

2016 No. 257

ENERGY

**The Renewable Heat Incentive Scheme and Domestic
Renewable Heat Incentive Scheme (Amendment) Regulations
2016**

<i>Made</i> - - - -	<i>1st March 2016</i>
<i>Laid before Parliament</i>	<i>3rd March 2016</i>
<i>Coming into force</i> - -	<i>24th March 2016</i>

The Secretary of State, in exercise of the powers conferred by sections 100(1) and (2) and 104(2) of the Energy Act 2008(a), makes the following Regulations.

In accordance with section 100(7) of that Act, the Secretary of State has obtained the consent of the Scottish Ministers to the making of these Regulations.

PART 1

Introduction

Citation and commencement

1. These Regulations may be cited as the Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) Regulations 2016 and come into force on 24th March 2016.

PART 2

Amendments to the Renewable Heat Incentive Scheme Regulations 2011

Amendments to the Renewable Heat Incentive Scheme Regulations 2011

2. The Renewable Heat Incentive Scheme Regulations 2011(b) are amended in accordance with regulations 3 to 14.

(a) 2008 c.32; section 100 was amended by S.I. 2011/2195 and section 51 of the Infrastructure Act 2015 (c.7). Section 51 also amended section 105 of the Energy Act 2008 (Parliamentary control of subordinate legislation) and inserted subsections (3A) to (3I) concerning provisions which require the affirmative resolution procedure. These Regulations do not contain provisions of the kind described in those subsections.

(b) S.I. 2011/2860; relevant amending instruments are S.I. 2012/1999, 2013/1033, 2410 and 3179, 2014/928 and 1413, 2015/145, 197, 477 and 1459.

Amendments to regulation 2 (interpretation)

3. In regulation 2—

- (a) insert “(1)” before “In these Regulations—”;
- (b) after the definition of “commissioned” insert the following definition—
 - ““consumer prices index” means—
 - (a) the consumer prices index calculated and published by the Office of National Statistics; or
 - (b) where the index is not published for a year, any substituted index or figures published by that Office;”;
- (c) after the definition of “environmental permit” insert the following definition—
 - ““environmental quality assurance scheme” means a voluntary scheme which establishes environmental or social standards in relation to the production of biomass or matter from which biomass is derived;”;
- (d) after the definition of “working day” insert the following—
 - “(2) Where these Regulations provide for a figure to be rounded—
 - (a) if the figure is required to be stated to one decimal place, that figure must be rounded to the nearest tenth of a penny, with any twentieth of a penny being rounded upwards;
 - (b) if the figure is required to be stated to two decimal places, that figure must be rounded to the nearest hundredth of a penny, with any two hundredth of a penny being rounded upwards.”.

Amendment to regulation 13 (certification for installation of Microgeneration heating equipment)

4. For regulation 13(1)(b) substitute—

- “(b) a scheme where—
- (i) installers are certified to that scheme’s standards by a certification body or organisation accredited to EN 45011(a) or EN ISO/IEC 17065:2012(b);
- (ii) the plant is installed in accordance with the installation requirements applicable to the plant under that scheme on the plant’s first commissioning date and which are equivalent to a relevant installation standard; and
- (iii) that scheme is equivalent to the Microgeneration Certification Scheme.”.

Amendment to regulation 23 (treatment of grants from public funds)

5. For regulation 23(5)(c) substitute—

- “(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—
 - (i) the retail prices index for the previous calendar year, if the tariff start date is earlier than 1st April 2016; or
 - (ii) the consumer prices index for the previous calendar year, if the tariff start date is on or after 1st April 2016,
- the resulting figure being stated to two decimal places and rounded.”.

(a) The ISBN for the English language version of this standard is ISBN 0580294153. This standard is published by the British Standards Institution and copies can be obtained at www.bsigroup.com.

(b) The ISBN for the English language version of this standard is ISBN 9780580784729. This standard is published by the British Standards Institution and copies can be obtained at www.bsigroup.com.

Amendments to regulation 36B (ongoing obligation to use sustainable solid biomass or biogas or to produce sustainable biomethane)

6.—(1) In regulation 36B(3)(a) after “any” insert “biogas or”.

(2) In regulation 36B(3)(a)(i) after “Renewables Obligation Order 2009” insert “, the Renewables Obligation Order 2015(a)”.

(3) For regulation 36B(3)(a)(iii) substitute—

“(iii) where—

- (aa) in the case of solid biomass used before 24th March 2016, information about that solid biomass is provided to the Authority(b) in accordance with article 54 of either the Renewables Obligation Order 2009(c) or the Renewables Obligation (Scotland) Order 2009(d);
- (bb) in the case of biogas or solid biomass used on or after 24th March 2016 in a generating station in Scotland, the biogas or solid biomass meets the greenhouse gas emission criteria in paragraph 2 of Part 1 of Schedule A1A to the Renewables Obligation (Scotland) Order 2009(e) and the relevant land criteria in Schedule A2 to that Order(f); or
- (cc) in the case of biogas or solid biomass used on or after 24th March 2016 in a generating station in England or Wales, the biogas or solid biomass meets the greenhouse gas criteria in paragraph 2 of Part 1 of Schedule 2 to the Renewables Obligation Order 2015 and the relevant land criteria in Schedule 3 to that Order; or”.

