



Department for  
Business, Energy  
& Industrial Strategy

# Changes to NDRHI support and COVID-19 response

Further government response



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# Purpose of this Document

This document sets out the Government's response to the [Notice published](#) on 17<sup>th</sup> August 2020, by confirming the Government's intention to enact further changes to the Non-Domestic RHI (NDRHI), to aid installations impacted by COVID-19 related delays. The Notice requested industry views on the evidence that applicants may be able to provide to demonstrate they have invested significant capital, human or material resource in either construction or pre-build development, as well as the time needed to complete and commission projects. Following analysis of responses to the Notice, this Response outlines the Government's intention to proceed with implementing a refined version of the proposed changes to the NDRHI and extend application deadlines by 12 months for eligible projects.

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On 17<sup>th</sup> August 2020, the Department for Business, Energy and Industrial Strategy (BEIS) published a Further Notice on Changes to the Renewable Heat Incentive Schemes and COVID-19 Response. This Notice outlined further proposed changes to the NDRHI scheme designed to aid non-Tariff Guarantee (TG) eligible projects impacted by COVID-19 related delays. In response to concerns raised by stakeholders that a significant number of existing projects would fail to meet the scheme closure application deadline of 31<sup>st</sup> March 2021, the Government proposed that affected projects would be able to submit an 'extension application'.

This proposal is targeted directly at non-TG eligible projects that have invested resource into project development and as a result of COVID-19 will be unable to commission and accredit to the scheme ahead of its scheduled closure on 31<sup>st</sup> March 2021. These projects represent a valuable contribution to meeting the UK's carbon budgets and overarching goal of Net Zero carbon emissions. In addition, intervention to aid these projects is expected to support up to 300 jobs in the wider economy at a time when green economic recovery is vitally important.

Following analysis of responses to the Notice, work with Ofgem (the Scheme Administrator) and direct engagement with leading industry representatives, the Government now intends to proceed with these changes with some refinements to reflect this further policy development.

This Government Response confirms that the Government intends to enact further changes to the NDRHI, in order to provide the opportunity to apply for an 'extension application' for those projects that had invested resource into project development prior to the publication date of the Notice (17<sup>th</sup> August 2020). In response to feedback from stakeholders on the viability of the originally proposed 6 month extension, these projects will instead be afforded an **additional 12 months** after scheme closure (on or before 31<sup>st</sup> March 2022) to commission and submit a properly made full application for accreditation, providing that they submit a properly made 'extension application' to the scheme during a window in March 2021. Additionally, in light of

more recent national and localised lockdowns, this will provide these projects with significant additional time to mitigate against any further impacts of COVID-19 on project delivery.

This measure is specifically targeted at those projects which have invested resource into development (including pre-build) work, and which would otherwise have accredited to the NDRHI ahead of 31<sup>st</sup> March 2021. It is not designed to generate additional deployment above a pre-COVID-19 baseline. As such, 'extension applicants' will be required to provide evidence that significant resource has been invested prior to 17<sup>th</sup> August.

The Notice requested views from industry on what evidence could be provided by projects which were under development and which would not be able to demonstrate one or more of the outlined evidence requirements. Following the analysis of responses and further work with key industry stakeholders, a refined and expanded list of acceptable evidence requirements has been developed. These are separated into a primary and secondary hierarchy of evidence, with either one piece of primary or two pieces of secondary evidence required to demonstrate that significant resource was invested into project development prior to 17<sup>th</sup> August. These are outlined in full – see [Primary Evidence](#).

This mechanism will not be available to TG eligible installations, as changes to TG deadlines and the introduction of the 3<sup>rd</sup> allocation of TGs (TG3) already afford eligible installations significant additional time in which to commission after the closure of the NDRHI. Those that are eligible to apply for TGs may apply (where budget is available) for TG3 and benefit from the extended commissioning deadline that it offers, and as such are outside the intended objectives of this policy.

## The Mechanism

The Government intends that this route will be available to non-TG eligible NDRHI installations, as such it will exclude the following technologies:

- Solid biomass CHP, geothermal and biomethane applications of all sizes;
- Biomass greater than or equal to 1MWth.
- Biogas greater than or equal to 600kWth.
- Ground source and water source heat pumps (including Shared Ground Loops) greater than or equal to 100kWth.

In the final month of the scheme (March 2021) applicants will have the opportunity to apply for a 12-month extension by submitting a properly made 'extension application'. Ofgem (the Scheme Administrator) are currently working on the specific mechanism of the extension application process and will share details with stakeholders at the earliest opportunity. However, at this point it is possible to confirm the information that will be required from applicants at the point of application for an extension, to accompany the dated evidence of invested resource which are outlined below.

