

2017 No. 857

ENERGY

**The Renewable Heat Incentive Scheme and Domestic
Renewable Heat Incentive Scheme (Amendment) (No. 2)
Regulations 2017**

<i>Made</i> - - - -	<i>29th August 2017</i>
<i>Laid before Parliament</i>	<i>30th August 2017</i>
<i>Coming into force</i> - -	<i>20th September 2017</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 100(1), 100(2)(a) and (b) and 104(2) of the Energy Act 2008(a).

In accordance with section 100(7) of that Act, the Secretary of State has obtained the consent of the Scottish Ministers to the making of these Regulations.

PART 1

Introduction

Citation and commencement

1. These Regulations may be cited as the Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) (No. 2) Regulations 2017 and come into force on 20th September 2017.

PART 2

Amendments to the Renewable Heat Incentive Scheme Regulations 2011

Amendments to the Renewable Heat Incentive Scheme Regulations 2011

2. The Renewable Heat Incentive Scheme Regulations 2011(b) are amended in accordance with this Part.

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- (a) 2008 c.32. Section 100 is amended by s.51 of the Infrastructure Act 2015 (c.7) and S.I. 2011/2195. Section 51 also amended section 105 of the Energy Act 2008 (Parliamentary control of subordinate legislation) and inserted subsections (3A) to (3I) concerning provisions which require the affirmative resolution procedure. By virtue of subsections (3A) to (3I), these Regulations do not require the affirmative procedure.
- (b) S.I. 2011/2860; relevant amending instruments are S.I. 2013/1033, 2013/3179, 2014/1413, 2015/197, 2015/1459 and 2016/257.

Amendment to regulation 2 (interpretation)

3. In regulation 2(1) insert the following definition at the appropriate place—

““fifth relevant date” means the date of coming into force of the Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) (No. 2) Regulations 2017;”.

Amendments to regulation 37 (payment of periodic support payments to participants)

4.—(1) Regulation 37 is amended as follows.

(2) In paragraph (3)—

(a) after “(15),” insert “ (15A),”;

(b) for “regulation 43(4) to (6)” substitute “regulations 37AA(1) and 43(4) to (6)”.

(3) In paragraph (6) after “(10)” insert “and regulations 37AA and 37BA”.

(4) In paragraph (7)(b) for “(11) or (12)” substitute “(11), (12) or (12A)”.

(5) In paragraph (11) for “paragraph (12)” substitute “paragraphs (12) and (12A)”.

(6) After paragraph (12) insert—

“(12A) Where an accredited RHI installation is a large biomass plant which has a tariff start date on or after 14th December 2016 but before 1st April 2017, the subsequent tariff for the period commencing with the fifth relevant date and ending with 31st March 2018 is the tariff relevant to large biomass plants set out in Schedule 3D.”.

(7) In paragraph (13) for “and (12)” substitute “, (12) and (12A)”.

(8) After paragraph (15) insert—

“(15A) For the purposes of paragraph (12A) and regulations 37AA and 37BA, where an accredited RHI installation is a biomass plant, a reference to the tariff set out in Schedule 3D is—

(a) in relation to the initial heat generated by the installation in a relevant period, a reference to the relevant tier 1 tariff specified in Schedule 3D; and

(b) in relation to all further heat generated in that same relevant period, a reference to the relevant tier 2 tariff so specified.

(15B) For the purposes of paragraph (15A), “relevant period” means—

(a) except as provided in sub-paragraph (b), the 12 month period commencing with, or with the anniversary of, the tariff start date; or

(b) where the accredited RHI installation is a large biomass plant which has a tariff start date on or after 14th December 2016 but before the fifth relevant date—

(i) the period commencing with the fifth relevant date and ending with the day before the anniversary of the tariff start date; and

(ii) thereafter, the 12 month period commencing with the anniversary of the tariff start date.”.

(9) In paragraph (16)—

(a) after “(12)(b)” insert “and regulations 37AA and 37BA”;

(b) after “the tariff set out in Schedule 3A” insert “or a reference to the tariff set out in Schedule 3D”;

(c) in sub-paragraph (a), for “Schedule 3A” substitute “that Schedule”.

