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

2014 No. 0000

ENERGY

The Renewable Heat Incentive Scheme (Amendment) Regulations 2014

Made - - - - 2014

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(**1**).

In accordance with section 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 2014 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(**2**) are amended as follows.

Amendments to regulation 2 (interpretation)

3.—(1) Regulation 2 is amended as follows.

(2) In the definition of "average load factor"—

(a) for paragraph (a), substitute—

"(a) in respect of a relevant installation which is a large biomass plant, means—

(i) if the relevant installation uses or is expected to use heat for the same category of eligible purposes as 10 or more relevant installations which

(**1**) 2008 c. 32. Section 100 is amended by S.I.2011/2195.
(**2**) S.I. 2011 No. 2860 as amended by S.I. 2012/1999, S.I. 2013/1033, S.I. 2013/2410, S.I. 2013/3179 and S.I 2014/928.

are large biomass plants providing metering data, the average of the load factors of all such installations; or

(ii) if the relevant installation does not use or is not expected to use heat for the same category of eligible purposes as 10 or more relevant installations which are large biomass plants providing metering data, the average of the load factors of all relevant installations which are large biomass plants and are providing metering data;

(aa) in respect of a relevant installation which is a ground source heat pump with an installation capacity of at least 1MWth (a "large ground source heat pump"), means—

(i) if the relevant installation uses or is expected to use heat for the same category of eligible purposes as 5 or more relevant installations which are large ground source heat pumps providing metering data, the average of the load factors of all such installations; or

(ii) if the relevant installation does not use or is not expected to use heat for the same category of eligible purposes as 5 or more relevant installations which are large ground source heat pumps providing metering data, the average of the load factors of all relevant installations which are large ground source heat pumps providing metering data;";

(b) in paragraph (b), after "within paragraph (a)" insert "or paragraph (aa)";

(c) in paragraph (c), after "in respect of a relevant installation" insert "(except a relevant installation within paragraphs (a) or (aa))".

(3) In the definition of "estimated energy from biomethane"—

(a) for "in relation to a participant who produces biomethane for injection" substitute "in relation to an assessment date and a relevant producer";

(b) in paragraph (a), after "flow rate" insert "where the relevant producer has received a periodic support payment or the estimated flow rate in any other case"; and

(c) for paragraph (b), substitute—

"(b) T is—

(i) if the relevant producer is a participant or an application for registration has been made by that relevant producer, the number of hours in the year commencing with the assessment date;

(ii) where paragraph (i) does not apply but an application for preliminary registration has been made by the relevant producer, the number of hours in the period—

(aa) commencing on the later of the assessment date or the date identified by the applicant as the date on which injection is expected to commence; and

(bb) ending 12 months after the assessment date;".

(4) In the definition of "estimated heat"—

(a) after "in relation to" insert "an assessment date and";

(b) for paragraph (b) substitute—

"(b) T is—

(i) if the relevant installation is an accredited RHI installation or an eligible installation for which an application for accreditation has been made, the number of hours in the year commencing with the assessment date;

(ii) where paragraph (i) does not apply but the relevant installation is a plant for which an application for preliminary accreditation has been made, the number of hours in the period—

(aa) commencing on the later of the assessment date or the date identified by the applicant as the date the plant is expected to be commissioned; and

(bb) ending 12 months after the assessment date;".

(5) In the definition of "estimated spend"—

(a) in paragraph (a) after "relevant installation" insert "(except a relevant installation within paragraph (c))";

(b) for paragraph (b) substitute—

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

(c) after paragraph (b), insert—

"(c) a relevant installation which is a large installation for which the owner has given a declaration as to the total heat in kWhth which that installation is expected to generate each year for eligible purposes (or if more than one declaration has been given, the total heat identified in the latest declaration), means that heat expressed in kWhth multiplied by the relevant initial tariff or subsequent tariff calculated in accordance with regulations 37 to 37D;".

(6) In the definition of "forecast for expenditure"—

(a) in paragraph (a), omit "other than "biomethane and biogas combustion",";

(b) for paragraph (b), substitute—

"(b) in relation to an assessment date and a relevant producer, means the sum as at that assessment date of the estimated spend for each relevant producer;".

(7) For the definition of "increase in expenditure forecast", substitute—

""increase in expenditure forecast" means a figure determined under regulation 37E(2)(d) or 37F(2) as applicable;".

(8) In the definition of "installation capacity", after "in relation to a plant," insert "except where otherwise specified,".

(9) Omit the definition of "MCS".

(10) In the definition of "relevant installation", for paragraph (b), substitute—

"(b) a plant for which an application for accreditation or preliminary accreditation has been made, but does not include a plant where—

(i) the application has been rejected by the Authority;

(ii) the application has been withdrawn by the applicant; or

(iii) the Authority requires further information in order to determine whether or not the application should be granted and at least 4 months have passed since the date on which the application was made;".

