The Domestic Renewable Heat Incentive
(and the A,B,C of how to help your customers)

Keith Horgan
Domestic RHI
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, degression)
- Deliver continuous improvement of the scheme

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
# Technologies & Use

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

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

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.

**Ground source heat pump**

**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.

<table>
<thead>
<tr>
<th></th>
<th>This would equate to</th>
<th>Annual payment</th>
<th>Payment over 7 years*</th>
<th>Payment tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£400 per quarter</td>
<td>£1,600</td>
<td>£11,200</td>
<td>19.10 pence/kWh</td>
</tr>
</tbody>
</table>

* 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](http://www.gov.uk/renewable-heat-incentive-calculator) 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.
## Current Domestic RHI tariffs (as of today)

<table>
<thead>
<tr>
<th>Applications submitted</th>
<th>Biomass boilers and stoves (p/kWh)</th>
<th>Air source heat pumps (p/kWh)</th>
<th>Ground source heat pumps (p/kWh)</th>
<th>Solar thermal (p/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/04/2016 - 30/06/2016*</td>
<td>5.20p</td>
<td>7.51p</td>
<td>19.33p</td>
<td>19.74p</td>
</tr>
<tr>
<td>01/07/2016 - 30/09/2016*</td>
<td>4.68p</td>
<td>7.51p</td>
<td>19.33p</td>
<td>19.74p</td>
</tr>
<tr>
<td>01/10/2016 - 31/12/2016*</td>
<td>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. No degression of any domestic GSHP tariff was announced on 1 September 2016</td>
<td></td>
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</tbody>
</table>

* these tariffs are adjusted in line with CPI
Domestic RHI GSHP forecast expenditure as at 31.07.2016
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

Apply now or login to your MyRHI account

Go straight to the application form or log in to your existing MyRHI account to manage your account.
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
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