Draft Regulations laid before Parliament under section 105(2)(a) and (3) of the Energy Act 2008, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2013 No. 0000

ENERGY

The Renewable Heat Incentive Scheme (Amendment) Regulations 2013

Made - - - - ***

Coming into force in accordance with regulation 1

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

In accordance with sections 105(2)(a) and (3) of that Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

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.

Citation and commencement

1. These Regulations may be cited as the Renewable Heat Incentive Scheme (Amendment) Regulations 2013 and come into force on the day after the day on which they are made.

Amendments to the Renewable Heat Incentive Scheme Regulations 2011

2. The Renewable Heat Incentive Scheme Regulations 2011(**b**) are amended as follows.

Amendments to regulation 2

3. In regulation 2 (interpretation) insert the following definitions at the appropriate places—

"assessment date" means 31st January, 30th April, 31st July or 31st October in any year;

"average load factor"—

(a) in respect of a relevant installation (except a relevant installation within paragraph (c)) which—

(i) falls or is expected to fall within the tariff category "medium commercial biomass" or "large commercial biomass"; and

(ii) generates or is expected to generate heat for the purposes of carrying out a process,

(**a**) 2008 c.32. Section 100 is amended by S.I. 2011/2195.
(**b**) S.I. 2011/2860, amended by S.I. 2012/1999.

means the average of the estimated hours of operation per week for eligible purposes of all such installations divided by 168;

(b) in respect of a relevant installation (except a relevant installation within paragraph (a)) which falls or is expected to fall within a tariff category which fewer than 20 accredited RHI installations providing metering data fall within, means the average of the load factors of all accredited RHI installations;

(c) in respect of a relevant installation which falls or is expected to fall within a tariff category which 20 or more accredited RHI installations providing metering data fall within ("sister installations") means—

(i) if the relevant installation uses or is expected to use heat for the same eligible purposes as 20 or more of the sister installations ("twin installations"), the average of the load factors of all twin installations;

(ii) if the relevant installation does not use or is not expected to use heat for the same eligible purposes as 20 or more of the sister installations, the average of the load factors of all sister installations;

"estimated energy from biomethane", in relation to a participant who produces biomethane for injection as expressed in kWh means—

$$FR \times T \times 10$$

where—

(a) FR is the flow rate; and

(b) T is the number of hours in the year commencing with the assessment date;

"estimated heat", in relation to a relevant installation as expressed in kWhth means—

$$LF \times T \times C$$

where—

(a) LF is—

(i) if the installation has provided metering data, the load factor; or

(ii) in any other case, the average load factor applicable in respect of that installation;

(b) T is the number of hours in the year commencing with the assessment date; and

(c) C is the installation capacity of that relevant installation;

"estimated spend", in relation to—

(a) a relevant installation, means the estimated heat in relation to that installation multiplied by the relevant initial tariff or subsequent tariff calculated in accordance with regulations 37 to 37D;

(b) a participant who produces biomethane for injection, means the estimated energy from biomethane in relation to that participant multiplied by the relevant initial tariff or subsequent tariff calculated in accordance with regulations 37 to 37D;

"expenditure forecast statement" means a statement published by the Secretary of State in accordance with regulation 37E;

"flow rate", in relation to a participant who is a producer of biomethane for injection, means—

$$\frac{B}{H}$$

where—

(a) B is the volume in cubic metres of biomethane injected during all quarterly periods in respect of which the participant has received a periodic support payment; and

(b) H is the total number of hours in those quarterly periods;

"forecast for expenditure"—

(a) in relation to an assessment date and a relevant installation which falls or is expected to fall within any tariff category other than "biomethane and biogas combustion", means the sum as at that assessment date of the estimated spend for each relevant installation which falls within that tariff category;

(b) in relation to an assessment date and a relevant installation which generates or is expected to generate heat from biogas or a participant who produces biomethane for injection, means the sum as at that assessment date of—

