

Lottery Funding and the non-domestic RHI

Lottery Grants and RHI Eligibility

National lottery funded grants

Under current regulations, the RHI is not open to applicants in receipt of national lottery funding (NLF) for the cost of purchasing and installing a renewable heat system. However, the Department is currently considering if certain NLF recipients should also be able to receive support under the RHI. In determining this, the department needs to consider value for money for the taxpayer, overcompensation, and not contravening state aid law. At the same time, we recognise that allowing lottery funding and the RHI to be combined may make available a capital funding stream for those who struggle to access capital finance, such as community groups and schools.

Changing regulations on receiving both RHI tariffs and lottery grant funding

We plan to provide more clarity on our intentions around the end of the year. Should we decide to allow certain NLF recipients to access the RHI, we would aim to amend the RHI regulations so that they come into force in spring 2014, subject to Parliamentary time.

Using NLF grants and accessing RHI

Unfortunately, you would need to wait until any amended regulations came into force before knowing whether you could access both NLF and RHI support.

Repaying NLF grants

Only NLF grants issued between July 2009 and November 2011 may be repaid; if you received your grant within this time-period then yes, you may repay it in order to receive RHI accreditation. However, DECC is currently looking at how we handle public grants in relation to applications to the RHI.

Participants already receiving NLF and RHI

If you have received a NLF grant and been accredited to the RHI, no retrospective action will be taken and you will be able to continue to participate in the RHI.

Feed-in Tariffs

The FITs scheme does not permit the dual use of grants from public sources; this includes NLF and FITs support, as this is a clear double subsidy and represents poor value for money given that support levels under FITs are designed to subsidise the total capital cost of installations. However, under the RHI, support levels are different, as they seek to compensate for the additional cost of the renewable technology over a fossil-fuel equivalent (in terms of replacement).

The FITs scheme has been successful in promoting the uptake of small-scale, low carbon electricity generating technologies. However, under the RHI, uptake has been below expected levels. Therefore we need to make sure that an appropriate level of support is available for those that need it most.

Loans and RHI Eligibility

Loans from non-governmental bodies

As loans require repayment, they do not result in a double subsidy when used in conjunction with the RHI.

Local authority loans

The fact that a loan is from public body does not stop you from applying for the RHI. As loans require repayment, they do not result in a double subsidy.

Green Deal Finance

Green Deal loans can be used to part-fund the installation of a renewable heat technology.