

Domestic Renewable Heat Incentive (DRHI)

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Quarterly Report Issue 35

The Domestic Renewable Heat Incentive (DRHI) opened for applications on 9 April 2014 for customers across England, Scotland and Wales who install eligible renewable heating technologies in their homes. This report details scheme activity in the third quarter following scheme closure (Quarter 3 Year 9), covering the period November 2022 to January 2023.

Number of accreditations

Figure 1: Accreditations per quarter between February 2022 and January 2023

This chart shows applications received between February 2022 and January 2023. There was a 58% reduction in accreditations granted during Quarter 3 Year 9 compared to the previous quarter. This is the third complete quarter following scheme closure on 31 March 2022.

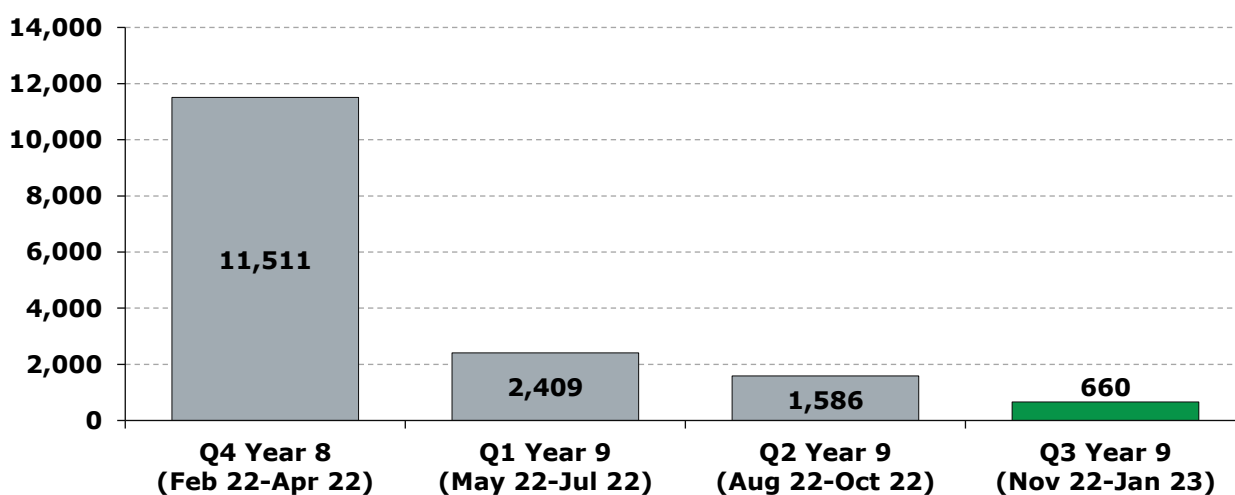


Figure 2: Number of accreditations made per month

Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23
2,732	7,491	1,288	1,313	320	776	611	487	488	321	161	178

114,791

**Total number of systems
accredited to the scheme**

Legacy and new accreditations

Legacy accreditations are systems that were commissioned between 15 July 2009 when the RHI was first announced by Department for Energy and Climate Change (now Department for Energy Security and Net Zero), and 9 April 2014 when the Domestic RHI scheme launched. New systems are those that were commissioned on or after 9 April 2014. Please note that Legacy systems could still be accredited where there was a change of ownership, however all Legacy installations have now reached the end of their seven year support period.

Figure 3: Quarterly legacy and new accreditation numbers

Period	Legacy	New
Q4 (Year 8)	5	11,506
Q1 (Year 9)	0	2,409
Q2 (Year 9)	0	1,586
Q3 (Year 9)	0	660

Figure 4: Cumulative accreditations by application type

This chart shows the number of Legacy accreditations has remained the same at 23,443. New accreditations continued to rise to 91,348.