Amendment to regulation 36D (sustainability audit reports)

7. For regulation 36D(3)(a) substitute—

“(a) any biogas or solid biomass in respect of which regulation 36B(1) is deemed to be complied with by virtue of regulation 36B(3)(a);”.

Amendments to regulation 37 (payment of periodic support payments to participants)

8.—(1) In regulation 37(8)—

- (a) in sub-paragraph (b) for the words from “rounded” to “rounded upwards”, substitute “stated to one decimal place and rounded”;
- (b) in sub-paragraph (c)(i) for the words from “rounded” to “rounded upwards”, substitute “stated to one decimal place and rounded”;
- (c) in sub-paragraph (c)(ii) for the words from “rounded” to “rounded upwards”, substitute “stated to one decimal place and rounded”.

(2) For regulation 37(11) substitute—

“(11) Subject to paragraph (12), for the purposes of paragraph (7)(b), the subsequent tariff for a particular subsequent year is the tariff applicable to the biomethane produced by the participant or to the installation on the 31st March immediately preceding the commencement of the subsequent year, adjusted by the percentage increase or decrease in the relevant measure of inflation for the calendar year ending on the 31st December immediately preceding the commencement of that subsequent year, the resulting figure being stated to—

(a) S.I. 2015/1947.

(b) means the Gas and Electricity Markets Authority, as defined in section 100(3) of the Energy Act 2008 (c.32).

(c) S.I. 2009/785; the relevant amending instruments are S.I. 2010/1107, 2011/984, 2013/768 and 2014/893.

(d) S.S.I. 2009/140, as amended by S.S.I. 2009/276, S.S.I. 2010/147, S.S.I. 2011/225, S.S.I. 2011/226, S.S.I. 2013/116, S.S.I. 2014/94, S.S.I. 2015/188 and S.S.I. 2015/384.

(e) Schedule A1A was inserted by S.S.I. 2015/384.

(f) Schedule A2 was substituted by S.S.I. 2015/384.

- (a) one decimal place and rounded, if the subsequent year commences on a date which is earlier than 1st April 2015; or
 - (b) two decimal places and rounded, if the subsequent year commences on or after 1st April 2015.”.
- (3) After regulation 37(11) insert—
- “(11A) In paragraph (11), the “relevant measure of inflation” is—
- (a) the retail prices index, if the tariff start date is earlier than 1st April 2016; or
 - (b) the consumer prices index, if the tariff start date is on or after 1st April 2016.”.
- (4) In regulation 37(12)(a) omit the words from “to the nearest tenth of a penny” to the end.

Amendments to regulation 37B (calculation of A)

- 9.—(1) In regulation 37B(2)—
- (a) in sub-paragraph (a) for the words from “rounded” to “rounded upwards”, substitute “stated to one decimal place and rounded”;
 - (b) in sub-paragraph (b) for the words from “rounded” to “rounded upwards”, substitute “stated to one decimal place and rounded”.
- (2) For regulation 37B(4) substitute—
- “(4) If the tariff start date is within any subsequent tariff period commencing with 1st April, A is the previous tariff adjusted by the percentage increase or decrease in the relevant measure of inflation for the calendar year ending on the 31st December immediately preceding the commencement of that subsequent tariff period, the resulting figure being stated to—
- (a) one decimal place and rounded, if the subsequent tariff period commences on a date which is earlier than 1st April 2015; or
 - (b) two decimal places and rounded, if the subsequent tariff period commences on or after 1st April 2015.”.
- (3) After regulation 37B(4) insert—
- “(4A) In paragraph (4), the “relevant measure of inflation” is—
- (a) the retail prices index, if the tariff start date is earlier than 1st April 2017; or
 - (b) the consumer prices index, if the tariff start date is on or after 1st April 2017.”.

Amendments to regulation 39C (CHP systems accredited in relation to the Renewables Obligation)

- 10.—(1) In regulation 39C(3)(a)(ii) after “Renewables Obligation Order 2009” insert “, the Renewables Obligation Order 2015”.
- (2) In regulation 39C(3)(a)(iii) for “of those Orders” substitute “the Renewables Obligation Order 2009 or the Renewables Obligation (Scotland) Order 2009, or under article 35(7) of the Renewables Obligation Order 2015”.
- (3) In regulation 39C(3)(b)(ii) after “Renewables Obligation Order 2009” insert “, the Renewables Obligation Order 2015”.
- (4) For regulation 39C(3)(b)(iii) substitute—
- “(iii) forms part of a generating station which is or at any time since it was so accredited has been—
- (aa) a qualifying combined heat and power generating station within the meaning of article 2 of the Renewables Obligation Order 2009 or the Renewables Obligation (Scotland) Order 2009; or
 - (bb) a qualifying CHP station within the meaning of article 2 of the Renewables Obligation Order 2015.”.

Amendment to Schedule 2 (provision of information in relation to the use of biomass in certain circumstances)

11. In Schedule 2 omit paragraph 5.

Amendments to Schedule 2B (land criteria)

12.—(1) Schedule 2B is amended as follows.

