Department for
Business, Energy
& Industrial Strategy

The Non-Domestic Renewable Heat Incentive: Ensuring a sustainable scheme

Government response to consultation

January 2021

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Contents

1. Introduction

NDRHI Background

In November 2011 the Non-Domestic Renewable Heat Incentive (NDRHI) scheme was launched, offering financial support for the installation of eligible renewable heating systems. This includes systems providing renewable heating to public buildings or commercial properties, generating heat for industrial or agricultural purposes, or for heating multiple domestic properties. Installations heating single domestic properties are covered under the separate Domestic RHI.

A range of technologies are eligible for support under the NDRHI, including biomass boilers; air source, water source and ground source heat pumps; solar thermal systems; deep-geothermal; combined heat and power (CHP) systems; biogas-combustion systems and biomethane production for injection into the gas-grid. For most technologies, participants accredited to the NDRHI receive payments over a 20-year period based on the heat output in kilowatt hours (kWh) of their system. For domestic properties with individual heat pumps connecting to a shared ground loop, payments are deemed. Producers of biomethane are paid based on the volume of biomethane injected into the gas grid.

In 2018, the Government introduced a series of reforms to ensure the NDRHI represented ongoing value for money. These reforms included the introduction of Tariff Guarantees to provide investment certainty for larger renewable heat installations, changes to feedstock requirements to better utilise waste feedstocks for anaerobic digestion and amendments to eligible heat uses to ensure better value for money to the taxpayer. As of November 2020, the NDRHI has helped to produce a total of 54,701 GWh of renewable heat.

Current Policy Context and Covid-19

The measures outlined in this response are to futureproof the NDRHI scheme, increase its efficiency over its further 20-year payment period and to maximise its contributions towards the government's carbon targets. The government is aware of the impact that Covid-19 has had on the ability of NDRHI projects to meet the prescribed scheme deadlines. The government has therefore extended deadlines for the second allocation of Tariff Guarantee (TG) projects and introduced a third flexible allocation (TG3), both allowing flexibility to commission until 31st March 2022.

Additionally, the government is bringing forward legislation to aid non-TG eligible projects that have invested resources into project development but have been delayed from being able to accredit due to Covid-19 delays. The government has announced that non-TG eligible projects can submit an extension application to allow an extra 12 months to commission. This is detailed in the 'Changes to RHI Support and Covid-19 Response: Further Government Response'[1].

[1] www.gov.uk/government/publications/changes-to-the-renewable-heat-incentive-rhi-schemes

2. Government Response

Closure of the Non-Domestic RHI

The government will continue with the planned closure of the NDRHI scheme to new applicants on 31st March 2021. Therefore, a plant must meet the eligibility criteria, be commissioned, and a properly made application submitted by midnight on 31st March 2021. The payment period for the NDRHI will end on 31st March 2041.

The measures outlined previously will ensure a smooth transition between the NDRHI and the future support schemes[2], including the Green Gas Support Scheme, Public Sector Decarbonisation Scheme and Green Heat Network Fund[3]. Similarly, the extension of the Domestic RHI by a year to 31st March 2022 will aid the transition to the Clean Heat Grant, which is expected to begin in April 2022 with funding committed for two years.

Heat Pumps

Through the NDRHI, the government has supported certain heat pump systems that deliver heat to non-domestic buildings as well as provide some lower temperature process heating. These systems continue to provide a valuable contribution to our legally binding carbon budgets and the UK's overarching target of 'Net Zero' carbon emissions by 2050. Furthermore, support for heat pumps under the NDRHI has incentivised deployment, aiding the development of supply chains. The 2018 reforms to the scheme aimed to encourage greater deployment of Shared Ground Loop systems (SGLs), which can help to deliver carbon savings across multiple premises. As of November 2020, there have been a total of over 2,305 ground, water and air source heat pumps accredited to the NDRHI, accounting for approximately 265.4 MW of installed capacity.

A mechanism for the modification of capacity will be introduced into the NDRHI regulations for SGLs providing space and water heating through two or more ground source heat pumps installed in separate or the same premises. This is providing that not more than one ground source heat pump is installed in a single domestic premises. As such, modification of capacity will be allowed to continue following the closure of the NDRHI for these installations. Process heat will be excluded as a permitted heat use for SGLs modifying capacity post-closure.

For the purpose of the NDRHI, SGLs are defined as an installation in which a ground loop provides heat energy through a hydraulic connection to two or more ground source heat pumps in separate or the same premises, provided that not more than one ground source heat pump is installed in a single domestic premises. In the case of SGLs, instances where the thermal output of an existing accredited installation is changed by the addition of heat pumps utilising the existing ground loop would be classified as 'modified capacity'. BEIS intend to introduce a formal mechanism into the scheme regulations so that SGL participants may continue to modify their capacity by bringing the individual connecting heat pumps online in phases following the closure of the scheme to new applicants. Participants looking to modify capacity in this way will have to submit their plans to do so to Ofgem, the Scheme

[2] Further detail on future schemes can be found here https://www.gov.uk/government/consultations/future-support-for-low-carbon-heat
[3] https://www.gov.uk/government/publications/public-sector-decarbonisation-scheme-psds

Administrator, on or before 31st March 2023. Where capacity is modified, the new thermal output will be added to the existing accreditation and thereby will not initiate a new full payment period.

For example, if a shared ground loop has a total potential capacity of 500kW, and 250kW worth of heat pumps are connected to the loop at the point of accreditation, and 3 years after the initial accreditation date the remaining 250kW are commissioned, the participant would only receive 17 years of NDRHI payments for the second phase of heat pumps connecting.

The government sees that this practice of modifying capacity for SGLs could be beneficial for installers and developers of larger projects. This is because it allows for accreditation and thereby the receipt of a portion of NDRHI payments without the need for the total potential capacity to commission all at once, aiding cash flow and project delivery of larger installations.

Most consultation responses supported the government's proposal to allow the modification of capacity for SGLs to continue following scheme closure. There were however a few responses that articulated their concerns over the effectiveness of the proposed measure to deliver on its policy objectives as set out in the consultation. These largely centred around concerns that there was insufficient drilling capacity available to install full ground arrays prior to the closure deadline, particularly considering the impact of Covid-19 on project development. The government is aware of the impact that Covid-19 has had on the ability of NDRHI projects, including SGLs, to meet the prescribed scheme deadlines. The previously mentioned measures to mitigate against Covid-19 are intended to address respondents' concerns over SGL projects and the government will continue to monitor the situation.