(10) For paragraph (17) substitute—

“(17) “initial heat” means—

(a) for the purposes of paragraphs (15) and (16), the heat in kWhth generated by an accredited RHI installation running at its installation capacity for 1,314 hours; and

(b) for the purposes of paragraph (15A), the heat in kWhth generated by an accredited

RHI installation running at its installation capacity for 3,066 hours.”.

(11) In paragraph (20)—

- (a) after “(10B)” insert “and regulations 37AA and 37BA”;
- (b) after “the tariff set out in Schedule 3C” insert “or a reference to the tariff set out in Schedule 3D”;
- (c) in sub-paragraph (a), for “Schedule 3C” substitute “that Schedule”.

Amendments to regulation 37A (calculation of initial tariffs on or after the relevant date)

5.—(1) Regulation 37A is amended as follows.

(2) In paragraph (1) for “regulation 37(9), (10), (10A) and (10B)” substitute “regulations 37(9), (10), (10A) and (10B) and 37AA”.

(3) In paragraph (2)(a) for “regulation 37B” substitute “regulations 37B and 37BA”.

New regulation 37AA (calculation of initial tariffs for certain installations and biomethane producers with tariff start dates before 1st January 2018)

6. After regulation 37A insert—

“Calculation of initial tariffs for certain installations and biomethane producers with tariff start dates before 1st January 2018

37AA.—(1) Where an accredited RHI installation is a large biomass plant which has a tariff start date on or after 1st April 2017 but before the fifth relevant date, the initial tariff for the period commencing with the fifth relevant date and ending with 31st March 2018 is the tariff relevant to large biomass plants set out in Schedule 3D.

(2) Where, in relation to a producer of biomethane for injection, the tariff start date is on or after the fifth relevant date, but before 1st January 2018, the initial tariff is the tariff relevant to biomethane set out in Schedule 3D.

(3) Where, in relation to an accredited RHI installation, the tariff start date is on or after the fifth relevant date, but before 1st January 2018, the initial tariff is the tariff set out in Schedule 3D in relation to its source of energy or technology and installation capacity.”.

Amendment to regulation 37B (calculation of A)

7.—(1) In the heading of regulation 37B, after “A” insert “for tariff start dates before the fifth relevant date”.

(2) In regulation 37B(1) before “A” insert “where the tariff start date is before the fifth relevant date”.

New regulation 37BA (calculation of A for tariff start dates on or after 1st January 2018)

8.—(1) After regulation 37B insert—

“Calculation of A for tariff start dates on or after 1st January 2018

37BA.—(1) For the purposes of regulation 37A, where the tariff start date is on or after 1st January 2018, A is calculated as follows.

(2) If the tariff start date falls within the tariff period commencing with 1st January 2018, A is—

- (a) in relation to a producer of biomethane for injection, the tariff relevant to biomethane set out in Schedule 3D;
- (b) in relation to an accredited RHI installation, the tariff set out in Schedule 3D in

relation to its source of energy or technology and installation capacity.

(3) If the tariff start date is within any subsequent tariff period commencing with 1st July, 1st October or 1st January, A is the tariff which would have applied had the tariff start date fallen within the previous tariff period (“the previous tariff”).

(4) If the tariff start date is within any tariff period commencing on 1st April, A is the previous tariff adjusted by the percentage increase or decrease in the consumer prices index for the calendar year ending with the 31st December immediately preceding the commencement of that tariff period, the resulting figure being stated to two decimal places and rounded.”.

