible fuel) but still wishes to remain on the scheme.

When DfE decide to suspend payments they will notify the closure participant within 21 days of the decision specifying:

- the reason why the payments are being suspended;
- the date from which the suspension is effective;
- the steps the closure participant must take to satisfy DfE that they are now complying with the rules of the scheme;
- what might happen if the closure participant fails to satisfy DfE that they are now complying with the scheme (which may include imposing one or more of the sanctions referred to in this chapter); and
- details of the closure participant's right to request a review of DfE's decision including any relevant time limits.

Within 21 days of being satisfied that a closure participant is now complying with their ongoing obligations under the closure scheme, DfE must remove the suspension.

A closure participant is not entitled to recover any annual closure payments which have been suspended during a period of non-compliance. However, where a closure participant has rectified any non-compliance within six months of suspension, DfE may exercise discretion in agreeing to pay any annual closure payments withheld. In exercising this discretion, DfE will consider all the circumstances of the case including any impact of the non-compliance on the generation of eligible heat.

For example, non-compliance relating to delays in submitting information, records or the annual declaration, whilst constituting non-compliance with ongoing obligations, may not have compromised the generation of heat which would otherwise have been eligible for support.

Any payment will be made within 28 days of DfE being satisfied that the closure participant has resumed compliance with ongoing obligations.

Participants should note that if non-compliance continues for a period of six months or more from the date of suspension, DfE no longer have discretion to repay any part of the payments which have been suspended.

DfE may suspend payments for up to one year. Failure to comply with ongoing obligations by the end of this period may constitute a material or repeated failure.

DfE may take further enforcement action on this basis which could include permanently withholding or reducing annual closure payments or revoking accreditation or registration as set out below.

Permanently Withholding or Reduction of Annual Closure Payments

Where DfE is satisfied that there has been a material or repeated failure to comply with an ongoing obligation during any 12 month period they may take one or more of the following actions:

- permanently withhold a portion of the annual closure payment which corresponds with the portion of the 12 month period during which the non-compliance occurred; or
- reduce an annual closure payment for the 12 month period during which the breach occurred or the 12 month period immediately following.

As a result, the closure participant may receive either no annual closure payment or a reduced annual closure payment for the 12 month period during which it failed to comply, or the closure participant could have their next annual closure payment reduced.

In determining the level of reduction, DfE will consider all the circumstances and any other factors it considers relevant. The maximum reduction is 100% of the annual closure payment in question.

DfE will notify the closure participant within 21 days of the decision to permanently withhold or reduce an annual closure payment. The notice will specify:

- how the closure participant has failed to comply with the rules of the closure scheme;
- the reason why the annual closure payment is being withheld or reduced;
- the period to which the reduction or withholding of payments relates;
- the level of any reduction; and
- details of the closure participant's right of review of DfE's decision including any relevant time limits.

Revocation of Closure Accreditation

Where there has been a material or repeated failure to comply with an ongoing obligation, DfE have the power to revoke the closure accreditation of an installation in respect of which the closure participant's failure has occurred.

On revocation of closure accreditation, an installation ceases to be eligible for any further payments under the closure scheme.

Examples of cases that might warrant revocation may include, but are not limited to, providing intentionally false or materially inaccurate information in order to obtain closure accreditation, the installation has permanently ceased operating and DfE was not notified, or ongoing non-compliance following suspension or permanent withholding, with no realistic prospect of remedy. In deciding whether to revoke closure accreditation, DfE will consider all the circumstances and any other factors it considers relevant.

DfE will notify a closure participant within 21 days of making a decision to revoke a closure accreditation. The notice will inform the closure participant of:

- the reason for the withdrawal of accreditation or registration including the aspect in respect of which the non-compliance occurred;
- an explanation of the effect of the revocation; and
- details of the closure participant's right to request a review of DfE's decision including any relevant time limits.

Where there are grounds to suspect that a closure participant has deliberately falsified information in order to defraud the scheme, DfE will refer those cases to the relevant authorities for further action.

Recouping Overpaid Annual Closure Payments

Where a closure participant has received a payment which exceeds their entitlement, or has received a payment whilst failing to comply with an ongoing obligation, DfE may normally seek to recoup the overpaid amount by offsetting it against future annual closure payments.

However, there may be cases where DfE require a closure participant to repay the overpaid amount directly. For example, where a closure participant is no longer in the scheme and the amount to be repaid exceeds any future entitlement or where the overpayment is significant.

