

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

DRAFT STATUTORY INSTRUMENTS

2017 No.

ENERGY

**The Domestic Renewable Heat Incentive
Scheme (Amendment) Regulations 2017**

Made - - - - 2017

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(1), (1A) and (2) and 104(2) of the Energy Act 2008⁽¹⁾.

In accordance with section 105(3)(2) 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 Domestic Renewable Heat Incentive Scheme (Amendment) Regulations 2017 and come into force on the day after the day on which they are made.

Amendments to the Domestic Renewable Heat Incentive Scheme Regulations 2014

2. The Domestic Renewable Heat Incentive Scheme Regulations 2014⁽³⁾ are amended as follows.

Amendments to regulation 2 (interpretation)

3. In regulation 2—

(a) in the definition of—

(i) “eligible electricity meter”, in both instances, for “MI-003” substitute “V”;

(ii) “eligible gas meter”, in both instances, for “MI-002” substitute “IV”;

(1) 2008 c.32. Section 100 is amended by s.51 of the Infrastructure Act 2015 (c.7) and S.I. 2011/2195.

(2) Section 105 (parliamentary control of subordinate legislation) is amended by s.51 of the Infrastructure Act 2015 (c.7) which inserted subsections (3A) to (3I) concerning provisions which require the affirmative resolution procedure.

(3) S.I. 2014/928 amended by S.I. 2015/143, 2015/1459 and 2016/257.

- (iii) “eligible heat meter”, in both instances, for “MI-004” substitute “VI”;
- (iv) “eligible oil meter”, in both instances, for “MI-005” substitute “VII”;
- (b) for the definition of “heat meter” substitute—
 - ““heat meter” has the same meaning as that given to “thermal energy meter” in Annex VI to the Measuring Instruments Directive;”;
- (c) in the definition of “initial tariff” after “plant for” insert “all or part of”;
- (d) for the definition of “Measuring Instruments Directive” substitute—
 - ““Measuring Instruments Directive” means [Directive 2014/32/EU](#) of the European Parliament and of the Council on the harmonisation of the laws of the Member States relating to the making available on the market of measuring instruments (recast);”;
- (e) after the definition of “metering and monitoring installer”, insert—
 - ““metering and monitoring lump sum payment” means a single payment of—
 - (a) £700 for a metering and monitoring biomass boiler; or
 - (b) £805 for a heat pump which is an accredited domestic plant;”;
- (f) for the definition of “metering and monitoring payment” substitute—
 - ““metering and monitoring payment” means—
 - (a) in respect of a registration given before the second relevant date, one or more payments totalling—
 - (i) £200 during a 12 month period for a metering and monitoring biomass boiler; or
 - (ii) £230 during a 12 month period for a heat pump which is an accredited domestic plant;
 - (b) in respect of a registration given on or after the second relevant date, one or more payments totalling—
 - (i) £100 during a 12 month period for a metering and monitoring biomass boiler; or
 - (ii) £115 during a 12 month period for a heat pump which is an accredited domestic plant;”;
- (g) after the definition of “metering statement”, insert—
 - ““MM payments” means a metering and monitoring lump sum payment or metering and monitoring payments, or both;”;
- (h) after the definition of “NOx”, insert—
 - ““on-board meter” means an electricity meter which is integrated into a heat pump and is able to display the electricity consumption of that heat pump in kWh;”;
- (i) after the definition of “seasonal performance factor”, insert—
 - ““second relevant date” means the date of coming into force of the Domestic Renewable Heat Incentive Scheme (Amendment) Regulations 2017;”;
- (j) in the definition of “subsequent tariff” after “plant for” insert “all or part of”.

