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STATUTORY INSTRUMENTS

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**2014 No. 928**

**The Domestic Renewable Heat  
Incentive Scheme Regulations 2014**

**PART 5**

**RHI payments**

**Duty to make RHI payments**

**26.**—(1) Subject to Parts 8 and 10, the Authority must make payments, referred to in these Regulations as “RHI payments”, to a participant (“P”) in respect of the heat generated by P’s accredited domestic plant.

(2) RHI payments accrue for seven years from the tariff start date.

(3) The Authority—

- (a) must calculate the amount of RHI payments in accordance with regulation 27 or 28 and make RHI payments in arrears;
- (b) may decide on the frequency of any RHI payments.

(4) Where—

- (a) the Authority does not have all of the data it requires to calculate an RHI payment; and
- (b) is unable to obtain any missing data under regulation 43(4), the Authority may estimate that data in order to make that calculation.

**Calculation of RHI payments where metering is not required**

**27.** Subject to regulation 48(6)(b), where the Authority has not provided a metering statement for an accredited domestic plant, the RHI payment for that plant for any quarterly period is calculated in accordance with the following formula—

$$\left( A \times \frac{B}{4} \right) - C$$

where—

- (a) A is the applicable initial tariff or subsequent tariff for the accredited domestic plant;
- (b) B is the deemed annual heat generation for the plant; and
- (c) C is the grant funding deduction for the accredited domestic plant for the quarterly period.

**Calculation of RHI payments where heat generated by a plant must be metered**

**28.**—(1) Where the Authority has provided a metering statement for an accredited domestic plant, the RHI payment for that plant for any quarterly period is calculated in accordance with this regulation.

(2) Subject to paragraph (3), the RHI payment for a quarterly period is R, where R is calculated in accordance with the following formula—

$$(A \times B) - C + D$$

where—

- (a) A is the applicable initial tariff or subsequent tariff for the accredited domestic plant;
- (b) B is—
  - (i) subject to paragraph (ii), the eligible metered heat for the plant for the quarterly period; or
  - (ii) 0 if the eligible metered heat is less than 0;
- (c) C is the grant funding deduction for the plant for the quarterly period; and
- (d) D is—
  - (i) 0 if the quarterly period commences on the tariff start date;
  - (ii) 0 if the quarterly period commences on any subsequent date and PR is 0 or greater; or
  - (iii) PR if the quarterly period commences on any subsequent date and PR is less than 0.

(3) Where R is a figure which is less than 0, the RHI payment for the quarterly period is 0.

(4) Where in any quarterly period, R is a figure which is 0 or higher and the sum of that figure and AP is greater than MaxP, the RHI payment for the quarterly period is calculated in accordance with the following formula—

$$MaxP - AP$$

(5) In this regulation—

“AP” is the sum of all RHI payments payable for heat generated by the accredited domestic plant for the applicable period other than the RHI payment for that quarterly period;

“applicable period” means—

- (a) the 12 month period commencing on the tariff start date or the anniversary of the tariff start date and which includes the quarterly period; or
- (b) the period commencing on the tariff start date or the anniversary of the tariff start date for which the Authority has received four quarterly meter readings and which includes the quarterly period; and

“MaxP” means the figure calculated in accordance with the following formula—

$$(E \times F) - G$$

where—

- (a) E is the applicable initial tariff or subsequent tariff for the accredited domestic plant;
  - (b) F is the deemed annual heat generation for the plant for the applicable period; and
  - (c) G is the grant funding deduction for the plant for the quarterly period, multiplied by 4; and
- “PR” is the value of R for the accredited domestic plant for the quarterly period immediately preceding the period for which RHI payments are being calculated.

### **Calculation of deemed annual heat generation**

**29.**—(1) The amount of heat in kWh which an accredited domestic plant is deemed to generate every 12 months (the “deemed annual heat generation”) is calculated in accordance with this regulation.

(2) If the accredited domestic plant is a biomass plant which provides space heating (but not heating for domestic hot water) to the RHI property, the deemed annual heat generation is the heat demand for space heating specified in the relevant EPC for that property.

(3) If the accredited domestic plant is a biomass plant which provides both space heating and domestic hot water heating to the RHI property, the deemed annual heat generation is the heat demand for space heating and water heating specified in the relevant EPC for that property.

