



Energy Act 2008

2008 CHAPTER 32

PART 5

MISCELLANEOUS

Renewable heat incentives

100 Renewable heat incentives

- (1) The Secretary of State may make regulations—
 - (a) establishing a scheme to facilitate and encourage renewable generation of heat, and
 - (b) about the administration and financing of the scheme.
- (2) Regulations under this section may, in particular—
 - (a) make provision for the Secretary of State or the Authority to make payments, or to require designated fossil fuel suppliers to make payments, in specified circumstances, to—
 - (i) the owner of plant used or intended to be used for the renewable generation of heat, whether or not the owner is also operating or intending to operate the plant;
 - (ii) a producer of biogas or biomethane;
 - (iii) a producer of biofuel for generating heat;
 - (b) make provision about the calculation of such payments;
 - (c) make provision about the circumstances in which such payments may be recovered;
 - (d) require designated fossil fuel suppliers to provide specified information to the Secretary of State or the Authority;
 - (e) require the payment of a levy by designated fossil fuel suppliers to the Secretary of State or the Authority;
 - (f) make provision about the calculation of the levy;

Status: This is the original version (as it was originally enacted).

- (g) make provision for payments to fossil fuel suppliers in specified circumstances;
- (h) make provision about the enforcement of obligations imposed by or by virtue of the regulations (which may include a power for the Secretary of State or the Authority to impose financial penalties);
- (i) confer functions on the Secretary of State or the Authority, or both.

(3) In this section—

“Authority” means the Gas and Electricity Markets Authority;

“biofuel” means liquid or gaseous fuel which is produced wholly from biomass;

“biogas” means gas produced by the anaerobic conversion of organic matter;

“biomass” means material, other than fossil fuel, which is, or is derived directly or indirectly from, plant matter, animal matter, fungi or algae;

“biomethane” means biogas which is suitable for conveyance through pipes to premises in accordance with a licence under section 7 of the Gas Act 1986 (c. 44) (gas transporter licences);

“designated fossil fuel suppliers” means—

- (a) if the regulations so provide, a specified class of fossil fuel suppliers, and
- (b) in any other case, all fossil fuel suppliers;

“fossil fuel” means—

- (a) coal;
- (b) lignite;
- (c) natural gas (within the meaning of the Energy Act 1976 (c. 76));
- (d) crude liquid petroleum;
- (e) petroleum products (within the meaning of that Act);
- (f) any substance produced directly or indirectly from a substance mentioned in paragraphs (a) to (e);

“fossil fuel supplier” means a person who supplies fossil fuel to consumers for the purpose of generating heat;

“owner”, in relation to any plant which is the subject of a hire purchase agreement, a conditional sale agreement or any agreement of a similar nature, means the person in possession of the plant under that agreement;

“plant” includes any equipment, apparatus or appliance;

“renewable generation of heat” means the generation of heat by means of a source of energy or technology mentioned in subsection (4).

(4) The sources of energy and technologies are—

- (a) biomass;
- (b) biofuels;
- (c) fuel cells;
- (d) water (including waves and tides);
- (e) solar power;
- (f) geothermal sources;
- (g) heat from air, water or the ground;

- (h) combined heat and power systems (but only if the system’s source of energy is a renewable source within the meaning given by section 32M of the Electricity Act 1989 (c. 29)).
- (5) Regulations may—
- (a) modify the list of sources of energy and technologies in subsection (4);
 - (b) modify the definition of “biogas” or “biomass” in subsection (3).
- (6) Regulations may make provision, for the purposes of subsection (2)(a)(iii) and the definition of “fossil fuel supplier”, specifying that particular activities do or do not constitute generating heat.
- (7) Before making regulations under this section which extend to Scotland, the Secretary of State must—
- (a) if the regulations contain any provision which would be within the legislative competence of the Scottish Parliament if it were contained in an Act of that Parliament, obtain the consent of the Scottish Ministers;
 - (b) in any other case, consult the Scottish Ministers.