The majority of responses to the consultation were in favour of applying a similar methodology for modification of capacity across other technologies. However, the government's decision is that this approach will only be applied to systems defined as SGLs providing space and/or water heating, as insufficient evidence was provided on how it may work in practice if applied to other technologies. Whilst the government acknowledges there are instances where thermal output may be increased in phases, there is a need to protect taxpayer money against potential scheme gaming. As such extending modification of capacity in this way to other technologies represents too significant a risk to proceed with at this time.

Additionally, the consultation process drew to the government's attention the need to exclude SGLs connecting additional heat pumps for process heating. This policy is specifically targeted at aiding cash flow and project development for those SGLs providing space and/or water heating to multiple premises, as such those using heat for the purpose of a process are not the intended beneficiaries of this policy

Process and Eligibility:

It is the government's intention that modification of capacity for SGLs be allowed to continue following the formal closure of the scheme to new applications on 31st March 2021, in limited circumstances. This is to deliver flexibility to developers using SGLs, whilst protecting taxpayer money from those who may seek to exploit the provision.

It is intended that modification of capacity will continue for systems defined as SGLs at the point of their initial accreditation and also those installations that through the addition of further connecting heat pumps would become defined as an SGL installation. This would include certain single heat pump installations and those installations accredited before the introduction of a definition for SGLs into scheme regulations in 2018.

As was outlined in the consultation, this proposal is designed to aid those SGLs that are looking to connect heat pumps in phases (primarily to multiple domestic dwellings), offering them greater flexibility and aiding with cash flow. As such, the government is keen to ensure that those utilising the modified capacity provisions are projects that are providing space and/or water heating to multiple premises utilising a shared ground array that may wish to attach additional heat pumps to a ground array after an initial accreditation has been made. These circumstances may include, but are not limited to, social housing projects and other housing developments that are being built or are replacing an existing heating system in phases.

The government is aware of circumstances in which allowing modified capacity to continue across all technologies and circumstances may allow for systems using recovered heat from process heating to continue to significantly modify capacity upwards beyond that of their initial accreditation. As such, to protect taxpayer money and overall scheme budget, it is not intended that this provision be extended to NDRHI installations utilising a shared ground loop for the purpose of process heating.

The government is keen to further minimise the risk to overall scheme spend of allowing modified capacity to continue following scheme closure and to ensure that additional heat pumps connecting to a shared ground array maintain a sufficient level of efficiency. As such, plans to modify capacity, and information pertaining to the total intended capacity of the system, will be required to be submitted to Ofgem, the Scheme Administrator, by participants on or before 31st March 2023 If information demonstrating the total intended capacity of a system is not submitted to Ofgem on or before this date, that participant will not be able to receive NDRHI payment for any modification of capacity. To control overall scheme expenditure, the Secretary of State will have the power to introduce a budget cap for the cost of modified capacity applications should the total potential spend attributed to plans to modify capacity represent a risk to overall affordability. However, at present it is not intended that there will be a specific budget allocation for this proposal.

In order to ensure that plans to modify capacity are appropriately scaled relative to the sizing of the ground array, thus ensuring efficiency of individual systems and guarding against gaming of the scheme, information pertaining to this will be requested by Ofgem at the point that plans to modify capacity are submitted. Information requested may include, but is not limited to, evidence of any necessary planning permission for additional connecting heat pumps and the premises they are providing heat to and thermal ground modelling assessments.

In order to minimise ongoing administrative resource, once Ofgem has been notified of and approved a participant's plan to modify capacity, participants may modify the capacity of a system on up to two occasions during their NDRHI payment period to a level not exceeding the total stated intended capacity of a system. Participants must notify Ofgem once capacity has been modified within 28 days of the modification. Further information, such as heat loss calculations, may be requested at the point capacity is modified in order to ensure the modification that has taken place is in line with the preapproved plans.

Modification of capacity will increase the thermal output of an existing NDRHI accredited installation, not initiate a new accreditation, as such the end period of payments will be 20 years after the date an installation was first accredited[4].

[4] Those accrediting to the scheme after 31st March 2021 will receive less than 20 years' worth of payments as no payments may be made after 31st March 2041.

Domestic SGLs:

The consultation also sought views on how domestic consumers whose heating is provided through an SGL might be further protected across the remaining period of the NDRHI, and for further information on the financial arrangements between developers and the users of an SGL system. A few responses suggested that consumer protection needs to be put in place for those on heat networks. Some suggested that maintenance agreements between the developers and homeowners should be made compulsory. Some respondents suggested that developers should be obligated to service and maintain the participants' system in return for the NDRHI payment. Others called for the government to mandate the installation of heat meters for domestic properties to allow the correct NDRHI payments to be paid.

The government will not amend the NDRHI regulations on this issue but will actively encourage installers of heat networks to sign up to consumer protection mechanisms. In addition, in response to feedback to our 2020 consultation 'Heat Networks: Building a market framework[5]', the government will work to ensure that the proposed Heat Network policy provides more protection for customers using SGLs as part of its Heat Network Market Framework. Additionally, the government will continue to keep consumer protection for users of SGL systems under review and may introduce further measures whereappropriate.

Biogas Combustion and Biomethane Injection

NDRHI support has been vital for galvanising the biogas and biomethane industry. As of November 2020, the NDRHI has supported the generation of 3,633 GWh of heat from biogas and 13,212 GWh of heat from biomethane. The government is pleased to have received wide support for the proposed measures to allow transfer of biomethane production registration, align regulations on fossil fuel contamination and strengthen NDRHI interaction with other schemes. These will improve the NDRHI's flexibility and effectiveness, supporting the biomethane industry while boosting carbon savings.

Change of Registered Producer

As proposed, the government will implement a mechanism to allow the transfer of registration of biomethane production between parties. This is to address the situation where a biomethane production plant could be bought and sold, but the ability to receive NDRHI payments could not be transferred. Respondents strongly agreed with the government's proposal, sharing our view that this measure will help high-value biomethane assets to be fully utilised, increasing the production and injection of biomethane.

The government will look to ensure this mechanism can effectively support scenarios in which registration could be transferred. It is our intention that Ofgem will conduct the same checks on the new producer as on the previous producer, irrespective of the parties involved or whether this is in the context of internal reorganisation. We will require new producers to demonstrate their compliance with scheme eligibility, ongoing obligations and sustainability requirements.

[5] https://www.gov.uk/government/consultations/heat-networks-building-a-market-framework

Fossil Fuel Contamination

The government will introduce provisions on the use of fossil derived fuel in anaerobic digestion. This will clarify that comparable provisions apply to the process of anaerobic digestion just as they currently apply to biomass, gasification, and pyrolysis. The majority of respondents agreed with the proposal, citing the importance of NDRHI payments not incentivising the use of biogas derived from fossil fuels.

