EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations apply to Great Britain and amend the Renewable Heat Incentive Scheme Regulations 2011 (the "2011 Regulations") and the Domestic Renewable Heat Incentive Scheme Regulations 2014 (the "2014 Regulations"). The 2011 Regulations and 2014 Regulations create schemes under which owners of plants which generate heat from specified renewable sources and meet specified criteria, and producers of biomethane for injection, may receive payments at prescribed tariffs for heat used for eligible purposes.

The Renewable Heat Incentive Scheme Regulations 2011 – Part 2

Regulation 3 inserts definitions of "consumer prices index" and "environmental quality assurance scheme" into the interpretation provision of the 2011 Regulations, and explains how figures should be rounded to one or two decimal places, where required.

Regulation 4 sets out requirements for a scheme which is equivalent to the MCS.

Regulation 5 amends the 2011 Regulations to ensure that the calculation of any grant funding deduction is adjusted in line with the consumer prices index for participants with a tariff start date on or after 1st April 2016.

Regulation 6 provides that, in respect of biogas or solid biomass used on or after 24th March 2016, the ongoing obligation to use only sustainable biogas or sustainable solid biomass is deemed to be met where the biogas or solid biomass used meets the greenhouse gas and land criteria in the Renewables Obligation Order 2015 or the greenhouse gas emission and land criteria in the Renewables Obligation (Scotland) Order 2009 (as amended).

Regulation 7 provides that no sustainability audit report is required where the obligation to use only sustainable biogas or sustainable solid biomass is deemed to be complied with under amended regulation 36B(3)(a).

Regulation 8 provides that subsequent tariff calculations will be adjusted in accordance with the consumer prices index for all scheme participants with a tariff start date on or after 1st April 2016.

Regulation 9 provides that initial tariff calculations will be adjusted in accordance with the consumer prices index for all scheme participants with a tariff start date on or after 1st April 2017.

Regulation 10 inserts references to the Renewables Obligation Order 2015.

Regulation 11 removes the definition of "environmental quality assurance scheme" from Schedule 2.

Regulation 12 amends the land criteria in Schedule 2B in order to mirror similar provisions in the Renewables Obligation Order 2015. In particular paragraph 5 sets out the definition of what is meant by being obtained from a "sustainable source".

Regulation 13 amends Schedule 4 to the 2011 Regulations to provide total expenditure figures for the calculation of initial tariffs under regulations 37C and 37D up to 30th January 2017 and for any date thereafter.

Regulation 14 amends Schedule 5 to the 2011 Regulations to provide expenditure and related figures in relation to individual technologies (excluding heat pumps, and producers of biomethane for injection and plants which generate heat from biogas) up to 30th January 2017 and for any date thereafter. The thresholds in Schedules 4 and 5 form part of the cost control mechanism in the 2011 Regulations.

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The Domestic Heat Incentive Scheme Regulations 2014 – Part 3

Regulation 16 amends the interpretation section of the 2014 Regulations by—

- (a) clarifying the definitions for "certified installer" and "MCS register";
- (b) inserting a definition of "consumer prices index";
- (c) updating the definition for "relevant EPC" so that it includes an EPC which has been issued pursuant to a request from the Office of Gas and Electricity Markets;
- (d) removing the definition of "Green Deal Assessment"; and
- (e) explaining how figures should be rounded to two decimal places where required.

Regulation 17 further clarifies the requirements for a scheme which is equivalent to the MCS.

Regulation 18 clarifies that solar thermal collectors cannot have generated heat before the plant's first commissioning date.

Regulation 19 provides that the 183 day occupation requirement in relation to the 12 month period prior to the RHI date will not apply to eligible new-build properties.

Regulation 20 amends the 2014 Regulations to ensure that the calculation of any grant funding deduction is adjusted in line with the consumer prices index for participants with a tariff start date on or after 1st April 2016.

Regulation 21 clarifies that initial tariffs are to be stated to two decimal places.

Regulation 22 provides that initial tariff calculations will be adjusted in accordance with the consumer prices index for all scheme participants with a tariff start date on or after 1st April 2017.

Regulation 23 provides that subsequent tariff calculations will be adjusted in accordance with the consumer prices index for all scheme participants with a tariff start date on or after 1st April 2016.

Regulation 24 updates the calculation for "estimated spend" when determining the forecast for expenditure so that the Secretary of State is not required to estimate the future occupation of eligible new-build properties which do not meet the requirement prior to the RHI date.

Regulation 25 provides that the exception to the 183 day occupation requirement for eligible new-build properties will not apply where metering requirements are considered under regulation 46.

Regulation 26 removes the requirement for a Green Deal Assessment.

Regulation 27 further removes the requirement for a unique reference number relating to a Green Deal Assessment to be provided as part of an accreditation application.

Regulation 28 amends Schedule 6 to the 2014 Regulations to provide technology-specific expenditure and related figures up to 30th January 2017 and for any date thereafter.

Documents published on www.microgenerationcertification.org are also available from Gemserv Limited at 8 Fenchurch Place, London, EC3M 4AJ.

The Explanatory Memorandum will be published alongside the instrument on www.legislation.gov.uk.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.