New Schedule 3D (new tariffs)

9. After Schedule 3C insert—

“SCHEDULE 3D Regulations 37, 37AA and 37BA

New tariffs

Table 1

<i>Tariff name</i>	<i>Source of energy and technology</i>	<i>Installation capacity</i>	<i>Tariff (pence/kWh)</i>
Small biomass plants	Solid biomass including solid biomass contained in waste which is not a new solid biomass CHP system	Less than 200kWth	Tier 1: 2.96 Tier 2: 2.08
Medium biomass plants	As above	200kWth and above up to but not including 1MWth	Tier 1: 2.96 Tier 2: 2.08
Large biomass plants	As above	1MWth and above	Tier 1: 2.96 Tier 2: 2.08
New solid biomass CHP systems	Solid biomass (excluding solid biomass contained in waste) used in CHP systems which comply with the requirements in regulation 9A	All capacities	4.29
Deep geothermal plants	Deep geothermal energy including CHP systems generating heat and power from such energy	All capacities	5.22
Small biogas plants	Biogas combustion	Less than 200kWth	2.88
Medium biogas plants	Biogas combustion	200kWth and above up to but not including 600kWth	2.26
Large biogas plants	Biogas combustion	600kWth and above	0.86
Plants which use solar collectors	Solar collectors	All capacities	10.44
Ground source heat pumps	Ground source heat pumps	All capacities	Tier 1: 9.09 Tier 2: 2.71

Air source heat pumps Producers of biomethane for injection	Air source heat pumps Biomethane injection	All capacities All biomethane injection	2.61 Tier 1: 3.20 Tier 2: 1.89 Tier 3: 1.45”
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Amendment of Schedule 4 (total expenditure)

10.—(1) Schedule 4 is amended as follows.

(2) In the table, in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”.

(3) At the end of the table insert the following rows—

“31st October 2017	£728.55 million	£364.28 million
31st January 2018	£753.27 million	£376.64 million
30th April 2018	£778.22 million	£389.11 million
Any date after 30th July 2018	£802.65 million	£401.32 million”

Amendment of Schedule 5 (expenditure in relation to individual technologies)

11.—(1) Schedule 5 is amended as follows.

(2) In Part 1, in Table 1 (small biomass plants)—

(a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;

(b) at the end of the table insert the following rows—

“31st October 2017	£160.40 million	£160.97 million	£1.72 million
31st January 2018	£162.12 million	£162.70 million	£1.72 million
30th April 2018	£163.85 million	£164.43 million	£1.73 million
Any date after 30th July 2018	£165.42 million	£166.00 million	£1.58 million”

(3) In Part 2, in Table 2 (medium biomass plants)—

(a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;

(b) at the end of the table insert the following rows—

“31st October 2017	£182.24 million	£187.29 million	£3.30 million
31st January 2018	£185.57 million	£190.61 million	£3.32 million
30th April 2018	£188.91 million	£193.96 million	£3.34 million
Any date after 30th July 2018	£192.10 million	£197.14 million	£3.19 million”

(4) In Part 3, in Table 3 (large biomass plants)—

(a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;

(b) at the end of the table insert the following rows—

“31st October 2017	£31.18 million	£38.86 million	£2.65 million
31st January 2018	£33.87 million	£41.54 million	£2.69 million

30th April 2018	£36.59 million	£44.26 million	£2.72 million
Any date after 30th July 2018	£39.30 million	£46.97 million	£2.71 million”

(5) In Part 4, in Table 6 (ground source heat pumps)—

- (a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;
- (b) at the end of the table insert the following rows—

“31st October 2017	£13.21 million	£14.67 million	£0.57 million
31st January 2018	£13.79 million	£15.25 million	£0.58 million
30th April 2018	£14.38 million	£15.83 million	£0.59 million
Any date after 30th July 2018	£14.96 million	£16.41 million	£0.58 million”

(6) In Part 5, in Table 7 (plants using solar collectors)—

- (a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;
- (b) at the end of the table insert the following rows—

“31st October 2017	£0.25 million	£0.28 million	£0.02 million
31st January 2018	£0.27 million	£0.30 million	£0.02 million
30th April 2018	£0.29 million	£0.32 million	£0.02 million
Any date after 30th July 2018	£0.32 million	£0.34 million	£0.02 million”

(7) In Part 6, in Table 9 (plants which generate heat from biogas)—

- (a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;
- (b) at the end of the table insert the following rows—

“31st October 2017	£66.15 million	£78.50 million	£4.42 million
31st January 2018	£70.63 million	£82.97 million	£4.47 million
30th April 2018	£75.15 million	£87.50 million	£4.52 million
Any date after 30th July 2018	£79.65 million	£92.00 million	£4.50 million”