The provisions will also bring regulatory consistency across the different NDRHI technologies, as well as with BEIS' Renewables Obligations and Feed-In Tariff schemes. This will also ensure accurate measuring of carbon savings. The provisions will mean that payment will be deducted for the percentage fossil fuel contamination, and this will be applied to the fuel as opposed to in gasification and pyrolysis where it is applied to the feedstock. Wastes consistent with Ofgem's sustainability assessment will continue to be permitted, which will help prevent the loss of feedstocks and disruption to circular economy options. The use on ancillary fossil fuel for anaerobic digestion where the plant is >1MW is already sufficiently provisioned within regulations, so the government will not be changing this.

Interaction with Other Schemes

As proposed in the consultation, the government will amend the NDRHI payment formula to allow biomethane producers to claim payments from the NDRHI and the Department for Transport's (DfT's) Renewable Transport Fuel Obligation (RTFO) within the same quarter. This will enable different consignments of biomethane to receive payments from either the NDRHI or the RTFO within the same quarter. An overwhelming majority of respondents supported this approach. They also shared our view that this would incentivise producers to increase biomethane production, give income flexibility to producers and boost the longevity of biomethane installations.

The government will make it a formal requirement that producers are not paid twice for the same biomethane consignment. RTFO legislation specifies the interaction with the NDRHI and mandates DfT to prevent double subsidy. We will work with Ofgem and DfT to ensure these regulations can be robustly applied to this pathway for NDRHI claimants. Effective data sharing will be established to assure both administrators of the source and destination of biomethane. We will also ensure sufficient non-compliance powers are in place to take action where necessary. Changes to NDRHI regulations will be sufficiently flexible to allow potential interaction with schemes that other departments may develop in the future.

Biomass

The government is committed to ensuring that air quality impacts from energy emissions are minimised, and that we objectively evaluate impacts and benefits when developing strategies to meet air quality and carbon targets. In line with the Clean Air Strategy, the government will continue to strengthen the collaboration between Defra and BEIS, so that we fairly and objectively articulate the trade-offs between energy and air quality. As of November 2020, there have been 17,031 biomass installations accredited to the NDRHI, with a combined total capacity of 4,369 MW.

Fuel Quality

A fuel quality standard is an assurance process which covers the whole chain, from the supply of raw materials to the point of delivery to the participant. There was broad industry support for the proposal to introduce a new fuel quality requirement, and it has been a key ask of the Biomass Supplier List (BSL) Advisory Panel for some time. The government is thankful to the members of the Panel for their work on this policy.

The government will require compliance with a fuel quality standard as a criterion for claiming NDRHI payments. The government is of the view that compliance with this requirement can be demonstrated by using the Woodsure Certification Scheme[6] or an equivalent scheme such as the ENPlus Certification scheme[7].

Application:

1. **Participants using accreditation bodies**. The government will amend the terms of fuel accreditation bodies (such as the Biomass Suppliers List (BSL)[8] for woody fuels or Sustainable Fuel Register (SFR)[9] for non-woody fuels) to ensure that all the fuel that they accredit complies with the new criteria. This will allow participants to demonstrate to Ofgem that the fuel they are using in their biomass boilers meets the NDRHI sustainable criteria to claim payments.
2. **Certification bodies.** The government will encourage certification bodies to publish guidance which provides the details of how to comply with this policy. The government will work with the certification bodies to ensure that information about these changes are effectively communicated to fuel suppliers.
3. **Fuel suppliers**. The government will only signpost NDRHI participants to organisations which supply fuel compliant with the scheme. Fuel suppliers are therefore required to demonstrate their compliance to their certification bodies. For instance, if a fuel supplier uses the BSL, this new requirement may require them to obtain a new BSL number which demonstrates compliance.
4. **Self-reporters**. Similar to the current practice, where participants self-report to Ofgem, the onus will be on the participant to prove compliance with the policy. Participants will need to collate evidence that demonstrates that the consignments of fuels they used in each quarter comply with the fuel quality standard, in addition to meeting the land and greenhouse gas (GHG) emission limit criteria.

Enforcement: It is our expectation that where a participant is found to be in breach of the fuel quality standard, Ofgem would be able to use their existing powers under the regulations to withhold, suspend or revoke NDRHI payment. They will also be able to use existing powers to recover any payments made to participants who do not comply with this requirement.

Timing: To allow industry to prepare for this change, the government will allow a one-year transition period before this requirement is enforced. Therefore, this requirement will only come into force on 1st April 2022.

Pre-Consumer Waste Wood (PCWW)

The government has an obligation to ensure that any waste fuel burnt in biomass boilers minimises the adverse impact on the environment. This issue has been recognised by the

[6] The Woodsure Certification Scheme
[7] https://www.enplus-pellets.eu/en-in/about-us-en-in/a-quality-scheme.html
[8] http://biomass-suppliers-list.service.gov.uk/
[9] https://www.sfregister.org

industry and the BSL Advisory Panel conducted a review to investigate limiting NDRHI payments to only the cleanest woodfuel. The government is again thankful to the Panel for their work on this.

There were a wide variety of views received in response to the consultation on this issue. While some supported the proposal, most asked for clarity of the restrictions and for a clear definition of PCWW. Others expressed concern about the impact the proposal will have on their waste-wood, especially where they have relevant environmental permits with the appropriate abatement technology.

The government will not restrict the burning of waste-wood in biomass boilers to PCWW. The government is satisfied that there is a process in place for checking that new and existing participants have the requisite environmental permits. This process requires applicants (and participants) who burn waste to adhere to Environmental Agency's requirements and obtain an environmental permit (EP). This is checked by Ofgem at the point an application to the NDRHI is submitted and at regular intervals.

Maintenance Standard

The efficient running of a biomass system can reduce costs to the consumer and have a significant impact on reducing emissions. NDRHI regulations already require participants to operate installations in accordance with the manufacturer's instructions in relation to the control of emissions. Responses to the *Renewable Heat Incentive: biomass combustion in urban areas*[10] consultation were clear that poor maintenance of biomass installations can be a significant contributor to particulate emissions. Respondents to that consultation unanimously agreed that the introduction of mandatory annual maintenance checks for biomass boilers would be a forward step in curtailing emissions from installations. This is because the purpose of a maintenance standard is to ensure that the boilers are run efficiently and therefore minimise emissions of particulate matter and nitrogen oxides.

The government therefore undertook to work closely with the wider biomass industry to develop a standard maintenance check which could become an ongoing obligation for all new and existing biomass installations. The government is thankful to MCS and HETAS and the biomass industry for their assistance in developing an industry standard for boiler maintenance checks.

