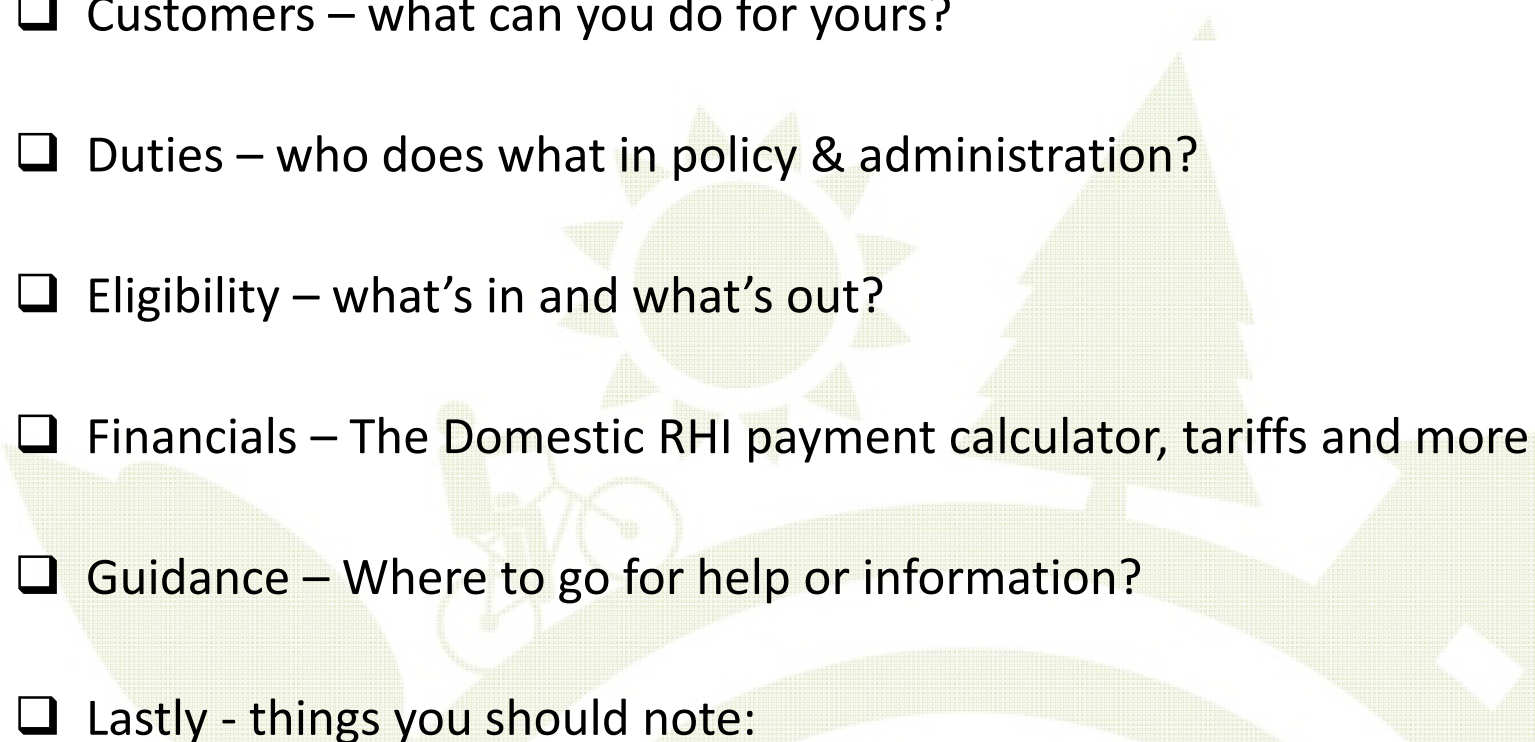


## The Domestic Renewable Heat Incentive

(and the A,B,C of how to help your customers)

Keith Horgan  
Domestic RHI

ofgem

- Background to the Renewable Heat Incentive schemes
  - Customers – what can you do for yours?
  - Duties – who does what in policy & administration?
  - Eligibility – what's in and what's out?
  - Financials – The Domestic RHI payment calculator, tariffs and more
  - Guidance – Where to go for help or information?
  - Lastly - things you should note:
- 

## The Renewable Heat Incentive (RHI) schemes

- November 2011 the Non-domestic scheme opened - term 20 years
- 9 April 2014 the Domestic scheme opened – term 7 years
- Both schemes are part of the government’s strategy on reducing carbon emissions and are set to help meet the 2020, 2030 and 2050 reduction targets committed to
- Ofgem is in charge of administering both schemes on behalf of BEIS (formally DECC)
- I will cover the domestic scheme first and my colleague, Iain Clark, will talk in a moment about the non-domestic scheme.

