

DRAFT STATUTORY INSTRUMENTS

**2018 No.**

**The Renewable Heat Incentive Scheme Regulations 2018**

**PART 3**

Accreditation, registration and tariff guarantees

**Treatment of grants from public funds**

**31.**—(1) Subject to paragraphs (2) and (6), the Authority must not accredit an eligible installation or register a producer of biomethane for injection in respect of any original biomethane or additional biomethane unless the applicant has given notice (which the Authority has no reason to believe is incorrect) that, as applicable—

- (a) no grant from public funds has been paid or will be paid in respect of any of the costs of purchasing or installing the eligible installation or any of the equipment used to produce the biomethane for which the applicant is intending to claim periodic support payments; or
- (b) such a grant was paid and has been repaid to the person or authority who made it.

(2) Where some or all of the purchase or installation costs of the eligible installation or the equipment used to produce any original biomethane were funded by any grant from public funds and—

- (a) the applicant demonstrates to the satisfaction of the Authority that the person or authority who made the grant has—
  - (i) refused to accept repayment of the grant, or
  - (ii) ceased to exist; or
- (b) paragraph (3) applies,

the Authority may accredit the eligible installation or register the producer of biomethane for injection (as the case may be), but a grant funding deduction must be deducted from each quarterly periodic support payment in accordance with paragraphs (4) and (5).

(3) This paragraph applies where—

- (a) a grant originates from funds raised by the National Lottery; and
- (b) on or after 15th July 2009 but not later than 28th November 2014—
  - (i) installation of the plant was completed and the plant was first commissioned; or
  - (ii) installation of the equipment used to produce biomethane was completed and injection of biomethane produced by that applicant has commenced.

(4) A grant funding deduction for each quarterly period is calculated in accordance with the following formula—

$$\frac{A}{80}$$

where A is—

- (a) for the quarterly period commencing on the tariff start date, the figure that the Authority believes, based on all relevant information available to the Authority at the time, represents the total value of any grants from public funds to which paragraph (2) refers;
- (b) for any subsequent quarterly period that does not include 1st April of any year, the value of A in the previous quarterly period;
- (c) for any subsequent quarterly period that includes 1st April of any year, the value of A in the previous quarterly period adjusted by the percentage increase or decrease in the consumer prices index for the previous calendar year, the resulting figure being rounded.

(5) Where a grant funding shortfall arises, the Authority must deduct from the periodic support payments (“P”) payable in the subsequent quarterly period and any quarterly period thereafter, the grant funding deduction for that period together with such part of the grant funding shortfall as remains outstanding provided that the total amount so deducted does not exceed P.

(6) Where an application for registration in respect of additional biomethane is made under regulation 77—

- (a) a reference to a grant in paragraph (1) does not include a grant in respect of equipment used to produce that additional biomethane if the equipment is also used to produce original biomethane and a grant funding deduction is already being made in respect of the grant; and
- (b) paragraphs (2) to (4) do not apply in respect of the application.

(7) In this regulation—

“grant from public funds” means a grant made by a public authority or by any person distributing funds on behalf of a public authority;

“grant funding shortfall” means the amount by which the grant funding deduction exceeds the periodic support payment in any quarterly period;

“National Lottery” means the National Lottery as referred to in section 1 of the National Lottery etc. Act 1993<sup>(1)</sup>.

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(1) 1993 c.39. Section 1 was amended by section 3 of the National Lottery Act 2006 (c.23).