The government will introduce a new requirement for participants using biomass boilers to carry out annual maintenance checks. The government will treat the annual maintenance standard as an ongoing obligation for all accredited NDRHI biomass installations. The government believes that compliance with this requirement could be achieved via an industry standard, such as the scheme being developed by MCS and HETAS, or an equivalent standard. Where an equivalent standard is used, the government will place the onus on participants to provide evidence of compliance with the policy.

Application: This policy will apply to NDRHI participants who use biomass boilers on the scheme. Participants will therefore be required to inform Ofgem of their compliance with this policy as part of their annual declaration.

Enforcement: In line with the current rules for ongoing obligations[11], where Ofgem is satisfied that a participant is failing to comply with this ongoing obligation they may temporarily or

[10] https://www.gov.uk/government/consultations/renewable-heat-incentive-biomass-combustion-in-urban-areas
[11] https://www.ofgem.gov.uk/publications-and-updates/non-domestic-rhi-main-guidance

permanently withhold all or part of that participant's payments. Ofgem will also be able to use their powers to recoup any payments made where non-compliance is discovered.

Timing: To allow industry to prepare for this change, the government will allow a one-year transition period before this requirement is enforced. Therefore, this requirement will only come into force on 1 April 2022.

Other Technologies

Combined Heat and Power (CHP)

The consultation asked for views about any changes necessary to futureproof the scheme for CHP. There were only a few comments on this topic, ranging from calls to review the use of CHP for pasteurisation to a call for consistency of rules across biomass heat and biomass CHP. Others called for the government to expand the role of the BSL to include CHP. The government does not intend to make any changes to the current regulations on Combined Heat and Power systems. The government considers that there have been several amendments to the requirements for NDRHI accredited CHP installations aimed at maximising their contribution to the decarbonisation of heat. Some of the long-term proposals suggested in the responses are beyond the remit of the NDRHI scheme. In other cases, the government does not consider the changes proposed to be necessary.

Solar Thermal

The consultation similarly asked for views on solar thermal. There were only a few comments on this topic. Some responses called for the scope of qualifying types of solar thermal collector to be expanded, while others called for a grant funding to make solar thermal viable. It was mentioned that, due to solar thermal not being eligible for tariff guarantees, the NDRHI should be extended for 6 months. Respondents also mentioned that the eligibility for solar thermal is restricted to flat plate or evacuated tube, and that the scope of qualifying types of solar thermal collector could be expanded. The government does not intend to make any changes to the current regulations for non-domestic solar thermal installations.

Replacement Plant

The consultation asked if there are any substantive issues with the NDRHI replacement plant regulations and how we might look to improve these provisions (if at all) to future-proof the scheme. Large scale renewable heat systems such as heat pumps or biomass are likely to require repair at some point over the lifetime of the NDRHI funding period, and the NDRHI regulations allow plants to be replaced subject to certain eligibility criteria. Most responses agreed with the current approach to replacement plants, with some commenting that it is fit for purpose. Others asked for Ofgem to review their approach on this and to clarify the regulations for boiler relocations and transfer in ownership. Taking the responses into account, the government is not proposing to make any changes to replacement plant regulations.

Removal of Additional Capacity and Additional Biomethane regulations

The NDRHI regulations currently allow for accredited installations and registered producers of biomethane to apply for additional capacity and to be accredited or registered. In the case of accredited biomass installations, additional capacity is defined as where an NDRHI plant is commissioned after the original installation, uses the same source of energy as the original

installation and supplies heat to the same heating system. In the case of registered biomethane producers, registration in respect of additional biomethane means any biomethane which exceeds the sum of the maximum initial capacity, plus any maximum additional capacity previously specified under the NDRHI. This gas must be supplied at the same injection point as previously registered for that participant.

There were mixed responses to this proposal. Some responses supported the proposal on the basis that additional capacity is no different to an entirely new eligible plant, therefore since the NDRHI is due to close, adding capacity should also end. Others asked that the government ensures that there would be enforcement to tackle any illegal additional capacity added to the scheme post-closure. On the other hand, some called for a restricted budget to allow some increase, while others suggested that removing additional capacity could risk reducing the use of renewable heat as a source of fuel.

The government will end the ability to add capacity for in line with the intention to close the NDRHI to new applications. Any additional capacity would need to be accredited (or in the case of biomethane the additional capacity would need to be registered). However, as the scheme is closing for new accreditations on 31st March 2021, participants will not be able to receive NDRHI payments for any capacity added. This will better protect the NDRHI's budget over the remainder of the payment period, and will also mean participants receive equal treatment irrespective of when they accredit.

Installation Meters

NDRHI regulations previously required participants on the scheme before the 2013 regulation changes to have installation meters. Installation meters are different to standard meters in that they are utilised to monitor performance but readings from them are not necessarily required for calculating payments. The government stated in the consultation its intention to reduce the strictness of the pre-2013 requirements on the replacement of older installation meters, since there is no material impact on NDRHI payments. Most responses supported this proposal, stating that installation meters are only utilised to monitor performance, and are not necessarily for calculating payments. The government appreciates the general support for this proposal and will amend legislation to reduce this strictness.

Future Technology and other NDRHI Issues

The government consulted on potential ideas for future proofing the NDRHI more broadly, especially considering how the remainder of the payment period until 2041 will likely bring advancements of technology. There were a wide variety of suggestions. Respondents suggested asking for more evidence to prove that participants are claiming NDRHI payments for its proper purpose, and not for profiteering. Others called for the scheme to address the mix of buildings that can connect to NDRHI systems, and made suggestions about how to use any unused budgets. Other responses called for more enforcement to ensure that participants keep their equipment up to date with the most efficient technology. One response commented more broadly on the value for money of the NDRHI and provided some analysis of rates of return. The government appreciates these suggestions, but on balance will not be bringing in further measures in addition to those already covered. We will however continue assessing the value for money of the scheme.

Budgets and Reporting

The government currently publishes a monthly assessment of expenditure against the annual budget caps for the DRHI and NDRHI schemes. Throughout 2021 and into mid-2022, a monthly budget cap document will continue to be published to account for further TG and extension applications. From 2022-23, there will be an annual NDRHI spend update, which will include the best estimate of NDRHI spend for the current financial year, the previous two financial years, and the subsequent two financial years.

Degression forecasting for NDRHI will end ahead of scheme close on 31 March 2021. The final quarterly report was published on 1 December 2020, based on data at 31 October 2020 with any changes coming into effect on 1 January 2021. This will be the last possible degression point and quarterly forecast on the NDRHI scheme, with no further monthly degression reporting, as no further degressions may occur.