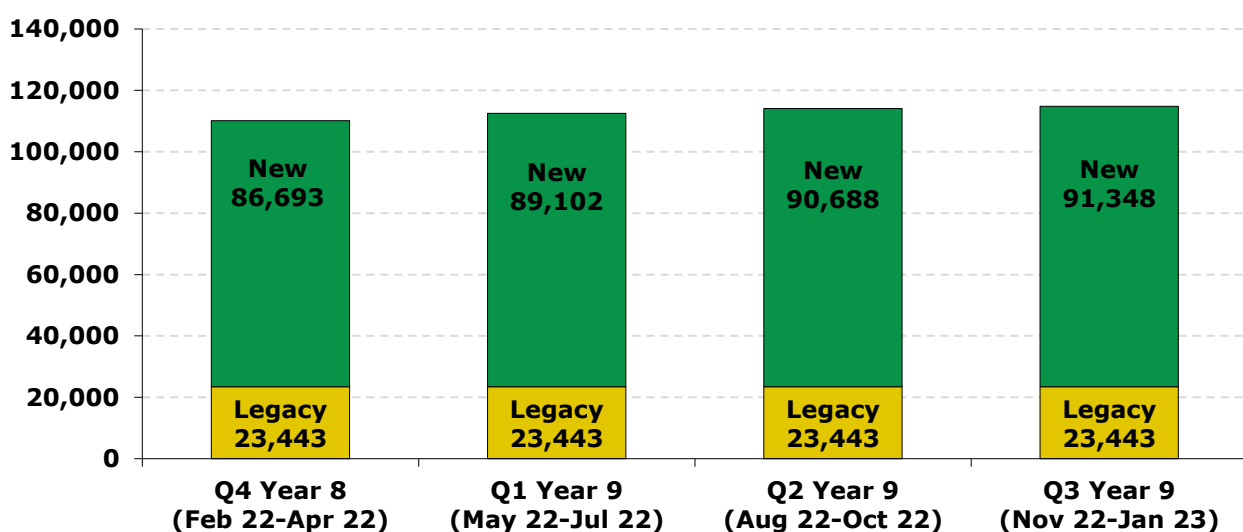


Figure 5: Cumulative accreditations by application type

Period	Legacy	New	Total
Q4 (Year 8)	23,443	86,693	110,136
Q1 (Year 9)	23,443	89,102	112,545
Q2 (Year 9)	23,443	90,688	114,131
Q3 (Year 9)	23,443	91,348	114,791

Payments made to date

The total number of payments made to accredited systems since the scheme began, by technology type are shown below. Since scheme launch, accredited systems have generated approximately 7,870 GWh of renewable heat.



Biomass

£350.9

million



Air Source Heat Pump (ASHP)

£286.3

million



Ground Source Heat Pump (GSHP)

£266.8

million



Solar Thermal

£18.2

million

Accreditations by technology for new applications

The graph below shows the cumulative number of accredited systems per technology type for new systems only (systems commissioned on or after 9 April 2014). Air Source Heat Pumps continue to be the most popular technology type installed under the DRHI scheme, accounting for 79.5% of total new accreditations this quarter.

Figure 6 (a-d): Cumulative accreditations by technology type for 'New' systems

The charts below show cumulative accreditation numbers across all technology types. As expected, the increase in accredited installations is slowing as the pool of outstanding applications following scheme closure reduces.

