STATUTORY INSTRUMENTS

2025 No. 1208

ENERGY

The Clean Heat Market Mechanism (Amendment) Regulations 2025

Made - - - -	*18th November 2025*
Laid before Parliament	*20th November 2025*
Coming into force in accordance with regulation 2	

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 143, 144, 145 and 331(2) of the Energy Act 2023(**a**).

In accordance with section 151(4) of that Act, the Secretary of State has given notice to, and considered the representations of, the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.

Citation

1. These Regulations may be cited as the Clean Heat Market Mechanism (Amendment) Regulations 2025.

Commencement

2.—(1) These Regulations come into force on 12th December 2025, subject as follows.

(2) Regulation 8 comes into force on 1st April 2026.

Extent

3. These Regulations extend to England and Wales, Scotland and Northern Ireland.

Amendments to the Clean Heat Market Mechanism Regulations 2025

4. The Clean Heat Market Mechanism Regulations 2025(**b**) are amended in accordance with the following provisions.

Regulation 2 amended (interpretation)

5. In regulation 2(1), for the definition of "certification scheme", substitute—

""certification scheme" has the meaning given in regulation 6;".

(**a**) 2023 c. 52.
(**b**) S.I. 2025/81.

Regulation 4 amended (hybrid heating systems)

6. In regulation 4(1), in sub-paragraph (b)—

(a) omit "both",

(b) for "and hot water heating", substitute "whether or not it also provides hot water heating".

Regulation 6 amended (approval of certification schemes)

7. For regulation 6, substitute—

"Certification scheme

6.—(1) The certification scheme is the Microgeneration Certification Scheme(**a**).

(2) The Secretary of State may approve a subsequent version of the Microgeneration Certification Scheme as the certification scheme.

(3) The Secretary of State, when exercising the power in paragraph (2), must publish—

(a) the details of any subsequent version of the Microgeneration Certification Scheme which is approved under paragraph (2);

(b) the date from which the subsequent version of the Microgeneration Certification Scheme is approved;

(c) the details of any transitional arrangement to the subsequent version approved under paragraph (2).

(4) In this regulation "Microgeneration Certification Scheme" means the scheme under that name operated by the MCS Service Company Ltd (a company registered in England and Wales with company number 07759366).".

Regulation 12 amended (low carbon heat target)

8. In regulation 12(2)—

(a) in sub-paragraph (a), for "6%", substitute "8%";

(b) in sub-paragraph (b), for "6%", substitute "8%".

Martin McCluskey
Parliamentary Under-Secretary of State
Department for Energy Security and Net Zero

18th November 2025

(**a**) Details of the scheme are available at mcscertified.com.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which apply in England and Wales, Scotland and Northern Ireland, amend the Clean Heat Market Mechanism Regulations 2025 (S.I. 2025/81), which established the low-carbon heat scheme known as the Clean Heat Market Mechanism ("CHMM").

The CHMM is designed to provide the UK's heating industry with the confidence and incentive to invest in developing the low-carbon heat pump market. It places an obligation on manufacturers supplying gas and oil boilers in the UK market. Manufacturers must meet targets for the installation of heat pumps in existing properties in proportion to their sales of fossil fuel boilers. Manufacturers can do this by supplying heat pumps themselves or by acquiring credits from other manufacturers.

The Microgeneration Certification Scheme (MCS) is to be named as the sole certification for the CHMM. Accordingly, Regulation 5 changes the definition of "certification scheme" to have the meaning in amended regulation 6. Regulation 7 appoints MCS as the certification scheme and gives the Secretary of State a power to approve a subsequent version of the MCS.

Regulation 6 amends the definition of a "hybrid heating system" so that a hybrid heating system (which incorporates both a heat pump and a fossil fuel appliance) is not required to provide hot water if no hot water is needed for the building. It does not amend the kind of heating appliance (hybrid heat pump) that the CHMM applies to.

Regulation 8 updates the low-carbon heat target for scheme years beginning 1st April 2026 until the target is amended again for future scheme years. The new target will be 8% of relevant boiler sales.

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