Domestic RHI
Annual Report

Scheme Year 9 (1 April 2022 – 31 March 2023)

ofgem

Making a positive difference
for energy consumers

Contents

Executive Summary

Ofgem runs a range of environmental and social schemes on behalf of government and for the devolved administrations. Together, these are worth over £9 billion each year. Our schemes fall into three main categories: renewable electricity schemes, renewable heat schemes, and energy efficiency and social schemes.

UK homes account for 26% of total greenhouse gas emissions in the UK[1]. To reduce the UK's carbon emissions and meet the governments Net Zero obligations, British homes need to switch to lower carbon heating systems. To help achieve this, the Domestic Renewable Heat Incentive (DRHI) scheme was introduced in 2014 as a government financial incentive to promote the use of low carbon heating technologies. Under the DRHI scheme, households in England, Scotland and Wales who meet the eligibility criteria and have installed air source heat pumps, ground source heat pumps, biomass boilers or solar thermal heating systems, were able to apply to receive quarterly payments over seven years for the low carbon heat their systems are estimated to produce. The DRHI scheme closed to new applicants on 31 March 2022.[2]

Ofgem are responsible for the administration and successful operation of the scheme on behalf of the Department for Energy Security and Net-Zero (DESNZ)[3]. Ofgem's role includes processing applications for support and making payments to accredited participants for the heat they produce. Additionally, Ofgem conducts annual audit programmes to ensure participants are complying with the scheme rules which helps ensure fair and effective use of public funds.

As a part of our responsibilities, we have produced this report to provide an update on scheme activity during the ninth year of the scheme (Scheme Year 9) covering the period 1 April 2022 to 31 March 2023.

[1] Climate change insights, families and households, UK: August 2022 <https://www.ons.gov.uk/economy/environmentalaccounts/articles/climatechangeinsightsuk/august2022>

[2] Information on Domestic Renewable Heat Incentive (Domestic RHI) Closure. <https://www.ofgem.gov.uk/environmental-and-social-schemes/domestic-renewable-heat-incentive-domestic-rhi/domestic-renewable-heat-incentive-domestic-rhi-domestic-rhi-closure>

[3] From February 2023 the new Department for Energy Security and Net-Zero (DESNZ) are responsible for RHI policy in GB. This responsibility was previously held by BEIS (Department for Business, Energy & Industrial Strategy) and DECC (Department of Energy & Climate Change).

Accreditations (page 12)

As of 31 March 2023, the DRHI scheme has supported 110,830[4] lower carbon heating systems. Air source heat pumps remain the dominant technology type accounting for 68.5% of accreditations since the start of the scheme. The majority of installations, 74.8%, are located in England, however, when looking at the proportion of households in each country benefiting from the scheme, it is highest in Scotland with 0.8% of households compared to 0.4% in England. Registered Social Landlords were one of the groups eligible to apply for the DRHI and account for 21.6% of all scheme accreditations.

A key scheme objective is the replacement of domestic heating systems with lower carbon alternatives. To monitor this, DRHI applicants are required to provide details of the heating system being replaced. As of 31 March 2023, 52.3% of installations on the scheme replaced boilers. Almost 96% of the replaced boilers used fossil fuels such as oil, gas, coal and liquified petroleum gas (LPG). 'First heating systems' installed in eligible new builds[5], where no heating technology was being replaced, accounted for 19.3% of all installations and storage heaters a further 18.4%.

A total of 5,602 accreditations were granted during Scheme Year 9 and in total 99.8% of outstanding applications in the queue at scheme closure have now been processed. This leaves just 15 outstanding applications at the time of writing. The remaining applications are complex cases for which we are engaging with applicants to gather information necessary to reach a decision.

As of 31 March 2023, seven years had elapsed for applications that received accreditation during the first two years of the scheme. As such, a total of 40,309 installations have now reached the end of their support period and exited the scheme.

[4] We have changed the way we report on the number of installations to accurately reflect the number of individual installations.
[5] Eligible new-builds' are explained in the Key Terms on our website: <https://www.ofgem.gov.uk/environmental-and-social-schemes/domestic-renewable-heat-incentive-domestic-rhi/contacts-guidance-and-resources/key-terms-explained-domestic-renewable-heat-incentive>

Payments and Heat Demand (page 32)

In Scheme Year 9, payments made to participants totalled approximately £124 million, taking payments since the start of the scheme to over £943 million. Payments since the start of the scheme were made against estimated renewable heat generation of 8,030 GWh. The figure below presents a breakdown of payments and heat generation by technology type for Scheme Year 9 and across the lifetime of the scheme.

Payments and Heat Generation by Technology Type – SY9* (2022-23) and Lifetime

Technology	SY9 Heat generation (GWh)	SY9 Payments	Lifetime Heat generation (GWh)	Lifetime Payments
Air source heat pump	682.8	£73,246,138	3,331.8	£299,265,929
Ground source heat pump	184.2	£40,520,165	1,367.2	£273,981,683
Biomass boiler	119.9	£9,172,669	3,236.1	£351,880,265
Solar thermal	5.5	£1,223,853	95.0	£18,345,797
Total	**992.3**	**£124,162,825**	**8,030.1**	**£943,473,674**

**SY = Scheme Year*

Since scheme launch, payments and estimated heat output for Air Source Heat Pumps have continued to rise. Comparatively, Ground Source Heat Pump, Biomass and Solar Thermal technology types have risen and fallen over the lifetime of the scheme, with them all seeing a decrease in Scheme Year 9. Over the lifetime of the scheme, Air Source Heat Pumps account for the highest proportion of estimated heat output.

Over the next seven years, the number of payments will decrease as new applications are no longer accepted, and current accreditations gradually come to the end of their support period under the scheme.

Audit and Assurance (page 37)

As part of our commitment to protect and ensure the effective use of taxpayer money, Ofgem conducts an annual audit programme to make sure participants comply with scheme rules. The audit programme includes desk audits, which involves asking participants to supply certain documents and records for inspection, and site audits, which consist of a physical inspection of the heating system in addition to documents and records. Site audits are carried out by an external auditor appointed by Ofgem.

In Scheme Year 9, a total of 1,326 audits were conducted, made up of 689 desk audits and 637 site audits. These audits provide assurance on this year's payments of over £124 million. The audit work carried out in Scheme Year 9 resulted in the protection of over £780,000 in public funds, where we prevented incorrect payments made to participants, or initiated recovery of incorrect payments which had already been made. In Scheme year 9, there was a significant improvement in the recovery rate compared to previous years, with 82.7% of detected incorrect payments offset or recovered via direct repayment. The improved recovery rate can be attributed to an enhanced repayment process and a streamlined debt process that enabled the effective management of debt cases.

Please note: a spreadsheet containing the data used in the production of this report is published alongside the report on our website.

Feedback

We value your feedback on this report. Please contact us at SchemesReportingFeedback@ofgem.gov.uk with any comments or suggestions.

110,830
Accreditations

During Scheme Year 9, 5,602 installations were accredited. This brings the total number of installations accredited since the beginning of the scheme in 2014 to 110,830.

8.03 TWh
Heat Demand

The scheme has subsidised 8.03 TWh of heat demand in domestic properties since 2014. This is enough to run more than 2.9 billion hot baths.

£943.5 million
Lifetime support

More than £124.1 million was paid out in the past year of the scheme. This brings the total amount of support paid to £943.5 million since the scheme began in 2014.