The government will require Ofgem to continue to provide existing reporting and data on the NDRHI, until all applications are processed. Following the completed processing of final applications, annual reports will continue to be required by regulations, whilst quarterly reports will be discretionary. The government will require Ofgem to provide ongoing data on payments made and expected. Future reporting on the DRHI will be addressed at the closure of the DRHI scheme.

Scheme data will continue to be published by the government in the monthly Renewable Heat Incentive statistics publications throughout 2021-22. The provision of future statistics publications and the data requirements for that will be determined subsequently. Following the closure of the scheme, due to the burden involved, additional reporting metrics will not be requested from Ofgem unless required by internal government.

Annex A: Analysis of consultation responses

This annex looks in detail at the responses received to the consultation. It outlines the questions contained within the consultation and summarises the responses received. We received 132 responses to the consultation, which have served to inform the government's decision and policy making process. Due to the number of questions, some have been grouped together where similar themes were raised. Since not all responses answered questions directly, these contributions have been summarised under the most relevant questions.

Q1. Do you agree or disagree with the proposal to close the Non-Domestic RHI from midnight on 31st March 2021?

There were 116 responses to this question, with the majority of responses disagreeing with the proposal. Most responses asked for the NDRHI scheme to be extended for at least a year, while others suggested for 6 months. They requested this so that it would be in line with the Domestic RHI scheme and to help with project delays from Covid-19. Respondents also said the NDRHI should be extended to help those technologies such as solar thermal that are not currently eligible for Tariff Guarantees. They added it might be worthwhile reconsidering opening up the Tariff Guarantee for heat only ASHP to encourage the uptake.

On Biomass, respondents said ending the NDRHI would have a serious effect on future biomass heating, where the high maintenance and capital costs of biomass cannot be justified against fossil fuel boilers. Some responses believed that although the scheme has been successful in the deployment of biomass boilers, the fall in oil prices could lead to people switching to back-up fossil fuel boilers. Some claimed that if bioenergy were no longer eligible for the NDRHI then the Net Present Value would go from negative to positive, reflecting the situation with the DRHI where heat pumps dominate and there is little bioenergy.

Respondents highlighted various risks to projects due to the impact of Covid-19. Other responses suggested a need for support for all effective renewable technologies, including Photovoltaic Thermal (PVT), and streamlining the application process to maximise uptake by consumers. They added that there was a need to support technologies, such as deep geothermal, that were still in their infancy and ineligible for future support schemes.

Q2. Should modification of capacity for shared ground loops (SGLs) continue to be allowed from 1st April 2021? If not, why?

There were a total of 39 responses to this question. All the respondents agreed with the proposal, though there were some nuances amongst respondents. The majority of respondents highlighted that this proposal would encourage further deployment ahead of scheme closure, by providing flexibility in continuing phased commissioning for SGL projects that can take years to fully connect heat pumps. Several respondents also noted the particular benefit this would offer to social housing tenants and landlords.

A number of respondents also raised the need for clarity on whether this provision would apply to SGLs of all sizes, with many noting that this would offer flexibility for systems below 100kW that are not eligible to benefit from the 3rd allocation of Tariff Guarantees.

There were however a few responses concerned over the effectiveness of the proposed measure to deliver on the consultation's objectives, largely that there was insufficient drilling capacity available to install full ground arrays prior to the closure deadline. Respondents proposed a further amendment to Tariff Guarantees to allow sub 100kW systems to apply.

Q3. What would be the most appropriate form of evidence on the potential capacity of a system? Should this evidence be required from existing participants?

There were a total of 31 responses to this question. Suggestions from respondents highlighted a range of potential evidence that could provide a basis for confirming the total potential capacity of a system. The most commonly suggested possible evidence was planning permission demonstrating the total potential heat loads for new applicants. However several other respondents noted the potential issues that this may cause for projects being built in phases, where planning permission for additional loads may not have been granted or applied for at the point of initial application.

Thermal ground modelling was also noted by a number of respondents as a potential mechanism for demonstrating that the ground array was sufficiently sized to meet the additional heat load required upon the modification of capacity. This would serve to demonstrate that the coefficient of performance of newly connecting heat pumps was not being reduced by the connection of additional load over the capacity that the ground array is able to support. Respondents also noted that due to the comprehensive nature of effective SGL designs, information pertaining to the total build capacity should be easily available and that modifying capacity beyond this point would not be technically possible.

Responses were mixed on the necessity of requiring this evidence from existing participants. Several proposed that this should only apply to installations at the point that they wished to modify their capacity by adding additional heat pumps. The information that may be required from existing participants broadly aligned with that which may be obtained at the point of application. Though several respondents noted that as SGLs are often retrofitted into existing buildings, the number of heat pumps that may connect to an SGL overtime should be easily demonstrable. Others suggested that participants should be able to provide information that the system was designed with additional load in mind, which would form a requirement in order to modify capacity. Another suggested that existing participants should also be required to review and evidence that their systems are maintaining the heat/cooling demand and capacity outlined in their initial application.

Q4. Could a similar methodology be applied to other RHI technologies? Please provide evidence for your response.

There were a total of 23 responses to this question. 20 of these agreed with the proposal with 3 disagreeing. In addition, several respondents noted that they were unsure on whether this

methodology could be applied for different technologies, these have been discounted from the analysis.

Of those that agreed with the proposal, most did not provide evidence for how this might work or what the specific methodology would look like, but agreed in principle with the proposal to allow modified capacity to continue for technologies other than just SGLs.

Of those that provided evidence for their agreement, they were unanimous in highlighting the possibility of applying a similar approach to heat networks, based on an energy centre producing heat from an alternative heat source such as an air source heat pump or biomass boiler. One respondent noted that these installations would still be limited by the ability of the plant to deliver the energy requirements of the connected properties. Another respondent noted that this approach being applied to other technologies forming part of a heat network would encourage investment based on future revenues.

Of those that disagreed, one suggested that this should be assessed on a technology by technology basis given the inherent variation in operation. Another noted that as other technologies rely on a centralised heat centre, modifications to capacity should not result in increased accredited capacity.

Q5. What changes should be introduced to future-proof the scheme for users of a heat pump that is on a domestic shared ground loop within the non-domestic scheme, given their participation until potentially as late as 2041? Please provide evidence to support your response.

There were 26 replies to this question. Several respondents noted that there should be compulsory maintenance agreements between the participant and occupant, which ensure the developer is obliged to service and maintain the system in return for claiming NDRHI payments. The agreement should also oblige ground array participants to continue providing heat from the shared array, even if the property were sold. Some suggested that all networks should be regulated, underpinned by technical standards and customer protection such as the Heat Trust Standard to provide future proofing.