Information from applicants is required to offer sufficient assurance as to the detail and size of an installation so that budget can be appropriately allocated to installations ahead of their submission of a full application. As such, information required at the point of extension application broadly aligns with that required at stage 1 of the Tariff Guarantee process. This information will not need to be dated pre-17<sup>th</sup> August 2020 and will be accepted in the format

as is usual with standard NDRHI applications. Planning permission (and other evidence that would be required for a full application) will not be mandatory for an *extension* application. This is to avoid placing an undue barrier to entry on applicants, given the time constraint that having this information in place by March 2021 may cause. All current and existing evidence requirements for a full application, including those related to planning, will have to be met on submission of the subsequent, full application.

To be considered properly made, an extension application must contain the following information (in addition to sufficient dated evidence of invested resource):

1. The plant's proposed source of energy and technology;
2. The date on which the applicant expects the plant to be commissioned;
3. The total heat which the applicant expects the plant to generate each year for eligible purposes;
4. The expected installation capacity of the plant;
5. The proposed location of the plant;
6. Evidence as to the proposed heat use;
7. The applicant's name and registered address;
8. A declaration that the plant will be owned by the applicant, or jointly owned by the applicant and one or more other persons;
9. Any further information which the Scheme Administrator (Ofgem) may require.

Evidence to support an extension application must be provided before midnight on 31<sup>st</sup> March 2021.

If a properly made extension application is submitted in this window, applicants will then have an additional 12 months after scheme closure (on or before 31<sup>st</sup> March 2022) in which to commission their plant and submit a properly made full application for accreditation.

The commissioned installation and information contained in the corresponding full application must not be materially different, i.e. relating to a different plant technology, project location, or applicant, from the project information provided in the extension application.

It is intended that tariff rates will be set as of the date of application for a properly made extension application. As with TG3, it is intended that payment windows will open at the point of scheme closure, but payments will only begin on the date of accreditation, once a properly made full application for accreditation has been received. Payments will end no later than 31<sup>st</sup> March 2041. This means that applicants who accredit via this mechanism will receive 20 years of payments minus the length of time it takes to submit a properly made full application for accreditation following the closure of the NDRHI. No full application may be made from midnight 31<sup>st</sup> March 2022.

Audits will be carried out on a selection of extension applications to identify any fraudulent activity.

## Length of Extension

The Notice published on 17<sup>th</sup> August requested views on whether 6 months was sufficient additional time for eligible projects to be able to commission and submit a full application after scheme closure. 6 months was a period deemed to correlate to the length of the full GB wide lockdown, plus some additional time to account for delays to project timelines caused by other factors, such as potential supply shortages and reduced productivity as a result of social distancing measures.

Following on from analysis of the responses to the Notice and direct engagement with industry representatives, **it is the decision of the Government to instead introduce an extension of 12 months** following scheme closure in which successful extension applicants may submit a full application for accreditation.

The majority of responses to the Notice noted that 6 months would not provide sufficient time to commission and submit a full application. The reasons cited for this largely centred around the summer construction window. The Government understands that the summer construction window is vital for undertaking works integral to certain technologies. Although the proposed 6 month window would have provided projects with the 2021 summer construction window, this may have meant that subsequent works would be required to either take place in parallel or beforehand, which is not always possible, or very quickly in order to meet a 30<sup>th</sup> September deadline.

In addition, the recent further local and national lockdowns in response to the evolving COVID-19 pandemic may impact on project delivery for this cohort of installations going forwards. Increasing the proposed length of this extension from 6 to 12 months will also serve to ensure that adequate time is provided for eligible projects, in light of any future delays that may be incurred. This will ensure the continued deployment of renewable heating installations and guard against any supply chain atrophy which may result from existing projects failing to commission.

## Intended Evidence Requirements

As part of their extension application, applicants will be required to provide evidence that they had invested resource into project (including pre-build) development prior to the publication of the Notice on 17<sup>th</sup> August 2020. This is to ensure that this measure is directly targeted at those projects most in need of aid because of COVID-19 related delays.

The Government understands that there are significant variations between projects and across technologies as to what resource investment in project development may look like. As such, these evidence requirements are designed to demonstrate that a project had invested capital, human or material resource into a project prior to 17<sup>th</sup> August 2020, relative to the size and complexity of the project. Given the nuance in circumstance between eligible projects, no monetary value has been attached to these evidence requirements. Instead, demonstration of these requirements in themselves is intended to demonstrate that resource has been invested relative to the circumstances of individual projects.