(4) If the accredited domestic plant is a heat pump which provides space heating (but not heating for domestic hot water) to the RHI property, the deemed annual heat generation is calculated in accordance with the following formula—

$$A \times \left( 1 - \frac{1}{B} \right)$$

where—

- (a) A is the heat demand for space heating specified in the relevant EPC for that property;
- (b) B is the seasonal performance factor for the heat pump.

(5) If the accredited domestic plant is a heat pump which provides both space heating and domestic hot water heating to the RHI property, the deemed annual heat generation is calculated in accordance with the following formula—

$$A \times \left( 1 - \frac{1}{B} \right)$$

where—

- (a) A is the heat demand for space heating and water heating specified in the relevant EPC for that property;
- (b) B is the seasonal performance factor for the heat pump.

(6) If the accredited domestic plant is a solar thermal plant and its first commissioning date is on or after the relevant date, its deemed annual heat generation is the total heat generated by that plant on an annual basis calculated in accordance with version 1.1 of the document entitled “Microgeneration Installation Standard: MCS 024 Solar Domestic Hot Water Energy Calculation” published on 16th December 2013<sup>(1)</sup>.

(7) If the accredited domestic plant is a solar thermal plant and its first commissioning date is earlier than the relevant date, the deemed annual heat generation is the total heat which the Authority estimates, at the time it gives accreditation, that the accredited domestic plant will generate on an annual basis, having regard to any relevant information about the accredited domestic plant on the MCS register.

### Calculation of eligible metered heat generated by biomass plants

**30.**—(1) The eligible metered heat in kWh for an accredited domestic plant which is a biomass plant for any quarterly period is calculated in accordance with the following formula—

$$A \times (B - C - D - E)$$

where—

- (a) A is calculated in accordance with paragraph (2);
- (b) B is calculated in accordance with paragraph (3);
- (c) C is calculated in accordance with paragraph (5);

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<sup>(1)</sup> Published on [www.microgenerationcertification.org](http://www.microgenerationcertification.org).

- (d) D is calculated in accordance with paragraph (7); and
- (e) E is calculated in accordance with paragraph (8).
- (2) A is—
- 1 if the accredited domestic plant is a biomass boiler; or
  - 1.2 if the accredited domestic plant is a biomass stove.
- (3) Subject to paragraph (4), B is the heat in kWh recorded by eligible meters positioned in accordance with regulation 15 generated by—
- the accredited domestic plant; or
  - the accredited domestic plant and any additional plants if the heat generated by the accredited domestic plant is recorded together with the heat generated by such additional plants.
- (4) Where any heat referred to in paragraph (3) is recorded at the point where it leaves a domestic hot water cylinder, the heat recorded at that point is multiplied by 1.43 before being included (with the heat recorded at any other point) in B.
- (5) C is—
- subject to paragraph (6), the heat in kWh generated by any additional plants included in B if the relevant metering statement specifies that eligible meters must be positioned in accordance with regulation 15(3); or
  - 0 in any other case.
- (6) Where any heat generated by any additional plants included in B is generated by an air source heat pump for the purposes of defrosting, all heat generated by that air source heat pump is multiplied by 0.97 before being included in C.
- (7) D is—
- the electricity consumption in kWh by any additional plants if the relevant metering statement specifies that eligible meters must be positioned in accordance with regulation 15(4); or
  - 0 in any other case.
- (8) E is—
- if B includes heat generated by any additional plants which use a fuel when generating heat, the energy content of that fuel in kWh if the relevant metering statement specifies that eligible meters must be positioned in accordance with regulation 15(4); or
  - 0 in any other case.
- (9) In this regulation, “relevant metering statement” means the metering statement for the accredited domestic plant.

### **Calculation of eligible metered heat generated by heat pumps**

**31.**—(1) Subject to paragraph (10), the eligible metered heat in kWh for an accredited domestic plant which is a heat pump for any quarterly period is calculated in accordance with the following formula—

$$A \times (B - C - D) - E$$

where—

- A is calculated in accordance with paragraph (2);
- B is calculated in accordance with paragraph (3);
- C is calculated in accordance with paragraph (5);

