Air source heat pumps can heat air directly (air to air heat pumps) or use water as the heating medium (air to water heat pumps).

In the medium to long term, we anticipate both of these technologies being deployed widely in the UK across all sectors and playing a significant role in meeting our renewables and carbon targets. We recognise an incentive may be required for that to happen.

The work undertaken by our consultants showed that currently the majority of heat pumps in the commercial and industrial sectors were air to air. In the domestic sector, air to water heat pumps are the predominant technology.

We do not have evidence for the costs of air to water heat pumps outside the domestic sector and are not in a position to provide support for that technology from the start of the RHI.

For air to air heat pumps we need to resolve several issues before we will be ready to include them in the RHI. This includes resolution of how to measure direct air heating, including separating out the heating and cooling output. There is also the wider question of how best to provide support for a technology which is often installed for the purpose of providing cooling to a building but which we also want to be used for heating.

We will be considering how we can include all air source heat pumps in the RHI from 2012.

In the meantime, air source heat pumps in the domestic sector will be eligible for the Renewable Heat Premium Payment, further details of which will be announced in May.