Amendments to regulation 5 (requirements for heat pumps)

- 4.—(1) Renumber regulation 5 as paragraph (1) of that regulation.
- (2) In regulation 5(1) as so renumbered—
 - (a) after sub-paragraph (d) omit “and”;

- (b) after sub-paragraph (e) insert—
 - “; and
 - (f) if it is a heat pump for which the RHI date is on or after the second relevant date, it meets the requirements specified in paragraph (2).”.
- (3) After regulation 5(1), insert—
 - “(2) The requirements specified in this paragraph are—
 - (a) that one or more eligible electricity meters or on-board meters are installed to record separately any—
 - (i) electricity supplied to the plant which is used to generate heat;
 - (ii) electrical input into any supplementary electric heater controlled by the same control system which governs the heat pump; and
 - (iii) electrical input into any immersion heater for a domestic hot water cylinder where the immersion heater is controlled by the same control system which governs the heat pump;
 - (b) that, in respect of any eligible electricity meter installed in accordance with sub-paragraph (a)—
 - (i) in the case of a meter installed before the second relevant date, a certified installer was responsible for installing it or for checking that it was properly installed;
 - (ii) in the case of a meter installed on or after the second relevant date, a certified installer was responsible for installing it;
 - (iii) the meter is properly calibrated, properly installed and in good working order; and
 - (iv) the meter has a label which identifies the plant or other components being metered.”.

Amendment to regulation 8 (certification requirements)

- 5. In regulation 8(2)(a)(ii)—
 - (a) after sub-paragraph (bb) omit “or”;
 - (b) after sub-paragraph (cc) insert—
 - “; or
 - (dd) version 5.0 of the document entitled “Microgeneration Installation Standard: MIS 3005 requirements for MCS contractors undertaking the supply, design, installation, set to work, commissioning and handover of microgeneration heat pump systems” published on 28th April 2017(4)

Amendment to regulation 14 (metering requirements)

- 6. In regulation 14(1), after “in relation to the plant” insert “, other than any eligible electricity meters installed in accordance with the requirements specified in regulation 5(2)”.

(4) Published online and available at www.microgenerationcertification.org as well as from Gemserv Limited at 8 Fenchurch Place, London EC3M 4AJ.

Amendment to regulation 17 (accreditation applications)

7.—(1) In regulation 17(2)—

(a) after sub-paragraph (f) omit “and”;

(b) after sub-paragraph (g) insert—

“; and

(h) where paragraph (2A) applies, a declaration that to the best of the applicant’s knowledge and belief, one or more eligible electricity meters or on-board meters are installed in accordance with the requirements specified in regulation 5(2)”.

(2) After regulation 17(2) insert—

“(2A) This paragraph applies where an accreditation application is made on or after the second relevant date in respect of a plant which is a heat pump and is—

(a) a replacement plant, with an RHI date on or after the second relevant date; or

(b) not a replacement plant.”.

Amendments to regulation 27 (calculation of RHI payments where metering is not required)

8.—(1) Renumber regulation 27 as paragraph (1) of that regulation.

(2) After regulation 27(1) as so renumbered, insert—

“(2) In this regulation and regulation 28, where the RHI payment for an accredited domestic plant is calculated for a quarterly period which starts before the second relevant date and ends on or after the second relevant date, “applicable initial tariff or subsequent tariff” means, as the case may be—

(a) the initial tariff which applies to that plant on the second relevant date, as calculated in accordance with regulation 34; or

(b) the subsequent tariff which applies to that plant on the second relevant date, as calculated in accordance with regulation 37.”.

Amendment to regulation 29 (calculation of deemed annual heat generation)

9. In regulation 29, for paragraphs (2) to (5) substitute—

“(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—

(a) for an accredited domestic plant with a tariff start date before the second relevant date, the heat demand for space heating specified in the relevant EPC for that property; or

(b) for an accredited domestic plant with a tariff start date on or after the second relevant date, the lower of—

(i) the heat demand for space heating specified in the relevant EPC for that property; or

(ii) 25,000 kWh.

(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—

(a) for an accredited domestic plant with a tariff start date before the second relevant date, the heat demand for space heating and water heating specified in the relevant EPC for that property; or

(b) for an accredited domestic plant with a tariff start date on or after the second relevant date, the lower of—

- (i) the heat demand for space heating and water heating specified in the relevant EPC for that property; or
- (ii) 25,000 kWh.

