STATUTORY INSTRUMENTS

2017 No. 857

ENERGY

The Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) (No. 2) Regulations 2017

Made - - - -	*29th August 2017*
Laid before Parliament	*30th August 2017*
Coming into force - -	*20th September 2017*

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

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) (No. 2) Regulations 2017 and come into force on 20th September 2017.

(**1**) 2008 c.32. Section 100 is amended by s.51 of the Infrastructure Act 2015 (c.7) and S.I. 2011/2195. 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. By virtue of subsections (3A) to (3I), these Regulations do not require the affirmative procedure.

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(**2**) are amended in accordance with this Part.

Amendment to regulation 2 (interpretation)

3. In regulation 2(1) insert the following definition at the appropriate place—

""fifth relevant date" means the date of coming into force of the Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) (No. 2) Regulations 2017;".

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

4.—(1) Regulation 37 is amended as follows.

(2) In paragraph (3)—

(a) after "(15)," insert " (15A),";

(b) for "regulation 43(4) to (6)" substitute "regulations 37AA(1) and 43(4) to (6)".

(3) In paragraph (6) after "(10)" insert "and regulations 37AA and 37BA".

(4) In paragraph (7)(b) for "(11) or (12)" substitute "(11), (12) or (12A)".

(5) In paragraph (11) for "paragraph (12)" substitute "paragraphs (12) and (12A)".

(6) After paragraph (12) insert—

"(12A) Where an accredited RHI installation is a large biomass plant which has a tariff start date on or after 14th December 2016 but before 1st April 2017, the subsequent tariff for the period commencing with the fifth relevant date and ending with 31st March 2018 is the tariff relevant to large biomass plants set out in Schedule 3D.".

(7) In paragraph (13) for "and (12)" substitute ", (12) and (12A)".

(8) After paragraph (15) insert—

"(15A) For the purposes of paragraph (12A) and regulations 37AA and 37BA, where an accredited RHI installation is a biomass plant, a reference to the tariff set out in Schedule 3D is—

(a) in relation to the initial heat generated by the installation in a relevant period, a reference to the relevant tier 1 tariff specified in Schedule 3D; and

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

(15B) For the purposes of paragraph (15A), "relevant period" means—

(a) except as provided in sub-paragraph (b), the 12 month period commencing with, or with the anniversary of, the tariff start date; or

(b) where the accredited RHI installation is a large biomass plant which has a tariff start date on or after 14th December 2016 but before the fifth relevant date—

(**2**) S.I. 2011/2860; relevant amending instruments are S.I. 2013/1033, 2013/3179, 2014/1413, 2015/197, 2015/1459 and 2016/257.

(i) the period commencing with the fifth relevant date and ending with the day before the anniversary of the tariff start date; and

(ii) thereafter, the 12 month period commencing with the anniversary of the tariff start date.".

(9) In paragraph (16)—

(a) after "(12)(b)" insert "and regulations 37AA and 37BA";

(b) after "the tariff set out in Schedule 3A" insert "or a reference to the tariff set out in Schedule 3D";

(c) in sub-paragraph (a), for "Schedule 3A" substitute "that Schedule".

(10) For paragraph (17) substitute—

"(17) "initial heat" means—

(a) for the purposes of paragraphs (15) and (16), the heat in kWhth generated by an accredited RHI installation running at its installation capacity for 1,314 hours; and

(b) for the purposes of paragraph (15A), the heat in kWhth generated by an accredited RHI installation running at its installation capacity for 3,066 hours.".

(11) In paragraph (20)—

(a) after "(10B)" insert "and regulations 37AA and 37BA";

(b) after "the tariff set out in Schedule 3C" insert "or a reference to the tariff set out in Schedule 3D";

(c) in sub-paragraph (a), for "Schedule 3C" substitute "that Schedule".

Amendments to regulation 37A (calculation of initial tariffs on or after the relevant date)

5.—(1) Regulation 37A is amended as follows.

(2) In paragraph (1) for "regulation 37(9), (10), (10A) and (10B)" substitute "regulations 37(9), (10), (10A) and (10B) and 37AA".

(3) In paragraph (2)(a) for "regulation 37B" substitute "regulations 37B and 37BA".