55,445
Fossil fuel boilers replaced

A total of 55,445 boilers using fossil fuels have been replaced by lower carbon alternatives under the scheme, helping towards meeting the UK's Net Zero targets.

£784,673
Public funds protected

Through our audit programme in Scheme Year 9 we protected £784,673 of public funds that we either prevented from being paid incorrectly or worked to recoup using our debt recovery process.

1. About the Scheme

Chapter summary

This chapter introduces the context and background to the Domestic Renewable Heat Incentive (DRHI) scheme, including Ofgem's administrative duties. This chapter also summarises the significant scheme changes during the lifetime of the DRHI.

Introduction

1.1. The Domestic Renewable Heat Incentive was introduced in England, Scotland and Wales in April 2014 by the Department for Energy and Climate Change (DECC)[6]. It is a financial incentive designed to encourage the uptake of lower carbon heating systems in domestic properties. The scheme aims to cut carbon emissions in Great Britain and to help towards meeting the UK's Net Zero targets. The DRHI closed to new applications on 31 March 2022.

1.2. The scheme is set out in legislation under The Domestic Renewable Heat Incentive Scheme Regulations 2014 ('the Regulations')[7] and subsequent amendments.

1.3. Applicants must either own or occupy the home or be a private or social landlord and own the heating system. Newly built properties are not normally eligible unless they are eligible new builds[8].

1.4. There are four eligible technologies each with different eligibility requirements:

- air source heat pumps (ASHP)
- ground source heat pumps (GSHP)
- biomass boilers
- and solar thermal panels.

1.5. The Regulations do not impose a limit on capacity, but systems must be certified by the Microgeneration Certification Scheme (MCS), which has a thermal limit of 45kW for a

[6] From February 2023 the new Department for Energy Security and Net-Zero (DESNZ) are responsible for RHI policy in GB. This responsibility was previously held by BEIS (Department for Business, Energy & Industrial Strategy) and DECC (Department of Energy & Climate Change).
[7] The Domestic Renewable Heat Incentive Scheme Regulations 2014 <https://www.legislation.gov.uk/ukdsi/2014/9780111111192/contents>
[8] 'Eligible new-builds' are explained in the Key Terms on our website: <https://www.ofgem.gov.uk/environmental-and-social-schemes/domestic-renewable-heat-incentive-domestic-rhi/contacts-guidance-and-resources/key-terms-explained-domestic-renewable-heat-incentive>

single renewable heating product. Products may be combined in capacity of not more than 70kW to meet larger heat demands.[9]

1.6. Applicants that are accredited to the scheme and meet their ongoing obligations will receive quarterly payments until their seven-year accreditation period ends.

1.7. The Gas and Electricity Markets Authority (the Authority) is the statutory body responsible for administering the DRHI scheme in Great Britain. The Authority's functions are performed by Ofgem, the office of the Authority. As administrator, Ofgem performs a number of functions, including:

- publishing guidance
- the review of applications to join the scheme
- ensuring that accredited scheme participants continue to meet their ongoing obligations
- calculating and making payments to accredited participants, and
- ensuring the scheme is guarded against fraud and error.

1.8. The Regulations require us to publish an annual report on the scheme by 31 July following the end of each scheme year. Each scheme year covers the period 1 April to 31 March with this report covering 1 April 2022 to 31 March 2023 - also referred to as Scheme Year 9.

1.9. The Regulations set out what should be included in this annual report. However, we also include additional information that we believe is of interest to stakeholders and the general public. We will continue to produce and publish annual reports until all accredited installations have reached the end of their support period.

[9] As specified by MCS standards. The MCS Standards: <https://mcscertified.com/standards-tools-library/>

Changes to the Scheme

1.10. We continue to work closely with the Department for Energy Security and Net Zero (DESNZ), to ensure the scheme is being delivered effectively and in accordance with the policy, and to implement any changes made to the legislation. During the lifetime of the DRHI scheme, there have been several scheme changes and proposed changes which are summarised below:

21 February 2022[10]

1.11. The new statutory instrument added in February 2022 closes the scheme to new applications and MMSP applications from midnight on 31 March 2022 and makes several other amendments. These include amendments for the following:

- provisions relating to replacement products, annual declarations, and occupancy
- provision for the Microgeneration Certification Scheme and the consumer codes to update their standards, codes of practices and other documentation mentioned in the regulations
- metering requirements and MMSP arrangements
- requirement that all solid biomass used on the DRHI meets the fuel quality requirements that are being introduced to the Biomass Suppliers List[11].

19 October 2021[12]

1.12. The Department for Business, Energy and Industrial Strategy (BEIS)[13] published their response to the consultation 'Domestic Renewable Heat Incentive - ensuring a stable scheme'.[14] The response to the consultation outlined BEIS' decision to close the DRHI to new applications and new MMSP applications on 31 March 2022. It also outlined further amendments to the scheme rules.

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[10] The Domestic Renewable Heat Incentive Scheme and Renewable Heat Incentive Scheme (Amendment) Regulations 2022 <https://www.legislation.gov.uk/uksi/2022/159/contents/made>

[11] The 'biomass suppliers list' is explained in the Key Terms on our website < https://www.ofgem.gov.uk/environmental-and-social-schemes/domestic-renewable-heat-incentive-domestic-rhi/contacts-guidance-and-resources/key-terms-explained-domestic-renewable-heat-incentive>

[12] Government response to consultation on 2022 scheme changes <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1029758/dhri-government-response.pdf>

[13] From February 2023 the new Department for Energy Security and Net-Zero (DESNZ) are responsible for RHI policy in GB. This responsibility was previously held by BEIS (Department for Business, Energy & Industrial Strategy) and DECC (Department of Energy & Climate Change).

[14] Government response to consultation on 2022 scheme changes <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1029758/dhri-government-response.pdf>

1 April 2021[15]

1.13. Government removed the rule for applicants submitting their application within 12 months of the first commissioning date of their renewable heating system. Government also revised the degression triggers to remove installations that had reached the end of their seven-year term from those calculations.

11 March 2020[16]

1.14. Government announced that the DRHI would be extended for an additional year until 31 March 2022.

22 May 2018[17]

1.15. The amendment in 2018 included metering for performance requirements for heat pumps, new MMSP payment schedules and enforcement powers, the introduction of Assignment of Rights (AoR), revised degression thresholds, as well as extending the RHI's budget management mechanism until the end of Scheme Year 8.

20 September 2017[18]

1.16. This amendment included tariff uplifts for three of the four technology types and introduced heat demand limits which are used to cap the financial support that individual installations can receive.

03 March 2016[19]

1.17. DECC[20] published a consultation on proposed reforms to the DRHI scheme. In their consultation response it was determined that the changes would be implemented in two stages which were implemented in September 2017 and May 2018.