(8) In Part 6, in Table 10 (producers of biomethane for injection)—

- (a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;
- (b) at the end of the table insert the following rows—

“31st October 2017	£267.37 million	£293.82 million	£10.69 million
31st January 2018	£278.17 million	£304.62 million	£10.80 million
30th April 2018	£289.07 million	£315.52 million	£10.90 million
Any date after 30th July 2018	£299.80 million	£326.25 million	£10.73 million”

(9) In Part 7, in Table 11 (new solid biomass CHP systems)—

- (a) in the first column of the final row, after “30th January 2017” insert “but before 31st

October 2017”;

(b) at the end of the table insert the following rows—

“31st October 2017	£70.20 million	£72.59 million	£1.41 million
31st January 2018	£71.62 million	£74.00 million	£1.42 million
30th April 2018	£73.05 million	£75.43 million	£1.43 million
Any date after 30th July 2018	£74.41 million	£76.80 million	£1.37 million”

(10) In Part 8, in Table 12 (deep geothermal plants)—

(a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;

(b) at the end of the table insert the following rows—

“31st October 2017	£0.25 million	£0.85 million	£0.19 million
31st January 2018	£0.44 million	£1.04 million	£0.19 million
30th April 2018	£0.63 million	£1.24 million	£0.19 million
Any date after 30th July 2018	£0.83 million	£1.43 million	£0.19 million”

(11) In Part 9, in Table 13 (air source heat pumps)—

(a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;

(b) at the end of the table insert the following rows—

“31st October 2017	£0.69 million	£1.04 million	£0.11 million
31st January 2018	£0.81 million	£1.15 million	£0.11 million
30th April 2018	£0.92 million	£1.26 million	£0.11 million
Any date after 30th July 2018	£1.04 million	£1.38 million	£0.11 million”

PART 3

Amendments to the Domestic Renewable Heat Incentive Scheme Regulations 2014

Amendments to the Domestic Renewable Heat Incentive Scheme Regulations 2014

12. The Domestic Renewable Heat Incentive Scheme Regulations 2014(a) are amended in accordance with this Part.

Amendments to regulation 2 (interpretation)

13. In regulation 2—

(a) in the definition of “initial tariff” after “plant for” insert “all or part of”;

(b) after the definition of “seasonal performance factor”, insert—

““second relevant date” means the date of coming into force of the Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) (No.

(a) S.I. 2014/928 amended by S.I. 2015/143, 2015/145, 2015/1459, 2016/257 and 2017/727.

- 2) Regulations 2017;” and
(c) in the definition of “subsequent tariff” after “plant for” insert “all or part of”.

Amendment to regulation 26 (duty to make RHI payments)

14. After regulation 26(4) insert—

“(5) In regulations 27 and 28, where the RHI payment for an accredited domestic plant is calculated for a quarterly period which starts before the second relevant date and ends on or after the second relevant date, “applicable initial tariff or subsequent tariff” means, as the case may be—

- (a) the initial tariff which applies to that plant on the second relevant date, as calculated in accordance with regulation 34; or
- (b) the subsequent tariff which applies to that plant on the second relevant date, as calculated in accordance with regulation 37.”.

Amendment to regulation 29 (calculation of deemed annual heat generation)

15. In regulation 29, for paragraphs (2) to (5) substitute—

“(2) If the accredited domestic plant is a biomass plant which provides space heating, but not heating for domestic hot water, to the RHI property, the deemed annual heat generation is—

- (a) for an accredited domestic plant with a tariff start date before the second relevant date, the heat demand for space heating specified in the relevant EPC for that property; or
- (b) for an accredited domestic plant with a tariff start date on or after the second relevant date, the lower of—
 - (i) the heat demand for space heating specified in the relevant EPC for that property; or
 - (ii) 25,000 kWh.

(3) If the accredited domestic plant is a biomass plant which provides both space heating and domestic hot water heating to the RHI property, the deemed annual heat generation is—

- (a) for an accredited domestic plant with a tariff start date before the second relevant date, the heat demand for space heating and water heating specified in the relevant EPC for that property; or
- (b) for an accredited domestic plant with a tariff start date on or after the second relevant date, the lower of—
 - (i) the heat demand for space heating and water heating specified in the relevant EPC for that property; or
 - (ii) 25,000 kWh.