(2) In paragraph 2 omit the definition of “lightly forested area”.

(3) For paragraph 4 substitute—

“4. Solid biomass which is wood or wholly derived from wood (except energy crops) meets the land criteria if—

- (a) at least 70% of each consignment was obtained from a sustainable source;
- (b) where more than one consignment is used in a quarterly period, at least 70% of the solid biomass used was obtained from a sustainable source; or
- (c) the solid biomass was certified under an environmental quality assurance scheme which ensures that at least 70% of the solid biomass certified by that scheme was obtained from a sustainable source.”.

(4) For paragraph 5 substitute—

“5.—(1) For the purposes of paragraph 4, solid biomass which is wood or wholly derived from wood (except energy crops) is obtained from a sustainable source if it—

- (a) was grown within an area of forest or of other land which is managed—
 - (i) in a way that is consistent with—
 - (aa) the Forest Europe Sustainable Forest Management Criteria, or
 - (bb) a set of international principles for the sustainable management of land which meet the requirements specified in sub-paragraph (2); and
 - (ii) to meet the requirements specified in sub-paragraph (4);
- (b) was residue from arboriculture carried out in an area which was not a forest; or
- (c) was removed for the purpose of creating, restoring or maintaining the ecosystem of an area which was not a forest.

(2) The requirements specified in this sub-paragraph are that—

- (a) the principles have been adopted following a process (“the principle-setting process”) which sought to—
 - (i) obtain a balanced representation of the views of interest groupings,
 - (ii) ensure that no single interest grouping could dominate the principle-setting process, and
 - (iii) ensure that no decision on the contents of the principles could be made in the absence of agreement from a majority within each interest grouping involved in the principle-setting process; and
- (b) the principles can be changed by a process (“the change process”) which seeks to ensure that—
 - (i) no single interest grouping can dominate the change process, and
 - (ii) no decision on changes to the principles can be made in the absence of agreement from a majority within each interest grouping involved in the change process.

(3) For the purposes of sub-paragraph (2), each of the following is an interest grouping in relation to an area of forest or of other land where the solid biomass was grown—

- (a) persons with interests which are predominantly economic in nature;

- (b) persons with interests which are predominantly environmental in nature;
 - (c) persons with interests which are predominantly social in nature.
- (4) The requirements specified in this sub-paragraph are—
- (a) harm to ecosystems is minimised, in particular by—
 - (i) assessing the impacts of the extraction of wood from the area and adopting plans to minimise any negative impacts,
 - (ii) protecting soil, water and biodiversity,
 - (iii) controlling the use of chemicals and ensuring that chemicals are used in an appropriate way,
 - (iv) wherever possible, using integrated pest management (within the meaning of Article 3(6) of Directive 2009/128/EC establishing a framework for Community action to achieve the sustainable use of pesticides^(a)), and
 - (v) disposing of waste in a manner that minimises any negative impacts;
 - (b) the productivity of the area is maintained, in particular by—
 - (i) adopting plans to avoid significant negative impacts on productivity,
 - (ii) adopting procedures for the extraction of wood that minimise the impact on other uses of the area,
 - (iii) providing for all of the contractors and workers who are working in the area to be adequately trained in relation to the maintenance of productivity, and
 - (iv) maintaining an adequate inventory of the trees in the area (including data on the growth of the trees and on the extraction of wood) so as to ensure that wood is extracted from the area at a rate which does not exceed its long-term capacity to produce wood;
 - (c) compliance with the requirement in paragraph (b) is monitored, the results of that monitoring are reviewed and planning is updated accordingly;
 - (d) the health and vitality of ecosystems is maintained, in particular by—
 - (i) adopting plans to maintain or increase the health and vitality of ecosystems,
 - (ii) adopting plans to deal with natural processes or events such as fires, pests and diseases, and
 - (iii) taking adequate measures to protect the area from unauthorised activities such as illegal logging, mining and encroachment;
 - (e) biodiversity is maintained, in particular by—
 - (i) implementing safeguards to protect rare, threatened and endangered species,
 - (ii) conserving key ecosystems in their natural state, and
 - (iii) protecting features and species of outstanding or exceptional value;
 - (f) those responsible for the management of the area (and any contractors engaged by them) comply with local and national laws relating to health and safety and the welfare of workers;
 - (g) those responsible for the management of the area have regard to—
 - (i) legal, customary and traditional rights of tenure and land use,
 - (ii) mechanisms for resolving grievances and disputes including those relating to tenure and land use rights, forest or land management practices and working conditions, and
 - (iii) safeguarding the health and safety and rights of workers;

(a) OJ No L 309, 24.11.2009, p71.

- (h) there is regular assessment of the extent to which those responsible for the management of the area have met the requirements set out in paragraphs (a) to (g).”.

(5) Omit paragraphs 7 and 8.