Having analysed the responses received and worked with key industry stakeholders, BEIS officials have developed a refined and expanded list of acceptable evidence requirements. It is

key that these evidence requirements strike the balance between being broad enough to cover as full a range of circumstances where resource had legitimately been invested; being sufficiently robust and setting a high enough bar to avoid the exploitation of this mechanism by those projects that were not legitimately under development pre-17<sup>th</sup> August; and being able to be effectively administered by Ofgem.

To achieve this balance, this approach identifies primary evidence for projects that are developed enough or have the necessary business model to demonstrate investment in a single document. The Government acknowledges that not all COVID-19 impacted projects that invested resource in development will be so advanced or have the necessary business model to provide primary evidence. As such, the provision for secondary evidence will allow projects which have invested resource in a less clearly demonstrable way and which were under development pre-17<sup>th</sup> August to submit two documents to obtain an extension.

**All pieces of evidence submitted to support an extension application must be dated prior to 17th August 2020.**

## Primary Evidence:

The below table outlines a comprehensive list of acceptable primary evidence. One of these items will be considered sufficient evidence to demonstrate invested resource prior to 17<sup>th</sup> August 2020.

No.	Type	Primary evidence:
1.1	<b>Contract</b>	Signed and dated contract held between two parties for the construction of the installation
1.2		Dated evidence of funding secured for the installation, such as signed loan / funding agreements or similar.
2.1	<b>Energy Supply Contracts</b>	Dated evidence signed heat supply agreements are in place with heat consumers on a heat network
2.2		Signed and dated fuel supply contract for the installation
2.3		Dated acceptance of an offer to connect with the local network operator
3.1	<b>Invoices relating to the installation</b>	Dated invoice for construction works relating to a NDRHI eligible installation
3.2		Dated invoice(s) the purchase and installation of equipment relating to the installation
3.3		Dated invoice for the commissioning of pre-build development work relating to the installation, including, <b>but not limited to</b> , invoices for: <ul style="list-style-type: none"> <li>Hydrogeological consultant for the design of a borehole array for a heat pump system or heat network;</li> <li>Hydrodynamic design of a borehole array, heat network or heat distribution system;</li> <li>A solicitor for securing property agreements associated with the project (e.g. wayleaves or servitudes for heat network piping), or for negotiating commercial contracts with equipment suppliers or contractors, or for negotiating heat supply contracts with heat consumers on a heat network;</li> <li>Environmental consultant fees for environmental studies related to the installation</li> <li>M&amp;E engineer for the outline or detailed thermal design of a system</li> <li>A civil or structural engineer for the outline or detailed design of the system</li> </ul>
4.1	<b>Planning</b>	Dated approval of, or application for, planning permission from the relevant planning authority
4.2		Dated evidence from the relevant planning authority that planning permission is not required

## Secondary Evidence:

Secondary evidence will be considered where primary evidence is not available. These documents relate to circumstances where invested resource is less easily demonstrable (such as when these costs are internalised), but nonetheless a significant amount of project development has been undertaken. To ensure its robustness, **two pieces of secondary evidence, will be required for the extension application.**

To ensure that evidence provided is sufficiently robust in demonstrating that resource had been invested pre-17<sup>th</sup> August 2020, applicants must submit either:

- Two category A items, or;
- One category A item and one category B item,

Two items from Category B will not be considered to demonstrate the evidence requirements for eligibility.

### Secondary Evidence – Category A

No.	Type	Secondary evidence – Category A
1	Planning	Dated email/letter to the relevant authority seeking confirmation that an installation does not require planning permission
2	Application for Energy Supply Contract	A dated enquiry for the grid connection of the project with the local network operator
3	Feasibility and project development	Dated detailed evidence that funding had been allocated by the applicant for the development of an installation, including from within an organisation.
4	Quotations	Dated evidence that a detailed quotation/estimated costs of works, was provided to the applicant <sup>1</sup>

### Secondary Evidence – Category B

No.	Type	Secondary evidence – Category B
1	Feasibility and project development	Dated feasibility studies
2		Detailed, dated architectural drawings for the location of the plant on the proposed site
3		Detailed dated system schematics/technical drawings
4		Dated evidence of a room by room heat loss assessment
5		Dated evidence of intended heat use

<sup>1</sup> Information on what will be considered a 'detailed quotation' is outlined in Annex C

## Budget

Budget for this extension application measure is a ring-fenced allocation within the existing NDRHI funding envelope. As such this measure does not represent additional spend above this overall scheme budget cap, or indeed above pre COVID-19 forecast spend. The size of this budget is equivalent to 6 months' worth of forecast spend on the NDRHI at pre COVID-19 levels, as an estimate of the impact of COVID-19 delays over the 6 months to August 2020. As such, the size of this budget offers significant headroom above the central deployment forecast for this measure. This is designed to give assurance to industry that there will be sufficient budget available for projects to accredit via an extension application, so that they may proceed with development with confidence, providing all other eligibility requirements are met.