(i) the estimated spend for each relevant installation which generates or is expected to generate heat from biogas; and

(ii) the estimated spend for each participant who produces biomethane for injection;

"forecast for total expenditure", in relation to an assessment date, means the sum as at that assessment date of—

(a) the estimated spend for each relevant installation; and

(b) the estimated spend for each participant who produces biomethane for injection;

"increase in expenditure forecast" has the meaning given in regulation 37E(1)(d);

"initial tariff" has the meaning given in regulation 37(7)(a);

"load factor" in respect of an accredited RHI installation means—

$$\frac{M}{C \times H}$$

where—

(a) M is the amount of heat in kWhth generated by that installation during all quarterly periods in respect of which it has received a periodic support payment;

(b) C is the installation capacity of that installation; and

(c) H is the total number of hours in those quarterly periods;

"relevant date" means the date of coming into force of the Renewable Heat Incentive Scheme (Amendment) Regulations 2013;

"relevant installation" means—

(a) an accredited RHI installation; or

(b) an installation for which an application for accreditation or preliminary accreditation has been made;

"subsequent tariff" has the meaning given in regulation 37(7)(b);

"tariff category" means a category of plant which is described in the second and third columns of Schedule 3 and identified by a tariff name in the first column of that Schedule;

"tariff period" is a three month period commencing with 1st January, 1st April, 1st July or 1st October in any year;

"working day" means any day other than—

(a) a Saturday, Sunday, Good Friday, or Christmas Day; or

(b) a day which is a bank holiday in England, Wales or Scotland under the Banking and Financial Dealings Act 1971(**a**).

Amendments to regulation 37

4.—(1) Regulation 37 (payment of periodic support payments to participants) is amended as follows.

(2) In paragraph (3), for "regulation 43(5)" insert "regulation 43(5) and (5B)".

(**a**) 1971 c.80.

(3) For paragraph (7), substitute—

"(7) The tariff for an accredited RHI installation or a participant who is a producer of biomethane—

(a) for the period commencing with the tariff start date and ending with the following 31st March ("the initial period"), is the tariff specified in paragraph (7A) ("the initial tariff");

(b) for each year following the initial period commencing with 1st April and ending with the following 31st March (a "subsequent year"), is the tariff specified in paragraph (7B) for the relevant subsequent year (a "subsequent tariff").

(7A) For the purposes of paragraph (7)(a), the initial tariff is—

(a) if the tariff start date is later than 27th November 2011 but earlier than 1st April 2012, the tariff set out in Schedule 3;

(b) if the tariff start date is later than 31st March 2012 but earlier than 1st April 2013, the tariff set out in Schedule 3 adjusted by the percentage increase or decrease in the retail prices index for the calendar year ending 31st December 2011 (the resulting figure being rounded to the nearest tenth of a penny, with any twentieth of a penny being rounded upwards);

(c) if the tariff start date is later than 31st March 2013 but earlier than the relevant date, the tariff set out in Schedule 3—

(i) adjusted by the percentage increase or decrease in the retail prices index for the calendar year ending 31st December 2011 (the resulting figure being rounded to the nearest tenth of a penny, with any twentieth of a penny being rounded upwards); and

(ii) further adjusted by the percentage increase or decrease in the retail prices index for the calendar year ending 31st December 2012 (the resulting figure being rounded to the nearest tenth of a penny, with any twentieth of a penny being rounded upwards).

(d) if the tariff start date is on or after the relevant date, the tariff calculated in accordance with regulations 37A to 37D.

(7B) For the purposes of paragraph (7)(b), the subsequent tariff for a particular subsequent year is the tariff applicable in relation to the installation or participant on the 31st March immediately preceding the commencement of the subsequent year, adjusted by the percentage increase or decrease in the retail prices index for the calendar year ending on the 31st December immediately preceding the commencement of that subsequent year (the resulting figure being rounded to the nearest tenth of a penny, with any twentieth of a penny being rounded upwards)."

