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Making a positive difference for energy consumers

Domestic RHI stakeholders

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Ofgem response to comments following our Call for Input on draft guidance for Domestic Renewable Heat Incentive (DRHI) Scheme Closure, and publication of our final guidance incorporating scheme closure changes

Dear Stakeholder

On 10 January 2022, we launched a Call for Input on our draft main guidance for Domestic Renewable Heat Incentive (DRHI) Scheme Closure - the **Domestic RHI: Essential Guide** and the **Domestic RHI: Guide to Metering**.

The Call for Input closed on 7 February 2022, with the relevant regulatory amendments, laid on 21 February 2022.

We are writing to let you know that today we have published our final main guidance documents for the Domestic RHI, which covers the changes included within the new regulatory package alongside what you need to know to prepare for scheme closure. These are the <u>Essential Guide</u> and the <u>Guide to Metering</u>.

All feedback has been reviewed and considered. Where appropriate, we have updated our guidance documents accordingly. We would like to thank all those who have engaged with us regarding the closure of the Domestic RHI scheme, including those who attended and provided feedback at our recent stakeholder webinars.

The comments and our response

We received comments on our draft guidance from a total of one stakeholder. We have used this feedback, along with comments and questions received at our Domestic RHI stakeholder webinar events, to make changes to the draft documents where helpful and appropriate. Our Domestic RHI webinars took place on 5 May, 11 June, 12 July, and 9 November 2021, and on 20 January and 3 February 2022. Tables 1 & 2 below, list the key updates.

It is worth reiterating that this was not a Call for Input on the policy underpinning the Domestic RHI scheme, from the Department for Business, Energy and Industrial Strategy (BEIS) at www.gov.uk/beis, but on the clarity our guidance documents.

Schedule of changes

Where we have made key revisions to the closure guidance documents in response to comments and feedback, we have provided a reference to the change and the section in which it appears in the guidance document. Below, Table 1 lists key changes to our Essential Guide. Table 2 lists the key changes made to our Guide to Metering.

Table 1:

Key wording changes / insertions made to 'Domestic	Chapter and section
RHI: Essential Guide' closure guidance	reference
An applicant doesn't have to be an individual person, such as	Chpt. 2, Sect. 1
an owner-occupier of the property. Registered social landlords	
(RSLs) or other organisations can apply to the scheme if they	
meet the eligibility criteria.	
However, an organisation must be represented by an	
individual, known as an 'Authorised Representative'. We will	
require confirmation of their authority and will also need to	
undertake our own verification checks on them.	
More details on <u>Authorised Representatives</u> are available on	
our website	
The EPC must be less than 24 months old when you submit	Chpt. 2, Sect. 2
your application (even if you have an older EPC and your	
property hasn't changed in the last 2 years). If the EPC is	
older than 24 months, a new one will be required.	
Properties containing multiple separate dwellings (for	Chpt. 2, Sect. 2
example, a house and a self-contained annex with its own	
kitchen and bathroom) should receive an EPC for each	

dwelling. If multiple dwellings are heated by the installation,	
payments can only be made for one of them.	
You'll need to complete any construction work on your house	Chpt. 2, Sect. 2
before getting an EPC. A Predicted Energy Assessment (PEA)	
won't be accepted as it may not accurately reflect the final	
state of the property	
If it will be difficult or expensive for you to install cavity wall	Chpt. 2, Sect. 2
insulation, you may wish to see whether you can get funding	
via the Energy Companies Obligation (ECO) scheme.	
ECO is aimed at reducing home heating costs for low income,	
fuel poor and vulnerable households, so you will need to meet	
the eligibility requirements to receive support under the	
scheme. Further information on requirements for this and	
other schemes, can be found on Energy Saving Trust's	
website.	
If other types of insultation are recommended in the EPC,	Chpt. 2, Sect. 2
(e.g. double-glazing or suspended floor insulation) it's up to	
you whether to install them, but they're not required for your	
property to be eligible. The energy efficiency rating on your	
EPC does not affect your eligibility to the Domestic RHI.	
The MCS certifies, quality assures and attaches consumer	Chpt. 2, Sect. 4
protection requirements to microgeneration installations and	
installers. They cover small-scale renewable energy	
technologies such as solar thermal, biomass and heat pumps.	
Your installer will give you an MCS Certificate. These can only	Chpt. 2, Sect. 4
be issued for installations using an MCS-certified product and	
show that the relevant product and installation standards	
have all been met.	
Installers need to issue a certificate for an installation within	Chpt. 2, Sect. 4
14 days of commissioning.	
If multiple products of the same type of technology are being	Chpt. 2, Sect. 4
installed, they must be commissioned on the same day, to	
avoid the requirements of metering for payment.	
A grant from public funds is any grant from a public body (or	Chpt. 2, Sect. 7
a person or organisation distributing funds on behalf of a	
public body) that went towards the costs of purchasing or	
installing the renewable heating system. Ofgem considers	
funding through the National Lottery to be funding from a	
public body.	