New regulation 37AA (calculation of initial tariffs for certain installations and biomethane producers with tariff start dates before 1st January 2018)

6. After regulation 37A insert—

"**Calculation of initial tariffs for certain installations and biomethane producers with tariff start dates before 1st January 2018**

37AA.—(1) Where an accredited RHI installation is a large biomass plant which has a tariff start date on or after 1st April 2017 but before the fifth relevant date, the initial tariff for the period commencing with the fifth relevant date and ending with 31st March 2018 is the tariff relevant to large biomass plants set out in Schedule 3D.

(2) Where, in relation to a producer of biomethane for injection, the tariff start date is on or after the fifth relevant date, but before 1st January 2018, the initial tariff is the tariff relevant to biomethane set out in Schedule 3D.

(3) Where, in relation to an accredited RHI installation, the tariff start date is on or after the fifth relevant date, but before 1st January 2018, the initial tariff is the tariff set out in Schedule 3D in relation to its source of energy or technology and installation capacity.".

Amendment to regulation 37B (calculation of A)

7.—(1) In the heading of regulation 37B, after "A" insert "for tariff start dates before the fifth relevant date".

(2) In regulation 37B(1) before "A" insert "where the tariff start date is before the fifth relevant date".

New regulation 37BA (calculation of A for tariff start dates on or after 1st January 2018)

8.—(1) After regulation 37B insert—

"**Calculation of A for tariff start dates on or after 1st January 2018**

37BA.—(1) For the purposes of regulation 37A, where the tariff start date is on or after 1st January 2018, A is calculated as follows.

(2) If the tariff start date falls within the tariff period commencing with 1st January 2018, A is—

(a) in relation to a producer of biomethane for injection, the tariff relevant to biomethane set out in Schedule 3D;

(b) in relation to an accredited RHI installation, the tariff set out in Schedule 3D in relation to its source of energy or technology and installation capacity.

(3) If the tariff start date is within any subsequent tariff period commencing with 1st July, 1st October or 1st January, A is the tariff which would have applied had the tariff start date fallen within the previous tariff period ("the previous tariff").

(4) If the tariff start date is within any tariff period commencing on 1st April, A is the previous tariff adjusted by the percentage increase or decrease in the consumer prices index for the calendar year ending with the 31st December immediately preceding the commencement of that tariff period, the resulting figure being stated to two decimal places and rounded.".

New Schedule 3D (new tariffs)

9. After Schedule 3C insert—

"SCHEDULE 3D Regulations 37, 37AA and 37BA

New tariffs

Table 1

Tariff name	*Source of energy and technology*	*Installation capacity*	*Tariff (pence/kWh)*
Small biomass plants	Solid biomass including solid biomass contained in waste which is not a new solid biomass CHP system	Less than 200kWth	Tier 1: 2.96 Tier 2: 2.08
Medium biomass plants	As above	200kWth and above up to but not including 1MWth	Tier 1: 2.96 Tier 2: 2.08

Tariff name	*Source of energy and technology*	*Installation capacity*	*Tariff (pence/kWh)*
Large biomass plants	As above	1MWth and above	Tier 1: 2.96 Tier 2: 2.08
New solid biomass CHP systems	Solid biomass (excluding solid biomass contained in waste) used in CHP systems which comply with the requirements in regulation 9A	All capacities	4.29
Deep geothermal plants	Deep geothermal energy including CHP systems generating heat and power from such energy	All capacities	5.22
Small biogas plants	Biogas combustion	Less than 200kWth	2.88
Medium biogas plants	Biogas combustion	200kWth and above up to but not including 600kWth	2.26
Large biogas plants	Biogas combustion	600kWth and above	0.86
Plants which use solar collectors	Solar collectors	All capacities	10.44
Ground source heat pumps	Ground source heat pumps	All capacities	Tier 1: 9.09 Tier 2: 2.71
Air source heat pumps	Air source heat pumps	All capacities	2.61
Producers of biomethane for injection	Biomethane injection	All biomethane injection	Tier 1: 3.20 Tier 2: 1.89 Tier 3: 1.45”

Amendment of Schedule 4 (total expenditure)

10.—(1) Schedule 4 is amended as follows.

(2) In the table, in the first column of the final row, after “30th January 2017” insert “but before 31st October 2017”.

(3) At the end of the table insert the following rows—

“31st October 2017	£728.55 million	£364.28 million
31st January 2018	£753.27 million	£376.64 million
30th April 2018	£778.22 million	£389.11 million
Any date after 30th July 2018	£802.65 million	£401.32 million”