As closure participants have an ongoing obligation to return any overpayment of which they are notified, DfE may take enforcement action where a closure participant who remains in the scheme fails to comply with a notice to repay. Where appropriate, DfE may also take action to recover the overpayment from a closure participant or a former closure participant as a civil debt.

DfE will notify a closure participant within 21 days of the decision either to request repayment or to offset an overpayment against future payments. The notice will specify:

- the annual closure payments that have been overpaid and the amount to be recovered;
- the method of recovery (either repayment or offsetting);
- the period within which the overpaid amount must be repaid (where applicable);
- the consequences of failing to make any repayments requested (including potential enforcement action or civil action for debt recovery); and
- details of the closure participant's right to request a review of the decision including any relevant time limits

DfE can seek to recover an overpayment by offsetting the amount against the full amount of the closure participant’s next annual closure payment and all subsequent payments until such time as the amount has been repaid or by requiring the closure participant to repay the relevant payment, or part thereof, as a civil debt owed to the Department.

Should a DfE error result in an overpayment being made to a closure participant, DfE will seek to agree an appropriate repayment schedule with the closure participant which may include the ability to repay the amount by instalment or through offsetting against future payments over a more extended period. Where a closure participant considers that repayment of a previous overpayment is likely to result in significant hardship, they should contact DfE to discuss their concerns as soon as possible after receiving a notice to repay.

Revocation of Sanctions

DfE may revoke a sanction previously imposed on a closure participant where there was an error involved when the sanction was originally imposed or where it is otherwise just and equitable to do so.

DfE may also revoke a sanction as a result of a current or former closure participant’s successful request for review.

DfE will notify a closure participant within 21 days of the decision to revoke a sanction. The notice will specify:

- the sanction which has been revoked;
- the reason for the revocation of the sanction;
- how DfE will deal with any loss of annual closure payments incurred by the closure participant due to the sanction (e.g. where they had suspended, withheld or reduced payments) including timescales for doing so; and
- details of whom the closure participant may speak to if not satisfied with how DfE propose to deal with any loss of payment.

Evidence of Criminal Activity

Irrespective of any action taken in relation to non-compliance by a closure participant, there may be instances where DfE uncover evidence of possible criminal conduct (for example, fraud). In such cases, DfE may refer the case to the relevant authorities for investigation.

9. Inspections

DfE (or its authorised agents) will carry out a programme of inspections of closure accredited installations on an ongoing basis. This is to ensure compliance with the closure Regulations and to confirm participants are meeting their ongoing obligations. Participants are expected to provide all required information and assistance during the inspection process.

All installations will be inspected at least once during the closure period.

DfE will prioritise inspections based on the following:

- If DfE identifies any specific concerns with an installation, such as issues with data submitted;
- Installations which have been moved to a new site;
- Risk-based factors, such as the magnitude of payments claimed, the complexity and technology type of the installation and results of any previous inspections;
- Random sampling across all installation sites.

During a site inspection, the inspector will gather information that will enable DfE to check that information provided by a participant during closure accreditation was accurate and that the installation is being operated in accordance with the Regulations. As part of the inspection, the inspector may take samples for analysis and may also take photographs, measurements, video or audio recordings.

Participants should keep all documentation supporting their compliance with ongoing obligations, including evidence of fuel records and service and maintenance records dating back at least 7 years, as these may be verified during an inspection visit. Participants will also be expected to provide supporting evidence that the installation is (at least in part) supplying heat for use in a non-domestic building, and that the heat is being used for an approved commercial activity.

When possible, DfE will conduct inspection visits between 9am to 5pm, Monday to Friday. In almost all cases, DfE will give prior notice of site inspections. However, there may be very limited occasions when it may be appropriate to conduct unannounced site inspections and DfE reserve the right to do so.

The applicant must accompany the inspector on site and provide full access to the installation. There must be a safe working environment for the inspector. If at any time the inspector deems the working environment to be unsafe, then the inspection may be deferred.

The applicant (or their representative) must have a good working knowledge of the installation and site layout to answer relevant questions posed by the inspector. They must also provide the inspector with requested operational and maintenance records.

If a closure participant refuses a request for entry, or obstructs the Department or its authorised agent in the exercise of its inspection, in a way that the Department considers unreasonable, the Department may temporarily withhold annual payments pending investigation; suspend annual closure payments; permanently withhold or reduce annual payments; or revoke the closure accreditation in line with regulations 31 to 34.

