
DRAFT STATUTORY INSTRUMENTS

2018 No.

The Renewable Heat Incentive Scheme Regulations 2018

PART 9

Enforcement

Power to temporarily withhold periodic support payments to investigate alleged non-compliance

78.—(1) Where the Authority has reasonable grounds to suspect—

- (a) that a participant has failed or is failing to comply with an ongoing obligation; or
- (b) that an accredited RHI installation has been given accreditation or a producer of biomethane for injection has been registered as a result of the provision of information which was incorrect in a material particular,

and the Authority requires time to investigate, it may withhold all or part of that participant's periodic support payments pending the outcome of that investigation.

(2) Within 21 days of a decision to withhold periodic support payments, the Authority must send a notice to the participant specifying—

- (a) the respect in which the Authority suspects the participant has failed or is failing to comply with an ongoing obligation, or a description of the information which the Authority suspects to be incorrect and upon which the accreditation or registration was based;
- (b) the reason why periodic support payments are being withheld;
- (c) the date from which periodic support payments will be withheld;
- (d) the next steps in the investigation; and
- (e) details of the participant's right of review.

(3) The Authority's investigation must be commenced and completed as soon as is reasonably practicable.

(4) The Authority may—

- (a) request such information from the participant as it reasonably requires to enable it to carry out its investigation;
- (b) withhold a participant's periodic support payments for a maximum period of 6 months commencing with the date specified in accordance with the notice required by paragraph (2)(c).

(5) The Authority must review its decision to withhold a participant's periodic support payments every 30 days after the date of the notice required by paragraph (2).

(6) Following a review pursuant to paragraph (5), the Authority must send a notice to the participant providing an update on—

- (a) the progress of any investigation; and
- (b) whether the Authority intends to continue to withhold periodic support payments.

(7) For the purposes of calculating the period specified in paragraph (4)(b), no account is to be taken of any period attributable to the participant's delay in providing the information requested by the Authority pursuant to paragraph (4)(a).

(8) For the purposes of paragraph (7), a participant is not to be deemed to have delayed in providing information if that participant responds within 2 weeks of a request from the Authority.

(9) Subject to paragraph (11), immediately upon conclusion of its investigation under this regulation, the Authority must send the participant a notice specifying—

- (a) the outcome of the investigation;
- (b) the action the Authority proposes to take under this Part; and
- (c) details of the participant's right of review.

(10) Subject to paragraph (11), where the Authority concludes that there has been no breach of an ongoing obligation or no provision of incorrect information, it must resume payment of periodic support payments and pay to the participant any periodic support payments withheld during the course of its investigation.

(11) Within the period specified in paragraph (4)(b), the Authority must either resume payment of periodic support payments or must send the participant a notice under regulation 79, 80, 81, 82 or 83.

Power to withhold periodic support payments: further provisions

79.—(1) Where the Authority—

- (a) is satisfied that—
 - (i) a participant has failed or is failing to comply with an ongoing obligation; or
 - (ii) an accredited RHI installation has been given accreditation or a producer of biomethane for injection has been registered as a result of the provision of information which was incorrect in a material particular; or
- (b) has reasonable grounds to suspect the matters in sub-paragraph (a)(i) or (ii), and is unable to conclude its investigation under regulation 78 within six months of the date specified in accordance with the notice required by paragraph (2)(c) as a result of the participant's delay in providing any information reasonably requested by it,

it may withhold all or part of that participant's periodic support payments.