(4) In paragraph (8)—

(a) for "tariff rates" substitute "subsequent tariffs";

(b) for "paragraph (7)" substitute "paragraphs (7) and (7B)".

(5) After paragraph (8), insert—

"(8A) The Authority must by 15th June 2013, 15th September 2013, 15th December 2013, and subsequently by 15th March, 15th June, 15th September and 15th December in each year ("the tariff publication date") publish in a table on its website the initial tariffs applicable where a tariff start date falls within the tariff period immediately following the tariff publication date."

(6) For paragraph (9), substitute—

"(9) For the purposes of paragraphs (5), (7) and (7A), and regulation 37B, where an accredited RHI installation fits within the tariff category "small commercial biomass" or "medium commercial biomass", a reference to the tariff set out in Schedule 3 is—

(a) in relation to the initial heat generated by the installation in any 12 month period commencing with, or with the anniversary of, the date of accreditation, a reference to the relevant tier 1 tariff specified in Schedule 3; and

(b) in relation to all further heat generated in that same 12 month period, a reference to the relevant tier 2 tariff so specified."

Calculation of tariffs

5. After regulation 37 insert—

"**Calculation of initial tariffs on or after the relevant date**

37A.—(1) This regulation applies for the purposes of calculating the initial tariff if the tariff start date is on or after the relevant date.

(2) Where this regulation applies, the initial tariff is calculated in accordance with the formula—

$$A \times (1 - B - C)$$

where—

(a) A is calculated in accordance with regulation 37B;

(b) B is calculated in accordance with regulation 37C; and

(c) C is calculated in accordance with regulation 37D.

Calculation of A

37B.—(1) For the purposes of regulation 37A, A is calculated as follows.

(2) If the tariff start date falls within the period commencing with the relevant date and ending with 30th June 2013, A is the tariff set out in Schedule 3—

(a) adjusted by the percentage increase or decrease in the retail prices index for the calendar year ending 31st December 2011 (the resulting figure being rounded to the nearest tenth of a penny, with any twentieth of a penny being rounded upwards);

(b) further adjusted by the percentage increase or decrease in the retail prices index for the calendar year ending 31st December 2012 (the resulting figure being rounded to the nearest tenth of a penny, with any twentieth of a penny being rounded upwards).

(3) If the tariff start date falls within any subsequent tariff period commencing with 1st July, 1st October or 1st January, A is the tariff that would have been applicable if the tariff start date had fallen on the day immediately preceding the commencement of that subsequent tariff period ("the previous tariff").

(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 retail prices index for the calendar year ending on the 31st December immediately preceding the commencement of that subsequent tariff period, the resulting figure being rounded to the nearest tenth of a penny, with any twentieth of a penny being rounded upwards.

Calculation of B

37C.—(1) For the purposes of regulation 37A, B is calculated as follows.

(2) For the purposes of this regulation—

(a) the first test is met in relation to an assessment date if the forecast for total expenditure as at that date exceeds the figure specified for that assessment date in the second column of the table in Schedule 4;

(b) the second test is met in relation to an assessment date if, as at that assessment date, the forecast for expenditure applicable to the accredited RHI installation or participant who produces biomethane for injection exceeds the figure specified in relation to that date in the second column of the table in the relevant Part of Schedule 5.

(3) B is 0 if—

(a) the tariff start date falls within the period commencing with the relevant date and ending with 30th June 2013;

(b) the first test is not met in relation to the assessment date immediately preceding the commencement of the tariff period in which the tariff start date falls ("the relevant assessment date"); or

(c) the second test is not met in relation to the relevant assessment date.

(4) B is 0.05 if—

(a) the tariff start date is later than 30th June 2013;

(b) the first test is met in relation to the relevant assessment date; and

(c) the second test is met in relation to relevant assessment date.