Others suggested that there should be heat meters for domestic sites to allow the correct NDRHI payments to these sites only. However, this must be supported by checking and calibration maintenance of the meters. Some responses suggested that full consumer protections be put in place for those on heat networks. A response asked for there to be a whole of life asset rate of return applied to ensure the efficiency of the systems. Some respondents argued for an insurance backed warrantee protection system and a limit imposed on allowable connections to SGL.

Some respondents expressed concerns about the potential for gaming. They suggested a need to protect taxpayers' money and as such there should be regular audits and compliance checks. They were of the view that this would ensure that all the properties claimed for are still being heated by an eligible ground source heat pump connected to the shared ground loop and that alternative heat sources are not in use.

There were others who did not believe that the scheme needs further action to future proof it, as there was no risk to consumers who benefitted from being connected to the SGL and called for SGL to be excluded from any additional future legislation to protect consumers. Others argued there was a need for education for consumers from key bodies to ensure customers were aware of the consumer codes.

Q6. How do you envisage that consumers might be further protected across this period? Please provide evidence to support your response.

There were 19 responses to this question. Some responses stated that no further protection for consumers is required for SGLs owners. Others reiterated the need for an insurance-based warrantee protection scheme or an independent monitoring and evaluation performance bond renewable at five-year intervals. Others suggested that consumers have as much choice as possible so they can find the best solution for their needs. There was a suggestion that Ofgem provides a certificate when the project is registered to state the maximum kilowatt permitted from the SGL.

One response took the view that this is an emerging market with the landlord owning the array and all the properties. This response argued that there is little risk to the consumer as they are free to switch constantly between electricity suppliers in order to source the lowest cost electricity and thereby heat. However, in some cases, further protection would be delivered for consumers through engagement with Heat Trust, to ensure that any future fee increases were appropriate, transparent and placed the risk with the owner of the shared ground loop. Many of the responses took the view that heat network regulation would provide the customer protection needed.

Q7. Please provide any information that you have on the financial arrangements between developers of domestic shared ground loop systems and the users of a heat pump connected to that system

There were nine responses to this question. Some responses pointed out that the norm is that a home owner either purchases the home serviced by the SGL and enjoys ownership of the heat pump, or, usually in the Social Housing sector, rents a dwelling which contains a heat pump, and pays their electricity bill which operates the heat pump. There were comments about a typical standing charge for the connection to the system and a metered charge for hot water, or a standing charge to support maintenance and one-off or ongoing expenses – which can equate to monopolies.

Others noted that there are several current models, and a series of planned models, covering the relationship with the ground array owner and the owners of the connected heat pumps. Others commented that evidence of this could be obtained from many Housing Trusts and other social landlords which are already benefiting from this technology.

Q8. Are there any regulatory changes that have not been addressed by this consultation that would help to future-proof the scheme for existing participants using heat pumps? Please provide evidence

There were 14 responses to this question. The majority of the responses answered 'no' to the question. Others suggested that heat pumps should be provided with an electricity input meter and a heat output meter. This would allow householders and the scheme administrators to monitor real world heat pump performance. Others suggested that the regulatory framework should reflect the benefits of renewable cooling systems and called for the modification of the NDRHI to further promote the generation of heat from waste low grade heat.

Respondents suggested a mechanism to allow future connection of load onto a commissioned NDRHI-registered system. They suggested there is far less risk for Ofgem in allowing future load connections (compared to future capacity connections), as the budget allocation will be determined by the stated capacity (which will be fixed for the project). They took the view that there is uncertainty in the definitions of eligible demand, and what is required to register for NDRHI – directly or with a tariff guarantee. Some responses suggested establishing consistency across all renewable schemes, especially due to future eligible demand. Other responses suggested any future demand should also have a tariff guarantee system.

Q9. Should a mechanism be introduced that allows for the transfer of registration for biomethane producers?

There were 23 responses to this question, 96% approved of allowing the transfer of registration for biomethane producers, while 4% disagreed.

Q10. If you answered no to question 9, please expand on your reasoning. Explain your answer.

There was one response to this question, which stated that government would be unable to deliver a mechanism but without further explanation.

Q11. Are there any other factors that need to be considered around the transfer of registration for production of biomethane?

There were 8 responses to this question. Respondents requested a fast and flexible mechanism, so it can address registration transfers as part of an internal reorganisation as well as between external companies. Respondents set out different scenarios under which registration could be transferred. Some respondents requested that the regulations clearly specify how registration transfers would interact with equipment relocation and what would be restricted. Respondents suggested greater clarity and efficiency would come from an accredited installation receiving payments, rather than a registered producer. One respondent

requested consideration of provisions for the full variety of biomethane producers, including those not in a strong financial position. Some respondents reiterated the importance of continued compliance to the original transfer agreements, and for continued monitoring. A respondent raised that regulations should also require producers' continued compliance with Ofgem and any investigations or sanctions. A respondent also said heat use on site should be encouraged due to the costs of biomethane upgrade.

Q12. What evidence should be required in order to assess the prospective new registered producer against the same criteria as those who applied for registration previously, to allow for notification of the scheme administrator and begin a formal change of registered producer process?

There were 11 responses to this question. Respondents suggested a range of evidence, the most frequent being financial/technical knowledge, legal documentation, and evidence of feedstock suitability. Evidence of Ofgem's satisfaction with all information provided and Ofgem's site access were also raised. Robust arrangements to comply with scheme obligations was also flagged by multiple respondents. Other suggestions included evidence of subcontracting arrangements, and unique identification of installations. Some respondents suggested that the same evidence as the old producer should be required, but without stating if they thought additional evidence was required.

Q13-15. Should provisions be introduced on the use of ancillary fossil fuels and fossil fuel contamination in feedstocks for AD like those that exist for other technologies?

There were 17 responses to this question, 59% of which agreed with introducing provisions while 41% disagreed. Of those respondents who agreed, there was broad support for the government's reasoning set out in the consultation document. Many respondents saw this as beneficial for ensuring that NDRHI payments did not incentivise the use of fossil fuels, both in terms of avoiding environmental damage and in terms of continuing to stimulate the renewable heat industry. This was reiterated by a respondent recommending monitoring and analysis to robustly prevent contamination. Respondents cited the benefit of having consistency across Ofgem's approach to different technologies and the other schemes they administer, as well as environment consequences of these being treated with parity.

Of those respondents who disagreed, respondents highlighted how overly restricting fossil fuel contamination would restrict circular economy options, potentially with loss of feedstock and energy outputs. The complex organic feedstock glycerol was cited as a substance that is preferable to treat through AD, rather than further down the waste management hierarchy. It was also stated that trying to apply provisions on this would always be inconsistent, due the occurrence of fossil fuel contamination in otherwise renewable feedstocks.