Substitution of Schedule 4 (total expenditure)

13. For Schedule 4 substitute—

“SCHEDULE 4 Regulations 37C and 37D
Total expenditure

<i>Assessment date</i>	<i>Total expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>
30th April 2013	£ 97.2 million	£ 48.6 million
31st July 2013	£ 120.2 million	£ 60.1 million
31st October 2013	£ 143.3 million	£ 71.6 million
31st January 2014	£ 166.3 million	£ 83.2 million
30th April 2014	£ 192.8 million	£ 96.4 million
31st July 2014	£ 184.1 million	£ 92.1 million
31st October 2014	£ 207.2 million	£ 103.6 million
31st January 2015	£ 230.3 million	£ 115.1 million
30th April 2015	£ 260.9 million	£ 130.4 million
31st July 2015	£ 306.2 million	£ 153.1 million
31st October 2015	£ 351.5 million	£ 175.7 million
31st January 2016	£ 396.8 million	£ 198.4 million
30th April 2016	£ 442.1 million	£ 221.1 million
31st July 2016	£ 487.4 million	£ 243.7 million
31st October 2016	£ 532.7 million	£ 266.4 million
Any date after 30th January 2017	£ 578.0 million	£ 289.0 million”

Amendments to Schedule 5 (expenditure in relation to individual technologies)

14.—(1) Schedule 5 is amended as follows.

(2) For Table 1 in Part 1 (small biomass plants) substitute—

“Table 1

Small biomass plants

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
30th April 2013	£ 14.8 million	£ 22.2 million	-
31st July 2013	£ 16.7 million	£ 25.1 million	£ 2.9 million
31st October 2013	£ 18.7 million	£ 28.0 million	£ 2.9 million
31st January 2014	£ 20.6 million	£ 30.9 million	£ 2.9 million

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
30th April 2014	£ 22.6 million	£ 34.0 million	£ 3.1 million
31st July 2014	£ 48.8 million	£ 58.6 million	£ 8.7 million
31st October 2014	£ 56.0 million	£ 67.2 million	£ 8.7 million
31st January 2015	£ 63.2 million	£ 75.9 million	£ 8.7 million
30th April 2015	£ 71.1 million	£ 85.3 million	£ 9.5 million
31st July 2015	£ 80.3 million	£ 96.4 million	£ 11.0 million
31st October 2015	£ 89.5 million	£ 107.4 million	£ 11.0 million
31st January 2016	£ 98.7 million	£ 118.5 million	£ 11.0 million
30th April 2016	£ 107.9 million	£ 129.5 million	£ 11.0 million
31st July 2016	£ 117.1 million	£ 140.5 million	£ 11.0 million
31st October 2016	£ 126.3 million	£ 151.5 million	£ 11.0 million
Any date after 30th January 2017	£ 135.4 million	£ 162.5 million	£ 11.0 million”

(3) For Table 2 in Part 2 (medium biomass plants) substitute—

“**Table 2**

Medium biomass plants

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
30th April 2013	£ 13.4 million	£ 20.1 million	-
31st July 2013	£ 15.5 million	£ 23.2 million	£ 3.1 million
31st October 2013	£ 17.6 million	£ 26.3 million	£ 3.1 million
31st January 2014	£ 19.6 million	£ 29.4 million	£ 3.1 million
30th April 2014	£ 21.8 million	£ 32.7 million	£ 3.3 million
31st July 2014	£ 43.7 million	£ 52.5 million	£ 6.3 million
31st October 2014	£ 49.0 million	£ 58.8 million	£ 6.3 million
31st January 2015	£ 54.2 million	£ 65.1 million	£ 6.3 million
30th April 2015	£ 59.9 million	£ 71.8 million	£ 6.7 million
31st July 2015	£ 66.2 million	£ 79.4 million	£ 7.6 million
31st October 2015	£ 72.5 million	£ 87.0 million	£ 7.6 million
31st January 2016	£ 78.8 million	£ 94.5 million	£ 7.6 million
30th April 2016	£ 85.1 million	£ 102.1 million	£ 7.6 million
31st July 2016	£ 91.4 million	£ 109.7 million	£ 7.6 million
31st October 2016	£ 97.8 million	£ 117.3 million	£ 7.6 million
Any date after 30th January 2017	£ 104.1 million	£ 124.9 million	£ 7.6 million”

(4) For Table 3 in Part 3 (large biomass plants) substitute—

“Table 3

Large biomass plants

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
30th April 2013	£ 23.1 million	£ 34.7 million	-
31st July 2013	£ 27.6 million	£ 41.3 million	£ 6.6 million
31st October 2013	£ 32.0 million	£ 48.0 million	£ 6.7 million
31st January 2014	£ 36.4 million	£ 54.6 million	£ 6.6 million
30th April 2014	£ 41.2 million	£ 61.8 million	£ 7.2 million
31st July 2014	£ 10.9 million	£ 16.3 million	£ 2.2 million
31st October 2014	£ 12.4 million	£ 18.5 million	£ 2.2 million
31st January 2015	£ 13.9 million	£ 20.8 million	£ 2.2 million
30th April 2015	£ 15.8 million	£ 23.8 million	£ 3.0 million
31st July 2015	£ 18.8 million	£ 28.2 million	£ 4.5 million
31st October 2015	£ 21.8 million	£ 32.7 million	£ 4.5 million
31st January 2016	£ 24.8 million	£ 37.2 million	£ 4.5 million
30th April 2016	£ 27.8 million	£ 41.7 million	£ 4.5 million
31st July 2016	£ 30.8 million	£ 46.2 million	£ 4.5 million
31st October 2016	£ 33.8 million	£ 50.7 million	£ 4.5 million
Any date after 30th January 2017	£ 36.8 million	£ 55.2 million	£ 4.5 million”