Calculation of C

37D.—(1) For the purposes of regulation 37A, C is calculated as follows.

(2) For the purposes of this regulation—

(a) the first test is met in relation to an assessment date if the forecast for total expenditure as at that date exceeds the figure specified for that assessment date in the third column of the table in Schedule 4;

(b) the second test is met in relation to an assessment date if, as at that assessment date, the forecast for expenditure applicable to the accredited RHI installation or participant who produces biomethane for injection exceeds the figure specified in relation to that date in the third column of the table in the relevant Part of Schedule 5;

(c) the third test is met in relation to an assessment date if, as at that assessment date, the increase in expenditure forecast applicable to the installation or participant—

(i) does not exceed the figure specified in relation to that date in the fourth column of the table in the relevant Part of Schedule 5 ("the anticipated increase figure"); or

(ii) exceeds the anticipated increase figure by less than 50% of the anticipated increase figure;

(d) the fourth test is met in relation to an assessment date if, as at that assessment date, the increase in expenditure forecast applicable to the installation or participant exceeds the anticipated increase figure by at least 50% but no more than 150%;

(e) the fifth test is met in relation to an assessment date if, as at that assessment date, the increase in expenditure forecast applicable to the installation or participant exceeds the anticipated increase figure by more than 150%.

(3) C is 0 if—

(a) the tariff start date falls within the period commencing with the relevant date and ending with 30th June 2013;

(b) the first test is not met in relation to the assessment date immediately preceding the commencement of the tariff period in which the tariff start date falls ("the relevant assessment date");

(c) the second test is not met in relation to the relevant assessment date; or

(d) the second test is met in relation to the relevant assessment date but—

(i) during the tariff period that immediately preceded the tariff period in which the tariff start date falls the value of C in relation to the applicable source of energy or technology and installation capacity, or in relation to the production of biomethane, was greater than 0; and

(ii) the third test is met.

(4) C is 0.05 if—

(a) the first test is met in relation to the relevant assessment date;

(b) the second test is met in relation to the relevant assessment date; and

(c) either—

(i) during the tariff period that immediately preceded the tariff period in which the tariff start date falls the value of C in relation to the applicable source of energy or technology and installation capacity, or in relation to the production of biomethane, was 0; or

(ii) the fourth test is met.

(5) C is 0.10 if—

(a) the first test is met in relation to the relevant assessment date;

(b) the second test is met in relation to the relevant assessment date;

(c) during the tariff period that immediately preceded the tariff period in which the tariff start date falls the value of C in relation to the applicable source of energy or technology and installation capacity, or in relation to the production of biomethane, was 0.05; and

(d) the fifth test is met.

(6) C is 0.20 if—

(a) the first test is met in relation to the relevant assessment date;

(b) the second test is met in relation to the relevant assessment date;

(c) during the tariff period that immediately preceded the tariff period in which the tariff start date falls the value of C in relation to the applicable source of energy or technology and installation capacity, or in relation to the production of biomethane, was more than 0.05; and

(d) the fifth test is met.

Expenditure forecast statement and tariff change notice

37E.—(1) The Secretary of State must publish on the GOV.UK website an expenditure forecast statement in accordance with this regulation.

(2) For that purpose the Secretary of State must determine—

(a) the forecast for total expenditure;

(b) for each tariff category other than "biomethane and biogas combustion", the forecast for expenditure in relation to the relevant installations that fall within that tariff category;

(c) the forecast for expenditure in relation to the relevant installations that generate heat from biogas and the participants who produce biomethane for injection; and

(d) in relation to each of the forecasts for expenditure referred to in sub-paragraphs (b) and (c) the increase in expenditure forecast for that tariff category, that is to say the difference between—

(i) the forecast for expenditure as at the assessment date immediately preceding the date on which the expenditure forecast is published ("the latest assessment date"); and

(ii) the forecast for expenditure as at the assessment date three months before the latest assessment date.

