
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which apply to Great Britain, establish a renewable heat incentive scheme (“the scheme”) under which owners of biomass plants, heat pumps and solar thermal plants which generate heat for domestic properties may receive payments at prescribed rates (“tariffs”) when the plant generates heat for that property.

Part 2 (regulations 3 to 16), and Schedules 1 to 3, set out the criteria which must be met before a plant is eligible to participate in the scheme. Regulations 4 to 6 set out the specific requirements for each type of plant. Regulations 7 to 11 set out the requirements for installation, certification, funding of plants and requires that plants have not been previously used to generate heat and have not been accredited under the Renewable Heat Incentive Scheme Regulations 2011 (S.I. 2011/2860) (“the 2011 Regulations”). Regulation 12 sets out requirements where more than one plant heats a property. Regulation 13 identifies the circumstances in which the heat generated by a plant must be metered before the plant is eligible to participate in the scheme (“metered plants”). Regulation 14 sets out the requirements that apply where plants are metered plants, and requires that meters be positioned in accordance with regulation 15 or 16.

Part 3 (regulations 17 to 22) sets out the procedure for applying for accreditation for a plant, the powers of the Gas and Electricity Markets Authority (“the Authority”) when considering an application, relevant time limits, the circumstances in which accreditation must, or must not, be given and provides for accreditation to be given subject to conditions. Regulation 17 requires that where the meters for a metered plant are positioned in accordance with paragraph (3) or (4) of regulation 15, or paragraph (3), (4) or (5) of regulation 16, the application for accreditation of the plant must include an application for authorisation of the location and type of each of the meters used (a “metering arrangement”). Where a metering arrangement is required, regulation 21 prevents the Authority from accrediting the plant unless it has given authorisation for that metering arrangement. Schedule 4 specifies the information which must be provided for an accreditation application.

Part 4 (regulations 23 to 25) sets out the procedure for making an application for authorisation of a metering arrangement and confers powers on the Authority when considering an application and deciding whether to give authorisation.

Part 5 (regulations 26 to 32) confer on the Authority the function of making payments (“RHI payments”) to owners of accredited plants (“participants”) and sets out how those payments are calculated. Regulation 26 requires the Authority to make RHI payments and provides that RHI payments accrue for seven years from the date of the application for accreditation.

Regulation 27 provides that RHI payments for solar thermal plants, and any other plant which is not metered, are based on the heat which the plant is deemed to have generated, multiplied by the tariff applicable for the plant once any grant from public funds has been deducted.

Regulation 28 provides that RHI payments for metered plants are based on the heat generated by the plant, multiplied by the tariff applicable for the plant once any grant from public funds has been deducted and provided that the RHI payment calculated in that way does not exceed the RHI payment that would have been payable if the plant was not metered.

The remainder of Part 5 sets out, for the purposes of the calculations in regulations 27 and 28, the calculations used to determine how much heat a plant is deemed to generate each year (regulation 29), to determine how much of the heat generated by a metered plant is eligible for the purposes of

calculating RHI payments (regulations 30 and 31) and by how much the RHI payment is reduced by reference to grants from public funds (regulation 32).

Part 6 (regulations 33 to 38), and Schedules 5 and 6, provide for the determination of the tariff applicable for a plant for the purposes of the calculations in regulations 27 and 28. Regulation 33 confers on the Authority the function of calculating tariffs and publishing tariff tables. Regulations 34 to 37 set out the calculations used to determine the tariff applicable for a plant upon accreditation and each subsequent financial year. Regulation 38 imposes a duty on the Secretary of State to publish quarterly expenditure forecasts and, if tariffs changes as a result of the forecasts, tariff change notices, for the purposes of the calculation in regulation 36.

Part 7 (regulations 39 to 44) sets out ongoing obligations with which participants must comply, including requirements to give annual declarations, to provide information and to notify the Authority of any relevant change in circumstances.

Part 8 (regulations 45 to 48) sets out the procedures applicable in the event of a change of circumstances affecting accreditation of a plant or whether the plant must be metered and provides for the Authority to review accreditation and authorisation of any metering arrangement where necessary.

Part 9 (regulations 49 to 55) sets out the procedure for registration of any metering and monitoring agreement which relates to an accredited plant and which meets the requirements in Schedule 7. Regulation 49 requires the Authority to make additional payments (“metering and monitoring payments”) to participants for registered metering and monitoring agreements and specifies the amount of metering and monitoring payments. Regulation 50 sets out the procedure for making an application for registration and confers powers on the Authority when considering that application. Regulation 51 sets out the conditions to which registration is subject. Regulations 52 to 53 confer powers on the Authority when deciding whether to give registration. Regulation 56 sets out the procedures applicable in the event of a change of circumstances affecting registration. Regulation 55 confers a power on the Authority to withdraw registration.

Part 10 (regulations 56 to 62) sets out the provisions in relation to enforcement. Regulation 56 confers on the Authority or its authorised agent the power to inspect an accredited plant and its associated infrastructure and specifies the manner and circumstances in which this power may be used and the consequences of refusal. Regulations 57 to 58 confer powers on the Authority to temporarily or permanently withhold a participant’s RHI payments or reduce an RHI payment. Regulations 59 to 61 confer powers on the Authority to revoke accreditation in certain circumstances, to recover overpayments and to revoke sanctions imposed by it. Regulation 62 confers a right of review on any prospective, current or former participant affected by a decision made by the Authority under these Regulations, sets out the process by which a person may request a review of such decisions and specifies the Authority’s powers on review.

Part 11 (regulations 63 to 64) confers functions on the Secretary of State in relation to the review of the scheme. Regulation 63 requires the Secretary of State to keep the scheme under review and confers a power on the Secretary of State or an authorised agent to request entry to the property and to install meters in relation to the accredited plant for the purpose of that review. (Compliance with such a request is an ongoing obligation under regulation 39.) Regulation 64 confers a right of review on any participant affected by a decision made by the Secretary of State under these Regulations, sets out the process by which a person may request a review of such decisions and specifies the Secretary of State’s powers on review.

Part 12 (regulations 65 to 70) confer additional administrative functions on the Authority, including duties to maintain a central register of accredited plant and registered metering and monitoring agreements, to publish guidance and to provide information to the Secretary of State. Regulation 65 also imposes obligations on applicants and participants when the Authority requests information, and regulation 66 confers additional powers on the Authority when it carries out functions under these Regulations.

Part 13 (regulations 71 to 72) makes miscellaneous provision. Regulation 71 describes the form and method of communication of notices, notifications and applications under these Regulations. Regulation 72 amends the 2011 Regulations to prevent a plant which is accredited, or for which accreditation has been sought, under this scheme from also obtaining accreditation under those Regulations.

A draft of these Regulations was notified to the European Commission in accordance with [Directive 98/34/EC](#) of the European Parliament and of the Council laying down a procedure for the provision of information in the field of technical standards and regulations (OJ L 204, 21.7.1998, p.37) as amended by [Directive 98/48/EC](#) (OJ L 217, 5.8.1998, p.18).

Documents published on www.microgenerationcertification.org are also available from Gemserv Limited at 10 Fenchurch Street, London, EC3M 3BE.

Documents which can be obtained from the British Standards Institution at www.bsigroup.com can also be obtained from the British Standards Institution customer services at 389 Chiswick High Road, London, W4 4AL upon payment of a fee.

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 this instrument on www.legislation.gov.uk.