(4) If the accredited domestic plant is a heat pump which provides space heating, but not heating for domestic hot water, to the RHI property, the deemed annual heat generation is—

- (a) for an accredited domestic plant with a tariff start date before the second relevant date, calculated in accordance with the following formula—

$$A \times \left(1 - \frac{1}{B} \right)$$

where—

- (i) A is the heat demand for space heating specified in the relevant EPC for that property; and

- (ii) B is the seasonal performance factor for the heat pump; or
- (b) for an accredited domestic plant with a tariff start date on or after the second relevant date, the lower of—
 - (i) the result of the formula in sub-paragraph (a); or
 - (ii) the result of the following formula—

$$C \times \left(1 - \frac{1}{B}\right)$$

where—

- (aa) C is 20,000 kWh in the case of an air source heat pump, or 30,000 kWh in the case of a ground source heat pump; and
- (bb) B is the seasonal performance factor for the heat pump.

(5) If the accredited domestic plant is a heat pump which provides both space heating and domestic hot water heating to the RHI property, the deemed annual heat generation is—

- (a) for an accredited domestic plant with a tariff start date before the second relevant date, calculated in accordance with the following formula—

$$A \times \left(1 - \frac{1}{B}\right)$$

where—

- (i) A is the heat demand for space heating and water heating specified in the relevant EPC for that property; and
- (ii) B is the seasonal performance factor for the heat pump; or
- (b) for an accredited domestic plant with a tariff start date on or after the second relevant date, the lower of—
 - (i) the result of the formula in sub-paragraph (a); or
 - (ii) the result of the following formula—

$$C \times \left(1 - \frac{1}{B}\right)$$

where—

- (aa) C is 20,000 kWh in the case of an air source heat pump, or 30,000 kWh in the case of a ground source heat pump; and
- (bb) B is the seasonal performance factor for the heat pump.”.

Amendments to regulation 34 (calculation of initial tariffs)

16.—(1) In regulation 34, after paragraph (2) insert—

“(2A) Where—

- (a) the tariff start date for the plant is on or after 1st April 2017 but before the second relevant date, the initial tariff for the period commencing on the second relevant date and ending on 31st March 2018 is the tariff for the plant’s tariff category set out in Schedule 5A; and
- (b) the tariff start date for the plant is on or after the second relevant date but before 1st January 2018, the initial tariff for the initial tariff period is the tariff for the plant’s tariff category set out in Schedule 5A.”.

(2) In regulation 34(3)—

- (a) for “In any other case” substitute “In any case not falling within paragraph (2) or (2A)”;

and

- (b) after “tariff” insert “for the initial tariff period”.

Amendment to regulation 35 (calculation of initial tariffs: calculation of A)

17. For regulation 35(2)(b) and (c) substitute—

- “(b) 1st January, 1st July or 1st October (other than 1st October 2014), A is the initial tariff that would have been applicable if the tariff start date had fallen on the day immediately preceding the commencement of that tariff period (“the previous tariff”);
- (c) 1st April, A is the previous tariff adjusted by the percentage increase or decrease, for the year ending on 31st December immediately preceding the year in which that tariff period falls, in—
- (i) the retail prices index, if the tariff period commences on 1st April 2015 or 1st April 2016; or
- (ii) the consumer prices index, if the tariff period commences on 1st April of any subsequent calendar year,
- the resulting figure being stated to two decimal places and rounded.”.

Substitution of regulation 37 (calculation of subsequent tariffs)

18. For regulation 37 substitute—

“Calculation of subsequent tariffs

37.—(1) The subsequent tariff for an accredited domestic plant is calculated in accordance with this regulation.

(2) Save as provided in paragraph (3), the subsequent tariff for a financial year is the tariff applicable to the accredited domestic plant immediately prior to the end of the previous financial year, adjusted by the percentage increase or decrease in the relevant measure of inflation for the year ending on 31st December immediately preceding the commencement of the financial year to which the subsequent tariff relates, the resulting figure being stated to two decimal places and rounded.