(3) An expenditure forecast statement must set out, as at the latest assessment date—

(a) the forecast for total expenditure;

(b) each of the forecasts for expenditure referred to in paragraph (1)(b) and (c); and

(c) each of the increase in expenditure forecasts referred to in paragraph (1)(d).

(4) If, as a result of the forecast and by virtue of paragraphs (7) and (7A) of regulation 37, the new initial tariff will be different from the former initial tariff, the Secretary of State must also—

(a) calculate the new initial tariff in accordance with those paragraphs; and

(b) publish with the expenditure forecast statement a notice ("the tariff change notice") setting out the new initial tariff and the date on which it will take effect.

(5) For the purposes of paragraph (4)—

(a) "new initial tariff" means the initial tariff for an accredited RHI installation or a producer of biomethane for injection having a start date which falls within the next tariff period;

(b) "former initial tariff" means the initial tariff that would have been applicable to the installation or producer if the tariff start date had fallen on the day immediately preceding the commencement of that tariff period.

(6) The expenditure forecast statement and, if applicable, the tariff change notice must be published by 1st June 2013, 1st September 2013, 1st December 2013 and subsequently by 1st March, 1st June, 1st September and 1st December in each year."

Amendments to regulation 43

6.—(1) Regulation 43 (treatment of additional RHI capacity) is amended as follows.

(2) For paragraph (1) substitute—

"(1) This regulation applies where a participant installs additional RHI capacity."

(3) For paragraph (4) substitute—

"(4) Paragraph (5) applies where—

(a) the date of accreditation of the original capacity is before the relevant date; and

(b) the additional RHI capacity is first commissioned within 12 months of the date on which the original installation was first commissioned."

(4) After paragraph (5) insert—

"(5A) Paragraph (5B) applies where the date of accreditation of the original capacity is on or after the relevant date and the additional RHI capacity is first commissioned within 12 months of the date on which the original installation was first commissioned.

(5B) Where this paragraph applies—

(a) the Authority may review the accreditation of the original installation and any other accredited RHI installation using the same source of energy and technology and supplying heat to the same heating system as the additional RHI capacity;

(b) if an application for accreditation is made in relation to the additional RHI capacity and such accreditation is granted—

(i) the Authority must review the accreditation of the original installation; and

(ii) from the date of the accreditation of the additional RHI capacity a participant's periodic support payments in relation to the original installation will be replaced by periodic support payments calculated using the tariffs that would have applied if, on the tariff start date for the original installation, its

installation capacity was the sum of the installation capacities of the additional RHI capacity and the original installation; and

(c) if a review undertaken in accordance with this paragraph results in a finding that a relevant ongoing obligation is no longer being complied with, the Authority may take appropriate action under Part 7."

Consequential amendments

7.—(1) For "determined in accordance with regulation 37" substitute "determined in accordance with regulations 37 to 37D" in—

(a) regulation 38(2) (periodic support payments for accredited RHI installations in simple systems);

(b) regulation 39(2) (periodic support payments for accredited RHI installations for complex systems); and

(c) regulation 42 (periodic support payments to producers of biomethane).

(2) In regulation 53(2) (reporting obligations) for "10 working days" substitute "7 working days".

Removal of certain restrictions on entry into the scheme

8.—(1) In paragraph (1) of regulation 22 (applications for accreditation), for "Subject to regulation 51A(10), an owner" substitute "An owner".

(2) In regulation 23 (exceptions to duty to accredit), omit paragraphs (6) to (8).

(3) In regulation 25 (producers of biomethane)—

(a) in paragraph (1), for "Subject to regulation 51A(10), a producer" substitute "A producer";

(b) in paragraph (4), for "(5) to (9)" substitute "(5) to (8)";

(c) in paragraph (8), for "relevant date" substitute "31st July 2012";

(d) omit paragraphs (9) and (10).