- (d) D is calculated in accordance with paragraph (7); and
  - (e) E is calculated in accordance with paragraph (8).
- (2) A is—
- (a) 0.97 if any of the heat referred to in paragraph (3) is generated by an accredited domestic plant which is an air source heat pump for the purposes of defrosting; or
  - (b) 1 in any other case.
- (3) Subject to paragraph (4), B is the heat in kWh recorded by eligible meters positioned in accordance with regulation 16 generated by—
- (a) the components of the accredited domestic plant specified in the metering statement as being included in this calculation; or
  - (b) the components referred to in sub-paragraph (a) and any additional plants if the heat generated by the accredited domestic plant is recorded together with the heat generated by such additional plants.
- (4) Where any of the heat referred to in paragraph (3) is recorded at the point where it leaves a domestic hot water cylinder, the heat recorded at that point is multiplied by 1.43 before being included (with the heat recorded at any other point) in B.
- (5) C is—
- (a) subject to paragraph (6), the heat in kWh generated by any additional plants included in B if the relevant metering statement specifies that eligible meters must be installed in accordance with regulation 16(3), or if it specifies that eligible meters must be installed in accordance with regulation 16(5) and the authorised metering arrangement provides for eligible meters to be located to record such heat; or
  - (b) 0 in any other case.
- (6) Where any heat generated by any additional plants included in B is generated by an air source heat pump for the purposes of defrosting, all heat generated by that air source heat pump is multiplied by 0.97 before being included in C.
- (7) D is—
- (a) the energy content in kWh of any fuel which is used by the accredited domestic plant or any additional plants when generating the heat included in B if the relevant metering statement specifies that eligible meters must be installed in accordance with—
    - (i) regulation 16(4); or
    - (ii) regulation 16(5) and the authorised metering arrangement provides for eligible meters to be located to record such relevant energy consumption; or
  - (b) 0 in any other case.
- (8) E is—
- (a) subject to paragraph (9), the electricity consumption in kWh by the accredited domestic plant and any additional plants used to generate the heat referred to in paragraph (3) if the relevant metering statement specifies that eligible meters must be installed in accordance with—
    - (i) regulation 16(2), (3) or (4); or
    - (ii) regulation 16(5) and the authorised metering arrangement provides for eligible meters to be located to record such relevant energy consumption; or
  - (b) 0 in any other case.
- (9) Any electricity consumed when providing cooling is excluded from the electricity consumption referred to in paragraph (8)(a) before that consumption is included in E if—

- (a) the relevant metering statement states that eligible meters must be installed in accordance with regulation 16(5); and
  - (b) the authorised metering arrangement provides for eligible meters to be located to record—
    - (i) electricity consumption by the accredited domestic plant while the plant is providing cooling to the RHI property separately from any other electricity consumption; or
    - (ii) sufficient information about the accredited domestic plant to enable the electricity consumption when providing cooling to be determined.
- (10) Where the plant is a ground source heat pump, its eligible metered heat is the heat extracted from the ground (including water in the ground), surface water or both if—
- (a) the relevant metering statement states that eligible meters must be installed in accordance with regulation 16(5); and
  - (b) the authorised metering arrangement provides for eligible meters to be located to record such heat.
- (11) In this regulation—
- “relevant energy consumption” has the same meaning as in regulation 16; and
  - “relevant metering statement” means the metering statement for the accredited domestic plant.

### Calculation of grant funding deduction

**32.**—(1) The grant funding deduction for an accredited domestic plant for any quarterly period is—

- (a) if none of the plant’s purchase or installation costs are funded by a grant from public funds, 0;
- (b) if some or all of the plant’s purchase or installation costs are funded by a grant from public funds, calculated in accordance with the following formula—

$$\frac{A}{28}$$

where A is calculated in accordance with paragraph (2).

- (2) For the purposes of paragraph (1)(b), A is—
- (a) for the quarterly period commencing on the tariff start date, the figure that the Authority believes represents the total value of any grants from public funds which were received by the participant or any other owner, or former owner, of the accredited domestic plant for the costs of the purchase or installation of the accredited domestic plant;
  - (b) for any subsequent quarterly period that—
    - (i) does not include 1st April of any calendar year, the value of A in the previous quarterly period; or
    - (ii) includes 1st April of any calendar year, the value of A in the previous quarterly period adjusted by the percentage increase or decrease in the retail prices index for the calendar year ending on 31st December immediately preceding that 1st April (the resulting figure being stated to two decimal places and rounded to the nearest hundredth of a penny with any two hundredth of a penny being rounded upwards).