



# Renewable Heat Incentive (RHI)

Update on the Domestic RHI  
(RHI for householders)



# 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

## Domestic Scheme – 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

## Domestic Scheme – ecobuild 2014

### Which scheme is right for me?

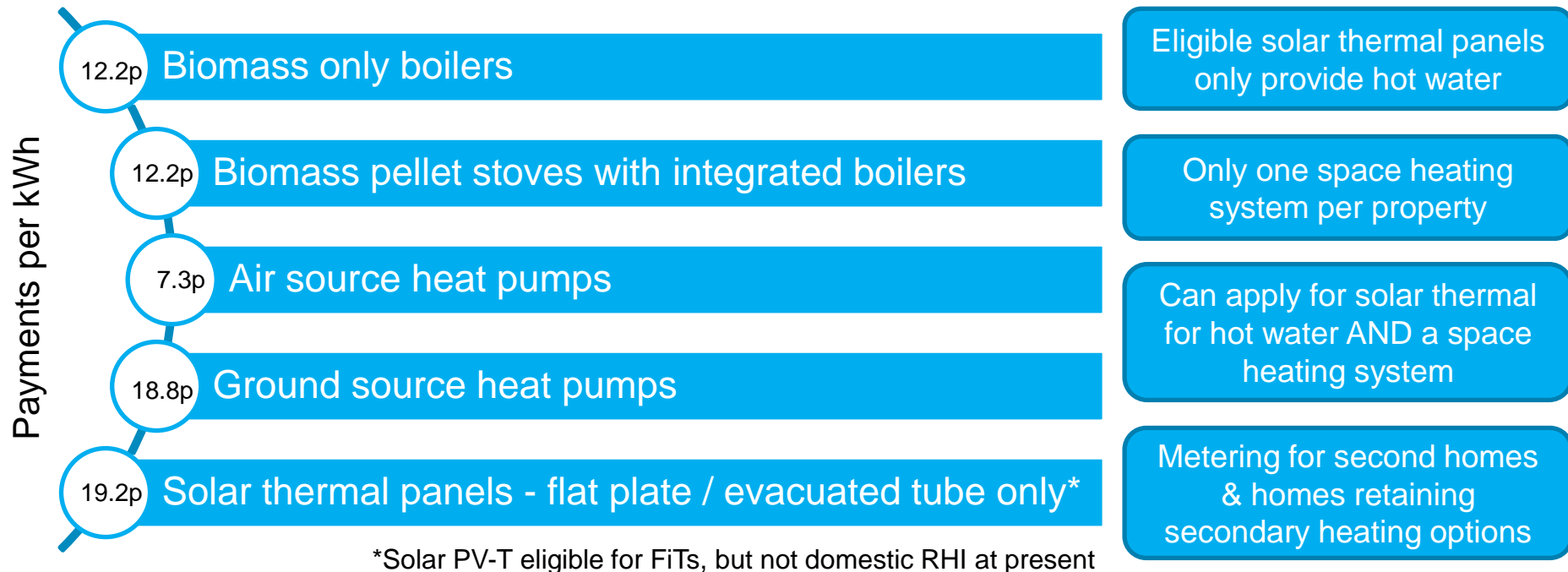
	Domestic	Non-domestic
Eligibility	<p>Property must have domestic EPC - single domestic dwelling</p> <p>Home owners, social and private landlords and self builders (not new build)</p> <p>Third party owners not yet eligible</p>	<p>Commercial, industrial, public sector and not for profit</p> <p>Multiple 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 on EPC (metered if there is a back up system or second home)</p>	<p>Eligible heat use is metered on actual generation or use</p>

# Renewable Heat Incentive

## Domestic Scheme – ecobuild 2014

### Is the domestic RHI for me?

- Available for households on and off the gas grid – those without mains gas have the most potential to save on fuel bills and decrease carbon emissions



# Renewable Heat Incentive

## Domestic Scheme – ecobuild 2014

# What to do before applying

- Renewable heating systems work best in well insulated home.