(5) For Table 6 in Part 4 (ground source heat pumps) substitute—

“Table 6

Ground source heat pumps

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
31st July 2014	£ 7.4 million	£ 11.1 million	£ 2.3 million
31st October 2014	£ 8.9 million	£ 13.3 million	£ 2.3 million
31st January 2015	£ 10.4 million	£ 15.6 million	£ 2.3 million
30th April 2015	£ 12.6 million	£ 18.9 million	£ 3.3 million
31st July 2015	£ 16.2 million	£ 24.2 million	£ 5.4 million
31st October 2015	£ 19.7 million	£ 29.6 million	£ 5.4 million
31st January 2016	£ 23.3 million	£ 35.0 million	£ 5.4 million
30th April 2016	£ 26.9 million	£ 40.4 million	£ 5.4 million
31st July 2016	£ 30.5 million	£ 45.8 million	£ 5.4 million
31st October 2016	£ 34.1 million	£ 51.2 million	£ 5.4 million
Any date after 30th January 2017	£ 37.7 million	£ 56.6 million	£ 5.4 million”

(6) For Table 7 in Part 5 (plants using solar collectors) substitute—

“Table 7

Plants using solar collectors

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
30th April 2013	£ 4.9 million	£ 4.9 million	-
31st July 2013	£ 6.0 million	£ 6.0 million	£ 1.1 million
31st October 2013	£ 7.2 million	£ 7.2 million	£ 1.2 million
31st January 2014	£ 8.3 million	£ 8.3 million	£ 1.1 million
30th April 2014	£ 9.6 million	£ 9.6 million	£ 1.3 million
31st July 2014	£ 3.9 million	£ 3.9 million	£ 0.8 million
31st October 2014	£ 4.7 million	£ 4.7 million	£ 0.8 million
31st January 2015	£ 5.5 million	£ 5.5 million	£ 0.8 million
30th April 2015	£ 6.5 million	£ 6.5 million	£ 0.9 million
31st July 2015	£ 7.5 million	£ 7.5 million	£ 1.1 million
31st October 2015	£ 8.6 million	£ 8.6 million	£ 1.1 million
31st January 2016	£ 9.8 million	£ 9.8 million	£ 1.1 million
30th April 2016	£ 10.9 million	£ 10.9 million	£ 1.1 million
31st July 2016	£ 12.0 million	£ 12.0 million	£ 1.1 million
31st October 2016	£ 13.1 million	£ 13.1 million	£ 1.1 million
Any date after 30th January 2017	£ 14.1 million	£ 14.1 million	£ 1.1 million”

(7) For Table 9 in Part 6 (plants which generate heat from biogas) substitute—

“Table 9

Plants which generate heat from biogas

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
31st July 2014	£ 3.9 million	£ 3.9 million	£ 0.8 million
31st October 2014	£ 4.7 million	£ 4.7 million	£ 0.8 million
31st January 2015	£ 5.5 million	£ 5.5 million	£ 0.8 million
30th April 2015	£ 6.5 million	£ 6.5 million	£ 0.9 million
31st July 2015	£ 7.5 million	£ 7.5 million	£ 1.1 million
31st October 2015	£ 8.6 million	£ 8.6 million	£ 1.1 million
31st January 2016	£ 9.8 million	£ 9.8 million	£ 1.1 million
30th April 2016	£ 10.9 million	£ 10.9 million	£ 1.1 million
31st July 2016	£ 12.0 million	£ 12.0 million	£ 1.1 million
31st October 2016	£ 13.1 million	£ 13.1 million	£ 1.1 million
Any date after 30th January 2017	£ 14.1 million	£ 14.1 million	£ 1.1 million”

(8) For Table 10 in Part 6 (producers of biomethane for injection) substitute—

“Table 10

Producers of biomethane for injection

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
31st July 2014	£ 41.5 million	£ 49.8 million	£ 5.1 million
31st October 2014	£ 45.9 million	£ 55.1 million	£ 5.3 million
31st January 2015	£ 50.3 million	£ 60.4 million	£ 5.3 million
30th April 2015	£ 57.5 million	£ 69.0 million	£ 8.6 million
31st July 2015	£ 70.2 million	£ 84.2 million	£ 15.2 million
31st October 2015	£ 82.8 million	£ 99.4 million	£ 15.2 million
31st January 2016	£ 95.5 million	£ 114.6 million	£ 15.2 million
30th April 2016	£ 108.2 million	£ 129.8 million	£ 15.2 million
31st July 2016	£ 120.8 million	£ 145.0 million	£ 15.2 million
31st October 2016	£ 133.5 million	£ 160.2 million	£ 15.2 million
Any date after 30th January 2017	£ 146.2 million	£ 175.4 million	£ 15.2 million”