(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—

(a) for an accredited domestic plant with a tariff start date before the second relevant date, calculated in accordance with the following formula—

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

where—

- (i) A is the heat demand for space heating specified in the relevant EPC for that property; and
 - (ii) B is the seasonal performance factor for the heat pump; or
- (b) for an accredited domestic plant with a tariff start date on or after the second relevant date, the lower of—

- (i) the result of the formula in sub-paragraph (a); or
- (ii) the result obtained from applying the following formula—

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

where—

- (aa) C is 20,000 kWh in the case of an air source heat pump, or 30,000 kWh in the case of a ground source heat pump; and
- (bb) 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—

(a) for an accredited domestic plant with a tariff start date before the second relevant date, calculated in accordance with the following formula—

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

where—

- (i) A is the heat demand for space heating and water heating specified in the relevant EPC for that property; and
 - (ii) B is the seasonal performance factor for the heat pump; or
- (b) for an accredited domestic plant with a tariff start date on or after the second relevant date, the lower of—

- (i) the result of the formula in sub-paragraph (a); or
- (ii) the result obtained from applying the following formula—

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

where C and B have the same meaning as in paragraph (4).”.

Amendments to regulation 34 (calculation of initial tariffs)

10.—(1) In regulation 34, for paragraph (2) substitute—

“(2) Where—

- (a) the tariff start date for the plant is on or after 1st April 2017 but before the second relevant date, the initial tariff for the period commencing on the second relevant date and ending on 31st March 2018 is the tariff for the plant’s tariff category set out in Schedule 5; and
- (b) the tariff start date is on or after the second relevant date but before 1st July 2017, the initial tariff for the initial tariff period is the tariff for the plant’s tariff category set out in Schedule 5.”.

(2) In regulation 34(3), after “tariff” insert “for the initial tariff period”.

Amendment to regulation 35 (calculation of initial tariffs: calculation of A)

11. In regulation 35, for paragraph (2) substitute—

“(2) Where—

- (a) the tariff start date for the accredited domestic plant is in any tariff period commencing on 1st July, 1st October or 1st January, commencing with 1st July 2017, A is the initial tariff that would have been applicable if the tariff start date had fallen on the day immediately preceding the commencement of that tariff period (“the previous tariff”);
- (b) the tariff start date for the accredited domestic plant is in any tariff period commencing on 1st April, commencing with 1st April 2018, A is the previous tariff adjusted by the percentage increase or decrease in the consumer prices index for the year ending on 31st December immediately preceding the year in which that tariff period falls.”.

Amendments to regulation 36 (calculation of initial tariffs: calculation of B)

12.—(1) In regulation 36, for paragraphs (2) to (4) substitute—

“(2) Save where paragraphs (3), (4) or (4A) apply, B is 1.

(3) B is 0.9 if, on the relevant assessment date—

- (a) the expenditure threshold or the super expenditure threshold is exceeded; and
- (b) the growth threshold is exceeded but the super growth threshold is not exceeded.

(4) B is 0.9 if, on the relevant assessment date—

- (a) the expenditure threshold is exceeded but the super expenditure threshold is not exceeded; and
- (b) the super growth threshold is exceeded.

(4A) B is 0.8 if, on the relevant assessment date—

- (a) the super expenditure threshold is exceeded; and
- (b) the super growth threshold is exceeded.”.

(2) Omit paragraph (5)(e).

Substitution of regulation 37 (calculation of subsequent tariffs)

13. For regulation 37 substitute—

“Calculation of subsequent tariffs

37.—(1) The subsequent tariff for an accredited domestic plant is calculated in accordance with this regulation.

(2) Save as provided in paragraph (3), the subsequent tariff for a financial year is the tariff applicable to the accredited domestic plant immediately prior to the end of the previous financial year, adjusted by the percentage increase or decrease in the relevant measure of inflation for the year ending on 31st December immediately preceding the commencement of the financial year to which the subsequent tariff relates, the resulting figure stated to two decimal places and rounded.

(3) Where—

- (a) the accredited domestic plant is a biomass plant or heat pump; and
- (b) the tariff start date for that plant is on or after 14th December 2016 but before 1st April 2017,

the subsequent tariff for the period commencing on the second relevant date and ending on 31st March 2018 is the tariff for the plant’s tariff category set out in Schedule 5.

