



ANALYSIS OF NORTHERN IRELAND'S RENEWABLE ENERGY PRICE GUARANTEE (REPG) SCHEME AND ITS GLOBAL IMPLICATIONS FOR THE RENEWABLE ENERGY INDUSTRY

Introduction

The growing urgency of the global energy transition has compelled governments to design policies that not only accelerate renewable energy deployment, but also ensure affordability, investor confidence, and social inclusion. In this context, Northern Ireland's Renewable Energy Price Guarantee (REPG) Scheme, introduced by the Department for the Economy (DfE) in September 2025, represents a landmark policy designed to provide long-term price stability for renewable electricity generation and support the country's legally binding target of achieving 80% renewable electricity consumption by 2030. The REPG introduces a novel blend of price guarantees, competitive auctions, and community benefits, positioning Northern Ireland as a testbed for innovative renewable energy policy design within smaller electricity markets.

This analysis examines the REPG scheme in detail, exploring its operational framework, funding structure, and potential challenges. It further evaluates the scheme's global implications, assessing how its principles of bidirectional pricing, investor assurance, and community-centered design could inform renewable energy policies across other jurisdictions.



Northern Ireland Renewable Energy Price Guarantee (REPG) Scheme

The Renewable Energy Price Guarantee (REPG) Scheme represents Northern Ireland's most comprehensive renewable electricity support mechanism since the closure of its earlier programs such as the Northern Ireland Renewables Obligation. Announced in September 2025 by the Department for the Economy (DfE), the REPG seeks to provide long-term investment certainty to renewable energy developers, stabilize electricity prices for consumers, and advance the region's statutory target of achieving 80% renewable electricity consumption by 2030. The scheme is designed as an auction-based, contract-for-difference-style mechanism that guarantees renewable electricity producers a stable price for the electricity they generate, while protecting consumers from excessive costs during periods of high market prices.

At the heart of the REPG is the principle of price stability through bidirectional support. This means that when wholesale electricity prices fall below the guaranteed "strike price," the scheme compensates renewable generators to ensure their revenues remain stable. Conversely, when market prices exceed the strike price, the generators must pay back the difference, ensuring that consumers benefit from lower energy costs during high-price periods. This innovative approach seeks to balance investor confidence with consumer protection, an essential equilibrium for sustainable energy policy. The REPG's structure mirrors aspects of the successful Contracts for Difference (CfD) scheme used in Great Britain, but with key modifications to

reflect Northern Ireland's distinct market and regulatory context, including its participation in the all-island Single Electricity Market (SEM) shared with the Republic of Ireland.

The REPG will operate through competitive auctions, in which renewable energy developers bid for contracts to supply electricity at the lowest possible price. This approach promotes cost efficiency and transparency; while encouraging healthy competition among developers. The first auction round is expected to take place in early 2027, targeting between 750 and 1,250 gigawatt-hours (GWh) of renewable generation annually, with subsequent rounds potentially scaling to 3,000 GWh or more to meet 2030 targets. Eligible technologies include onshore wind, solar photovoltaic (PV), and other low-carbon generation sources, ensuring a technology-neutral approach that allows the market to determine the most cost-effective solutions. Contracts awarded under the REPG will typically span 15 years, offering developers long-term financial stability, while driving investment in new renewable capacity.

Eligibility for participation under the REPG requires developers to meet specific technical and regulatory criteria. Projects must have secured planning permission, a grid connection offer, and must meet a minimum capacity threshold of 5 megawatts (MW) to ensure grid efficiency and manageable project scale. The scheme also incorporates provisions for curtailment and dispatch-down compensation, ensuring that generators are not unduly penalized for electricity they are unable to export due to grid constraints or system balancing requirements. Compensation will be based on the potential energy the project could have produced ("available generation") rather than actual exported energy, helping to de-risk projects located in grid-constrained areas.

An important and distinctive feature of the REPG scheme is its emphasis on community benefit. The DfE has proposed that renewable energy developers supported under the scheme provide discounted electricity bills or equivalent benefits to households located near project sites. This approach seeks to foster public support for renewable infrastructure, mitigate opposition from local communities, and ensure that the economic benefits of the green transition are shared equitably. Although the precise mechanism for community benefit delivery is still under review, its inclusion highlights Northern Ireland's intent to align energy policy with broader social equity goals.

Global Implications for the Renewable Energy Industry

- **A model for smaller jurisdictions / markets:** REPG shows how a relatively small grid region can adapt auction-based renewable support policies to its scale and constraints.
- **Hybrid / bidirectional subsidy design influence:** The bidirectional payment mechanism (consumers contributing in low price periods, refunds in high price ones) might inspire new subsidy designs elsewhere to better balance risk-sharing.
- **Incentive alignment for community benefits:** The embedding of direct consumer discounts near projects is an innovative form of local benefit that could influence how communities are engaged in other renewable support schemes.
- **Relevance for grids with cross-border markets:** Because Northern Ireland sits in an all-island electricity market, the experience may inform schemes in regions with cross-border markets (e.g. Europe, Africa) seeking compatibility across jurisdictions.
- **Catalyst for investor ecosystem in medium markets:** The REPG could encourage more investors to consider smaller or previously underinvested geographies, broadening capital flows beyond traditional renewable hotspots.

- **Benchmarking and standardization:** As REPG data emerges (bid prices, delivery performance, curtailment costs), it can contribute to benchmarks and comparisons across jurisdictions for policy evaluation.



Conclusion

The REPG scheme in Northern Ireland is a bold attempt to realign policy, investment, and consumer interests in favor of renewable electricity at a critical moment in global energy transition. Its structure, including competitive auctions, a bidirectional payment mechanism, and embedded community benefit elements, reflects lessons from existing markets (e.g. GB CfD, Ireland's RESS), while adapting them to Northern Ireland's institutional, grid, and market context. If the REPG scheme succeeds, it could become a blueprint for similarly sized jurisdictions seeking to accelerate decarbonization; while maintaining consumer safeguards.

Disclaimer

This document of the referenced country is not expected to form the basis of, or be construed as standard legal advice; nor should any of its contents and representations be strictly relied upon for any activities. Electricity Lawyer (EL) will not be liable for decisions whatsoever that are made based on the contents of the document.





ELECTRICITY
LAWYER