(9) For Table 11 in Part 7 (new solid biomass CHP systems) substitute—

“Table 11

New solid biomass CHP systems

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
31st July 2014	£ 17.9 million	£ 26.9 million	-
31st October 2014	£ 18.8 million	£ 28.2 million	£ 1.4 million
31st January 2015	£ 19.7 million	£ 29.6 million	£ 1.4 million
30th April 2015	£ 22.8 million	£ 34.2 million	£ 4.7 million
31st July 2015	£ 30.3 million	£ 45.5 million	£ 11.2 million
31st October 2015	£ 37.8 million	£ 56.7 million	£ 11.2 million
31st January 2016	£ 45.3 million	£ 68.0 million	£ 11.2 million
30th April 2016	£ 52.8 million	£ 79.2 million	£ 11.2 million
31st July 2016	£ 60.3 million	£ 90.4 million	£ 11.2 million
31st October 2016	£ 67.7 million	£ 101.6 million	£ 11.2 million
Any date after 30th January 2017	£ 75.2 million	£ 112.8 million	£ 11.2 million”

(10) For Table 12 in Part 8 (deep geothermal plants) substitute—

“Table 12

Deep geothermal plants

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
31st July 2014	£ 3.9 million	£ 3.9 million	-
31st October 2014	£ 4.7 million	£ 4.7 million	£ 0.8 million
31st January 2015	£ 5.5 million	£ 5.5 million	£ 0.8 million
30th April 2015	£ 6.5 million	£ 6.5 million	£ 0.9 million
31st July 2015	£ 7.5 million	£ 7.5 million	£ 1.1 million
31st October 2015	£ 8.6 million	£ 8.6 million	£ 1.1 million
31st January 2016	£ 9.8 million	£ 9.8 million	£ 1.1 million
30th April 2016	£ 10.9 million	£ 10.9 million	£ 1.1 million
31st July 2016	£ 12.0 million	£ 12.0 million	£ 1.1 million
31st October 2016	£ 13.1 million	£ 13.1 million	£ 1.1 million
Any date after 30th January 2017	£ 14.1 million	£ 14.1 million	£ 1.1 million”

(11) For Table 13 in Part 9 (air source heat pumps) substitute—

“Table 13

Air source heat pumps

<i>Assessment date</i>	<i>Expenditure anticipated for subsequent year</i>	<i>Expenditure threshold when calculating C for the purposes of regulation 37A</i>	<i>Anticipated increase in expenditure since previous assessment date</i>
31st July 2014	£ 12.2 million	£ 18.3 million	-
31st October 2014	£ 14.0 million	£ 21.0 million	£ 2.7 million
31st January 2015	£ 15.8 million	£ 23.7 million	£ 2.7 million
30th April 2015	£ 17.9 million	£ 26.8 million	£ 3.2 million
31st July 2015	£ 20.7 million	£ 31.0 million	£ 4.2 million
31st October 2015	£ 23.4 million	£ 35.1 million	£ 4.2 million
31st January 2016	£ 26.2 million	£ 39.3 million	£ 4.2 million
30th April 2016	£ 29.0 million	£ 43.5 million	£ 4.2 million
31st July 2016	£ 31.8 million	£ 47.7 million	£ 4.2 million
31st October 2016	£ 34.6 million	£ 51.9 million	£ 4.2 million
Any date after 30th January 2017	£ 37.4 million	£ 56.1 million	£ 4.2 million”

PART 3

Amendments to the Domestic Renewable Heat Incentive Scheme Regulations 2014

Amendments to the Domestic Renewable Heat Incentive Scheme Regulations 2014

15. The Domestic Renewable Heat Incentive Scheme Regulations 2014(a) are amended in accordance with regulations 16 to 28.

Amendments to regulation 2 (interpretation)

16. In regulation 2—

- (a) insert “(1)” before “In these Regulations—”;
- (b) for the definition of “certified installer” substitute the following definition—
 - ““certified installer” means a person who is certified by the Microgeneration Certification Scheme or a scheme—
 - (a) which is equivalent to the Microgeneration Certification Scheme; and
 - (b) under which installers are certified to that scheme’s standards by a certification body or organisation accredited to EN 45011(b) or EN ISO/IEC 17065:2012(c);”;
- (c) after the definition of “condensing plant” insert the following definition—
 - ““consumer prices index” means—
 - (a) the consumer prices index calculated and published by the Office of National Statistics; or
 - (b) where the index is not published for a year, any substituted index or figures published by that Office;”;
- (d) omit the definition of “Green Deal Assessment”;
- (e) in the definition of “MCS register” for “accredited under EN 45011 or EN ISO/IEC 17065:2012” substitute “under which installers are certified to that scheme’s standards by a certification body or organisation accredited to EN 45011 or EN ISO/IEC 17065:2012”;
- (f) for the definition of “relevant EPC” substitute the following definition—
 - ““relevant EPC” means—
 - (a) on the date on which an accredited domestic plant providing heat to an RHI property is given accreditation, the most recent Energy Performance Certificate for that property for which details have been provided to the Authority; or
 - (b) if, after the date on which an accredited domestic plant providing heat to an RHI property is given accreditation, the Authority has requested a new Energy Performance Certificate for that property, the most recent Energy Performance Certificate for that property for which details have been provided to the Authority pursuant to such a request;”;
- (g) after the definition of “working day” insert the following—
 - “(2) Where these Regulations provide for a figure to be stated to two decimal places and rounded, that figure must be rounded to the nearest hundredth of a penny with any two hundredth of a penny being rounded upwards.”.