## What can you do for yours?

- The domestic RHI scheme attempts to process applications automatically, ideally without the need for human intervention
- Whilst a high number of applications do get accredited in around 15 minutes, some come into review for a variety of reasons
- Some of these can be avoided with a little forethought and reading of guidance materials, plus hopefully some tips today will help
- We are constantly striving to improve our auto-accreditation rate which regularly now exceeds 50% across all applications
- The GSHP auto-application rate varies between 25-35% on average

## Policy & Administration

### □ BEIS's role is:

- Write the policy and regulations
- Set scheme budget and ensure this is managed (tariff rates, depression)
- Deliver continuous improvement of the scheme



Department for  
Business, Energy  
& Industrial Strategy

### □ As administrator of the Domestic RHI, we:

- Provide an application process, including clear guidance for applicants and installers, and accredit applications which meet the scheme requirements
- Make payments
- Run a desk-based and site audit programme
- Ensure that 'members' (scheme participants) comply with their ongoing obligations

**ofgem e-serve**

## Technologies & Use

Technology	Must Provide Heat For	Can Provide Heat To	Cannot Provide Heat For
<b>Solar Thermal</b>	I. Domestic Hot Water	I. n/a	I. Space Heating II. Swimming Pools
<b>Biomass</b>	I. Space Heating	I. Domestic Hot Water II. Another purpose e.g. a swimming pool	
<b>Air Source Heat Pump</b>	I. Space Heating	I. Domestic Hot Water II. Another purpose e.g. a swimming pool	
<b>Ground Source Heat Pump</b>	I. Space Heating	I. Domestic Hot Water II. Another purpose e.g. a swimming pool	

## Product Eligibility List (PEL)

- ❑ Installation must be MCS (or equivalent) certified
- ❑ But not all products certified by MCS are eligible for the domestic scheme!
- ❑ e.g.
  - Air-to-air, exhaust air or shared ground loop heat pumps
  - Unglazed solar collectors; plus
  - All new biomass installations must have an Air Quality certificate
- ❑ Ofgem have published a Product Eligibility List -  
[www.ofgem.gov.uk/publications-and-updates/domestic-renewable-heat-incentive-product-eligibility-list-pel](http://www.ofgem.gov.uk/publications-and-updates/domestic-renewable-heat-incentive-product-eligibility-list-pel)

# Eligibility

## Energy Performance Certificate (EPC)

We use the EPC for is:


Estimated **energy costs and savings**

**Overall energy efficiency rating** and Potential Rating

**Recommendations** to make the building more efficient (e.g. insulation)

Tells you how much **energy** it takes to **heat the building** – thus influencing what the Scheme pays ‘deemed’ customers

### Energy Performance Certificate




**██████████, LONDON, ██████████**

<b>Dwelling type:</b> Ground-floor maisonette	<b>Reference number:</b> 8512-6921-9160-6693-0906
<b>Date of assessment:</b> 07 September 2012	<b>Type of assessment:</b> RdSAP, existing dwelling
<b>Date of certificate:</b> 07 September 2012	<b>Total floor area:</b> 88 m <sup>2</sup>

**Use this document to:**

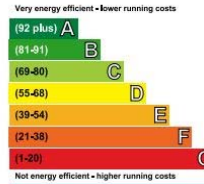
- Compare current ratings of properties to see which properties are more energy efficient
- Find out how you can save energy and money by installing improvement measures

<b>Estimated energy costs of dwelling for 3 years:</b>	<b>£ 3,888</b>
<b>Over 3 years you could save</b>	<b>£ 1,626</b>

Estimated energy costs of this home			
	Current costs	Potential costs	Potential future savings
Lighting	£ 306 over 3 years	£ 153 over 3 years	
Heating	£ 3,288 over 3 years	£ 1,848 over 3 years	
Hot Water	£ 294 over 3 years	£ 261 over 3 years	
<b>Totals</b>	<b>£ 3,888</b>	<b>£ 2,262</b>	

These figures show how much the average household would spend in this property for heating, lighting and hot water. This excludes energy use for running appliances like TVs, computers and cookers, and any electricity generated by microgeneration.

