



Department  
of Energy &  
Climate Change

# Renewable Heat Incentive (RHI)

## Non Domestic RHI update



## Renewable Heat Incentive

### Non domestic RHI – ecobuild 2014

# Three good reasons to choose renewable heat...

1. From this Spring, **every** building will be able to get an incentive if it goes renewable – **the RHI is a reality**
2. Government has allowed for significant growth year on year in renewable heat demand in domestic and non domestic properties
3. Customers like renewable heat – consumers who installed renewable heating systems had high satisfaction rates



# Renewable Heat Incentive

## Non domestic RHI – ecobuild 2014

### Heat is an issue for the UK

- 47% of UK energy use is in respect of heat and the UK spends around £32bn on heat across our economy
- Around 1/3 of UK's carbon emissions come from energy used to produce heat
- Under EU Renewable Energy Directive 2009 we have a binding commitment to increase renewable energy use to 15% by 2020

**Legally binding targets mean that the scheme is here – once in the scheme full payment is guaranteed**

Incentivise roll out of renewable heat systems



**Prepare for mass rollout in 2020s**

Build sustainable supply chains

Improve performance

Reduce costs

Reduce barriers to uptake

# Renewable Heat Incentive

## Non domestic RHI – ecobuild 2014

### Which scheme is right for me?

	Domestic	Non-domestic
Eligibility	<p>Property must have domestic EPC - single domestic dwelling.</p> <p>Home owners, social and private landlords and self builders (not new build)</p> <p>Third party owners not yet eligible</p>	<p>Commercial, industrial, public sector and not for profit</p> <p>Multiple homes (including District Heating) – no exclusion for new build properties</p>
Payment period	<p>Payments made over 7 years (to compensate for 20 years of benefits)</p>	<p>Payments made over 20 years</p>
Measuring usage	<p>Deemed renewable heat output (metered if back up system or second home)</p>	<p>Eligible heat use is metered on actual generation or use</p>



# Renewable Heat Incentive

## Non domestic RHI – ecobuild 2014

### Non-domestic RHI

- Now covers biomass boilers, biomass CHP, GSHP, ASHP, biogas combustion, deep geothermal, solar thermal and biomethane
- Over 4000 applications now received
  - Vast majority are biomass boilers but other technologies starting to come through
- Seen great success in the agriculture sector in particular
  - Biomass boilers for off-gas process heat in poultry and horticulture
  - Rural B&B's and holiday cottages also a key sector
  - Biomethane injection-to-grid from AD plants starting to take off

# Case Studies

## Northamptonshire poultry unit

- Single 1MW wood-chip boiler for 6 poultry sheds to replace existing LPG and heating oil based systems
- Immediate running cost savings on fuel costs of £120,000 a year
- RHI income of £68,000 a year in addition



## Rainbarrow Farm AD with bio-methane injection

- UK's first bio-methane to grid installation
- JV with Duchy of Cornwall
- Feedstock maize, grass and potato waste
- Many more biomethane plants in the pipeline supported by RHI