If you received a grant which was designed to give some	Chpt. 2, Sect. 7
freedom to choose how you spent it, such as a grant that	
could be used to contribute towards the cost of multiple	
heating systems, or for the renovation of a building, some of	
which contributes to the cost of purchasing or installing a	
renewable heating system, this will still be counted as grant	
funding for the installation (even if the money is also spent on	
other projects).	
If you used part of the general grant towards the cost of	
purchasing or installing the renewable heating system, this	
money will be deducted from your payments. You will need to	
prove how much money went towards it by providing	
invoices, correspondence, or receipts.	
If, however, Local Authorities receive a separate grant for the	
purpose of installing a renewable heating system, or for other	
specific projects not covered by their annual budget, this may	
be considered as a grant from public funds. We will review	
these types of situations on a case-by-case basis.	
The Emissions Certificate contains information about the	Chpt. 2, Sect. 9
product and laboratory where the testing took place, along	, , , , , , , , , , , , , , , , , , , ,
with information on the emissions and tested fuel types for	
the product.	
A full list of the information that should be on an RHI	
Emission Certificate can be found in Schedule 2 of the	
Domestic Renewable Heat Incentive Scheme Regulations	
2014, (as amended). This information is used to indicate the	
amount of pollutants likely to be emitted by a biomass	
product when burning specific fuel types.	
From 1 April 2022, fuel quality standards are changing. To	Chpt. 2, Sect. 9
ensure ongoing compliance, please ensure all fuel purchased	J. 1911 2, 300th 3
after this date is listed on the BSL. You can find BSL fuels on	
the government website. You can also find <u>further guidance</u>	
on BSL fuels on the website.	
If your home is not regularly or exclusively heated by the	Chpt. 2, Sect.10
installation, it may need to be metered for us to work out	G.,pc. 2, 3000.10
your payments. Meters must be installed to accurately	
measure the heat your installation generates – this is called	
an 'eligible metering arrangement'.	
an engine metering arrangement.	

MMSP registration applications will close at midnight at the end of 31 March 2022, meaning all applications for MMSP	Chpt. 2, Sect. 11
registration must be submitted to us by this deadline.	
However, if you replace your installation (Chapter 3, Section	
9) you will need to make a new registration application to	
continue receiving MMSP payments.	
All data is treated in accordance with the Data Protection Act	Chpt. 2, Sect. 11
2018 and the UK General Data Protection Regulation 2018	
(UK GDPR).	
You must allow us access to any MMSP data collected prior to	Chpt. 2, Sect. 11
scheme closure if we request it.	
Ofgem, The Department for Business, Energy and Industrial	Chpt. 2, Sect. 11
Strategy (BEIS) or any other organisation appointed by BEIS	
may request:	
access to any data collected following scheme closure	
as a part of the Metering and Monitoring Service	
Package (MMSP)	
 information relating to the MMSP agreement or 	
anything else done under this agreement	
You'll have 28 days to comply with the request in the manner	
and form required. The data will be treated in accordance	
with the Data Protection Act 2018 and the UK General Data	
Protection Regulation (UK GDPR) 2018.	
Failure to respond to the request, or to provide the	
information, may lead to your MMSP registration being	
withdrawn.	
If you own the installation and own and/or occupy the eligible	Chpt. 2, Sect. 13
property, you can apply for the Domestic RHI. You can only	
do this once the installation is commissioned.	
We have also produced a short <u>Guide to making an</u>	Chpt. 2, Sect. 13
application to the DRHI, which should be read alongside the	
Essential Guide.	
Occupancy exemptions bullet point list.	Chpt. 3, Sect. 2
Exemption requests can't be made in respect of previous	Chpt. 3, Sect. 2
decisions. Exemption requests can only be made for decisions	
taken after 1 April 2022.	
In order to operate an efficient biomass installation, regular	Chpt. 3, Sect. 3
maintenance is recommended. Whilst not a mandatory	