As with the third allocation of Tariff Guarantees (TG3), technology specific budget headrooms have been set, though these are distinct from TG3. These have been set in line with the technology profile of recent NDRHI deployment trends. This is to ensure that no one individual technology can utilise an oversized portion of the total budget for this measure and block other technologies from having fair access to this funding.

### Annual Budget for NDRHI Extension Applications

Technology	Budget p/a FY22/23 onwards (£m) *
Total	4.1
Biomass (<1MWth)	2.8
GSHPs (<100kWth)	0.8
All other non-TG eligible technologies	0.5

\*As accreditations will be staggered over the course of the extension period, spend for FY 21/22 will be below 22/23 levels. As such, the budget caps used reflect a full year's worth of NDRHI spending on these installations

## Annex A - Summary of Responses

There were a total of twenty-two responses to the Notice. These were provided by a range of organisations including industry and trade bodies, public bodies, businesses, and private individuals.

### Question 1

#### **Is 6 months enough additional time for projects to be able to commission and submit a full application for accreditation after scheme closure?**

There were fourteen responses to this question. Ten submitted that six months was not enough additional time, with most requesting a further nine or twelve months. Reasons given related to consistency with other schemes and funding routes; the risk of further disruption from COVID 19 restrictions; supply chain issues; and a range of matters relating to project development specifically the summer construction window.

Two respondents stated that 6 months was sufficient, with a further two suggesting that it may be enough in particular circumstances.

### Question 2

#### **Are there any other pieces of evidence, in addition to those listed, that applicants will not be able to provide that are normally required as part of an application for full accreditation?**

There were thirteen responses to this question, with eight submissions identifying specific evidence that applicants would not be able to provide which is normally required for an application for full accreditation.

Of the remaining five responses, one stated that the scope of evidence should be limited; one stated that the list provided was a fair expectation, with two answering that there was no further evidence. One further commented on a separate issue, stating that evidence of costs incurred was unnecessary.

Details of the eight submissions suggesting further evidence that may not be available are presented in the table below, with duplicates removed.

<b>Table B Submissions for evidence that may not be available</b>
Metering information, specifications, and photos
Independent report on metering arrangements (IRMA)
Serial numbers of heat meters
Photos of boiler plates
Serial numbers of boiler
Environmental permits
Air quality/Emissions certificate
Provisional details of the technology type and size of installation
Provisional schematics
Provisional heat loss assessments

<b>Table B Submissions for evidence that may not be available</b>
Evidence of intended heat use
Installation commissioning evidence
MCS Certificate
Finalised schematic diagram
Finalised heat loss assessment
Finalised heat use information
LPA planning consent
Other external consents where required (such as Listed Building consent)

### Question 3

**Should an applicant not be able to demonstrate one of the above pieces of information, what other forms of evidence might be appropriate to demonstrate that an installation was under development prior to the publication of this notice?**

The evidence proposed in the notice was as follows:

<b>Evidence</b>
Dated invoice for construction works relating to the installation
Dated invoice for the commissioning of pre-build development work relating to the installation
Dated application for planning permission
Dated email/letter evidencing that a project falls under permitted development and does not require planning permission
Dated invoice(s) for the purchase and installation of equipment relating to the installation

There were thirteen submissions in response to this question, all proposing specific further evidence which could be provided. Details are presented in the table below, with duplicates removed.

