
DRAFT STATUTORY INSTRUMENTS

2014 No.

**The Domestic Renewable Heat
Incentive Scheme Regulations 2014**

PART 6

Calculation of tariffs and cost control

Calculation of initial tariffs: calculation of B

36.—(1) This regulation provides for the calculation of B for the purposes of regulation [34\(3\)\(b\)](#).

(2) B is 1 if—

- (a) the expenditure threshold is not exceeded on the relevant assessment date;
- (b) the previous value of B is 0.9 and neither the super expenditure threshold nor the growth threshold is exceeded on the relevant assessment date; or
- (c) the previous value of B is 0.8 and the growth threshold is not exceeded on the relevant assessment date.

(3) B is 0.9 if—

- (a) the previous value of B is 1 and the expenditure threshold is exceeded on the relevant assessment date but the super expenditure threshold is not exceeded on that date;
- (b) the previous value of B is 0.9 and on the relevant assessment date—
 - (i) the expenditure threshold is exceeded but the super expenditure threshold is not exceeded; and
 - (ii) the growth threshold is exceeded; or
- (c) the previous value of B is 0.8 and on the relevant assessment date—
 - (i) the expenditure threshold is exceeded; and
 - (ii) the growth threshold is exceeded but the super growth threshold is not exceeded.

(4) B is 0.8 if—

- (a) the previous value of B is 1 or 0.9 and the super expenditure threshold is exceeded on the relevant assessment date; or
- (b) the previous value of B is 0.8 and both the super expenditure threshold and the super growth threshold are exceeded on the relevant assessment date.

(5) In this regulation—

- (a) the expenditure threshold is exceeded on an assessment date if the forecast for expenditure for the relevant tariff category in relation to that date exceeds the figure specified for that tariff category and assessment date in the second column of the table in the relevant Part of Schedule 6;
- (b) the growth threshold is exceeded on an assessment date if the increase in expenditure forecast for the relevant tariff category in relation to that date exceeds the figure specified

in relation to that tariff category and date in the third column of the table in the relevant Part of Schedule 6;

- (c) the super expenditure threshold is exceeded on an assessment date if the forecast for expenditure for the relevant tariff category in relation to that date exceeds the figure specified in relation to that date in the fourth column of the table in the relevant Part of Schedule 6;
 - (d) the super growth threshold is exceeded on an assessment date if the increase in expenditure forecast for the relevant tariff category in relation to that date exceeds the figure specified in relation to that tariff category and date in the fifth column of the table in the relevant Part of Schedule 6;
 - (e) the previous value of B is, if the accredited domestic plant's tariff start date is in the tariff period commencing—
 - (i) on 1st October 2014, 1; or
 - (ii) after 1st October 2014, the value of B when the Authority calculated the initial tariffs for plants in the relevant tariff category with a tariff start date in the immediately preceding tariff period.
- (6) For the purposes of this regulation—

“relevant assessment date” means the assessment date immediately preceding the commencement of the relevant tariff period;

“relevant tariff category” means the tariff category for the accredited domestic plant; and

“relevant tariff period” means the tariff period that the tariff start date for the accredited domestic plant is in.