(4) In regulation 26(1) (preliminary accreditation), for "Subject to regulation 51A(12), the Authority" substitute "The Authority".

(5) Omit regulations 51A (circumstances in which entry to the scheme is restricted) and 51B (interpretation).

Expenditure Schedules

9. After Schedule 3 (tariffs), insert the Schedules set out in the Schedule below.

Name
Minister of State
Department of Energy and Climate Change

Date

SCHEDULE

Regulation 9

Expenditure Schedules

"SCHEDULE 4

Regulations 37C and 37D

Total expenditure

Table 1

Assessment date	*Total expenditure anticipated for subsequent year*	*Expenditure threshold when calculating C for the purposes of regulation 37A*
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	£ 226.1 million	£ 113.1 million
31st October 2014	£ 259.5 million	£ 129.8 million
Any date after 30th January 2015	£ 292.9 million	£ 146.5 million

SCHEDULE 5

Regulations 37C and 37D

Expenditure in relation to individual technologies

PART 1

Small commercial biomass

Table 1

Assessment date	*Expenditure anticipated for subsequent year*	*Expenditure threshold when calculating C for the purposes of regulation 37A*	*Anticipated increase in expenditure since previous assessment date*
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
30th April 2014	£ 22.6 million	£ 34 million	£ 3.1 million
31st July 2014	£ 24.9 million	£ 37.3 million	£ 3.3 million
31st October 2014	£ 27.1 million	£ 40.7 million	£ 3.4 million
Any date after 30th January 2015	£ 29.4 million	£ 44.1 million	£ 3.4 million

PART 2

Medium commercial biomass

Table 2

Assessment date	*Expenditure anticipated for subsequent year*	*Expenditure threshold when calculating C for the purposes of regulation 37A*	*Anticipated increase in expenditure since previous assessment date*
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	£ 24.1 million	£ 36.2 million	£ 3.5 million
31st October 2014	£ 26.5 million	£ 39.7 million	£ 3.5 million
Any date after 30th January 2015	£ 28.8 million	£ 43.2 million	£ 3.5 million

PART 3

Large commercial biomass

Table 3

Assessment date	*Expenditure anticipated for subsequent year*	*Expenditure threshold when calculating C for the purposes of regulation 37A*	*Anticipated increase in expenditure since previous assessment date*
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 million	£ 48 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	£ 46.8 million	£ 70.2 million	£ 8.4 million
31st October 2014	£ 52.4 million	£ 78.5 million	£ 8.3 million
Any date after 30th January 2015	£ 57.9 million	£ 86.9 million	£ 8.4 million

PART 4

Small commercial heat pumps

Table 4

Assessment date	*Expenditure anticipated for subsequent year*	*Expenditure threshold when calculating C for the purposes of regulation 37A*	*Anticipated increase in expenditure since previous assessment date*
30th April 2013	£ 28.9 million	£ 43.4 million	-
31st July 2013	£ 36.3 million	£ 54.4 million	£ 11 million

Assessment date	*Expenditure anticipated for subsequent year*	*Expenditure threshold when calculating C for the purposes of regulation 37A*	*Anticipated increase in expenditure since previous assessment date*
31st October 2013	£ 43.6 million	£ 65.5 million	£ 11.1 million
31st January 2014	£ 51 million	£ 76.5 million	£ 11 million
30th April 2014	£ 59.7 million	£ 89.5 million	£ 13 million
31st July 2014	£ 71.1 million	£ 106.7 million	£ 17.2 million
31st October 2014	£ 82.6 million	£ 123.9 million	£ 17.2 million
Any date after 30th January 2015	£ 94 million	£ 141 million	£ 17.1 million

