
DRAFT STATUTORY INSTRUMENTS

2014 No.

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

PART 6

Calculation of tariffs and cost control

Expenditure forecast statement and tariff change notice

38.—(1) The Secretary of State must publish on the GOV.UK website a statement (an “expenditure forecast statement”) in accordance with this regulation.

(2) For that purpose, the Secretary of State must determine as at the latest assessment date—

(a) for each tariff category, the forecast for expenditure in relation to the relevant plants that are in that tariff category; and

(b) the increase in expenditure forecast in relation to each tariff category.

(3) An expenditure forecast statement must set out, as at the latest assessment date—

(a) each of the forecasts for expenditure referred to in paragraph (2)(a); and

(b) each of the increase in expenditure forecasts referred to in paragraph (2)(b).

(4) Paragraph (5) applies to a tariff where—

(a) the tariff is the initial tariff for accredited domestic plants with a tariff start date in the tariff period immediately following the publication of the expenditure forecast statement (“tariff period A”);

(b) the tariff differs from the initial tariff for plants in the same tariff category with a tariff start date in the tariff period immediately preceding tariff period A; and

(c) the reason for that difference is not solely due to an increase or decrease in the retail prices index.

(5) Where this paragraph applies, the Secretary of State must also publish with the expenditure forecast statement a notice (“the tariff change notice”) setting out that tariff and identifying the tariff period and tariff category to which it relates.

(6) The expenditure forecast statement, and if applicable the tariff change notice, must be published by 1st September 2014 and 1st December 2014 and subsequently by 1st March, 1st June, 1st September and 1st December in each calendar year.

(7) In this regulation—

“estimated spend”, in relation to a relevant plant and an assessment date, means—

$$(A \times B \times C) - D$$

where—

(a) A is—

- (i) if the relevant plant is an accredited domestic plant, the deemed annual heat generation; or
 - (ii) in any other case, the amount of heat in kWh that will be the deemed annual heat generation for the plant if accreditation is given;
- (b) B is—
- (i) if the property to which the relevant plant provides heat was occupied for less than 183 days in the 12 month period ending on the RHI date for the plant, or the participant has notified the Authority that the property is occupied for less than 183 days in a 12 month period, the number of days the Secretary of State estimates that the property will be occupied in the 12 month period commencing on the assessment date divided by 365; or
 - (ii) in any other case, 1;
- (c) C is—
- (i) if the relevant plant is an accredited domestic plant, the tariff applicable to that plant on the assessment date; or
 - (ii) in any other case, the tariff that will be the initial tariff for the relevant plant if accreditation is given; and
- (d) D is—
- (i) if the relevant plant is an accredited domestic plant, the grant funding deduction for the relevant plant for the quarterly period that includes the assessment date, multiplied by 4; or
 - (ii) if the relevant plant is not an accredited domestic plant, the total value of any grants from public funds for the costs of the purchase or installation of the relevant plant which were disclosed by the person making the accreditation application at the time the application was made divided by 7, or 0 if no such grant was disclosed;
- “forecast for expenditure” means the sum of the estimated spend at an assessment date for each relevant plant which is in a tariff category;
- “increase in expenditure forecast” means the difference between the forecast for expenditure for a tariff category—
- (a) as at that assessment date; and
 - (b) as at the assessment date immediately preceding that assessment date; and
- “relevant plant” means a plant for which the first commissioning date is on or after the relevant date and where the plant is—
- (a) an accredited domestic plant; or
 - (b) a plant for which an accreditation application has been made and has not been rejected by the Authority.