<b>Table C: Submissions for other forms of appropriate evidence:</b>
Limited to the basic installation questions (name, location and technology) and the basic heating system quantitative information (number of generating plant, technology, capacity of installation)
Minutes of meetings where the project was shown to be moving towards order placement before lockdown
Dated email/letter outlining the activation of contract clauses relating to 'delay in works'
Dated letter of engagement for contractors to start work on project activity
Dated email/letter outlining the activation of contract Force Majeure clauses
Dated email/letter demonstrating that investor funding has been secured
Evidence of client or contractor project team members being placed on furlough
Detailed, dated design layout drawings for the location on the plant on the proposed site
Technical specification reports, quotation and other technical documents prepared pre Aug 2020,
Dated correspondence with contractors and organisations like the EA (SEPA in Scotland).
Dated feasibility studies, planning permissions or site investigations

<b>Table C: Submissions for other forms of appropriate evidence:</b>
Planning Permission: evidence from the relevant planning authority that the planning application submitted prior to publication of the notice
An application for the grid connection of the project with the local network operator and/or the acceptance of an offer to connect
An invoice from a professional advisor for works associated with the development of the project, including (but not limited to):
o A consultant for feasibility work, the submission of a planning application, the submission of a grid connection application, or for any other works associated with the development of a project
o Environmental consultant fees for environmental studies related to the project
o An M&E engineer for the outline or detailed thermal design of a system
o A civil or structural engineer for the outline or detailed design of the system
o A hydrogeological consultant for the design of a borehole array for a heat pump system or heat network
o A solicitor for securing property agreements associated with the project (e.g. wayleaves or servitudes for heat network piping), or for negotiating commercial contracts with equipment suppliers or contractors, or for negotiating heat supply contracts with heat consumers on a heat network
o An accountant or financial advisor for preparing financial models for the business case of a system
Independent report as is provided for TG applications
Dated evidence heat supply agreements are in place (or are in in negotiation) with heat consumers on a heat network
Evidence fuel supply contracts are in place (or are in negotiation) for the project
Dated evidence of funding secured for the project, such as signed loan / funding agreements or similar.
Dated heat loss assessment of a site prior to final technological decision being made
A significant volume of dated correspondence referring to a proposed project, along with recent communication confirming the intention to resume project development.
Dated letter of engagement for contractors to start work on project activity
Evidence of project being part of broader energy efficiency or renewable power scheme that was underway before lockdown commenced but had not got to the stage of installing low carbon heating system.
Evidence that clients withheld budget from Non-Domestic RHI projects in order to provide a COVID-19 related financial buffer to other parts of their business

# Annex B – Cost/Benefit Analysis

## Analytical approach

1. We have carried out cost benefit analysis to assess the impact of the Non-Domestic RHI COVID-19 mitigation extension application measure. This quantifies the costs and benefits of the additional deployment brought forward by this measure relative to a counterfactual where no additional measures are introduced. The methodology is unchanged from the 'Changes to the RHI' impact assessment published in June 2020.<sup>2</sup>
2. The analysis includes monetary estimates of the resource costs, carbon savings and air quality impacts associated with this policy. It separately outlines the potential jobs supported by the policy and the benefits on the supply chain. Job estimates are not included in the cost benefit analysis because this could lead to double counting (due to the underlying energy appraisal methodology).

## Deployment

3. In the counterfactual, for technologies which are ineligible for Tariff Guarantees (TGs), the NDRHI will close to new applicants on 31<sup>st</sup> March 2021 without any form of extension. Due to delays caused by COVID-19, some non-domestic renewable heat projects under development and not eligible for a TG will not be able to commission by this deadline so are unlikely to proceed, reducing our carbon emission savings.
4. Under the proposed policy change, projects which are ineligible for TGs but can prove they were under development prior to 17<sup>th</sup> August will be able to commission for an additional year, until 31<sup>st</sup> March 2022.
5. There is significant uncertainty around deployment brought forward by this measure due to uncertainty around both the number of projects that are eligible and the proportion of eligible projects that will apply. Analysis therefore presents a range based on a high and low deployment scenario, estimated as follows:
  - a. **Low scenario:** based on market intelligence and industry evidence on projects known to be at risk of failing to commission by 31<sup>st</sup> March 2021. This is a low estimate as we expect there to be projects at risk of failing to commission that we are not aware of.
  - b. **High scenario:** uses forecasts of deployment for the period between the nation-wide COVID-19 lockdown announced in March 2020, to the announcement of this support in August 2020, to understand how many projects were expected to commission and estimate the projects that are eligible for this policy. This is a high estimate as we expect that not all eligible projects will be delayed beyond the closure of the NDRHI on 31<sup>st</sup> March 2021.

