ANNEX A

FOI DOF/2025-0501

Request

Request to release the formulae or process by which you calculate the rateable value and rates on the different types of renewables and energy storage in NI.?

DoF response

I can confirm the department holds some of the information requested.

There are eleven different types of renewable energy installations valued in the Valuation List. These include:

- Anaerobic Digesters
- Biomass
- Hydro Electric
- Landfill Gas
- Solar
- Biomass
- Gasification
- Battery Storage
- Combined Heat and Power Plants
- Wind Farms
- Wind Turbines

LPS determines the rateable values of renewable energy installations in Northern Ireland using two Royal Institution of Chartered Surveyors (RICS) Industry standard valuation methodologies:

1. The Receipts & Expenditure Method (R&E)
2. The Contractor's Method

The Receipts and Expenditure (R&E) method is primarily used to value energy installations that generate income but are rarely let or sold on the open market. This approach is based on an assessment of the economic performance of the asset, using financial data to estimate the annual value of the property for rating purposes. It focuses on the sustainable income generated by the property, excluding elements that are not rateable.

LPS applied the R&E method to a range of energy-related properties for Reval 2023 including Anaerobic Digesters, Biomass, Hydro Electric, Landfill Gas and Solar installations, where conventional rental evidence is typically unavailable.

The Contractor's method of valuation is used for energy installations that are not typically let or sold on the open market, and where the Receipts and Expenditure

method is not considered appropriate. This cost-based approach estimates the replacement cost of the asset, adjusted for depreciation and other relevant factors to arrive at a rateable value.

LPS applied the Contractor's method for Reval 2023 to Battery Storage facilities (energy storage), Combined Heat and Power Plants, and Off-Grid Wind Turbines, where rental or income-based evidence is generally unavailable.

Please note that while LPS applies standard valuation methodologies, individual valuations are case-specific and based on detailed financial and physical data. As such, there is no single formula that can be applied to estimate future rateable values.

LPS's Non-Domestic Valuation Practice Notes for NI Reval 2023 are available here:

Non Domestic Valuation practice notes (NI Reval2023) | Department of Finance