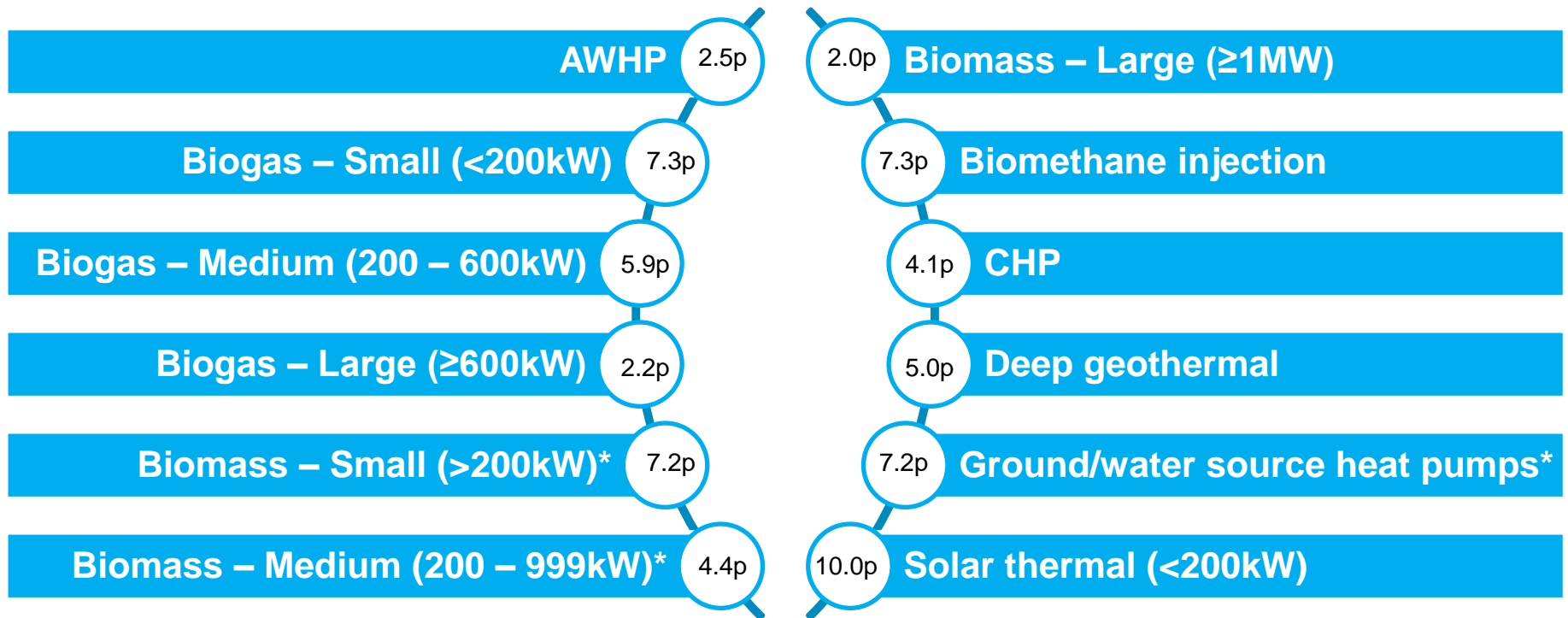


# Renewable Heat Incentive

## Non domestic RHI – ecobuild 2014

### Which technologies?

- New and increased tariffs for some technologies, from spring 2014



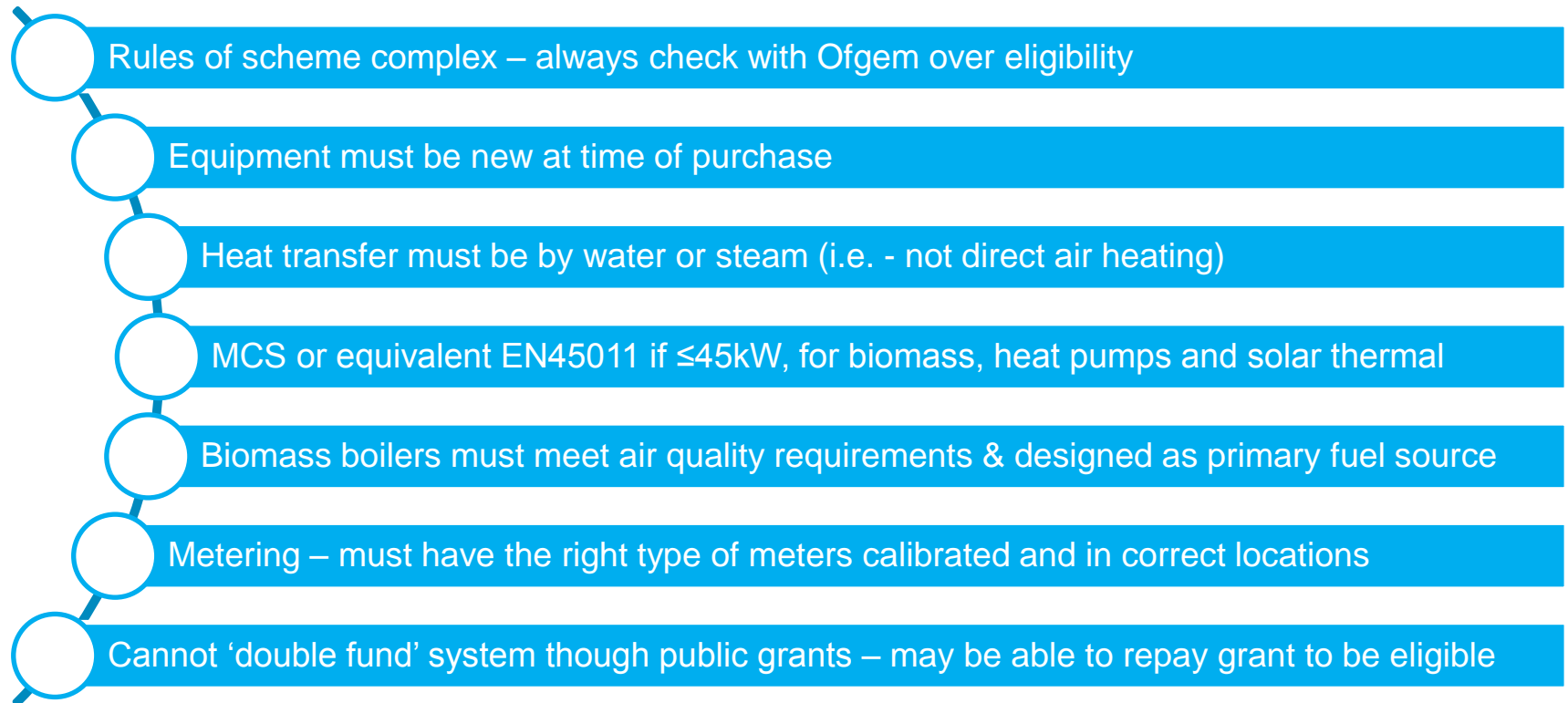
\*Figures provided are untiered – this equate to tiered tariffs of: Small Biomass 8.6p/2.2p; Medium Biomass 5.0p/2.1p, G/WSHP 8.7p/2.6p

