

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which apply to Great Britain, amend the Renewable Heat Incentive Scheme Regulations 2011 (S.I. 2011/2860) (“the RHI Regulations”) by introducing a new mechanism for setting tariffs for plants which are accredited, and producers of biomethane for injection who are registered, after these Regulations come into force.

The Renewable Incentive Scheme (Amendment) Regulations 2012 (S.I. 2012/1999) introduced into the RHI Regulations a mechanism restricting access to the scheme if the forecast for total expenditure reached a certain point (“the suspension mechanism”). The new mechanism for setting tariffs replaces the suspension mechanism.

Regulation 3 introduces new definitions setting out how the forecasts used to determine the relevant tariffs are calculated. These definitions substantially replicate the definitions previously used for the suspension mechanism.

Regulation 4 amends regulation 37 of the RHI Regulations to provide for the calculation of tariffs in respect of the period from the date of accreditation or registration until the end of the financial year (“the initial tariff”) and the tariffs payable for each subsequent year (“the subsequent tariffs”). It also requires the Authority to publish tables every three months setting out the initial tariffs for any plants which are accredited, and producers of biomethane for injection who are registered, in the next three month period.

Regulation 5 amends the RHI Regulations by inserting new regulations 37A to 37D, which set out how the initial tariffs are calculated after these Regulations come into force. It also inserts regulation 37E, which imposes a duty on the Secretary of State to publish quarterly expenditure forecasts and, if tariffs change as a result of the forecasts, tariff change notices.

Regulation 6 amends regulation 43 of the RHI Regulations to ensure that where a plant is added to an accredited RHI installation, the tariff for that plant is calculated in accordance with the new mechanism.

Regulation 7 makes changes that are consequential to the amendments in regulations 4 and 5.

Regulation 8 removes provisions relating to the suspension mechanism.

Regulation 9 inserts the Schedules used for the purposes of the calculations in new regulations 37C and 37D.

A full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from the Department of Energy and Climate Change at 3 Whitehall Place, London SW1A 2AW and is published with the Explanatory Memorandum alongside the instrument on www.legislation.gov.uk.