(3) Where—

- (a) the accredited domestic plant is a biomass plant or heat pump; and
- (b) the tariff start date for that plant is on or after 14th December 2016 but before 1st April 2017,

the subsequent tariff for the period commencing on the second relevant date and ending on 31st March 2018 is the tariff for the plant’s tariff category set out in Schedule 5A.

(4) In this regulation, “relevant measure of inflation” means—

- (a) the retail prices index, if the tariff start date is earlier than 1st April 2016; or
- (b) the consumer prices index, if the tariff start date is on or after 1st April 2016.”.

New Schedule 5A (new tariffs)

19. After Schedule 5 insert—

New tariffs

Table 1

<i>Tariff category</i>	<i>Tariff (pence/kWh)</i>
Biomass plants	6.54
Air source heat pumps	10.18
Ground source heat pumps	19.86
Solar thermal plants	20.06”

Amendment of Schedule 6 (expenditure for individual technologies)

20.—(1) Schedule 6 is amended as follows.

(2) In Part 1, in Table 1 (biomass plants)—

- (a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;
- (b) at the end of the table insert the following rows—

“31st October 2017	£44.25m	£1.31m	£49.65m	£1.78m
31st January 2018	£45.57m	£1.32m	£51.45m	£1.79m
30th April 2018	£46.91m	£1.33m	£53.26m	£1.81m
Any date after 30th July 2018	£48.21m	£1.30m	£55.03m	£1.78m”

(3) In Part 2, in Table 2 (air source heat pumps)—

- (a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;
- (b) at the end of the table insert the following rows—

“31st October 2017	£26.89m	£3.22m	£45.04m	£4.82m
31st January 2018	£30.15m	£3.26m	£49.90m	£4.86m
30th April 2018	£33.46m	£3.30m	£54.79m	£4.90m
Any date after 30th July 2018	£36.78m	£3.32m	£59.70m	£4.91m”

(4) In Part 3, in Table 3 (ground source heat pumps)—

- (a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;
- (b) at the end of the table insert the following rows—

“31st October 2017	£20.10m	£1.36m	£27.25m	£1.99m
31st January 2018	£21.48m	£1.38m	£29.25m	£2.00m
30th April 2018	£22.87m	£1.39m	£31.27m	£2.02m
Any date after 30th July 2018	£24.26m	£1.39m	£33.29m	£2.02m”

(5) In Part 4, in Table 4 (solar thermal plants)—

- (a) in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”;

(b) at the end of the table insert the following rows—

“31st October 2017	£1.83m	£0.29m	£4.22m	£0.48m
31st January 2018	£2.12m	£0.29m	£4.70m	£0.49m
30th April 2018	£2.42m	£0.30m	£5.19m	£0.49m
Any date after 30th July 2018	£2.72m	£0.30m	£5.69m	£0.49m”

29th August 2017

Richard Harrington
Parliamentary Under-Secretary of State
Department for Business, Energy and Industrial Strategy

EXPLANATORY NOTE

(This note is not part of these Regulations)

These Regulations apply to Great Britain and amend the Renewable Heat Incentive Scheme Regulations 2011 (the “2011 Regulations”) and the Domestic Renewable Heat Incentive Scheme Regulations 2014 (the “2014 Regulations”). They make a number of changes to the 2011 Regulations including: aligning biomass tariffs; amendments to biomass tariff tiering; and changes to the total expenditure, technology-specific expenditure and related figures for assessment dates from 31st October 2017. They make a number of changes to the 2014 Regulations including: limits on the maximum amount of heat that is eligible for support; increasing the tariffs for all technologies except solar thermal; changes to the technology-specific expenditure and related figures for assessment dates from 31st October 2017.

Amendments to the Renewable Heat Incentive Scheme Regulations 2011

Regulation 3 adds a definition for “fifth relevant date” as the date of coming into force of these Regulations.

Regulation 4 makes provision for the calculation of subsequent tariffs (tariffs from the 1st April following the date of accreditation or registration) for large biomass plants on or after the fifth relevant date, amends the threshold for the tier 2 tariff for small and medium biomass and introduces tariff tiering for large biomass and makes changes that are consequential to these amendments.