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[15] Information on April 2021 scheme changes <https://www.gov.uk/government/publications/changes-to-the-renewable-heat-incentive-rhi-schemes/11-january-2021-changes-to-the-domestic-rhi-regulations-government-response>

[16] Information on March 2020 scheme changes <https://www.gov.uk/government/publications/changes-to-the-renewable-heat-incentive-rhi-schemes/changes-to-rhi-support-and-covid-19-response>

[17] AoR applications were eligible from 27 June 2018 <https://www.ofgem.gov.uk/publications/domestic-rhi-guide-assignment-rights>

[18] The Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) (No. 2) Regulations 2017 <https://www.legislation.gov.uk/uksi/2017/857/contents/made>

[19] DESNZ's consultation response: <https://www.gov.uk/government/consultations/the-renewable-heat-incentive-a-reformed-and-refocused-scheme>

[20] From February 2023 the new Department for Energy Security and Net-Zero (DESNZ) are responsible for RHI policy in GB. This responsibility was previously held by BEIS (Department for Business, Energy & Industrial Strategy) and DECC (Department of Energy & Climate Change).

2. Accreditations

Chapter summary

This chapter provides an update on accreditations under the Domestic Renewable Heat Incentive (DRHI) scheme. It includes detailed information on applications, accredited installation types including a breakdown by technology and country, heating system and fuel types replaced, and Registered Social Landlord accreditations. Additionally, this chapter provides an update on the Metering and Monitoring Service Package, Assignment of Rights and accreditations reaching the end of support.

Accreditations

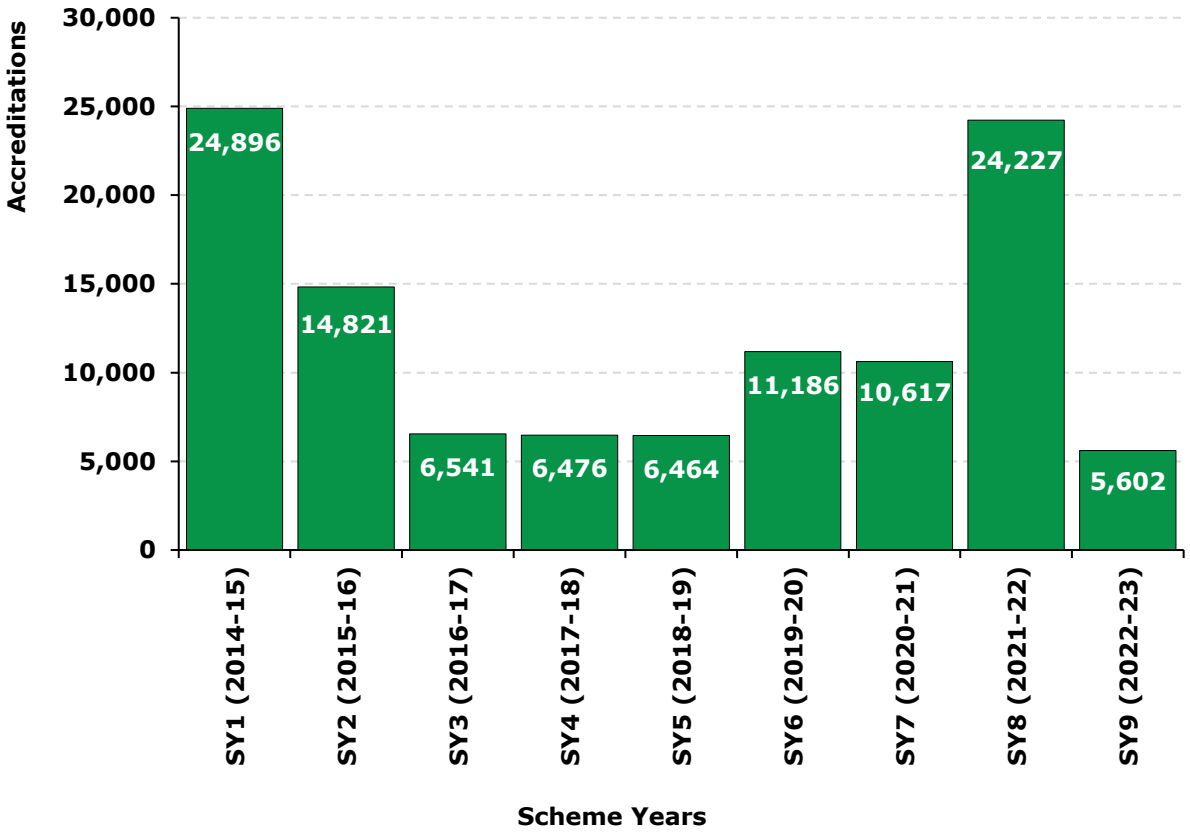
2.1. The DRHI scheme closed to new applications on 31 March 2022. As of 31 March 2023, the number of accreditations from Scheme Year 1 to Scheme Year 9 totalled 110,830.[21] Of these accreditations, 57,940 boilers have been replaced. Significantly, almost 96% of the replaced boilers used fossil fuels such as oil, gas, coal and liquified petroleum gas (LPG).

2.2. As shown in **Figure 2.1** we accredited 5,602 installations in Scheme Year 9, the lowest number since the scheme launched in 2014. The significant decrease in the accreditation numbers for Scheme Year 9 is to be expected as the pool of outstanding applications reduces following scheme closure.

[21] We have changed the way we report on the number of installations to accurately reflect the number of individual installations.

Figure 2.1: Annual DRHI accreditations – scheme launch to SY9 (2022-23)*

A column chart showing annual accreditation numbers from SY1 to SY9. Accreditation numbers were significantly higher in SY1 and SY2 due to the large number of legacy applications[22] joining the scheme, and SY8 due to the large volumes of applications received prior to scheme closure. Together, accreditations in SY1, SY2 and SY8 form 57.7% of all accreditations. All accreditations in SY9 were from applications received prior to scheme closure.