# Renewable Heat Incentive

## Non domestic RHI – ecobuild 2014

### For those intending to apply

- Only the owner of an eligible heating system can apply. Requirements are:





# Renewable Heat Incentive

## Non domestic RHI – ecobuild 2014

# Biomass Sustainability

- This is critical for both the domestic and non-domestic schemes

Spring 2014

Application requirements for Biomass Suppliers List to be made available

Autumn 2014

Minimum 60% GHG emission saving relative to EU fossil fuel heat average

1st April 2015

Land criteria which correspond to meeting the UK Timber Procurement Policy for woody biomass

All existing & new applicants **MUST** comply with updated criteria, from date legislation in force

This will impact any fuel that you purchase now but intend to use later – so stock pile carefully



# Opportunities in the non-domestic RHI

- GSHP tariff sees big increase in spring
- ASHPs being added to the scheme
- New dedicated tariff for biomass CHP
- New dedicated tariff for deep geothermal
- Large biomass tariff doubled from spring to 2p a kWh
- New tariffs for biogas combustion from AD at all scales
  - Previously capped at 200kW
- Biomethane continues to be an attractive option for larger AD plants in particular
- Small and medium biomass tariffs still attractive for many applications



# Renewable Heat Incentive

## Non domestic RHI – ecobuild 2014

### Summary

- The RHI has been up and running in the non- domestic sector for over two years
  - Strong growth coming from the biomass sector in particular
  - Big uptake of the RHI in agriculture and the rural economy more generally
- Revisions to the non-domestic scheme open up new opportunities
  - Heat pumps, biogas etc.
- The domestic scheme is ready to launch and targeted at off-gas rural properties
  - Reduced fuel bills and decreased emissions!

# Renewable Heat Incentive

## Non domestic RHI – ecobuild 2014

### For more information:

#### Domestic



- Pre-application enquiries by ESAS in England & Wales: 0300 123 1234
- Or contact Home Energy Scotland: 0808 808 2282
- Ofgem to deliver scheme – guidance will be available soon
- Check [www.ofgem.gov.uk](http://www.ofgem.gov.uk)

#### Non-domestic



- Ofgem deliver scheme
- Guidance on [www.ofgem.gov.uk](http://www.ofgem.gov.uk)
- RHI enquiry line: 0845 200 2122
- Email: [rhi.enquiry@ofgem.gov.uk](mailto:rhi.enquiry@ofgem.gov.uk)



# Thank you!

[rhi@decc.gsi.gov.uk](mailto:rhi@decc.gsi.gov.uk)