obligation under the Domestic RHI, MCS has created a	
standard for biomass maintenance which you can find out	
more about on its website.	
Over the course of your installation's accreditation, it may be	Chpt. 3, Sect. 9
necessary to replace or repair parts to keep it in good working	
order. You must let us know within 28 days of this happening,	
and we will tell you what you have to do.	
You must replace like for like technology types, even if they	
aren't the exact product (e.g. an air source heat pump for an	
air source heat pump).	
(Expanded list of documentation participants advised to keep	Chpt. 3, Sect. 10
whilst on the scheme, and which may be required for audit):	
- Photographic evidence relating to the renewable heating	
system and/or meter(s)	
- Standard and/or alternative metering schematic drawing	
- Solar thermal domestic hot water calculations	
- Title deeds, TR1 forms, fixtures and fittings or evidence of	
property ownership	
- Copies of relevant bank statement and ID documents	
This list is not exhaustive, and we can request any	
information we consider reasonable.	
For further information about requesting a review, see our	Chpt. 3, Sect. 10
Right of Review form.	
If you have a question, complaint or recommendation, you	Chpt. 4, Contacts
can find more information at <u>Complaining about Ofgem</u> .	
Insertion of Annex 2, Seasonal Performance Factor	Annexes
Insertion of Annex 3, Heat Demand Limits	Annexes
Insertion of Annex 4, Deemed Payments	Annexes

Table 2:

Key wording changes / insertions made to 'Domestic	Chapter and section
RHI: Guide to Metering' closure guidance	reference
Once meters have been installed, make sure your installer:	Chpt. 3, Sect. 2
- Has told you what units your meter is showing.	
Your heat and electricity meters should be in kilowatt hours	
(kWh), megawatt hours (MWh), or a combination of both. Any	
gas and oil meters should be in m ³ or litres.	

If your heating system is accredited to the scheme, you'll be	Chpt. 3, Sect. 4
able to sign in to the MyRHI portal of the Domestic RHI	
website to submit your meter readings every three months	
(except for alternative arrangements, as detailed in Annex 2,	
Section 2). Submitting a meter reading will enable us to	
calculate the payment owed to you for the previous three	
months.	
If you forget to submit a meter reading or are unable to do so	Chpt. 3, Sect. 4
for any reason, then you'll have to submit the readings at	
your next opportunity three months later. Once you do this,	
you'll be paid for the previous six months in one payment.	
Registration applications must be completed prior to scheme	Chpt. 4, Sect. 3
closure, at midnight at the end of 31 March 2022.	
You must provide access to us for any MMSP data collected	Chpt. 4, Sect. 4
prior to scheme closure if we request it. BEIS use this data to	
inform future research and policy development.	
If we, another organisation chosen by BEIS, or BEIS request:	
access to any data collected following scheme closure	
as a part of the Metering and Monitoring Service	
Package (MMSP),	
 information relating to the MMSP agreement, or 	
anything else done under this agreement	
you'll have 28 days to comply with the request in the manner	
and form required. The data will be treated in accordance	
with the Data Protection Act 2018 and the UK General Data	
Protection Regulation (UK GDPR) 2018.	
Failure to respond to the request, or to provide the	
information, may lead to your MMSP registration being	
withdrawn.	

Yours sincerely,

Renewable Heat Team