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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

The Domestic Renewable Heat Incentive Scheme Regulations 2014 (the “2014 Regulations”) established the domestic renewable heat incentive scheme, under which owners of certain plant which generate heat, from specified renewable sources for domestic properties, may receive payments at prescribed rates (“tariffs”). The Renewable Heat Incentive Scheme Regulations 2018 (the “2018 Regulations”) revoke and replace the Renewable Heat Incentive Scheme Regulations 2011 which set out the non-domestic renewable heat incentive scheme, under which owners of plants which generate heat from specified renewable sources, and biomethane producers who produce biomethane for injection, receive payments for heat used for eligible purposes. Both sets of Regulations confer functions on the Gas and Electricity Markets Authority (“the Authority”) in connection with the administration of their respective schemes.

These Regulations amend the 2014 Regulations and the 2018 Regulations.

### **Amendments to the 2014 Regulations**

The 2014 Regulations provide that, from 27 June 2018, a participant in the domestic RHI scheme may assign their right to receive RHI payments to a third party investor. The investor must be registered with the Authority and nominated by the participant, as set out in the 2014 Regulations, and may then receive RHI payments direct from the Authority. This instrument amends the 2014 Regulations to clarify what is meant by an ‘investor’, and to ensure that, from 27 June 2018, an investor who is not registered and nominated may not receive RHI payments, either directly or indirectly.

### **Amendments to the 2018 Regulations**

This instrument amends the 2018 Regulations to make a number of changes to the non-domestic RHI scheme.

It amends the registration process for biomethane producers with effect from 20 June 2018, in particular to require that biomethane producers must specify the biogas production plant that will be used to make biomethane for the purposes of the RHI scheme and confirm that the equipment used to produce biomethane has been commissioned, and may only use a biogas production plant for the purposes of one registration.

The following changes to the 2018 Regulations have effect from 1 October 2018.

This instrument requires that a person who makes an application to become a participant in the scheme makes a declaration that any necessary environmental permits have either been granted or that no permits are required, and that their plant and its operation comply with all relevant environmental legislation.

The 2018 Regulations allow participants to submit estimated data to the Authority in exceptional circumstances when meter readings cannot be provided. This instrument limits the permitted reliance on estimated data to no more than eight quarterly periodic data submissions within a 20 year tariff lifetime, from the date this instrument comes into force. The instrument also makes a change to prevent estimated data being used where it would lead to a revision of periodic support payments that have already been made.

**Status:** *This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

This instrument also makes changes to the 2018 Regulations to enable participants whose plant breaks down to replace it with new plant, and stay on the same tariff for the remainder of their participation in the scheme. Any capacity beyond that of the original RHI accreditation will not be eligible for periodic support payments.

The Explanatory Memorandum will be published alongside the instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk).

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