(4) In this regulation, “relevant measure of inflation” means—

- (a) the retail prices index, if the tariff start date is earlier than 1st April 2016; or
- (b) the consumer prices index, if the tariff start date is on or after 1st April 2016.”.

Amendment to regulation 41 (ongoing obligations: annual declarations)

14. In regulation 41—

- (a) after sub-paragraph (f) omit “and”;
- (b) after sub-paragraph (g) insert—
 - “; and
 - (h) where the accredited domestic plant is a heat pump for which the RHI date is on or after the second relevant date, the plant continues to meet the requirements under regulation 5(1)(f)”.

Amendment to regulation 49 (additional payments where a registered metering and monitoring agreement relates to an accredited domestic plant)

15. For regulation 49(2) substitute—

“(2) Subject to paragraph (2A) and regulations 54, 54A and 55, where the Authority has given registration for a metering and monitoring agreement, the Authority must—

- (a) make metering and monitoring payments; and
- (b) where the registration is given on or after the second relevant date, make payment of the metering and monitoring lump sum payment with the next RHI payment due following registration,

to the participant who is a party to that agreement.

(2A) The Authority must not make payment of more than one metering and monitoring lump sum payment in respect of an accredited domestic plant.”.

Amendment to regulation 53 (exceptions to duty to give registration)

16. For regulation 53(2) substitute—

“(2) This paragraph applies if the giving of registration would cause the total number of metering and monitoring agreements given registration to exceed 11,255.”.

Insertion of regulation 54A (power to withhold MM payments in the case of non-compliance)

17. After regulation 54 insert—

“Power to withhold MM payments in the case of non-compliance

54A.—(1) The Authority may withhold all or part of a participant’s MM payments, if the Authority has reasonable grounds to suspect—

- (a) that the metering and monitoring agreement no longer meets the requirements specified in Schedule 7;
- (b) that the metering and monitoring agreement is no longer in force or that its terms are not being complied with;
- (c) that a condition of registration has not been or is not being complied with; or
- (d) that registration was given wholly or partly as a result of the provision of information which is incorrect in a material particular and that, if the correct information had been provided, registration would not have been given.

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

- (a) which of the grounds in paragraph (1)(a) to (d) apply and the reasons for the Authority’s decision;
- (b) the amount of MM payments that will be withheld, to the extent this is known to the Authority;
- (c) the date from which the MM payments will be withheld;
- (d) where applicable, the steps that the participant must take to satisfy the Authority that the MM payments should no longer be withheld;
- (e) the date by which the steps in sub-paragraph (d) must be completed;
- (f) the consequences of the participant failing to take the steps required under sub-paragraph (d) by that date; and
- (g) details of the participant’s right of review.

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

(4) Where the Authority is satisfied that the participant has taken the steps, if any, specified in a notice served under paragraph (2)—

- (a) by the date specified in that notice, the Authority must resume payment of the MM payments in accordance with these Regulations; and
- (b) within 3 months of receipt of that notice, the Authority may pay to the participant, within 28 days of being so satisfied, all MM payments withheld under this regulation.”.

Amendments to regulation 55 (withdrawal of registration)

18.—(1) In the heading to regulation 55, after “registration” insert “and repayments”.