#### Energy Efficiency Rating

	Current	Potential
	40	65

Very energy efficient • lower running costs  
Not energy efficient • higher running costs

The graph shows the current energy efficiency of your home.  
The higher the rating the lower your fuel bills are likely to be.  
The potential rating shows the effect of undertaking the recommendations on page 3.  
The average energy efficiency rating for a dwelling in England and Wales is band D (rating 60).

#### Top actions you can take to save money and make your home more efficient

Recommended measures	Indicative cost	Typical savings over 3 years	Available with Green Deal
1 Internal or external wall insulation	£4,000 - £14,000	£ 1,008	✓
2 Floor insulation	£800 - £1,200	£ 234	✓
3 Low energy lighting for all fixed outlets	£55	£ 123	

See page 3 for a full list of recommendations for this property.  
To find out more about the recommended measures and other actions you could take today to save money, visit [www.direct.gov.uk/savingenergy](http://www.direct.gov.uk/savingenergy) or call 0300 123 1234 (standard national rate). The Green Deal may allow you to make your home warmer and cheaper to run at no up-front cost.



## MCS Certificate

- This, and the associated Compliance Certificate, is the other evidence of a compliant installation we need
- There are a number of details we need including:

**MCS number Format:** MCS-12345678-X

**Product no. and Technology type:** To ensure it's one of the 4 eligible ones

**Commissioning Date:** Applications need to be submitted within 12 months from commissioning date



MCS Installer Certificate No.  
MCS-00117503-K  
Version 1  
Monday, 12 March 2012 12:15:08

**INSTALLER DETAILS**  
MCS Certified Installation Company Name: [REDACTED]  
MCS Certified Installation Company Number: [REDACTED]  
MCS Certified Installer Name: [REDACTED]

**PRODUCT DETAILS**  
MCS Certified Product Name: [REDACTED]  
MCS Certified Product Manufacturer: [REDACTED]  
MCS Certified Product Number: [REDACTED]  
Technology Type: AIR SOURCE HEAT PUMP  
Estimated Annual Generation (kWh): 118000.00  
Declared Net Capacity (kW): 9.00

**INSTALLATION ADDRESS DETAILS**  
Address: [REDACTED]  
Supply MPAN: [REDACTED]  
Installation Type: Non-Standalone  
Commissioning Date: 09/03/2012

**GENERATION METER DETAILS**  
Generation Meter Serial Number (MSN): 0  
Generation Meter Reading: 0  
(at commissioning date)

## Metering for payment

- Most domestic applications can have heat use estimated from their EPC, but some need to be metered
  
- Main triggers for metering:
  - Second heating system
  - Occupied < 6 months (e.g. second home)
  
- Not a choice
  
- Please read Ofgem's metering guidance

### Your home's heat demand

For most homes, the vast majority of energy costs derive from heating the home. Where applicable, this table shows the energy that could be saved in this property by insulating the loft and walls, based on typical energy use (shown within brackets as it is a reduction in energy use).

Heat demand	Existing dwelling	Impact of loft insulation	Impact of cavity wall insulation	Impact of solid wall insulation
Space heating (kWh per year)	22,154	(1179)	(4535)	N/A
Water heating (kWh per year)	2,792			

## BEIS's Domestic RHI Calculator - [www.gov.uk/renewable-heat-incentive-calculator](http://www.gov.uk/renewable-heat-incentive-calculator)

To enable us to estimate the amount of energy your property uses, and the estimated payments you could receive from the Domestic RHI, please let us know some basic facts about your home.

Please select what type of home you live in

**Ground source heat pump**

[Please help](#)

Look at an alternative system and compare

### Estimated payment

Using the information you have provided we estimate that you would potentially receive the following payments if you installed a ground source heat pump.

This would equate to <b>£400 per quarter</b>	Annual payment <b>£1,600</b>	Payment over 7 years* <b>£11,200</b>	Payment tariff <b>19.10 pence/kWh</b>
---	---------------------------------	---	--

\* The payment over 7 years has been calculated using the displayed tariff level and does not apply any year-on-year inflationary percentages.

Download a PDF report

Select the [renewable heating system](#) you are interested in from the systems above. You will be provided with an estimate of the payments you could receive. You may be asked some additional questions for a more accurate estimate.