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/896414/Final\\_Stage\\_Impact\\_Assessment\\_-\\_Changes\\_to\\_RHI\\_Support.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/896414/Final_Stage_Impact_Assessment_-_Changes_to_RHI_Support.pdf)

## Results

6. Table 1 below presents the net present value (NPV) and costs and benefits of the policy. The overall NPV for this policy is negative, but this analysis does not account for a range of non-monetised benefits, which would increase the NPV. Among the key benefits there is the generation of renewable heat, health benefits, the contribution to innovation and reduction in costs of renewable heat and a potential contribution to the smooth development of the renewable heat sector. Some of the benefits are discussed below (please refer to the [Impact Assessment](#) for a more comprehensive discussion).

**Table 1 - Summary of monetised costs and benefits**

Monetised costs and benefits (£m)	Low deployment	High deployment
Net present value (NPV)	-6	-21
Resource costs	-9	-28
Traded carbon savings	0	1
Non-traded carbon savings	7	25
Air quality impacts	-6	-19
<i>Figures may not sum due to rounding</i>		

7. The main monetised benefit of the policy is the saving in carbon emissions. The government estimates that the extension application for non-TG technologies will save about 20,000 tons of CO<sub>2</sub> equivalent per annum, contributing to the UK's Carbon Budget targets. The value of the carbon savings in the non-traded sector is likely to be an underestimate. The value placed on changes in greenhouse gas (GHG) emissions is currently under review, as the UK has now increased its domestic and international ambitions. Accordingly, current central carbon values are likely to undervalue GHG emissions, though the scale of undervaluation is still unclear. To illustrate the impact of a higher GHG value,<sup>3</sup> if we value the carbon savings using the existing high carbon prices, the benefits of the policy would increase by over £5-15m depending on the scenario, broadly offsetting the resource and air quality costs. The government is planning to review the carbon values during 2020/2021.
8. The main monetised cost of the changes to the NDRHI will be the resource cost generated by installing low carbon heating installations in place of conventional systems. The other main cost arises from the impacts of the scheme on air quality, which results from the additional particulate matter and nitrous oxide (NO<sub>x</sub>) emissions of biomass boilers. The monetised air quality impacts of biomass are higher than previous RHI analysis, due to the most recent evidence on biomass emission factors. There are other uncertainties on how the installation, operation, regime and maintenance of biomass impact the efficiency and so the estimated air quality impacts. The government is reviewing the assumptions about the efficiency of biomass installations and this could change the air quality estimates. However, any plausible change would keep the

<sup>3</sup> <https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal>

impacts in an order of magnitude comparable to the range shown below. In addition, the government is introducing new maintenance and fuel quality standards which will reduce the air quality impacts of biomass installations.

9. There are two further reasons why the above monetised benefits are likely to be understated. Firstly, the extension application will support between about 100 and 300 direct and indirect jobs in the wider economy. This estimate is based on the occupational impacts estimated in the Annual Business Survey,<sup>4</sup> considering the sectors which will benefit from the measure. Secondly, it will contribute towards the sustainability and development of the clean heat supply chain which will be of vital importance for the UK to deliver on its target of Net Zero carbon emissions by 2050.

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<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/datasets/uknonfinancialbusinesseconomyannualbusinesssurveysectionsas>

## Annex C – Detailed Quotations/Estimates of Costs Associated with an Installation

The Government is aware that often significant resources are invested in developing a detailed quotation or estimate for the costs of works, and as such we are keen to include this as acceptable secondary evidence. We are also aware there will be significant variation in how quotations and estimated costs of works are formulated between business models and projects. It is however, imperative that quotations and estimates of costs are sufficiently detailed to illustrate that resource has indeed been invested in projects' development and are thereby deemed to be suitable for the purpose of providing a piece of Category A secondary evidence. Detailed quotations or estimates of costs must include:

1. Legal identity of company or companies; registered number and address; and
2. Project name and address of proposed plant location.

In addition, at least 7 items of the below list must be provided to qualify as one piece of Category A secondary evidence. It is not expected that these need to be contained in a single document, they must however be dated prior to 17<sup>th</sup> August 2020:

1. Generation technology and size (KWth)
2. Key contract terms; itemised list of goods to be supplied and itemised list of cost for these goods.
3. Itemised list of services, including survey, design and installation and itemised list of cost for these services
4. Items and services not included
5. Site conditions or special circumstances which may result in extra chargeable work not covered by the quote
6. Timetable for supplying goods and carrying out work at the property
7. Business terms, including the payment method and timetable, how long the quote will be valid for
8. Completion dates for installation
9. Performance estimate in line with product standards
10. Explanation of VAT specific to the installation.
11. Carbon intensity comparisons specific to the installation.
12. Illustrations of expected rates of return specific to the installation.
13. Warranty statements

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