- (2) In regulation 55(1)—
- (a) after sub-paragraph (c) omit “or”;
 - (b) after sub-paragraph (d) insert—
 - “(e) is satisfied that the participant has failed to take the steps specified in a notice given under regulation 54A(2) by the later of—
 - (i) the date specified in that notice; or
 - (ii) such extended date as the Authority may specify under regulation 54A(3); or
 - (f) is satisfied that the participant has failed to take the steps specified in a notice given under regulation 58(2) by the date specified in that notice”.
- (3) In regulation 55(2)—
- (a) after sub-paragraph (a) omit “and”;
 - (b) after sub-paragraph (b) insert—
 - “; and
 - (c) in respect of any metering and monitoring payments paid on or after the second relevant date, the Authority may—
 - (i) require those payments to be repaid by the participant or former participant; or
 - (ii) offset those payments against any future RHI payments in respect of the accredited domestic plant,
- to the extent those metering and monitoring payments exceed the amount to which that person was entitled under these Regulations”.
- (4) After regulation 55(2) insert—
- “(3) Where—
 - (a) the Authority decides to withdraw registration under paragraph (1)(d);
 - (b) the information which is incorrect in a material particular is the confirmation provided under regulation 50(2)(b); and
 - (c) the participant or former participant has received a metering and monitoring lump sum payment,
- the Authority may require the metering and monitoring lump sum payment to be repaid by the participant or former participant, or offset that payment against future RHI payments, to the extent that lump sum payment exceeds the amount to which the participant or former participant was entitled under these Regulations.
- (4) Within 21 days of a decision to require payments to be repaid or offset under paragraph (2)(c) or (3), the Authority must send the participant or former participant a notice specifying—
- (a) the amount which the Authority is seeking to recover;
 - (b) whether that amount must be repaid or will be offset;
 - (c) where applicable, the date by which that amount must be repaid; and
 - (d) the participant’s or former participant’s right of review.
- (5) Where a participant or former participant who is required to repay an amount under this regulation fails to make payment in full by the date specified under paragraph (4)(c), the Authority may recover any outstanding sum as a civil debt.

(6) The Authority must not require a participant or former participant to repay, or offset, an amount which exceeds the total of any RHI payments and MM payments, received by that person.”.

Amendments to regulation 58 (power to withhold RHI payments in the case of non-compliance)

19.—(1) In regulation 58(1)(a) after “participant” insert “has failed or”.

(2) In regulation 58(2)(a)—

(a) after “there is” insert “or has been”; and

(b) after “is failing” insert “or has failed”.

Amendments to regulation 61 (revocation of sanctions)

20.—(1) In regulation 61(1), after “with” insert “regulations 54A or 55 or”.

(2) In regulations 61(2)(a) and (b), in each instance, after “RHI payments” insert “or MM payments”.

(3) In regulation 61(4), after “under regulation” insert “54A, 55,”.

Substitution of Schedule 5 (tariffs) and Schedule 6 (expenditure for individual technologies)

21. For Schedules 5 and 6, substitute Schedule 5 and 6 as set out in the Schedule to these Regulations.

Amendment to Schedule 7 (requirements for metering and monitoring agreements)

22. In Paragraph 6(b) of Schedule 7 (requirements for presentation of information) for “week” substitute “month”.

Name
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial
Strategy

SCHEDULE

“SCHEDULE 5

Regulations 34, 35 and 37

Tariffs

Tariffs

<i>Tariff category</i>	<i>Tariff (pence/kWh)</i>
Biomass plants	6.54
Air source heat pumps	10.18
Ground source heat pumps	19.86
Solar thermal plants	20.06

SCHEDULE 6

Regulation 36

Expenditure for individual technologies

PART 1

Biomass plants

Table 1

<i>Assessment date</i>	<i>Expenditure threshold</i>	<i>Growth threshold</i>	<i>Super expenditure threshold</i>	<i>Super growth threshold</i>
30th April 2017	£46.76m	£1.07m	£51.62m	£1.58m
31st July 2017	£47.83m	£1.07m	£53.20m	£1.58m
31st October 2017	£48.90m	£1.07m	£54.79m	£1.59m
31st January 2018	£49.98m	£1.08m	£56.39m	£1.60m
30th April 2018	£51.07m	£1.09m	£57.99m	£1.60m
31st July 2018	£52.28m	£1.20m	£59.71m	£1.72m
31st October 2018	£53.49m	£1.21m	£61.44m	£1.73m
31st January 2019	£54.71m	£1.22m	£63.18m	£1.74m
30th April 2019	£55.94m	£1.23m	£64.92m	£1.74m
31st July 2019	£57.18m	£1.24m	£66.68m	£1.76m
31st October 2019	£58.42m	£1.25m	£68.44m	£1.76m
31st January 2020	£59.68m	£1.26m	£70.21m	£1.77m
30th April 2020	£60.94m	£1.26m	£71.99m	£1.78m

Draft Legislation: This is a draft item of legislation and has not yet been made as a UK Statutory Instrument.