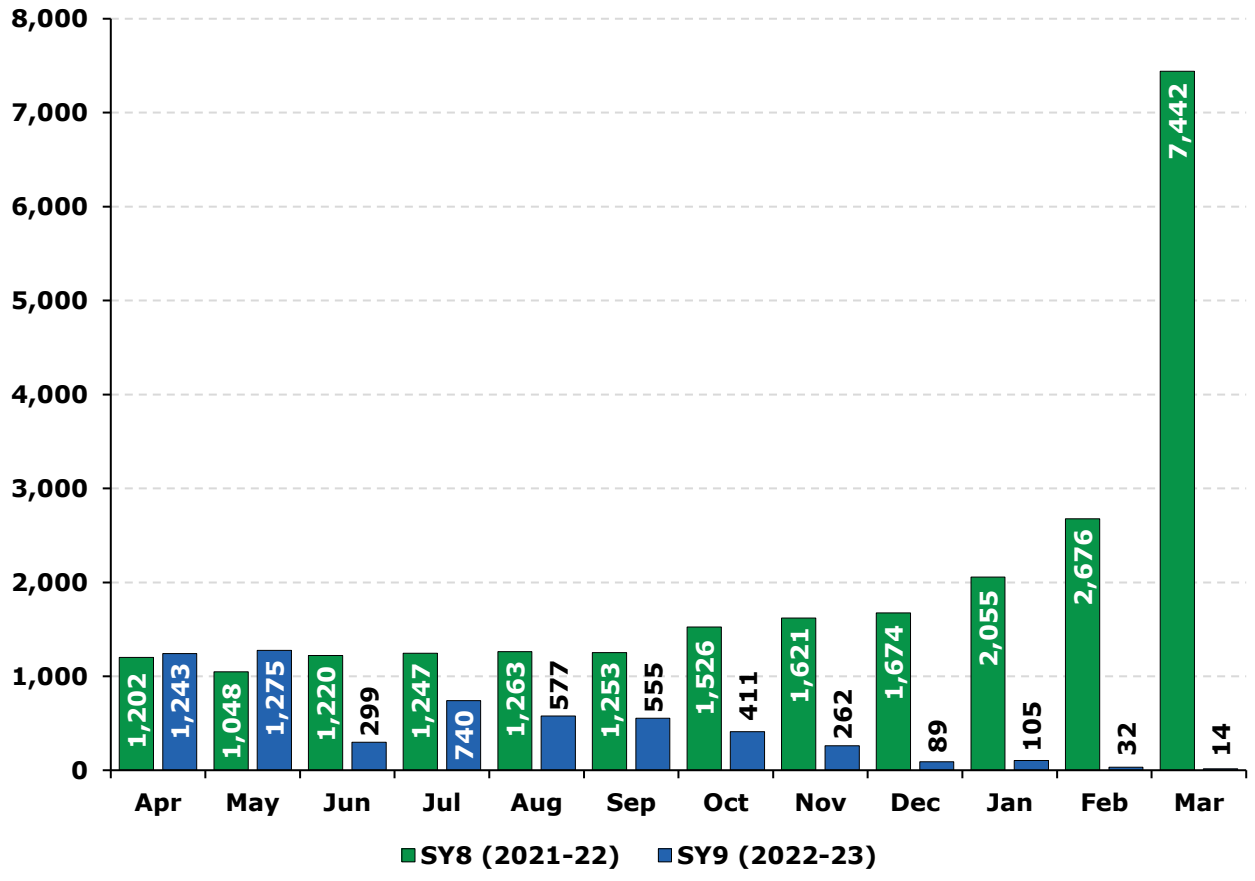
**SY = Scheme Year*

[22] The government first announced their intention to introduce a domestic renewable heat incentive on 15 July 2009. From this point until scheme launch, those installing eligible technologies and meeting the other scheme eligibility requirements were promised they would be able to benefit from the scheme. This meant there was a backlog of eligible 'legacy' installations when the scheme launched on 9 April 2014. Scheme rules meant that Legacy applicants had to apply before 9 April 2015.

2.3. **Figure 2.2.** shows the number of applications which received accreditation each month during Scheme Year 8 and Scheme Year 9.

Figure 2.2: Applications receiving accreditation by month for SY8 (2021-22) and SY9 (2022-23)*

A column chart showing the number of applications accredited to the scheme by month for SY8 and SY9. 12,173 applications were accredited approaching scheme closure in Quarter 4 of SY8. This was significantly higher than the average of 4,018 for the previous three quarters of SY8. Over 83.7% of accreditations in SY9 were made in Quarters 1 and 2. The applications approved during SY9 Quarters 3 and 4 took longer as they required significant engagement with applicants before a decision to accredit could be made.

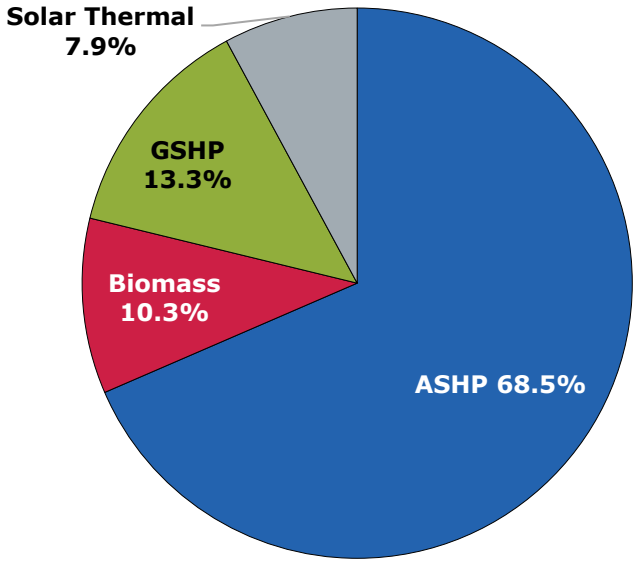


*SY = Scheme Year

2.4. A percentage breakdown of DRHI accreditations by technology type can be seen in **Figure 2.3**. Air source heat pumps are the dominant technology type with 68.5% of accreditations since scheme launch.

Figure 2.3: Accreditations by technology type since scheme launch (%)

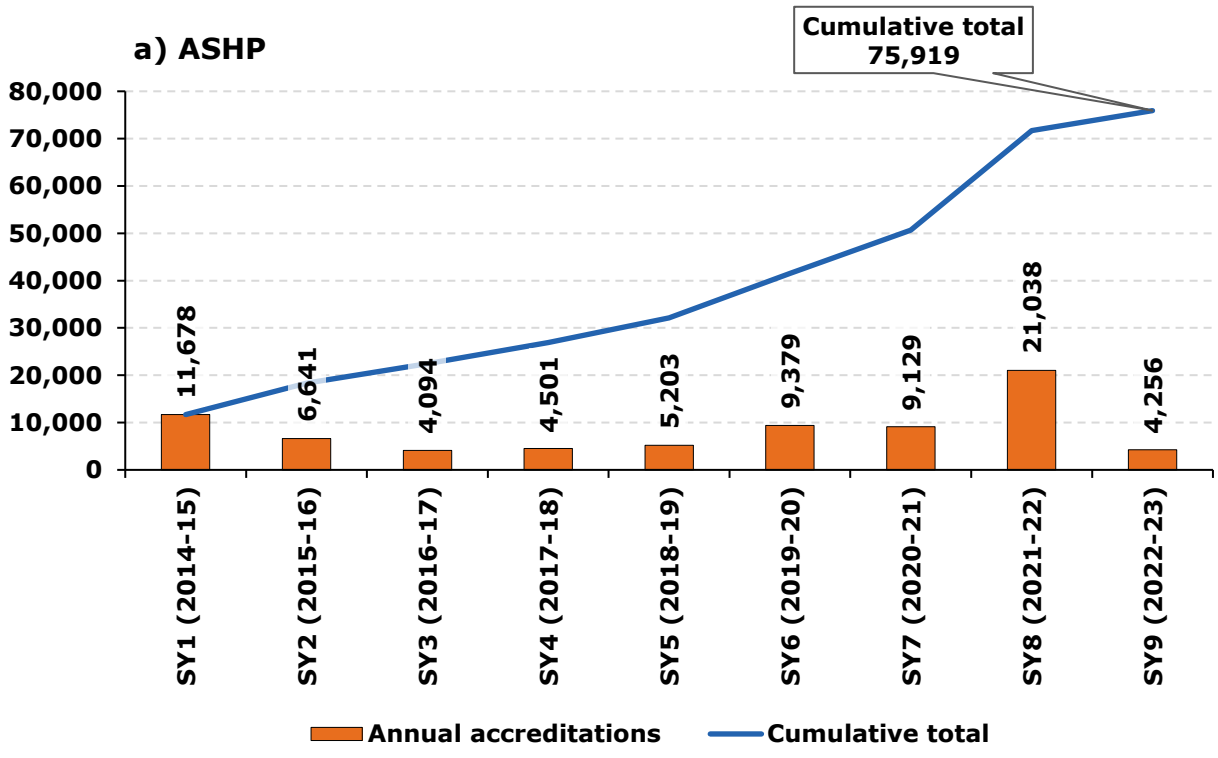
Pie chart data showing the percentage of accreditations by technology type since scheme launch. Air Source Heat Pump (ASHP) (68.5%), Ground Source Heat Pump (GSHP) (13.3%), Biomass (10.3%), Solar Thermal (7.9%).