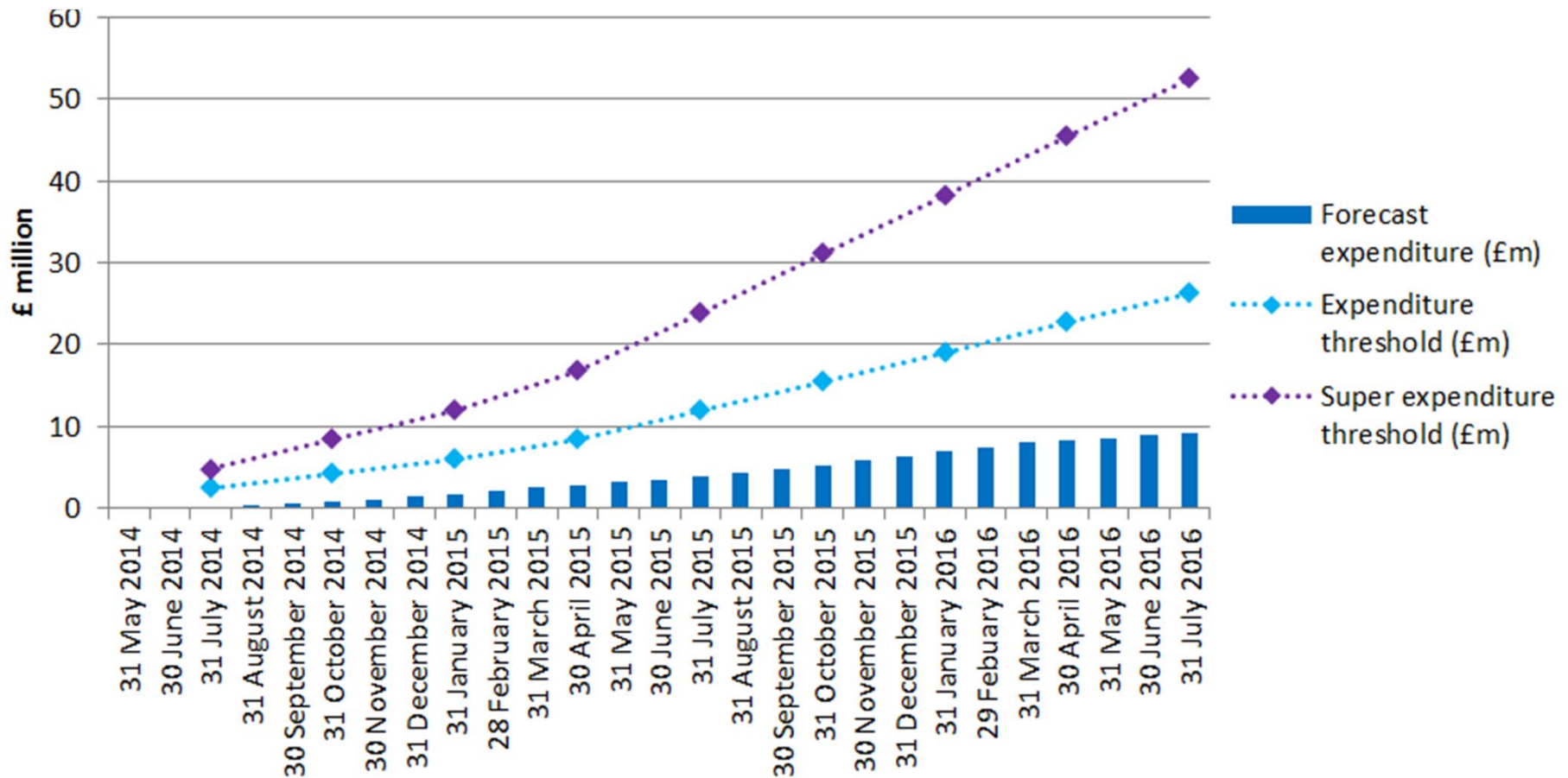
2 or fewer bedrooms | **3 bedrooms** | 4 bedrooms | 5 or more bedrooms