<i>Assessment date</i>	<i>Expenditure threshold</i>	<i>Growth threshold</i>	<i>Super expenditure threshold</i>	<i>Super growth threshold</i>
31st July 2020	£62.23m	£1.29m	£73.80m	£1.81m
31st October 2020	£63.53m	£1.29m	£75.61m	£1.81m
Any date after 30th January 2021	£64.82m	£1.29m	£77.42m	£1.81m

PART 2

Air source heat pumps

Table 2

<i>Assessment date</i>	<i>Expenditure threshold</i>	<i>Growth threshold</i>	<i>Super expenditure threshold</i>	<i>Super growth threshold</i>
30th April 2017	£22.83m	£3.16m	£39.70m	£4.96m
31st July 2017	£25.99m	£3.16m	£44.66m	£4.96m
31st October 2017	£29.18m	£3.19m	£49.65m	£4.99m
31st January 2018	£32.41m	£3.22m	£54.66m	£5.02m
30th April 2018	£35.66m	£3.25m	£59.71m	£5.05m
31st July 2018	£38.98m	£3.31m	£64.82m	£5.11m
31st October 2018	£42.33m	£3.35m	£69.97m	£5.14m
31st January 2019	£45.71m	£3.38m	£75.14m	£5.18m
30th April 2019	£49.12m	£3.41m	£80.35m	£5.21m
31st July 2019	£52.56m	£3.44m	£85.59m	£5.24m
31st October 2019	£56.04m	£3.47m	£90.86m	£5.27m
31st January 2020	£59.54m	£3.51m	£96.16m	£5.30m
30th April 2020	£63.08m	£3.54m	£101.49m	£5.33m
31st July 2020	£66.63m	£3.55m	£106.84m	£5.35m
31st October 2020	£70.19m	£3.55m	£112.19m	£5.35m
Any date after 30th January 2021	£73.74m	£3.55m	£117.54m	£5.35m

PART 3

Ground source heat pumps

Table 3

<i>Assessment date</i>	<i>Expenditure threshold</i>	<i>Growth threshold</i>	<i>Super expenditure threshold</i>	<i>Super growth threshold</i>
30th April 2017	£16.30m	£1.27m	£23.26m	£2.01m
31st July 2017	£17.57m	£1.27m	£25.27m	£2.01m
31st October 2017	£18.85m	£1.28m	£27.29m	£2.02m
31st January 2018	£20.14m	£1.29m	£29.33m	£2.03m
30th April 2018	£21.44m	£1.30m	£31.37m	£2.05m
31st July 2018	£22.79m	£1.34m	£33.46m	£2.08m
31st October 2018	£24.14m	£1.36m	£35.55m	£2.10m
31st January 2019	£25.51m	£1.37m	£37.66m	£2.11m
30th April 2019	£26.89m	£1.38m	£39.79m	£2.12m
31st July 2019	£28.29m	£1.39m	£41.92m	£2.13m
31st October 2019	£29.69m	£1.41m	£44.07m	£2.15m
31st January 2020	£31.11m	£1.42m	£46.22m	£2.16m
30th April 2020	£32.54m	£1.43m	£48.39m	£2.17m
31st July 2020	£33.98m	£1.44m	£50.57m	£2.18m
31st October 2020	£35.42m	£1.44m	£52.75m	£2.18m
Any date after 30th January 2021	£36.86m	£1.44m	£54.93m	£2.18m

PART 4

Solar thermal plants

Table 4

<i>Assessment date</i>	<i>Expenditure threshold</i>	<i>Growth threshold</i>	<i>Super expenditure threshold</i>	<i>Super growth threshold</i>
30th April 2017	£2.21m	£0.28m	£4.64m	£0.51m
31st July 2017	£2.49m	£0.28m	£5.15m	£0.51m
31st October 2017	£2.77m	£0.28m	£5.67m	£0.52m
31st January 2018	£3.06m	£0.29m	£6.19m	£0.52m
30th April 2018	£3.35m	£0.29m	£6.71m	£0.52m