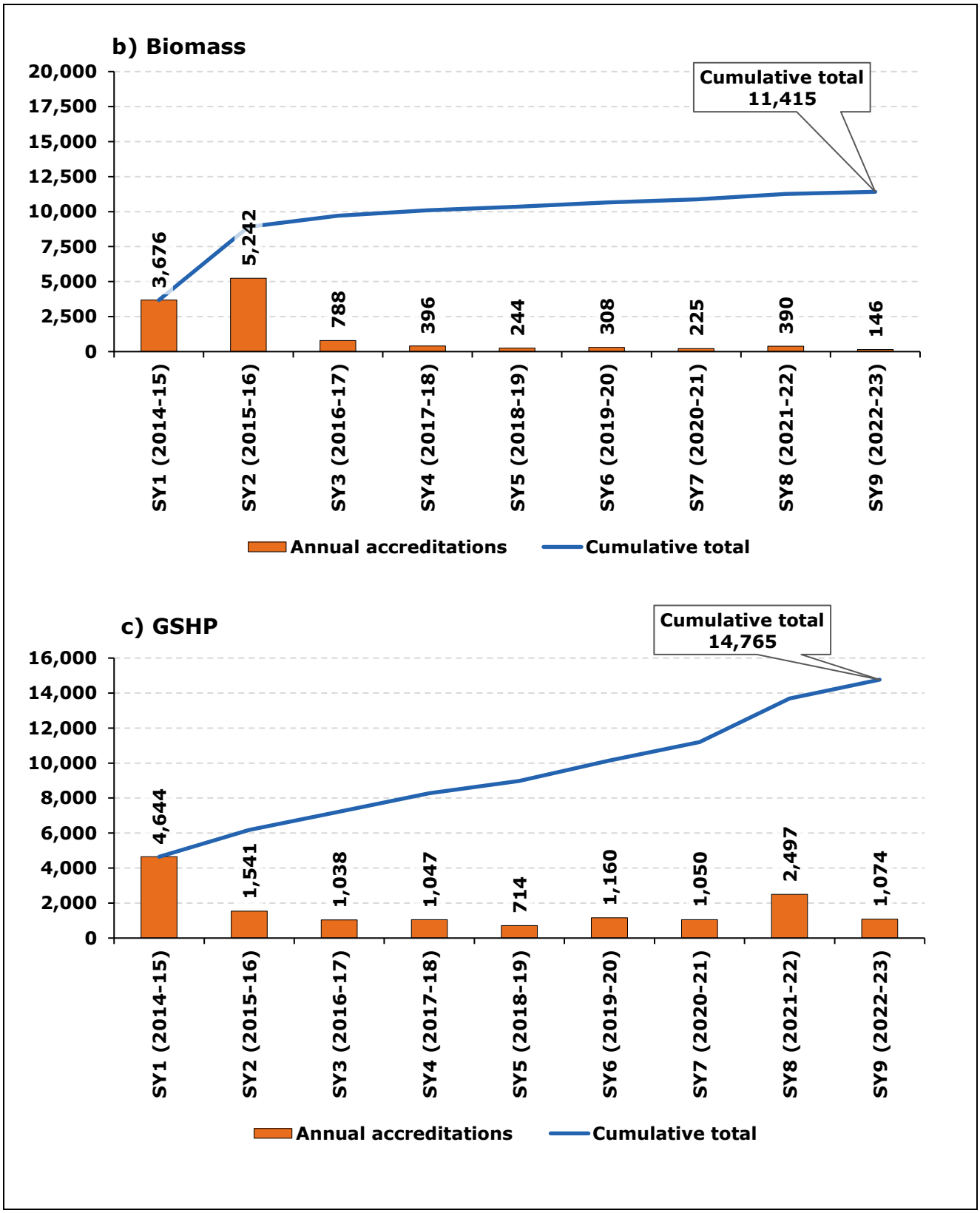


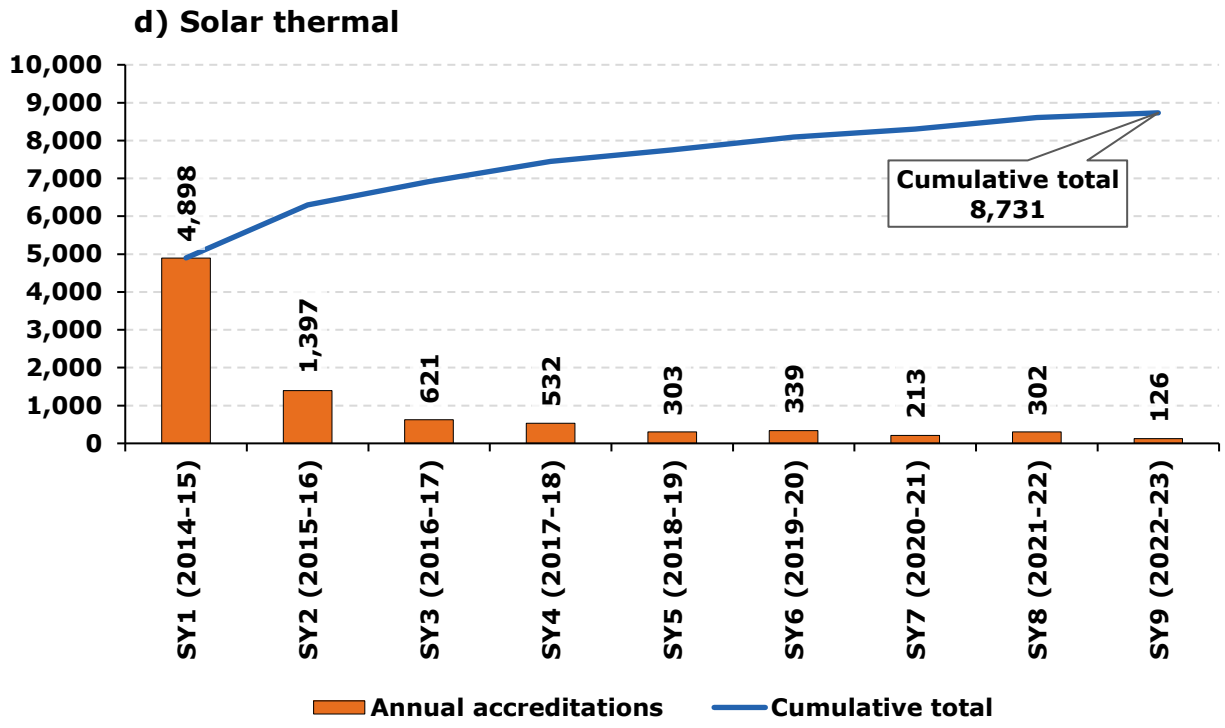
2.5. **Figure 2.4** shows the number of accreditations granted annually by technology type since the start of the scheme. High initial accreditation rates across all technologies reflects the processing of legacy applications alongside non-legacy applications, with trajectories after Scheme Year 2 reflecting non-legacy accreditations only.