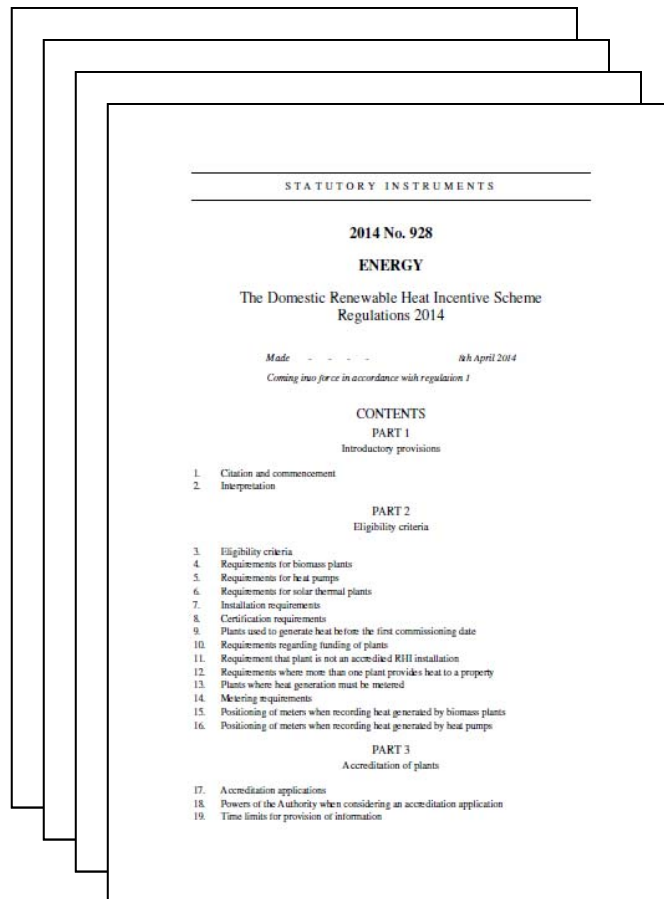
## Current Domestic RHI tariffs (as of today)

Applications submitted	Biomass boilers and stoves (p/kWh)	Air source heat pumps (p/kWh)	Ground source heat pumps (p/kWh)	Solar thermal (p/kWh)
01/04/2016 - 30/06/2016*	5.20p	7.51p	19.33p	19.74p
01/07/2016 - 30/09/2016*	4.68p	7.51p	19.33p	19.74p
01/10/2016 - 31/12/2016*	<p>If any tariff changes are to be made due to degression, announcements by BEIS are made on 1 December, 1 March, 1 June and 1 September each year.</p> <p>No degression of any domestic GSHP tariff was announced on 1 September 2016</p>			

\* these tariffs are adjusted in line with CPI

## Domestic RHI GSHP forecast expenditure as at 31.07.2016





STATUTORY INSTRUMENTS

**2014 No. 928**

**ENERGY**

The Domestic Renewable Heat Incentive Scheme Regulations 2014

Made - - - - - 9th April 2014  
Coming into force in accordance with regulation 1

**CONTENTS**

**PART 1**  
Introductory provisions

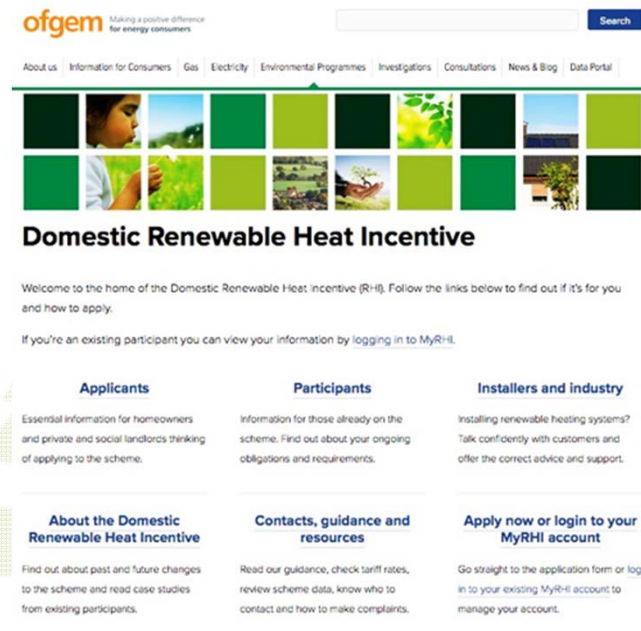
1. Citation and commencement
2. Interpretation

**PART 2**  
Eligibility criteria

3. Eligibility criteria
4. Requirements for biomass plants
5. Requirements for heat pumps
6. Requirements for solar thermal plants
7. Installation requirements
8. Certification requirements
9. Plants used to generate heat before the first commissioning date
10. Requirements regarding funding of plants
11. Requirement that plant is not an accredited RHI installation
12. Requirements where more than one plant provides heat to a property
13. Plants where heat generation must be measured
14. Metering requirements
15. Positioning of meters when recording heat generated by biomass plants
16. Positioning of meters when recording heat generated by heat pumps

**PART 3**  
Accreditation of plants

17. Accreditation applications
18. Powers of the Authority when considering an accreditation application
19. Time limits for provision of information



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## Domestic Renewable Heat Incentive

Welcome to the home of the Domestic Renewable Heat Incentive (RHI). Follow the links below to find out if it's for you and how to apply.