Q16. Should the government amend the NDRHI payment calculations for biomethane to allow producers to decide how much biomethane they wish to claim NDRHI payments for within a given quarter?

There were 15 responses to this question, with 93% of respondents in favour of amending the payment calculations, and 7% of responses opposing. Respondents in favour welcomed the proposals for addressing long-standing concerns, saying that this would be very positive for the output and flexibility of the biomethane industry, as well as giving producers more security by spreading their income and risk. Industrial sites were highlighted as an area where carbon savings could be improved by their measure, with smaller AD plants changing their use of biogas between heat and vehicle fuel. One respondent thought the measures would significantly increase biomethane injection.

Q17. If you answered no to question 16, please expand on why this is the case?

There were two responses to this, suggesting the changes would make budgeting difficult and increase administration requirements. Concern was raised about producers misusing the tiering system, which would lead to reduced biomethane production on the NDRHI.

Q18. Do you foresee any practical challenges to achieving this change? If so, please expand.

There were 9 responses to this. Respondents highlighted how flexibility was important both in allowing producers to adapt to seasonal heat demand, but also to future-proof for schemes other than the RTFO that may feature conflicting eligibility criteria. Methods for handling the interaction between the NDRHI and RTFO were suggested to be apportioning, reconciliation, mass balance and voluntary gas certificates. Several respondents stated the importance of preventing double counting of heat, and how the schemes' different reporting periods could make this a challenge. One respondent stressed the benefits of clear communications about this policy, both to government departments and industry. The deduction of propane energy was also highlighted as a challenge, as variations would mean a typical figure would not be fully accurate. Another respondent however thought that implementation would not be challenging due to existing methodologies. Respondents raised that clear payment formulae will be required as well as provision to ensure compliance to both schemes. Robust data sharing was also highlighted, requiring compatible data sets and an agreed data owner. Thorough evaluation of industry evidence was recommended, so as to ensure biomethane production increases.

Q19. What evidence would be appropriate for producers to provide to the scheme administrator for them to correctly apportion the NDRHI eligible gas being produced?

There were 8 responses to this suggesting a range of evidence, including certificates of technologies/fuel supplied, accounting of biomethane production. Dual metering was suggested by some but opposed by others over being complex and expensive. A respondent suggested an exemption box for each quarterly NDRHI claim. Establishing a voluntary scheme to provide auditable certification was also suggested. A respondent suggested that the government establish a registry of green gas injection data, to prevent double counting risk. It was suggested that all injection data be provided, with a receipt from Department for Transport.

Q20. Are there any regulatory changes that have not been addressed by this consultation that would help to future-proof the scheme for existing participants using biomass? Please provide evidence.

There were 25 replies to this question. Some respondents requested that regulations should better clarify what feedstock is allowed. Respondents raised that applications for change of ownership or location on accredited projects needs improvement and clarification, highlighting concerns about the administrative timescales and process. Respondents suggested the process for installing replacement plant should be streamlined. Some respondents suggested that the application process for accreditation be simplified. They also called for the simplification of the installation of required metering to reduce capital costs. They took the view that this would ensure schemes remain viable. One respondent said that the BSL scheme does not currently monitor quality, particularly of overseas wood pellets, where there has been less rigorous testing of fuel quality and transport processes. They said that this resulted in poor quality fuel that is still classed as high quality but could fail in spot testing.

Q21. Should fuel quality be a mandatory criterion for approved feedstock accreditation bodies?

There were 41 responses to this question. Over 88% of responses agreed with this proposal, with only 4% objecting to it. The responses requested that the government simplifies the application process for accreditation. They also requested that the government clarifies the metering requirements. Many of the comments asked for clarity over the feedstock allowed, i.e. whether the policy restricts feedstock only to virgin, pre-consumer waste or clean un-treated waste wood is allowable.

Q22. Should fuel quality be a mandatory criterion for the scheme administrator in its capacity to assess self-reported feedstocks

There were 41 responses to this question. Over 92% of responses agreed with the proposal, with the rest disagreeing with it.

Most responses expressing support for the proposal also asked for equity of treatment for participants who self-report fuel to Ofgem. Others requested that guidance clarified how the proposal will be applied, and how the administrative burden will be mitigated. Some of the main comments stated that by extending the role of approved feedstock accreditation bodies to cover fuel quality, the risk of installations using poor quality fuel, including contaminated fuel, may reduce. Respondents considered that this would align with installations currently under the NDRHI scheme, which are self-reporting, as they capture any fuel quality, in this case contamination, of their biomass fuels through the Fuel Measurement and Sampling (FMS) regime.

Others encouraged the government to ensure that all necessary checks and balances continue to be carried out, to ensure that BSL and SFR audit programmes are robust and that appropriate compliance action is taken where necessary. These respondents argued that the BSL and SFR should also be encouraged to refer cases to relevant organisations such as Ofgem or the Environment Agency when there are potential concerns regarding the compliance of installations.

Other comments said this should apply to smaller installations, where the costs of monitoring are disproportionate, but where schemes are covered by regulated by the Medium Combustion Plant Directive (MCPD), Environmental Permitting (EP) Regulations or Industrial Emissions Directive (IED). These comments said the focus should be on regulating outputs to maintain air quality standards rather than blanket rules on inputs.

Q23. Do you agree with the proposal that a membership of an accredited quality assurance scheme should be sufficient evidence of fuel quality standard?

There were 25 responses to this question. 80% of the responses agreed with the proposal, while 20% disagreed. The comments from the responses generally supported the proposal but raised concerns about the impact of the cost of adhering to the policy on participants and a need to allow for exceptional circumstances such as overseas equivalents.

Q24. If you answered no to question 23, what type of fuel quality framework would work?

There were 19 responses to this question with a wide range of comments. While some made it clear that the purpose of this proposal was for air quality, others took the view that accreditation does not guarantee quality and therefore the introduction of spot checks is essential to ensure compliance.

Q25-Q27. Do you agree with the proposal that, with the exception of chapter 4 compliant boilers, only pre-consumer waste wood should qualify for waste-wood burning NDRHI boilers?

There were 40 responses to Q25, 23 responses to Q26 and 23 responses to Q27, where respondents added comments explaining their reasoning. 45% of responses supported this proposal, while 55% did not support it. There were concerns about the definition of pre-consumer waste wood and this caused uncertainty among some. Others were concerned by the impact this would have on their NDRHI payments as they believe they have environment permits which permit them to burn treated waste wood in their biomass boilers. The majority of those who objected took the view that it would be inappropriate to only allow pre-consumer waste wood to qualify for NDRHI payments. Some however agreed that better enforcement measures are required to prevent the consumption of contaminated wood an inappropriate boiler system.