Regulations 5 and 7 make changes that are consequential to the amendments in regulations 6 and 8.

Regulation 6 makes provision for the calculation of initial tariffs (tariffs between the date of accreditation or registration and the following 31st March) for certain installations and producers of biomethane for injection with tariff start dates before 1st January 2018. Where a large biomass plant accredits to the scheme on or after 1st April 2017 but before the fifth relevant date, the initial tariff is replaced with the relevant tariff in the new Schedule 3D from the fifth relevant date. Where an RHI installation or a producer of biomethane for injection accredits or registers to the scheme on or after the fifth relevant date but before 1st January 2018, the initial tariff is the relevant tariff in the new Schedule 3D.

Regulation 8 makes provision for the calculation of initial tariffs for installations and producers of biomethane for injection with tariff start dates on or after 1st January 2018.

Regulation 9 inserts Schedule 3D into the 2011 Regulations with a new tariff table.

Regulations 10 and 11 amend Schedules 4 and 5 to the 2011 Regulations to provide total

expenditure, technology-specific expenditure, and related figures for assessment dates from 31st October 2017 up to 30th April 2018 and for any assessment date after 30th July 2018. Reductions in initial tariffs are triggered when the specified thresholds for forecast expenditure or growth in forecast expenditure are exceeded. Assessment dates are the dates to which data are provided by Ofgem for the purposes of determining whether there will be a reduction in initial tariffs for installations or producers of biomethane accrediting or registering in the next tariff period commencing 1st January, 1st April, 1st July or 1st October in any year.

Amendments to the Domestic Renewable Heat Incentive Scheme Regulations 2014

Regulation 13 adds a definition for “second relevant date” as the date of coming into force of these Regulations and also amends the definitions of “initial tariff” and “subsequent tariff”.

Regulation 14 makes provision for determining what the applicable initial tariff or subsequent tariff is when calculating an accredited domestic plant’s RHI payment for a quarterly period that straddles the second relevant date.

Regulation 15 amends the calculation of deemed annual heat generation by introducing technology-specific limits for ground source heat pumps, air source heat pumps, and biomass plants on the amount of heat generated by the plant that is eligible for RHI payments each year.

Regulation 16 provides that notwithstanding that the start date for an accredited domestic plant’s tariff may fall into the period beginning on 1st April 2017 and ending on the day before these Regulations come into force, that plant’s initial tariff for the period starting on the second relevant date and ending on 31st March 2018 will be replaced with that set out in the new Schedule 5A (new tariffs) to the 2014 Regulations. Where an accredited domestic plant’s tariff start date falls into the period beginning on the second relevant date and ending on 31st December 2017, that plant’s initial tariff will be that set out in the new Schedule 5A to the 2014 Regulations.

Regulation 17 amends regulation 35 of the 2014 Regulations in consequence of the insertion of Schedule 5A to the 2014 Regulations.

Regulation 18 makes amendments to the calculation of a plant’s subsequent tariff and makes provision for plants (except for solar thermal plants) whose tariff start date is on or after 14th December 2016 but before 1st April 2017 to be able to receive the higher tariffs in the new Schedule 5A to the 2014 Regulations.

Regulation 19 inserts Schedule 5A to the 2014 Regulations with a table of new technology specific-tariffs. Except for solar thermal, the technology-specific tariffs are increased.

Regulation 20 amends Schedule 6 to the 2014 Regulations to provide technology-specific expenditure and related figures for assessment dates from 31st October 2017 up to 30th April 2018 and for any assessment date after 30th July 2018. Reductions in initial tariffs are triggered when the specified thresholds for forecast expenditure or growth in forecast expenditure are exceeded. Assessment dates are the dates to which data are provided by Ofgem for the purposes of determining whether there will be a reduction in initial tariffs for installations accrediting in the next tariff period commencing 1st January, 1st April, 1st July or 1st October in any year.

The Explanatory Memorandum will be published alongside the instrument on www.legislation.gov.uk.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.

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