Figure 2.4 (a-d): Annual and cumulative accreditations by technology type

Combined line and column graphs showing annual and cumulative accreditations by technology type from SY1 to SY9. By the end of SY9 ASHP totalled 75,919, followed by GSHP (14,765), Biomass (11,415) and Solar Thermal (8,731). ASHP and GSHP follow a comparable trajectory characterised by an initial fall in accreditation volumes reflecting the end of the period available for legacy applicants to apply, followed by a gradual increase, before a notable rise in SY8. Both then saw a significant decrease in accreditation volumes during SY9 with numbers reducing by 79.8% and 57.0% respectively. Similarly, biomass and solar thermal follow a similar trajectory to one another, with an initial fall in application volumes, followed by relatively flat levels of deployment before a modest increase in SY8. Accreditation numbers for biomass and solar thermal also fell in SY9 by 62.6% and 58.3% respectively.*




b) Biomass
20,000
17,500
15,000
12,500
10,000
7,500
5,000
2,500
0
Cumulative total
11,415
3,676
5,242
788
396
244
308
225
390
146
SY1 (2014-15)
SY2 (2015-16)
SY3 (2016-17)
SY4 (2017-18)
SY5 (2018-19)
SY6 (2019-20)
SY7 (2020-21)
SY8 (2021-22)
SY9 (2022-23)
Annual accreditations
Cumulative total
c) GSHP
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Cumulative total
14,765
4,644
1,541
1,038
1,047
714
1,160
1,050
2,497
1,074
SY1 (2014-15)
SY2 (2015-16)
SY3 (2016-17)
SY4 (2017-18)
SY5 (2018-19)
SY6 (2019-20)
SY7 (2020-21)
SY8 (2021-22)
SY9 (2022-23)
Annual accreditations
Cumulative total



SY = Scheme Year

2.6. On 17 September 2017, a tariff uplift was applied for ASHP, GSHP and biomass installations.[23] At the same time heat demand limits were also imposed on all technology types except solar thermal. This restricted the payments that could be made to larger installations, with biomass in particular being affected. These measures had the effect of increasing the levels of deployment for ASHPs and reducing the decline in the deployment for other technology types. This is reflected in the annual deployment figures shown in **Figure 2.4** above.

2.7. Also shown in **Figure 2.4** is an increase in deployment for ASHPs and GSHPs from Scheme Year 6. This increase was not driven by a change in available tariffs or another policy amendment. It is likely to at least in part be driven by a growth in consumer awareness of heat pumps in the private retrofit sector, and by social landlords increasingly having carbon or net zero targets to meet. The increase and subsequent decrease in accreditation rates for all technology types between Scheme Year 7 and Scheme Year 9 is associated with the closure of the scheme to new applicants on 31 March 2022.

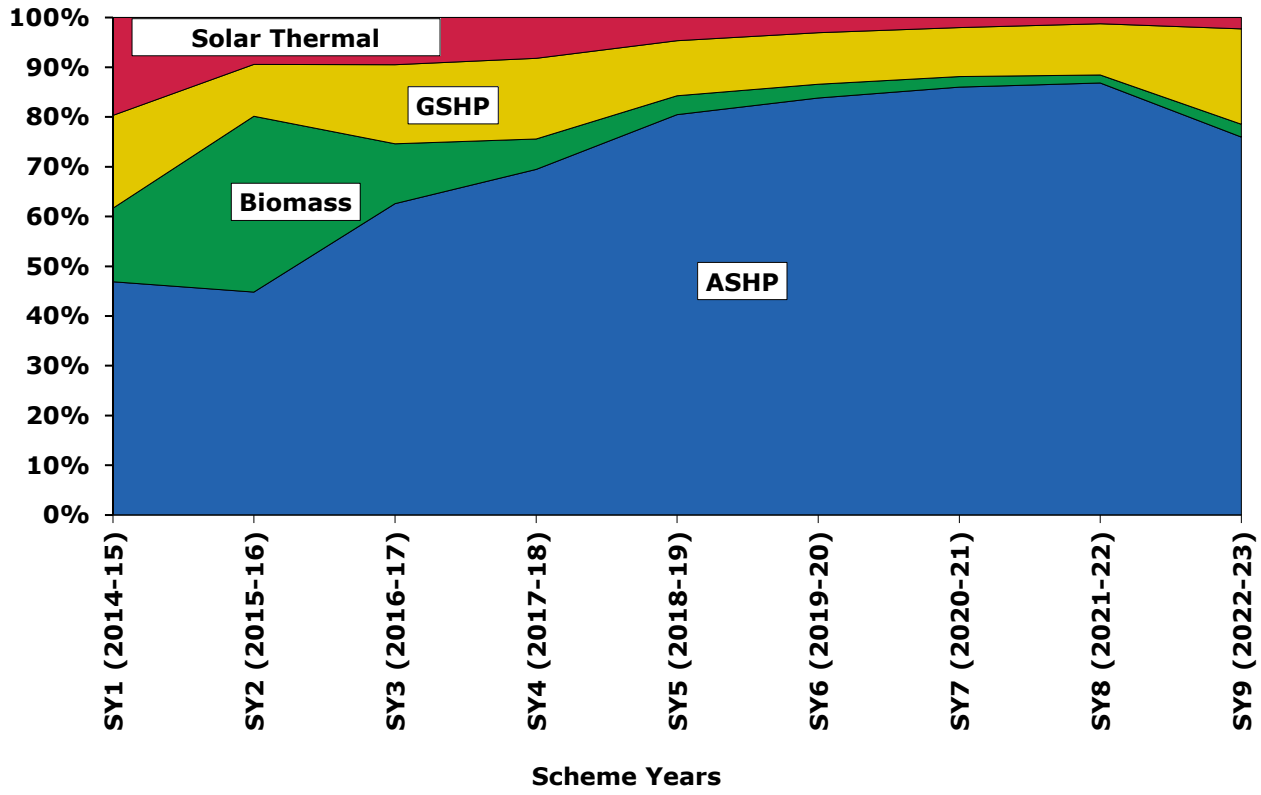
2.8. In Scheme Year 9 ASHPs accounted for 76.0% of accreditations compared to 46.9% at the start of the scheme. This highlights the technology's increasing rate of deployment

[23] The Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) (No. 2) Regulations 2017 <https://www.legislation.gov.uk/uksi/2017/857/contents/made>

over time relative to the other technology types. The proportion of accreditations from each technology type over the life of the scheme is shown in **Figure 2.5** below.

Figure 2.5: Proportions of each technology type accredited since SY1 (2014-15)*

The stacked area chart below shows the proportion of installations accredited annually over the lifetime of the scheme by technology type. ASHPs have consistently contributed the highest proportion of installations accredited each year, ranging from 44.8% of the total in SY2 to a high of 86.8% in SY8. Biomass went from a peak of 35.4% in SY2 to a low of 1.6% in SY8 and solar thermal from 19.7% in SY1 to 1.2% in SY8. GSHPs saw less variation with a high of 19.2% in SY1 and a low of 9.9% in SY8.



**SY = Scheme Year*

2.9. The higher proportions of GSHPs, biomass boilers and solar thermal installations towards the start of the scheme, as shown in **Figure 2.5**, have been influenced by legacy applications and deployment before heat demand limits were imposed.