Q28. Are any changes necessary to the NDRHI for CHP installations following the closure of the NDRHI to new applicants?

There were 19 responses to the question, with 53% of them saying changes were necessary and 47% saying they were not necessary.

Q29. Please provide evidence for your answer to question 28.

The only shared suggestion between respondents was to review the eligibility of pasteurisation for CHP heat use under the NDRHI, to benefit the production of digestate and reduce the need to import energy. Other suggestions from respondents included that CHP should be incentivised with a separate scheme and that BSL suppliers be allowed for biomass boilers. It was also raised that heat venting should be outlawed, with efficiency targets for reducing timber waste. A respondent also suggested a 5-yearly review into buying out the remainder of the NDRHI's term to shut down CHP plants.

Q30. Are any changes necessary to the NDRHI for solar thermal installations following the closure of the NDRHI to new applicants?

There were 17 responses to the question, with 35% of them saying changes were necessary and 65% saying that changes were not necessary.

Q31. Please provide evidence for your answer to question 30.

Respondents talked about the difficulty of getting solar thermal registered on the NDRHI and that the scope of eligible technologies should be expanded beyond flat plate or evacuated tube to help future-proofing. Grant funding was also raised as being required for solar thermal's viability, due to its payback period. One respondent said that the evolution of controls that could make combined systems valuable is limited without an extension to the NDRHI

Q32-Q33. Do you agree with the current approach to replacement plant outlined in the regulations?

There were 33 replies to question 32 and 29 comments in response to question 33. The majority of the responses (82%) agreed with the government's approach as stated in the regulations, including flagging historic endorsement of the approach. Some expressed concern over the amount of time it took for replacement plants to be approved. One respondent suggested improving the approval process to anticipate the increase in number of replacement plants, particularly around the timescales involved. A respondent stated that the regulations do not allow for a boiler to be relocated and transferred in ownership and then for the previous owner to install a new boiler in the previous location. Participants raised that if a replacement is a new technology, as long as this is an NDRHI eligible technology it should receive the rest of the NDRHI term for that installation at the appropriate new technology rate. Others suggested clarification of the rules for change of ownership or location on accredited projects and that the process for installing replacement plant needs to be streamlined and simplified.

Q34-Q35. Do you agree with the government's approach to removal of the additional capacity regulations?

There were 18 responses to question 34, and ten comments in response to question 35. There was an equal split, with 50% of respondents agreeing and 50% disagreeing. Those who agreed shared the government's view that the closure of the NDRHI scheme meant that additional capacity should also be prevented. Respondents also asked the government to ensure that there is no gaming. Those who disagreed one said that removing additional capacity stifled innovation and risked businesses who could not grow returning to fossil fuels. Respondents said additional capacity was a cost-effective way of reducing emissions, and that it was more efficient than the building of additional plants. They also said that the capacity could be capped, with suggestions of expansions being between 50% and 100% of capacity.

Q36-Q37. Do you agree with the government's approach to removal of the additional biomethane capacity regulations?

There were 13 responses to question 36 and seven comments in response to question 37. There were 62% of respondents agreed with the proposal and 38% disagreed. Respondents raised concerns over the reduced production of, and investment in, biomethane. One respondent stated that removal of the regulations would potentially distort free market choices. Another respondent raised that since the Green Gas Support Scheme is not proposing plans to add additional capacity, the only ways for companies to increase their volume of biomethane is

to build a new installation, which reduces value for money. Other respondent proposed a cap on additional capacity but not to prevent it.

Q38. Do you agree that the government should reduce the strictness of the requirements for installation meters, in circumstances where NDRHI payments are unaffected?

There were 48 responses to this question. The majority of the responses (75%) agreed with this proposal.

Q39-Q40. Are there any specific types of changes in obligations which you would like to see introduced to the scheme to account for future technological change?

There were 42 responses to question 39 and five comments in response to question 40. The majority of the responses (64%) were of the view that there should be changes in obligations to account for future technology changes. Some respondents asked for the wider use of the renewable budget to provide support for solar PVT and cooling technology. Others suggested that new heat pumps should be fitted with both electricity 'input' meters and heat 'output' meters to allow consumers and scheme administrators to monitor real world performance of the heat pump. Some agreed that it will be difficult to predict what technology advances will be available in future but wanted to ensure that the legislation was flexible enough to accommodate changes.

Q41-Q42. Are there any other further changes that you would like us to make to the Non-Domestic RHI regulations at this time?

There were 29 replies to question 41 and four comments in response to question 42. While many responses proposed that the scheme be extended for a year, others suggested that it should be extended for two years. Some responses expressed concern over the ending of the NDRHI scheme, considering that it is essential for boosting investment in renewable technology. One response commented more broadly on the value for money of the NDRHI and provided some analysis of rates of return. Other comments provided details of how to improve the scheme, including ensuring that all installations have the requisite planning end environmental permits. There were specific suggestions about amending legislation to reduce the burden on participants and clarifying terms. There were concerns that the consultation could have focused more on the geothermal industry.

Q43. Do you agree with the government's approach to remove quarterly and monthly NDRHI degression publications?

There were 34 responses to this question, with 71% answering yes and 29% disagreeing with the approach.

Q44. If you answered No to question 43 please expand.

One response considered it valuable to track the level of budget that had not been allocated against previous commitments, with ongoing underspend reporting. Several responses restated that the NDRHI scheme should continue and with it, degression publications until scheme close. One response asked that publications be made available further in advance to allow greater preparation for both installers and system owners. This is beyond the scope of the question of continuing publications after scheme close.

Q45. Do you agree with the government's new approach to NDRHI publications set out above?

There were 27 responses to this question, with 78% answering yes and 22% disagreeing with the approach.

Q46. If you answered No to question 45, please expand.

Several responses asked for a consideration of six month or annual reporting of accreditations to maintain transparency following scheme closure.

Q47. Is there any additional data you think should be made available publicly as part of this publication?

There were 29 responses to this question, with 41% answering yes and 59% answering no.

Q48. If you answered Yes to question 47, please expand.

An extensive range of further metrics were submitted by respondents for additional reporting. This has been addressed in our response.

Q49. Do you agree with the decision to no longer mandate the scheme administrator to publish quarterly and annual reports for the NDRHI?

There were 28 responses to this question, with 61% answering yes and 39% answering no.

Q50. If you answered No to question 49, please expand.

Several responses called for continued annual reporting to provide transparency to the taxpayer and to the government. Three responses detailed specific metrics for quarterly reporting for the government to monitor the KPIs of the scheme administrator and maintain accountability.

This publication is available from: www.gov.uk/government/consultations/non-domestic-renewable-heat-incentive-ensuring-a-sustainable-scheme

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