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## EXPLANATORY NOTE

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

These Regulations amend the Domestic Renewable Heat Incentive Scheme Regulations 2014 (S.I. 2014/928) (“the 2014 Regulations”) and the Renewable Heat Incentive Scheme Regulations 2018 (S.I. 2018/611) (“the 2018 Regulations”). The 2014 Regulations and 2018 Regulations provide for 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 2018 Regulations continue the Non-Domestic Renewable Heat Incentive scheme established by the Renewable Heat Incentive Scheme Regulations 2011 (S.I. 2011/2860).

Part 1 provides for different coming into force dates. Provisions for closure of the Non-Domestic Renewable Heat Incentive scheme (“Scheme closure”) and extension applications come into force on 1st March 2021. Amendments to Part 5 of the 2018 Regulations in relation to biomass come into force on 1st April 2022. Amendments to the 2014 Regulations and all other amendments to the 2018 Regulations come into force on 1st April 2021.

Part 2 amends the 2014 Regulations. Regulation 3 provides for a new code of practice which applies to investors from 1st April 2021. Regulation 4 extends the time for making an accreditation application where a plant has a first commissioning date on or after 1st March 2019. Regulation 5 enables a further accreditation application to be made where the original application was rejected before 1st April 2021 because it was not received within 12 months of the first commissioning date. Regulation 6 substitutes tables used to calculate the initial tariff for the Domestic Renewable Heat Incentive Scheme.

Chapters 1 to 9 of Part 3 amend the 2018 Regulations. Chapter 1 amends definitions.

In Chapter 2, regulation 9 provides for Scheme closure, extension applications and a budget cap for extension applications for the 2022/2023 financial year. Regulation 10 removes provisions not required after Scheme closure.

Chapter 3 makes amendments consequential on Scheme closure and extension applications. Regulation 14 inserts regulation 32A which prevents payments being made under both the Non-Domestic Renewable Heat Incentive scheme and the Renewable Transport Fuel Obligation for the same proportion of biomethane.

Chapter 4 makes amendments in relation to biogas.

Chapter 5 provides for the fuel quality criteria.

In Chapter 6, regulation 23 enables periodic support payments to be made in respect of increased installation capacity of shared ground loop systems and provides for budget caps for this measure until the financial year 2023/2024. Regulation 25 enables the registration of an existing producer of biomethane for injection to be transferred to a new producer.

Chapter 7 makes consequential provision in relation to periodic support payments. Regulation 32 provides for the reduction of payments where a participant producing biogas from anaerobic digestion uses feedstock derived from fossil fuel. Regulation 33 provides that the calculation of periodic support payments to a producer of biomethane for injection is subject to the restriction on payments contained in regulation 32A (interaction with the Renewable Transport Fuel Obligation). Regulation 33 enables a participant to notify a proportion of biomethane, and for periodic support payments to be calculated on the basis of that proportion.

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

In Chapter 8, regulation 35 makes clear that the restriction on tariff start dates in regulation 3A(5) applies where an application for accreditation or registration is rejected but subsequently accepted following a review under regulation 86 of the 2018 Regulations. Regulation 36 removes the obligation for quarterly reports.

Chapter 9 extends the information requirements of Schedule 2 to extension applications and applications to modify the installation capacity of shared ground loop systems, inserts Schedule 2A which requires specific evidence for extension applications and inserts Schedule 4A which provides standards for woodfuel quality.

Version N of the Home Insulation & Energy Systems Quality Assured Contractors Scheme Code of Practice published on 21st January 2021, mentioned in regulation 3, can be accessed on the Home Insulation and Energy Systems website ( <https://www.hiesscheme.org.uk/wp-content/uploads/2021/01/HIES-Code-of-Practice-Version-N-1.pdf>), and hard copies can be obtained from or inspected at Centurion House, Leyland Business Park, Centurion Way, Leyland, PR25 3GR.

Version 6 of the Renewable Energy Consumer Code published on 28th October 2016, also mentioned in regulation 3, can be accessed on the Renewable Energy Consumer Code website (<https://www.recc.org.uk/scheme/consumer-code>), and hard copies can be obtained from or inspected at Renewable Energy Consumer Code, Brettenham House, 2-19 Lancaster Place, London WC2E 7EN.

Hard copies of the Woodsure Certification Scheme, the ENplus A1 standard, and the fuel quality standards EN 15234-1: 2011, ISO 9001: 2015 and EN ISO 17225-4: 2014, mentioned in Schedule 4A can be obtained from or inspected at Newtown Trading Estate, Severn House Unit 5, Green Ln, Tewkesbury GL20 8HD.

A full impact assessment of the effect that Part 3 of this instrument will have on the costs of business and the voluntary sector is available from the Department for Business, Energy and Industrial Strategy at 1 Victoria Street, London, SW1H 0ET and is published with the Explanatory Memorandum alongside this instrument. This impact assessment was also published on [www.legislation.gov.uk](http://www.legislation.gov.uk) alongside the Domestic Renewable Heat Incentive Scheme and Renewable Heat Incentive Scheme (Amendment) Regulations 2020 (S.I. 2020/650). A full impact assessment has not been produced for Part 2 of this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.