<i>Assessment date</i>	<i>Expenditure threshold</i>	<i>Growth threshold</i>	<i>Super expenditure threshold</i>	<i>Super growth threshold</i>
31st July 2018	£3.65m	£0.30m	£7.24m	£0.53m
31st October 2018	£3.95m	£0.30m	£7.77m	£0.53m
31st January 2019	£4.25m	£0.30m	£8.31m	£0.54m
30th April 2019	£4.56m	£0.31m	£8.85m	£0.54m
31st July 2019	£4.87m	£0.31m	£9.39m	£0.54m
31st October 2019	£5.18m	£0.31m	£9.94m	£0.55m
31st January 2020	£5.50m	£0.32m	£10.49m	£0.55m
30th April 2020	£5.82m	£0.32m	£11.04m	£0.55m
31st July 2020	£6.13m	£0.32m	£11.59m	£0.55m
31st October 2020	£6.45m	£0.32m	£12.14m	£0.55m
Any date after 30th January 2021	£6.76m	£0.32m	£12.68m	£0.55m”

EXPLANATORY NOTE

(This note is not part of these Regulations)

These Regulations apply to Great Britain and amend the Domestic Renewable Heat Incentive Scheme Regulations 2014 (‘the 2014 Regulations’). They introduce a number of changes including: changes to the electricity metering requirements for heat pumps; limits on the maximum amount of heat that is eligible for support; increasing the tariffs for all technologies except solar thermal; changes to the method for calculating ‘degression’ reductions in tariff rates; changes to the structure of metering and monitoring agreement payments; and giving the Authority (Ofgem) powers to withhold metering and monitoring payments where there is non-compliance and to recover or offset payments in specified circumstances.

Regulation 3 adds definitions for “metering and monitoring lump sum payment”, “MM payments”, “on-board meter” and “second relevant date” and amends the definitions of “eligible electricity meter”, “eligible gas meter”, “eligible heat meter”, “eligible oil meter”, “heat meter”, “Measuring Instruments Directive”, “metering and monitoring payment”, “initial tariff”, and “subsequent tariff”.

Regulation 4 introduces requirements for heat pumps applying for accreditation on or after the second relevant date to have electricity meters installed. Installation or checking of any such meters (other than on-board meters) must be carried out by an installer certified under the Microgeneration Certification Scheme (‘MCS’) (or equivalent) and the meters must be properly calibrated and installed, and in good working order. Electricity meters must have a label that identifies what is being metered.

Regulation 5 provides that, in respect of the certification requirements for plants which are heat pumps, version 5.0 of the Microgeneration Installation Standard for heat pump systems is a relevant installation standard.

Regulation 6 excludes meters fitted to comply with the eligibility criteria for heat pumps in relation to electricity meters and on-board meters on and after the second relevant date from the metering and meter positioning requirements of regulations 14 and 16 of the 2014 Regulations.

Regulation 7 introduces a requirement for accreditation applications for heat pumps to include a declaration that electricity meters have been installed, as required by regulation 4, except where the plant is a replacement plant with an RHI date predating the coming into force of these regulations.

Regulation 8 makes provision for determining what the applicable initial tariff or subsequent tariff is when calculating an accredited domestic plant's RHI payment for a quarterly period that straddles the second relevant date.

Regulation 9 amends the calculation of deemed annual heat generation by introducing technology-specific limits for ground source heat pumps, air source heat pumps, and biomass plants on the amount of heat generated by the plant that is eligible for RHI payments each year.

Regulation 10 provides that notwithstanding that the start date for an accredited domestic plant's tariff may fall into the period beginning on 1st April 2017 and ending on the day before these regulations come into force, that plant's initial tariff for the period starting on the second relevant date and ending on 31st March 2018 will be increased to that set out in the substituted Schedule 5 (tariffs) to the 2014 Regulations. Where an accredited domestic plant's tariff start date falls into the period beginning on the second relevant date and ending on 30th June 2017, that plant's initial tariff will be that set out in Schedule 5 to the 2014 Regulations.