(2) Within 21 days of a decision to withhold periodic support payments the Authority must send a notice to the participant specifying—

- (a) where there has been a failure to comply with an ongoing obligation, the respect in which the Authority is satisfied that the participant has failed or is failing to comply;
- (b) where the accredited RHI installation was given accreditation, or the participant registered as a producer of biomethane for injection, as a result of the provision of incorrect information, details of the respect in which the information was incorrect;
- (c) where paragraph (1)(b) applies, details of the respect in which the participant delayed in providing information requested by the Authority;
- (d) the amount of periodic support payments that the Authority intends to withhold in respect of each quarterly period;
- (e) the date from which periodic support payments will be withheld;
- (f) where applicable, the steps that the participant must take to satisfy the Authority that it is complying with the ongoing obligation;

- (g) where applicable, the steps that the participant must take to satisfy the Authority that, notwithstanding the provision of incorrect information, the accredited RHI installation should continue to be accredited, or the participant should continue to be registered;
- (h) where applicable, the information the participant must provide to the Authority;
- (i) the date by which the steps referred to in sub-paragraph (f) or (g) must be completed, or the information mentioned in sub-paragraph (h) must be provided;
- (j) the consequences of the participant failing to take the steps referred to in sub-paragraph (f) or (g), or to provide the information mentioned in sub-paragraph (h), by the date specified; and
- (k) details of the participant's right of review.

(3) The Authority may extend the time specified in paragraph (2)(i) where it is satisfied that it is reasonable to do so.

(4) Where the Authority is satisfied that the participant has taken the steps specified in the notice in accordance with paragraph (2)(f) or (g), or provided the information specified in the notice in accordance with paragraph (2)(h), as applicable, within the time specified, it must resume payment of the periodic support payments.

(5) If, within 6 months of receipt by the participant of a notice sent under paragraph (2), the Authority is satisfied that the participant has taken the steps specified in that notice, the Authority may pay, within 28 days of being so satisfied, all periodic support payments withheld under this regulation.

Power to reduce a participant's periodic support payments

80.—(1) Where the Authority is satisfied that there has been a material or repeated failure by a participant to comply with an ongoing obligation during any quarterly period and the periodic support payment for that quarterly period has not been paid, the Authority may take one or more of the following actions—

- (a) reduce the participant's periodic support payment by an amount which corresponds to the proportion of that quarterly period during which the participant failed so to comply;
- (b) reduce a participant's periodic support payment for that quarterly period or for the quarterly period immediately following.

(2) Within 21 days of a decision to reduce a periodic support payment, the Authority must send a notice to the participant specifying, as applicable—

- (a) the respect in which the participant has failed to comply with an ongoing obligation;
- (b) the reason why a periodic support payment is being reduced;
- (c) the period in respect of which any periodic support payment is to be reduced;
- (d) the level of any reduction; and
- (e) details of the participant's right of review.

(3) Where reducing a periodic support payment in accordance with paragraph (1)(b), the Authority may determine the level of the reduction (taking into consideration all factors which it considers relevant) up to a maximum reduction of 10% of the periodic support payment in question.

Revocation of accreditation or registration

81.—(1) Where the Authority is satisfied—

- (a) that there has been a material or repeated failure by a participant to comply with an ongoing obligation;

- (b) an accredited RHI installation has been accredited or a producer of biomethane for injection has been registered as a result of the provision of information which was incorrect in a material particular; or
- (c) there has been a failure to comply with a notice under regulation 79(2),

it may take any of the actions in paragraph (2).

(2) The actions in this paragraph are that the Authority may—

- (a) revoke accreditation for the accredited RHI installation in respect of which paragraph (1) applies;
- (b) revoke accreditation for any other accredited RHI installation owned by that participant; or
- (c) in relation to a participant who is a producer of biomethane for injection, revoke that participant's registration.

(3) Before revoking an accreditation or registration under this regulation, the Authority must send a notice to the participant specifying—

- (a) the reason for the intended revocation including details of the respect in which the participant has failed to comply or the information was incorrect;
- (b) an explanation of the effect of the revocation; and
- (c) details of the participant's right of review.

(4) Where the accreditation of an accredited RHI installation, or a participant's registration as a producer of biomethane for injection, has been revoked, the Authority may—

- (a) refuse to accredit any eligible installations owned by the same person or a connected person; or
- (b) refuse to register that person or a connected person as a producer of biomethane for injection,

at any future date.