If you're an existing participant you can view your information by logging in to MyRHI.

<b>Applicants</b> Essential information for homeowners and private and social landlords thinking of applying to the scheme.	<b>Participants</b> Information for those already on the scheme. Find out about your ongoing obligations and requirements.	<b>Installers and industry</b> Installing renewable heating systems? Talk confidently with customers and offer the correct advice and support.
<b>About the Domestic Renewable Heat Incentive</b> Find out about past and future changes to the scheme and read case studies from existing participants.	<b>Contacts, guidance and resources</b> Read our guidance, check tariff rates, review scheme data, know who to contact and how to make complaints.	<b>Apply now or login to your MyRHI account</b> Go straight to the application form or log in to your existing MyRHI account to manage your account.

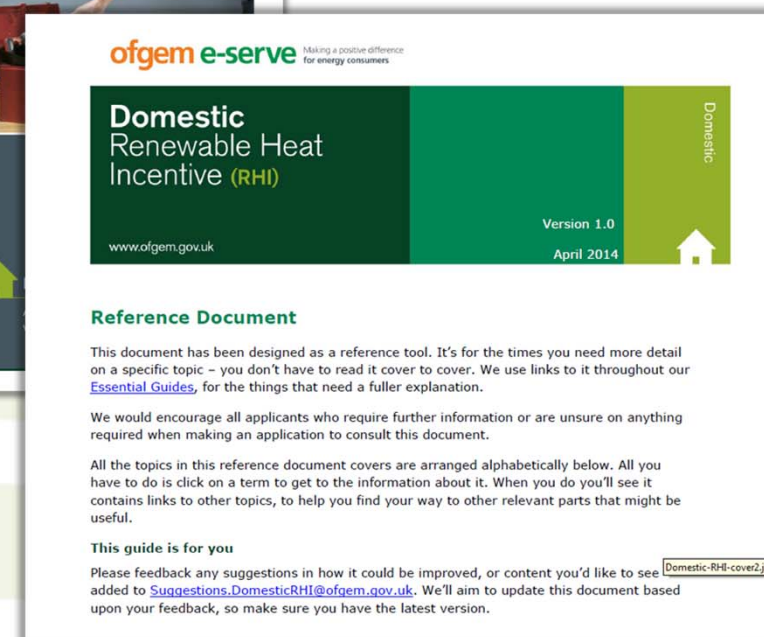
**2014 Regulations = 60 pages**

**2016 Amendments came into force 24 March 2016**

**Guidance Material**

## Guidance Materials

- Factsheets
- Essential Guides
- Reference Guide



## When ready to apply... [www.ofgem.gov.uk/drhi](http://www.ofgem.gov.uk/drhi)



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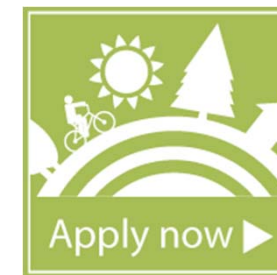
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## And finally.... Top tips

- ❑ For your customers:
  - Suggest they read the Essential Guides for Applicants
  - Check [www.ofgem.gov.uk/drhi](http://www.ofgem.gov.uk/drhi)
- ❑ If you're an installer:
  - Make sure you're complying with the current MCS standards
  - Make sure you and your staff are trained in installing heat meters
  - Please do read the Essential Guide for Installers!

*Specific queries about the Domestic RHI:*

**DomesticRHI@ofgem.gov.uk**

**Call 0300 003 0744**

*For all general queries about the Domestic RHI contact:*

**The Energy Saving Advice Service** if you live in England or Wales:

**Call 0300 123 1234.**

**Home Energy Scotland**, if you live in Scotland

**Call 0808 808 2282**

Thank You !

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**Our priority is to protect and to make a positive difference for all energy consumers. We work to promote value for money, security of supply and sustainability for present and future generations. We do this through the supervision and development of markets, regulation and the delivery of government schemes.**

**We work effectively with, but independently of, government, the energy industry and other stakeholders. We do so within a legal framework determined by the UK government and the European Union.**