Regulation 11 amends regulation 35 of the 2014 Regulations in consequence of the substitution of Schedule 5 to the 2014 Regulations.

Regulation 12 simplifies the calculation of 'B' for the purposes of calculating a plant's initial tariff.

Regulation 13 simplifies the drafting for the calculation of a plant's subsequent tariff and makes provision for plants whose tariff start date is on or after 14th December 2016 but before 1st April 2017 to be able to receive the higher tariffs in the substituted Schedule 5 to the 2014 Regulations.

Regulation 14 imposes an obligation on participants whose plants are a heat pump with an RHI date falling on or after the second relevant date to declare each year that each eligible electricity meter or on-board meter required under regulation 5 of the 2014 Regulations is in good working order.

Regulation 15 changes the structure of metering and monitoring agreement payments in respect of registrations given on and after the second relevant date. Participants who are registered may receive the same total value of payments but more of the money will be paid early on. Where registration is given, the Authority (Ofgem) is required to pay participants an 'upfront' lump sum payment of £700 and up to £100 during each eligible 12 month period for a metering and monitoring biomass boiler. For an accredited domestic plant which is a heat pump, £805 is payable upfront followed by ongoing payments of £115. Only one lump sum payment is payable in respect of a given accredited domestic plant.

Regulation 16 amends one of the circumstances in which the Authority is exempted from the duty to give registration of a metering and monitoring agreement. The annual budget-based limit on registrations has been replaced with a limit on the total number of metering and monitoring agreements, being 11,255.

Regulation 17 gives the Authority the power to withhold metering and monitoring payments and lump sum payments if the Authority has reasonable grounds to suspect that specified metering and monitoring registration requirements are not being met. Where this power is exercised, the Authority must give notice specifying its reasons for doing so, the amount to be withheld and from when, any steps the participant must take to satisfy the Authority that payments should no longer be withheld and by when, the consequences of a failure to take those steps, and the participant's right of review.

If the Authority is subsequently satisfied that payments should no longer be withheld, it must resume payments and may repay any withheld payments.

Regulation 18 provides that registration may be withdrawn in two additional circumstances: where the Authority has withheld metering and monitoring payments or a metering and monitoring lump sum payment, or it has withheld RHI payments, and in either circumstance the participant has failed to comply with the steps specified in the relevant notice given by the Authority. Regulation 17 also gives the Authority power to require a participant to repay metering and monitoring payments that were made to them on or after the second relevant date, where the Authority decides to withdraw registration. The regulation further provides that, where the Authority is satisfied metering and monitoring registration was given as a result of incorrect information relating to the eligibility of the metering and monitoring equipment, the Authority may require a participant to repay any lump sum they received in connection with their metering and monitoring agreement. In either instance, the Authority may alternatively require the participant to offset the payments against any future RHI payments rather than demand repayment. If the Authority does decide to take such action, they must notify the participant, providing relevant details.

Regulation 19 makes three minor clarifications to regulation 58 (power to withhold RHI payments in the case of non-compliance) of the 2014 Regulations.

Regulation 20 provides that the Authority's powers to revoke sanctions include where it has imposed sanctions under regulations 54A (power to withhold MM payments) and 55 (withdrawal of registration and repayments) of the 2014 Regulations.

Regulation 21 updates Schedules 5 (tariffs) and 6 (expenditure for individual technologies). Except for solar thermal (which is only increased by the Consumer Prices Index), the technology-specific tariffs for the purposes of regulations 34, 35 and 37 of the 2014 Regulations are increased and new threshold values for expenditure for individual technologies are provided.

Regulation 22 amends the requirement in Paragraph 6 (requirements for presentation of information) of Schedule 7 to the 2014 Regulations so that information recorded under a metering and monitoring agreement must be updated automatically within one month of being recorded.

Further details about the Microgeneration Certification Scheme can be found online at www.microgenerationcertification.org. Documents published on that website are also available from Gemserv Limited at 8 Fenchurch Place, London EC3M 4AJ.

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 for Business, Energy and Industrial Strategy at 1 Victoria Street, London SW1H 0ET.