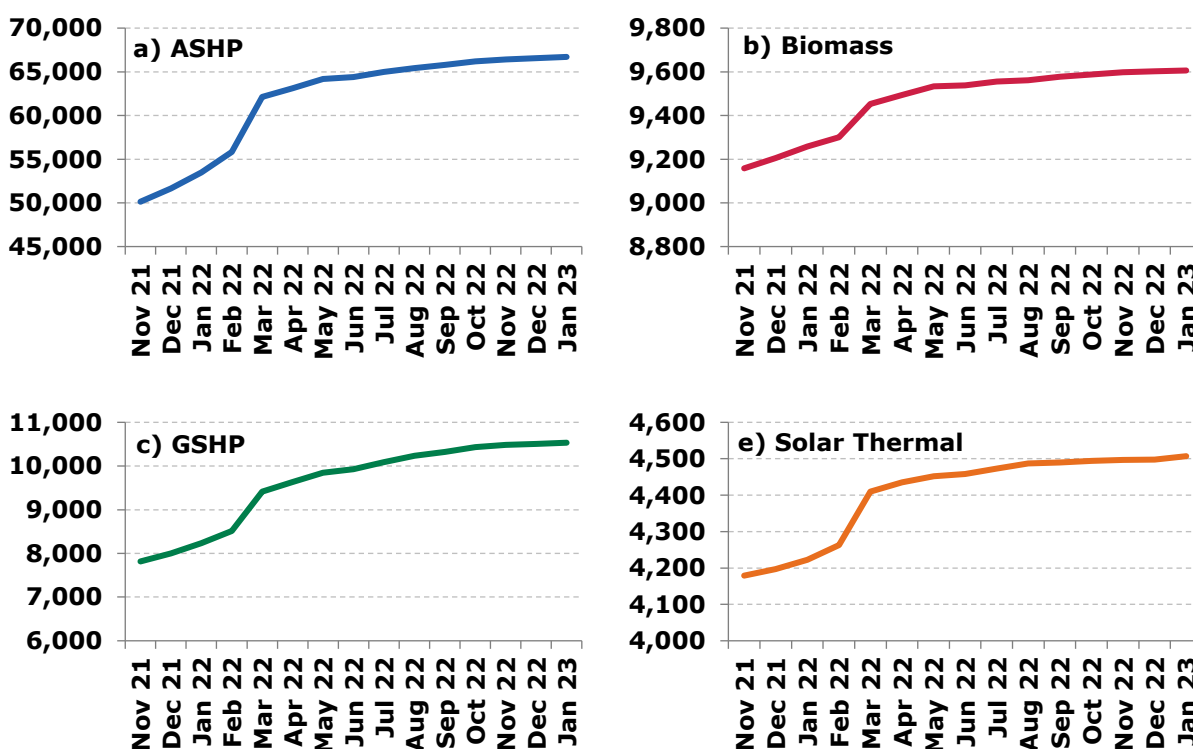


Figure 7: Cumulative accreditations by technology type for 'New' systems

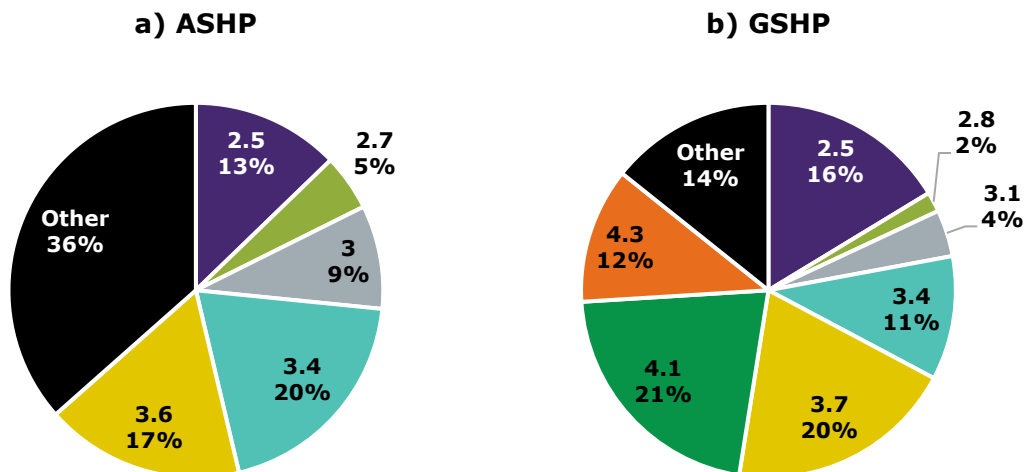
Period	ASHP	Biomass	GSHP	Solar Thermal
Q4 (Year 8)	63,131	9,494	9,633	4,435
Q1 (Year 9)	64,984	9,555	10,090	4,473
Q2 (Year 9)	66,177	9,588	10,429	4,494
Q3 (Year 9)	66,702	9,606	10,533	4,507

Seasonal Performance Factors

The Seasonal Performance Factor (SPF) of a heat pump is a measure of how efficiently it is operating. The higher the SPF, the more energy efficient the system is. Only heat pumps with SPFs of 2.5 or higher can be eligible for Domestic RHI. All legacy systems were automatically assigned an SPF of 2.5, unless the applicant provided SPF calculations completed by the installer.

Figure 8 (a & b): Heat Pump SPFs

The charts show Air Source Heat Pumps (ASHP) registering higher SPF levels in the 3.4 to 3.6 range, form 37% of installations. The proportion of Ground Source Heat Pumps (GSHP) with higher SPF levels between 3.7 to 4.3 stood at 53%.

