

---

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Renewable Heat Incentive Scheme Regulations 2011 (“the 2011 Regulations”) which apply in Great Britain. The 2011 Regulations create a scheme under which support payments are made to producers of biomethane for injection and to owners of plants which generate heat for eligible purposes from specified renewable sources.

Regulations 3 and 4 of these Regulations amend the 2011 Regulations so that the provisions for calculating periodic support payments in regulations 39A and 39B are subject to the new provision for calculating payments for new solid biomass Combined Heat and Power (“CHP”) systems (as set out below).

Regulation 5 inserts a new regulation 39D into the 2011 Regulations, which makes provision for calculating quarterly periodic support payments for new solid biomass CHP systems which have a tariff start date on or after 1st August 2016 and have a power efficiency which is lower than 20%. Power efficiency in this regulation is the power efficiency percentage stated on the relevant certificate issued under the Combined Heat and Power Quality Assurance scheme (“CHPQA”), as set out in the new regulation 39D(3).

The formula in the new regulation 39D for calculating the payments provides that the heat generated using solid biomass in a CHP system (in accordance with regulation 9A of the 2011 Regulations) will only receive the new solid biomass CHP tariff for all of that heat where the CHP system achieves a power efficiency of at least 20%. Where the power efficiency is lower than 20%, the proportion of the heat which receives that tariff will be reduced in accordance with the reduction in power efficiency below the 20% threshold (for example, where a CHP system has a power efficiency of 15%, 75% of the heat generated using solid biomass will receive the new solid biomass CHP tariff). The periodic support payment for the remainder of the heat generated using solid biomass will be based on the standard solid biomass CHP tariff which applies where a biomass CHP system is not certified under CHPQA. The formula provides for payments calculated for heat generated using other sources of energy to be added to the payment calculated for the new solid biomass CHP system in order to give a total periodic support payment figure for the installation for each quarterly period.

The Explanatory Memorandum will be published alongside the instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk).

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.