If the inspection identifies issues which may be a cause for concern, then DfE will contact the participant to outline the issues and the actions required by the participant to rectify the situation. The participant must address these issues and report on progress to DfE. Depending on the nature of the issues identified and the response of the participant, DfE may either launch a formal investigation which may involve a temporary withholding of a participant's payments or take other enforcement action (see section on compliance and enforcement).

10. Right of Review Process

This chapter explains the statutory review process under regulations 38 and 39. Under regulation 38, a closure participant affected by a decision may ask DfE to carry out a review of that decision. If the applicant remains dissatisfied with the outcome of that regulation 38 review, regulation 39 provides for a further review by an independent panel.

Right of Review

A prospective, current or former closure participant affected by a decision made by DfE in exercise of its functions under the Regulations may request a review of that decision. The request must be received within 28 days of the date of issue of the notification of the original decision. The review will be carried out by a person who was not involved in making the original decision.

Participants may request a statutory review by emailing RHIClosureReview@economy-ni.gov.uk.

This should be clearly marked RHI CLOSURE STATUTORY REVIEW.

The applicant should clearly identify themselves, the decision they wish to be reviewed and the grounds upon which they are requesting a review. They should also include the unique NIRHI reference number applicable to the installation and the request must be signed by the closure participant or the authorised signatory. The 28 day deadline to request a statutory review will be strictly applied.

DfE will issue acknowledgement to the participant upon receipt of the request for statutory review.

The review will be based on all the evidence, information and representations submitted by the participant to the original decision maker. DfE may also request further information or declarations if required.

DfE must reach a decision within 42 days of receiving the application or, if later, within 42 days of receiving all information requested from the applicant. This period may be extended by up to a further 42 days where the case is particularly complex or further information is needed. If the period is extended, DfE will notify the applicant and explain the reasons.

Following the initial review under regulation 38, DfE may:

- confirm the decision;
- revoke or vary the decision;
- vary any sanction or condition that has been imposed; or
- replace any sanction or condition that has been imposed with one or more alternative sanctions or conditions

Once a decision has been made DfE will write to the applicant and to any other person affected to inform them of the outcome of the review with reasons for their decision.

Further Review

Regulation 39 provides for a further review stage. If the applicant does not agree with the outcome of the regulation 38 review, they may request a further review of that determination. A request for further review must be made in the form and manner required by DfE and must be received within 28 days of notification of the regulation 38 determination. The further review will be carried out by an independent panel appointed by DfE. The panel must consist of persons who are suitably qualified and independent of DfE.

Following the further review under regulation 39, the independent panel may:

- confirm DfE's decision;
- direct the department to revoke or vary its decision;
- direct DfE to vary any sanction or condition that has been imposed; or
- direct DfE to replace any sanction or condition that has been imposed with one or more alternative sanctions or conditions

Once a decision has been made DfE will write to the applicant and to any other person affected to inform them of the outcome of the review with reasons for their decision.

DfE must carry out the panel's decision as soon as reasonably possible and no later than 56 days. Where this is not possible DfE must notify the applicant explaining the reason for the delay and what steps it is taking to put the decision into effect.

If the closure participant is dissatisfied with the panel's decision, they may take their complaint to the Northern Ireland Ombudsman who carries out independent investigations into complaints about public bodies. Details of how to make a complaint to the Northern Ireland Ombudsman can be found on at http://www.ni-ombudsman.org.uk/

Costs

Closure participants are responsible for meeting their own costs in respect of requesting a statutory review or taking a case to the Northern Ireland Ombudsman.

11. Publication of information

This guidance will be published on the Department's website, and may be reviewed and updated from time to time.

The Department will also publish information, in aggregate form, on its website regarding the number of closure accredited installations, the technology and installation capacity of those installations and the total amount of annual closure payments made under each tariff.

12. Contacting the Department

General RHI Queries

The Department can be contacted by email or by telephone using the contact details below. The nature of the query should be clearly marked. If you are an existing closure participant, please note in the query that you are a participant and provide your installation number.

Telephone: 02890 257571

Hours of opening

Mon 10am to 1pm

Tues 10am to 4pm

Weds 10am to 4pm

Thurs 10am to 4pm

Fri 10am to 1pm

Outside of these hours, you can email Scheme Management at
RHIManagement@economy-ni.gov.uk

Complaints

Participants who are unhappy with how DfE has dealt with them, how DfE has performed, how they operate, or are unhappy with the way in which DfE has reached a decision, may lodge a complaint with DfE using its general complaints handling process. This process is set out on the DfE website at https://www.economy-ni.gov.uk/articles/dfe-complaints-procedure