PART 5

Large commercial heat pumps

Table 5

Assessment date	*Expenditure anticipated for subsequent year*	*Expenditure threshold when calculating C for the purposes of regulation 37A*	*Anticipated increase in expenditure since previous assessment date*
30th April 2013	£ 4.9 million	£ 4.9 million	-
31st July 2013	£ 6 million	£ 6 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	£ 11.3 million	£ 11.3 million	£ 1.7 million
31st October 2014	£ 13 million	£ 13 million	£ 1.7 million
Any date after 30th January 2015	£ 14.6 million	£ 14.6 million	£ 1.6 million

PART 6

All Solar collectors

Table 6

Assessment date	*Expenditure anticipated for subsequent year*	*Expenditure threshold when calculating C for the purposes of regulation 37A*	*Anticipated increase in expenditure since previous assessment date*
30th April 2013	£ 4.9 million	£ 4.9 million	-
31st July 2013	£ 6 million	£ 6 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	£ 11.3 million	£ 11.3 million	£ 1.7 million
31st October 2014	£ 13 million	£ 13 million	£ 1.7 million
Any date after 30th January 2015	£ 14.6 million	£ 14.6 million	£ 1.6 million

PART 7

Biomethane and biogas combustion

Table 7

Assessment date	*Expenditure anticipated for subsequent year*	*Expenditure threshold when calculating C for the purposes of regulation 37A*	*Anticipated increase in expenditure since previous assessment date*
30th April 2013	£ 12 million	£ 18 million	-
31st July 2013	£ 18.1 million	£ 27.2 million	£ 9.2 million
31st October 2013	£ 24.2 million	£ 36.3 million	£ 9.1 million
31st January 2014	£ 30.3 million	£ 45.5 million	£ 9.2 million
30th April 2014	£ 37 million	£ 55.5 million	£ 10 million
31st July 2014	£ 45 million	£ 67.5 million	£ 12 million
31st October 2014	£ 53 million	£ 79.5 million	£ 12 million
Any date after 30th January 2015	£ 61 million	£ 91.5 million	£ 12 million”

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which apply to Great Britain, amend the Renewable Heat Incentive Scheme Regulations 2011 (S.I. 2011/2860) ("the RHI Regulations") by introducing a new mechanism for setting tariffs for plants which are accredited, and producers of biomethane for injection who are registered, after these Regulations come into force.

The Renewable Incentive Scheme (Amendment) Regulations 2012 (S.I. 2012/1999) introduced into the RHI Regulations a mechanism restricting access to the scheme if the forecast for total expenditure reached a certain point ("the suspension mechanism"). The new mechanism for setting tariffs replaces the suspension mechanism.

Regulation 3 introduces new definitions setting out how the forecasts used to determine the relevant tariffs are calculated. These definitions substantially replicate the definitions previously used for the suspension mechanism.

Regulation 4 amends regulation 37 of the RHI Regulations to provide for the calculation of tariffs in respect of the period from the date of accreditation or registration until the end of the financial year ("the initial tariff") and the tariffs payable for each subsequent year ("the subsequent tariffs"). It also requires the Authority to publish tables every three months setting out the initial tariffs for any plants which are accredited, and producers of biomethane for injection who are registered, in the next three month period.

Regulation 5 amends the RHI Regulations by inserting new regulations 37A to 37D, which set out how the initial tariffs are calculated after these Regulations come into force. It also inserts regulation 37E, which imposes a duty on the Secretary of State to publish quarterly expenditure forecasts and, if tariffs change as a result of the forecasts, tariff change notices.

Regulation 6 amends regulation 43 of the RHI Regulations to ensure that where a plant is added to an accredited RHI installation, the tariff for that plant is calculated in accordance with the new mechanism.

Regulation 7 makes changes that are consequential to the amendments in regulations 4 and 5.

Regulation 8 removes provisions relating to the suspension mechanism.

Regulation 9 inserts the Schedules used for the purposes of the calculations in new regulations 37C and 37D.

A full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from the Department of Energy and Climate Change at 3 Whitehall Place, London SW1A 2AW and is published with the Explanatory Memorandum alongside the instrument on www.legislation.gov.uk.

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