2.10. When looking at the increased proportion of GSHP accreditations in Scheme Year 9 it should be noted that the proportions of applications processed in Scheme Year 9 is not reflective of the proportions received in Scheme Year 8. Due to longer application processing times for some GSHP installations and the significant fall in the number of applications being processed in Scheme Year 9, the proportion of GSHP accreditations increased in Scheme Year 9 relative to other technology types.

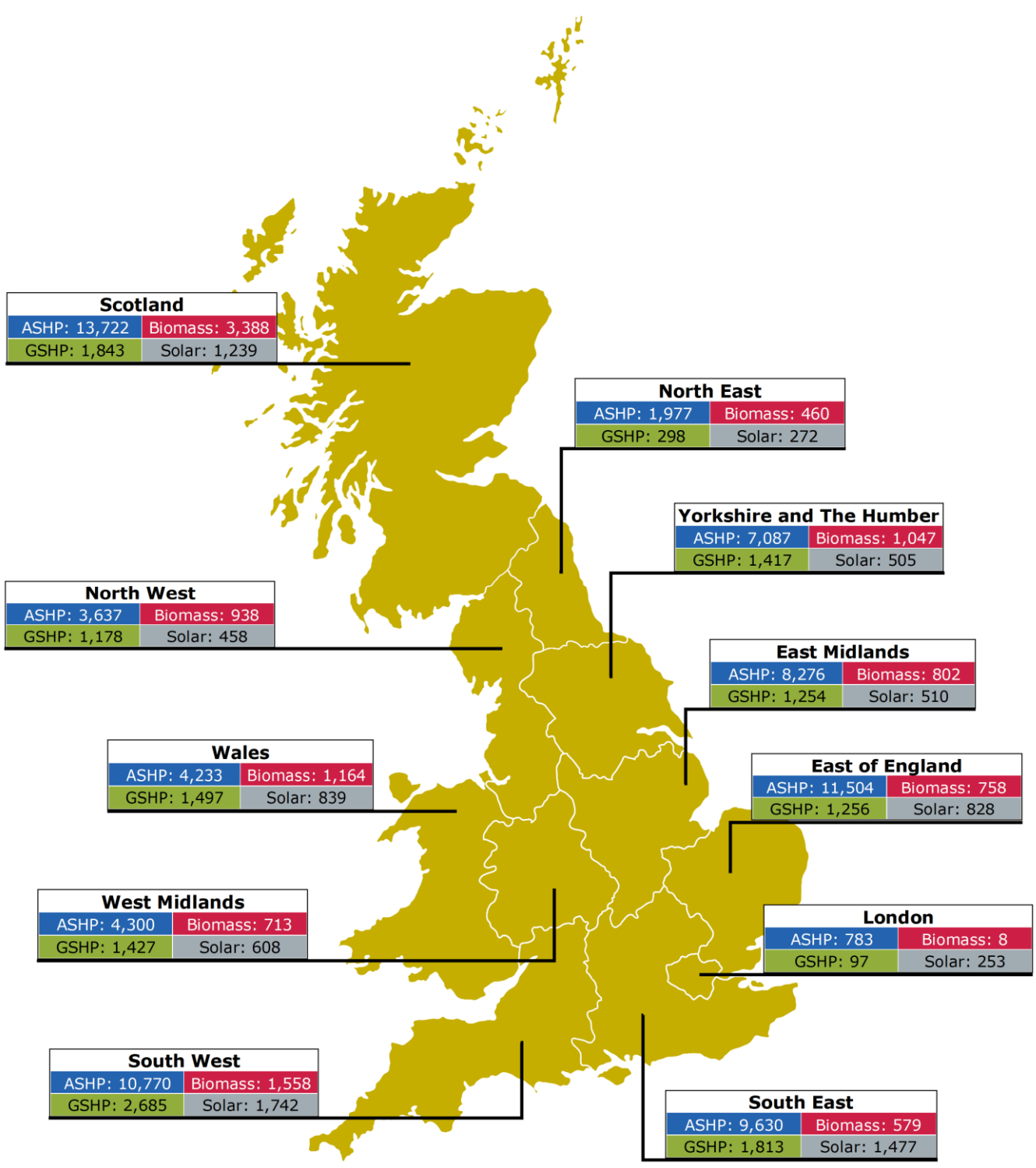
Geographical Distribution

2.11. **Figure 2.6** shows the geographical distribution of accreditations by technology type since scheme launch. Almost 75% of installations are in England, over 18% in Scotland and almost 7% in Wales. However, when looking at the proportion of households in each country benefiting from the scheme, it is highest in Scotland with 0.8% of households. In Wales it is 0.6% and in England 0.4%.[24]

[24] Household data for 2021 taken from the Office for National Statistics: Households by type of household and family, regions of England and GB constituent countries <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/datasets/householdsbytypeofhouseholdandfamilyregionsofenglandandukconstituentcountries>

Figure 2.6: Geographic distribution of accreditations since scheme launch

Map of Great Britain showing number of accreditations by technology type in each region. Scotland has the highest number of accredited installations totalling 20,192. In contrast, London has the lowest number of accredited installations at 1,141.



2.12. **Figure 2.7** shows the breakdown of accredited installations by region and technology type in Scheme Year 9. With Scotland divided into regions, the South West of England becomes the region with the highest number of accreditations totalling 912. In contrast, West Central Scotland has the lowest number of accredited installations at 35.

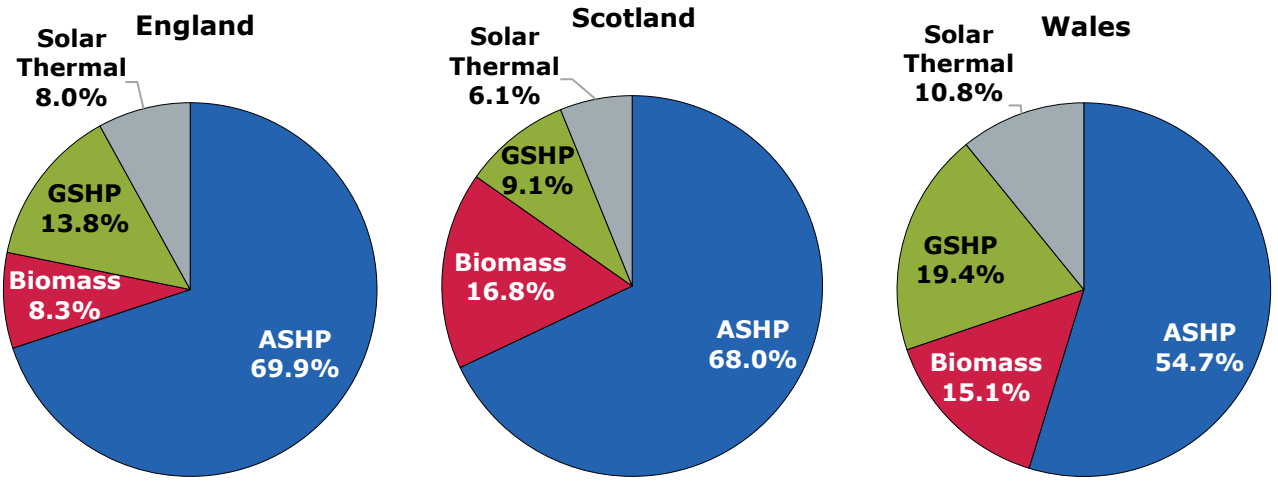
Figure 2.7: Accreditations by region and technology type in SY9 (2022-23)*