**Figure 9: ASHP SPFs**

SPF	2.5	2.7	3.0	3.4	3.6	Other
% of installations	12.8%	4.9%	8.9%	19.7%	17.2%	36.5%

Figure 10: GSHP SPFs

SPF	2.5	2.8	3.1	3.4	3.7	4.1	4.3	Other
% of installations	16.3%	1.7%	4.0%	10.7%	19.7%	21.5%	11.7%	14.3%

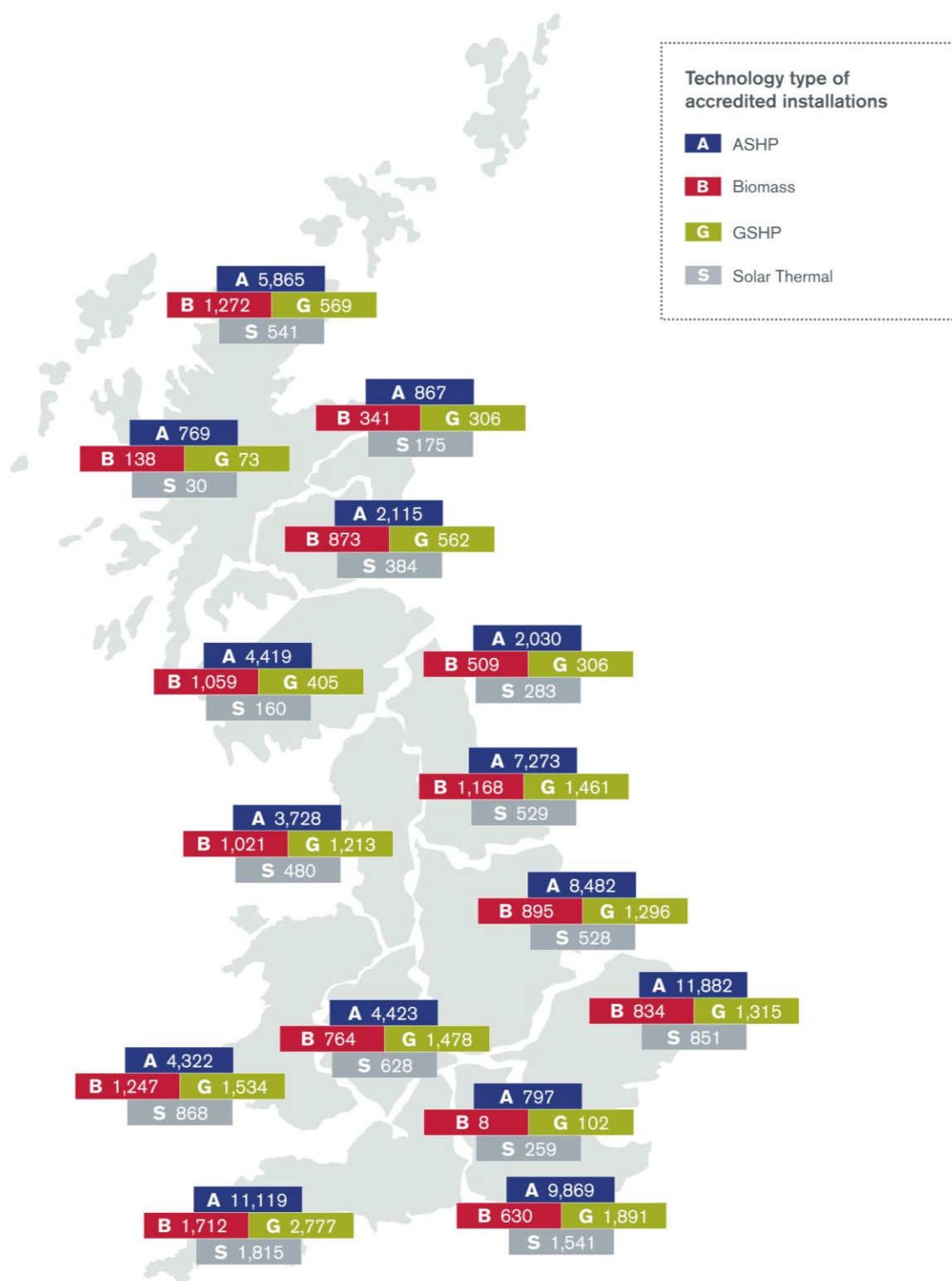
Regional distribution of accreditations

Figure 11: Total accreditations per region

Location	ASHP	Biomass	GSHP	Solar Thermal	Grand Total
South West England	11,119	1,712	2,777	1,815	17,423
East England	11,882	834	1,315	851	14,882
South East England	9,869	630	1,891	1,541	13,931
East Midlands	8,482	895	1,296	528	11,201
Yorkshire and The Humber	7,273	1,168	1,461	529	10,431
Highlands & Islands	5,865	1,272	569	541	8,247
Wales	4,322	1,247	1,534	868	7,971
West Midlands	4,423	764	1,478	628	7,293
North West England	3,728	1,021	1,213	480	6,442
Southern Scotland	4,419	1,059	405	160	6,043
East Scotland	2,115	873	562	384	3,934
North East England	2,030	509	306	283	3,128
North East Scotland	867	341	306	175	1,689
London	797	8	102	259	1,166
West Central Scotland	769	138	73	30	1,010
Grand Total	77,960	12,471	15,288	9,072	114,791