Power to correct the level of tariff being paid to a participant

82.—(1) Where periodic support payments are being paid to a participant in accordance with a guaranteed tariff, if the Authority is satisfied that the information upon which the tariff guarantee was based was incorrect in a material particular it may—

- (a) revoke accreditation for the accredited RHI installation or registration for a participant who is a producer of biomethane for injection; or
- (b) reduce the level of periodic support payments to the level which would have applied had the tariff guarantee not been granted.

(2) Before revoking an accreditation or registration or reducing the level of periodic support payments under this regulation, the Authority must send a notice to the participant specifying, as applicable—

- (a) the reason for the intended revocation including details of the respect in which the information upon which the tariff guarantee was based was incorrect;
- (b) an explanation of the effect of the revocation;
- (c) the level to which the participant's future periodic support payments will be reduced;
- (d) the basis on which those payments are calculated; and
- (e) details of the participant's right of review.

Overpayment notices and offsetting

83.—(1) Where the Authority is satisfied that a participant or former participant has received periodic support payments which—

- (a) exceed that participant’s entitlement;
- (b) were paid whilst there was a failure by that person to comply with an ongoing obligation, or following such a failure; or
- (c) were paid as a result of the provision of information which was incorrect in a material particular,

it may take one of the actions set out in paragraph (2).

(2) The actions in this paragraph are that the Authority may—

- (a) require a participant or former participant who has received periodic support payments to which paragraph (1) applies, to repay a specified sum in relation to some or all of those payments; or
- (b) offset a specified sum in relation to some or all of those payments against future periodic support payments.

(3) Before taking either of the actions set out in paragraph (2), the Authority must send the participant or former participant a notice specifying—

- (a) the sum it is seeking to recover;
- (b) the basis on which that sum is calculated;
- (c) whether the specified sum must be repaid or will be offset;
- (d) where applicable, the date by which the sum must be repaid;
- (e) where applicable, the amount which will be offset in each quarterly period and the time it will take for the sum to be recovered; and
- (f) details of the participant’s or former participant’s right of review.

(4) Where a participant or former participant who is required to repay a specified sum under this regulation or regulation 74(3)(b) fails to make payment in full by the date specified under paragraph (3)(d), the Authority may recover any outstanding sum as a civil debt.

Revocation of sanctions

84.—(1) The Authority may at any time revoke a sanction imposed in accordance with regulations 78 to 83 if it is satisfied that—

- (a) there was an error involved in the original imposition of the sanction; or
- (b) it is just and equitable in the particular circumstances of the case to do so.

(2) Within 21 days of a decision to revoke a sanction, the Authority must send a notice to the participant specifying—

- (a) the sanction which has been revoked;
- (b) the reason for the revocation;
- (c) what action if any the Authority proposes to take in relation to any loss incurred by the participant as a result of the imposition of the sanction including the time within which any action will be taken; and
- (d) details of someone within the Authority whom the participant may contact if they are not satisfied with the proposals made by the Authority under sub-paragraph (c).

Power to inspect accredited RHI installations and equipment used to produce biomethane

85.—(1) The Authority or its authorised agent may request entry without notice at any reasonable hour to inspect an accredited RHI installation or equipment used to produce biomethane and its associated infrastructure to do any one or more of the following—

- (a) verify that the participant is complying with all applicable ongoing obligations;
- (b) verify meter readings;
- (c) take samples and remove them from the premises for analysis;
- (d) take photographs, measurements or video or audio recordings;
- (e) ensure that there is no other contravention of these Regulations.

(2) Within 21 days of a request made under paragraph (1) being (in its opinion) unreasonably refused the Authority must send a notice to the participant specifying—

- (a) the reason why the Authority considers the refusal to be unreasonable;
- (b) the consequences of the refusal, including potential sanctions for failing to comply with the ongoing obligation imposed by regulation 43(j); and
- (c) details of the participant’s right of review.