Talk to an installer about your options and check advice with Ofgem website

What type of system might be right for your property



To apply you must have a green deal assessment carried out for the property

Only exemptions are for those who build their own homes incorporating renewable heating system



You must install loft and cavity wall insulation if recommended in Green Deal Advice Report

If it is not possible to do this, evidence must be submitted to Ofgem as part of application



Get an updated EPC to verify loft and cavity wall insulation has been installed

# Renewable Heat Incentive

## Domestic Scheme – ecobuild 2014

### For those intending to apply

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



Renewable heating system and the installer must be MCS certified



Must have had system installed on or after 15<sup>th</sup> July 2009



All of the heating system must be new – i.e. not used before commissioning date



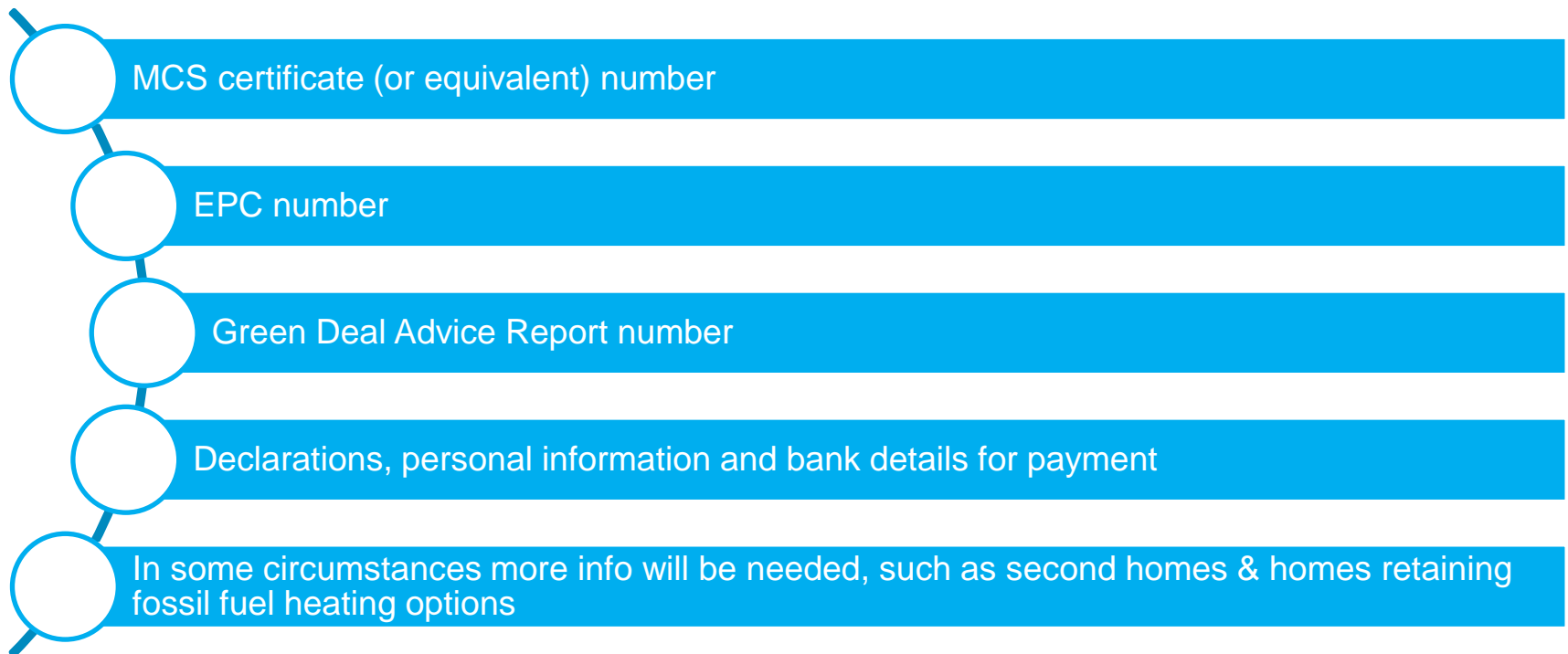
If system installed on / after launch date, must apply within 12 months of commissioning