Figure 12 Regional distribution of accredited systems by technology type

This map of the UK shows the number of systems accredited to the scheme across each region. The South West has the highest number of accredited installations totalling 17,423. In contrast, West Central Scotland has the lowest number of accreditations at 1,010.



Registered Social Landlords

In addition to homeowners, Registered Social Landlords (RSLs) were also eligible to apply for the Domestic RHI. In the last twelve months, 2,558 accreditations have been made to RSLs, 99.5% (2,546) of which are Air Source Heat Pumps.

Figure 13: Registered Social Landlord accreditations by technology

The chart shows RSL new accreditations fell by 21 in the third quarter since scheme closure. In Quarter 3 Year 9, there were 53 ASHP accreditations. ASHP was the only technology type accredited during this quarter.

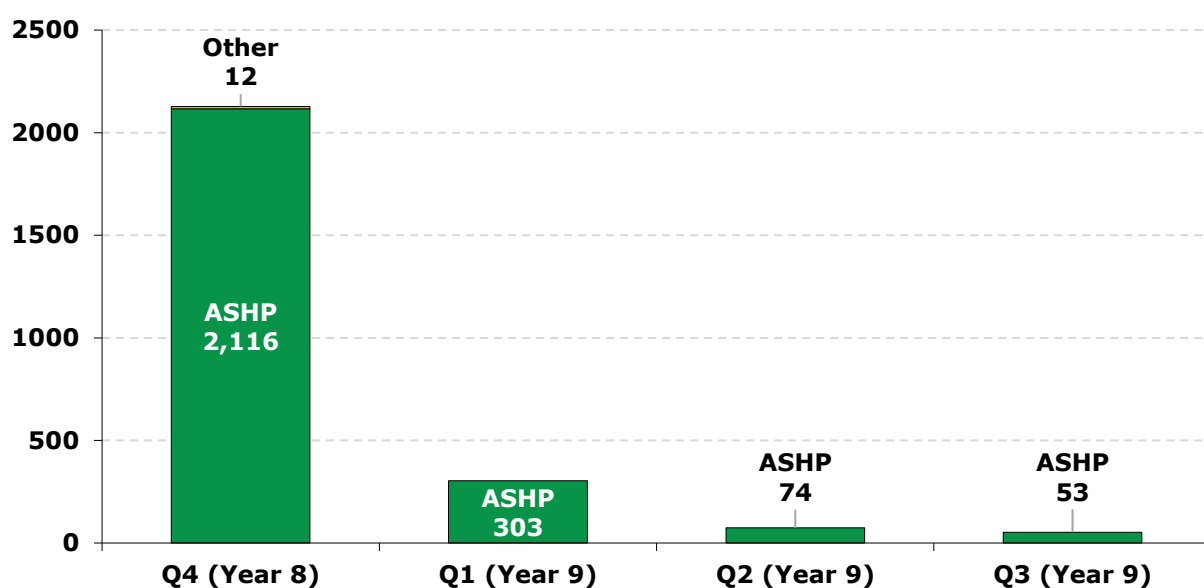


Figure 14: Registered social landlord accreditations by technology

Period	Air Source Heat Pump	Biomass	Ground Source Heat Pump	Solar Thermal
Q4 (Year 8)	2,116	0	1	11
Q1 (Year 9)	303	0	0	0
Q2 (Year 9)	74	0	0	0
Q3 (Year 9)	53	0	0	0

In total, we have made over **£67.5m** of payments to Registered Social Landlords under the DRHI scheme to date.

Our Administration

- Of the outstanding applications in the queue at scheme closure, **98.8%** have now been processed leaving 74 awaiting a decision.
- The remaining applications are complex cases for which we are engaging with applicants to gather information necessary to reach a decision.
- If you have any questions about the content of this report, please let us know by emailing: domesticRHI@ofgem.gov.uk.