(11) For the definition of "tariff category", substitute—

""tariff category" means—

(a) for the purposes of any forecast for expenditure published before the third relevant date and the determination of any periodic support payment for a tariff period commencing

earlier than 1st October 2014, 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;

(b) for any other purpose, one of the following categories—

(i) small biomass plants;

(ii) medium biomass plants;

(iii) large biomass plants;

(iv) ground source heat pumps;

(v) plants which use solar collectors;

(vi) plants which generate heat from biogas;

(vii) producers of biomethane for injection;

(viii) new solid biomass CHP systems;

(ix) deep geothermal plants;

(x) air source heat pumps;".

(12) For the definition of "tariff start date", substitute—

""tariff start date" means, except where otherwise specified,—

(a) in relation to an eligible installation, the date of accreditation of that eligible installation;

(b) in relation to additional RHI capacity, the date of accreditation of that additional RHI capacity; or

(c) in relation to a producer of biomethane—

(i) in relation to the maximum initial capacity, the date of registration in relation to that capacity, and

(ii) in relation to any maximum additional capacity, the date of registration in relation to that capacity;".

(13) Insert the following definitions at the appropriate places—

""air source heat pump" means a plant which generates heat by absorbing energy stored in the form of heat in the ambient air;";

""category of eligible purposes" means any one of the following—

(a) heating a space;

(b) heating water;

(c) heating a space and water;

(d) any other eligible purpose or combination of eligible purposes;";

""CHP system" means a system which generates power and is (or may be) operated for purposes including the supply to any premises (using liquid or steam) of heat produced in association with that power;";

""CHPQA" means, except where otherwise provided, the Combined Heat and Power Quality Assurance Standard, Issue 5, November 2013, as published by the Department of Energy and Climate Change(**3**);";

""combustion unit" means—

(a) where the fuel is solid biomass or solid biomass contained in waste, a boiler;

(b) where the fuel is biogas, a boiler, turbine or engine;";

(**3**) Available at CHPQA.decc.gov.uk.

““deep geothermal” in relation to energy, means naturally occurring energy located and extracted from at least 500 metres beneath the surface of solid earth, and a “deep geothermal plant” means a plant which generates heat using such energy;”;

““design heat load” means, in relation to ground source heat pumps that are capable of heating and cooling, the heat flow required to achieve the planned heating requirements for that plant;”;

““energy content” means the energy contained within a substance (whether measured by a calorimeter or determined in some other way) expressed in terms of the substance’s gross calorific value within the meaning of BS 7420:1991 (Guide for the determination of calorific values of solid, liquid and gaseous fuels (including definitions)(**4**);”;

““estimated flow rate”, in relation to an assessment date and a relevant producer, means—

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

where—

(a) B is the volume in cubic metres of biomethane that the relevant producer has declared as being the amount which that relevant producer expects will be produced for injection each year once injection has commenced (or if more than one declaration has been given, the volume identified in the latest declaration) or 0 if no such declaration has been given;

(b) H is the total number of hours in the year commencing with the assessment date;”;

““ground source heat pump” means a plant which generates heat by absorbing energy stored in the form of heat in the ground, including water in the ground, or in surface water, but does not include a plant which is a deep geothermal plant;”;

““large biomass plant” means a plant which generates heat or heat and power from solid biomass (including solid biomass contained in waste) with an installation capacity of at least 1MWth, and which is not a new solid biomass CHP system;”;

““large installation” means—

(a) a plant which generates heat from biogas with an installation capacity of at least 600kWth; or

(b) any other plant which has an installation capacity of at least 1MWth;”;

““maximum initial capacity” means the volume of biomethane, expressed in cubic metres per quarterly period which a participant is entitled to supply for injection under the Network Entry Agreement applicable to the biomethane in relation to which an application for registration under regulation 25 is made;”;

““medium biomass plant” means a plant which generates heat or heat and power from solid biomass including solid biomass contained in waste with an installation capacity of 200kWth or above but less than 1MWth and which is not a new solid biomass CHP system;”;

““Network Entry Agreement” means an agreement between a person who injects biomethane and a gas transporter under which the person who injects biomethane is entitled to inject biomethane into the pipe-line system operated by that gas transporter;”;

““new solid biomass CHP system” means a plant which complies with the eligibility requirements in regulation 9A;”;

““relevant producer” means—

(a) a participant who produces or proposes to produce biomethane for injection; or

(**4**) The ISBN for the English language version of this standard is ISBN 0 580 19482 5. This standard is published by the British Standards Institution and copies can be obtained at www.bsigroup.com.