(a) S.I. 2014/928; relevant amending instruments are 2015/143, 145 and 1459.

(b) The ISBN for the English language version of this standard is ISBN 0580294153. This standard is published by the British Standards Institution and copies can be obtained at www.bsigroup.com.

(c) The ISBN for the English language version of this standard is ISBN 9780580784729. This standard is published by the British Standards Institution and copies can be obtained at www.bsigroup.com.

Amendment to regulation 8 (certification requirements)

17. For regulation 8(1)(b) substitute—

“(b) a scheme where—

- (i) installers are certified to that scheme’s standards by a certification body or organisation accredited to EN 45011 or EN ISO/IEC 17065:2012;
- (ii) the plant is installed in accordance with the installation requirements applicable to the plant under that scheme on the plant’s first commissioning date and which are equivalent to a relevant installation standard; and
- (iii) that scheme is equivalent to the Microgeneration Certification Scheme.”.

Amendment to regulation 9 (plants used to generate heat before the first commissioning date)

18. For regulation 9(2)(a) substitute—

“(a) components, apart from solar thermal collectors (liquid filled flat plate or evacuated tubes), which solely generate heat for the purpose of heating domestic hot water;”.

Amendment to regulation 13 (plants where heat generation must be metered)

19.—(1) In regulation 13(4), before “Plant A” insert “Subject to paragraph (4A),”.

(2) After regulation 13(4) insert—

“(4A) Subject to regulation 46(1A), paragraph (4) does not apply to eligible new-build properties.”.

Amendment to regulation 32 (calculation of grant funding deduction)

20. For regulation 32(2)(b)(ii) substitute—

“(ii) includes 1st April of any calendar year, the value of A in the previous quarterly period adjusted by the percentage increase or decrease, for the calendar year ending on 31st December immediately preceding that 1st April, in—

- (aa) the retail prices index, if the tariff start date is earlier than 1st April 2016; or
- (bb) the consumer prices index, if the tariff start date is on or after 1st April 2016,

the resulting figure being stated to two decimal places and rounded.”.

Amendment to regulation 34 (calculation of initial tariffs)

21. In regulation 34(3)—

(a) after “regulation 35;” omit “and”;

(b) after “regulation 36” insert—

“; and

(c) the resulting figure is stated to two decimal places and rounded.”.

Amendment to regulation 35 (calculation of initial tariffs: calculation of A)

22. For regulation 35(2)(c) substitute—

“(c) 1st April (other than 1st April 2014), A is C adjusted by the percentage increase or decrease, for the immediately preceding calendar year, in—

- (i) the retail prices index, if the tariff period commences on 1st April 2015 or 1st April 2016; or
 - (ii) the consumer prices index, if the tariff period commences on 1st April of any subsequent calendar year,
- the resulting figure being stated to two decimal places and rounded.”.

Amendment to regulation 37 (calculation of subsequent tariffs)

23.—(1) In regulation 37(2)(b)—

- (a) for the formula “A x C” substitute—

“ $A \times (1 + C)$ ”;

- (b) omit the words from “to the nearest hundredth of a penny” to the end.

(2) In regulation 37(3)—

- (a) for the formula “B x C” substitute—

“ $B \times (1 + C)$ ”;

- (b) omit the words from “to the nearest hundredth of a penny” to the end.

(3) For regulation 37(4)(c) substitute—

“(c) C is the percentage increase or decrease, for the calendar year ending on 31st December immediately preceding the commencement of the financial year for which the subsequent tariff is being calculated, in—

- (i) the retail prices index, if the tariff start date is earlier than 1st April 2016; or
- (ii) the consumer prices index, if the tariff start date is on or after 1st April 2016. ”.

Amendments to regulation 38 (expenditure forecast statement and tariff change notice)

24.—(1) In regulation 38(4)(c), after “retail prices index” insert “or consumer prices index”.

(2) In sub-paragraph (b)(i) of the definition of “estimated spend” in regulation 38(7), after “provides heat” insert “is not an eligible new-build property and”.

Amendment to regulation 46 (changes affecting whether accredited domestic plants must be metered)

25. After regulation 46(1) insert—

“(1A) For the purposes of paragraph (1)(c), the exception for eligible new-build properties in regulation 13(4A) does not apply.”

Amendment to Schedule 3 (eligible properties)

26. In Schedule 3, for paragraph 1(2) substitute—

“(2) The requirements referred to in sub-paragraph (1)(b)(i) are that—

- (a) the property was first occupied before the first commissioning date for the plant; and
- (b) the period between the date on which the EPC was issued and the RHI date is less than 24 months.”.