Public grants (not ECO, Green Deal or loans) deducted from RHI payments over 7 years

# Proof for application process

- Installer will register system on MCS database and provide certificate. System owner must complete online application process and supply:





# Renewable Heat Incentive Domestic Scheme – ecobuild 2014

## Some people in the domestic scheme must be metered

Metering is required where you have:

- A renewable heating system installed alongside a fossil fuel space heating system (e.g. an oil boiler) or another renewable system
- A heating system combining a heat pump with a fossil fuel system like a gas boiler (i.e. a hybrid system)
- A biomass heating system that is not designed to heat the whole property
- A heating system installed in a domestic property that is occupied for less than half the year (e.g. a second home)

**Metering is never required for solar thermal systems**



# Renewable Heat Incentive

## Domestic Scheme – ecobuild 2014

### Quarterly payments in arrears for 7 years



**A semi- detached house off-gas grid in a rural location with a heat demand of 10,000kWh/year could get:**

- **£500/year** in RHI payments for generating heat with an air source heat pump (**tariff is 7.3p/kWh**), with a small on-going fuel and operating cost saving
- **£1,300/year** for a biomass boiler (**tariff is 12.2p/kWh**), with additional fuel and operating cost savings
- **£1,400/year** for a ground source heat pump (**tariff is 18.8p/kWh**) with additional fuel and operating cost savings



**A detached house off-gas grid in a rural location with a heat demand of 18,000kWh/year could get:**

- **£800/year** in RHI payments for generating heat with an air source heat pump (**tariff is 7.3p/kWh**)
- **£2,200/year** for a biomass boiler (**tariff is 12.2p/kWh**) with additional fuel and operating cost savings
- **£2,400/year** for a ground source heat pump (**tariff is 18.8p/kWh**) with additional fuel and operating cost savings

# Renewable Heat Incentive

## Domestic Scheme – ecobuild 2014

# Treatment of ‘Legacy’ applicants

- For those who have already installed eligible systems, ‘Legacy’ applications will be staggered:

Phase	Who can apply
Months 1-3	<ul style="list-style-type: none"> <li>• New applications</li> <li>• Legacy that was not part-funded by RHPP</li> </ul>
Months 3-6	<ul style="list-style-type: none"> <li>• New applications</li> <li>• Legacy that was not part-funded by RHPP</li> <li>• Legacy part funded by RHPP (applied for before 20<sup>th</sup> May 2013)</li> </ul>
Months 6-12	<ul style="list-style-type: none"> <li>• New applications</li> <li>• All legacy applications</li> </ul>
Year 2 onwards	<ul style="list-style-type: none"> <li>• New applications only (within one year of commissioning date)</li> </ul>



# Launch plans

- Full scheme details were announced in July 2013
- Detailed regulations were laid before Parliament 11<sup>th</sup> Feb 2014
  - Final stages of the Parliamentary process is now in train
- Scheme expected to go live for applications in the Spring
  - Not long now!
- Budget available to support big growth in the domestic renewable heating sector between now and 2015/16
- Ofgem will be presenting on the details of the application process immediately following this presentation



# Renewable Heat Incentive

## Domestic Scheme – ecobuild 2014

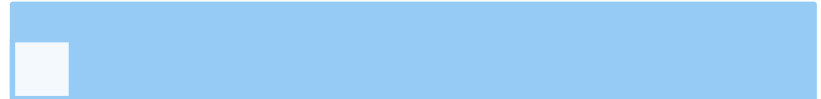
### For more information:

#### 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 for listening!

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