Amendment to Schedule 4 (information required for accreditation)

27. In Schedule 4, omit paragraph 1(j).

Substitution of Schedule 6 (expenditure for individual technologies)

28. For Schedule 6 substitute—

“SCHEDULE 6

Regulation 36

Expenditure for individual technologies**PART 1****Biomass plants****Table 1**

<i>Assessment Date</i>	<i>Expenditure threshold</i>	<i>Growth threshold</i>	<i>Super expenditure threshold</i>	<i>Super growth threshold</i>
31st July 2014	£ 2.40m	-	£ 4.80m	-
31st October 2014	£ 4.20m	£ 1.80m	£ 8.40m	£ 3.60m
31st January 2015	£ 6.00m	£ 1.80m	£ 12.00m	£ 3.60m
30th April 2015	£ 8.40m	£ 2.40m	£ 16.80m	£ 4.80m
31st July 2015	£ 11.90m	£ 3.60m	£ 23.90m	£ 7.20m
31st October 2015	£ 15.50m	£ 3.60m	£ 31.10m	£ 7.20m
31st January 2016	£ 19.10m	£ 3.60m	£ 38.20m	£ 7.20m
30th April 2016	£ 22.70m	£ 3.60m	£ 45.40m	£ 7.20m
31st July 2016	£ 26.30m	£ 3.60m	£ 52.60m	£ 7.20m
31st October 2016	£ 29.90m	£ 3.60m	£ 59.80m	£ 7.20m
Any date after 30th January 2017	£ 33.50m	£ 3.60m	£ 67.00m	£ 7.20m

PART 2**Air source heat pumps****Table 2**

<i>Assessment Date</i>	<i>Expenditure threshold</i>	<i>Growth threshold</i>	<i>Super expenditure threshold</i>	<i>Super growth threshold</i>
31st July 2014	£ 2.40m	-	£ 4.80m	-
31st October 2014	£ 4.20m	£ 1.80m	£ 8.40m	£ 3.60m
31st January 2015	£ 6.00m	£ 1.80m	£ 12.00m	£ 3.60m
30th April 2015	£ 8.40m	£ 2.40m	£ 16.80m	£ 4.80m
31st July 2015	£ 11.90m	£ 3.60m	£ 23.90m	£ 7.20m
31st October 2015	£ 15.50m	£ 3.60m	£ 31.10m	£ 7.20m
31st January 2016	£ 19.10m	£ 3.60m	£ 38.20m	£ 7.20m
30th April 2016	£ 22.70m	£ 3.60m	£ 45.40m	£ 7.20m
31st July 2016	£ 26.30m	£ 3.60m	£ 52.60m	£ 7.20m
31st October 2016	£ 29.90m	£ 3.60m	£ 59.80m	£ 7.20m
Any date after 30th January 2017	£ 33.50m	£ 3.60m	£ 67.00m	£ 7.20m

PART 3

Ground source heat pumps

Table 3

<i>Assessment Date</i>	<i>Expenditure threshold</i>	<i>Growth threshold</i>	<i>Super expenditure threshold</i>	<i>Super growth threshold</i>
31st July 2014	£ 2.40m	-	£ 4.80m	-
31st October 2014	£ 4.20m	£ 1.80m	£ 8.40m	£ 3.60m
31st January 2015	£ 6.00m	£ 1.80m	£ 12.00m	£ 3.60m
30th April 2015	£ 8.40m	£ 2.40m	£ 16.80m	£ 4.80m
31st July 2015	£ 11.90m	£ 3.60m	£ 23.90m	£ 7.20m
31st October 2015	£ 15.50m	£ 3.60m	£ 31.10m	£ 7.20m
31st January 2016	£ 19.10m	£ 3.60m	£ 38.20m	£ 7.20m
30th April 2016	£ 22.70m	£ 3.60m	£ 45.40m	£ 7.20m
31st July 2016	£ 26.30m	£ 3.60m	£ 52.60m	£ 7.20m
31st October 2016	£ 29.90m	£ 3.60m	£ 59.80m	£ 7.20m
Any date after 30th January 2017	£ 33.50m	£ 3.60m	£ 67.00m	£ 7.20m

PART 4

Solar thermal plants

Table 4

<i>Assessment Date</i>	<i>Expenditure threshold</i>	<i>Growth threshold</i>	<i>Super expenditure threshold</i>	<i>Super growth threshold</i>
31st July 2014	£ 1.20m	-	£ 2.30m	-
31st October 2014	£ 2.10m	£ 0.90m	£ 4.10m	£ 1.80m
31st January 2015	£ 2.90m	£ 0.90m	£ 5.90m	£ 1.80m
30th April 2015	£ 3.90m	£ 1.00m	£ 7.80m	£ 1.90m
31st July 2015	£ 5.00m	£ 1.10m	£ 10.00m	£ 2.20m
31st October 2015	£ 6.10m	£ 1.10m	£ 12.20m	£ 2.20m
31st January 2016	£ 7.20m	£ 1.10m	£ 14.40m	£ 2.20m
30th April 2016	£ 8.30m	£ 1.10m	£ 16.60m	£ 2.20m
31st July 2016	£ 9.40m	£ 1.10m	£ 18.80m	£ 2.20m
31st October 2016	£ 10.50m	£ 1.10m	£ 21.00m	£ 2.20m
Any date after 30th January 2017	£ 11.60m	£ 1.10m	£ 23.20m	£ 2.20m''

1st March 2016

Bourne
Parliamentary Under Secretary of State
Department of Energy and Climate Change

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.

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.

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