Location	ASHP	Biomass	GSHP	Solar thermal	**Grand Total**
South West	620	43	223	26	**912**
South East	669	9	143	20	**841**
East of England	468	3	63	11	**545**
Wales	353	23	133	14	**523**
Yorkshire and The Humber	397	6	84	4	**491**
East Midlands	349	7	77	6	**439**
West Midlands	319	15	97	5	**436**
North West	266	9	109	10	**394**
Highlands and Islands	268	9	23	5	**305**
North East	136	7	20	10	**173**
Southern Scotland	128	6	28	3	**165**
London	126	0	19	8	**153**
East Scotland	100	7	37	1	**145**
North East Scotland	30	1	11	3	**45**
West Central Scotland	27	1	7	0	**35**
Grand Total	**4,256**	**146**	**1,074**	**126**	**5,602**

2.13. **Figure 2.8** shows the national differences in accreditations by technology type since scheme launch. This highlights some marked regional differences. In particular, the lower proportion of ASHPs but higher levels of GSHP and solar thermal deployed in Wales, as well as the higher proportion of biomass but lower levels of GSHP and solar thermal deployed in Scotland.

Figure 2.8: Accreditations by country and technology type since scheme launch (%)

Pie charts showing the percentage of technology types by country for England, Scotland and Wales. ASHPs make up over 50% of installations in all regions. England has the highest proportion of ASHPs (69.9%), Wales has the highest proportion of GSHPs (19.4%) and solar thermal (10.8%) and Scotland has the highest proportion of biomass (16.8%).

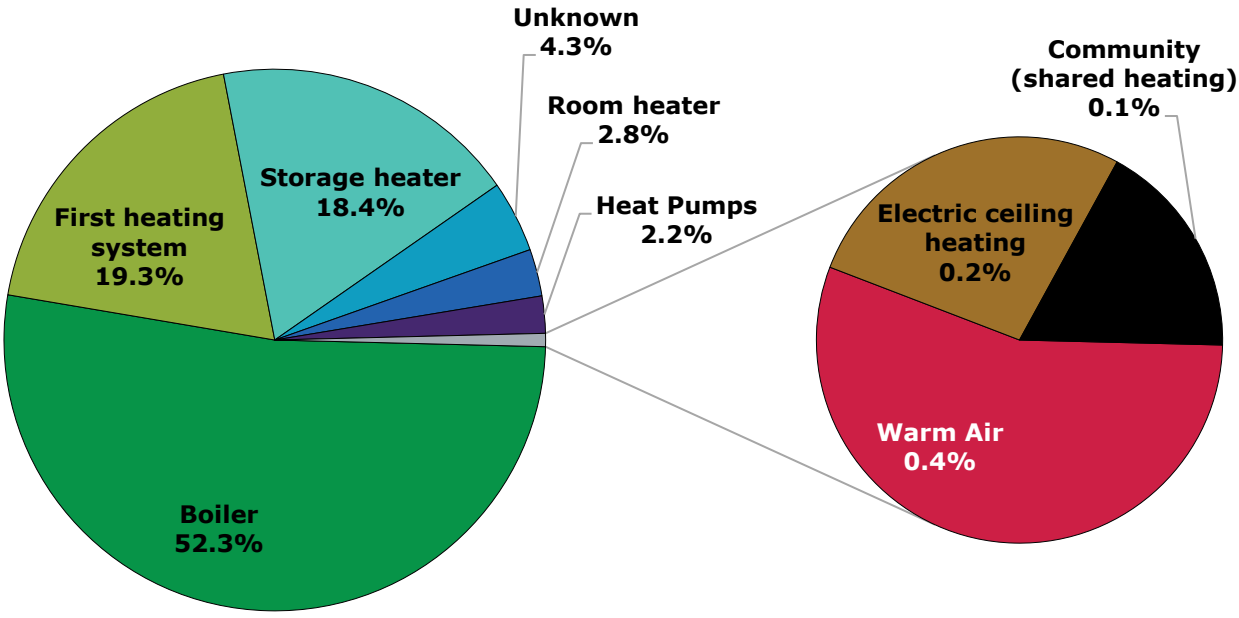


Replaced Technology

2.14. As one of the scheme's primary aims is to replace domestic heating systems with lower carbon alternatives, when applicants apply for the DRHI they are required to provide details of the heating system being replaced. **Figure 2.9** shows that boilers account for just over half of total accreditations at 57,940 or 52.3% of the total. 'First heating system' indicates accreditations for eligible new-builds[25] for which there was no heating technology being replaced.

Figure 2.9: Heating technology replaced since scheme launch

Chart showing a breakdown of heating technologies replaced under the scheme. Boiler (52.3%), first heating system (19.3%), storage heater (18.4%), unknown (4.3%), room heater (2.8%), heat pumps (2.2%), warm air (0.4%), electric ceiling heating (0.2%), community (shared heating) (0.1%).

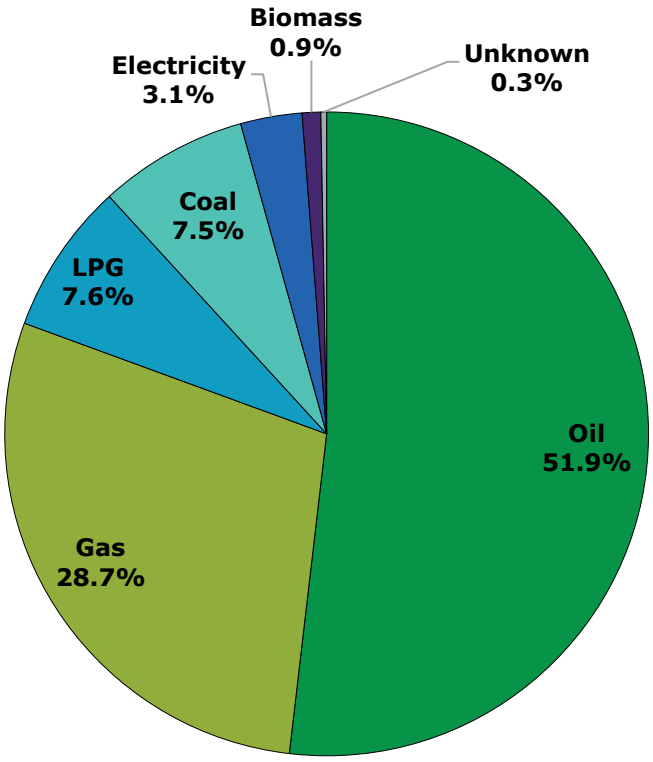


[25] Eligible new-builds' are explained in the Key Terms on our website: <https://www.ofgem.gov.uk/environmental-and-social-schemes/domestic-renewable-heat-incentive-domestic-rhi/contacts-guidance-and-resources/key-terms-explained-domestic-renewable-heat-incentive>

2.15. Information on the fuels being used in the replaced boilers can be found in **Figure 2.10**. Almost 96% (55,445) of these boilers used fossil fuels such as oil, gas, coal and liquified petroleum gas (LPG).

Figure 2.10: Replaced boiler fuel types

Pie chart showing the boiler fuel types replaced under the scheme. Oil (51.9%), gas (28.7%), LPG (7.6%), coal (7.5%), electricity (3.1%), biomass (0.9%) and unknown (0.3%).



Registered Social Landlords (RSLs)

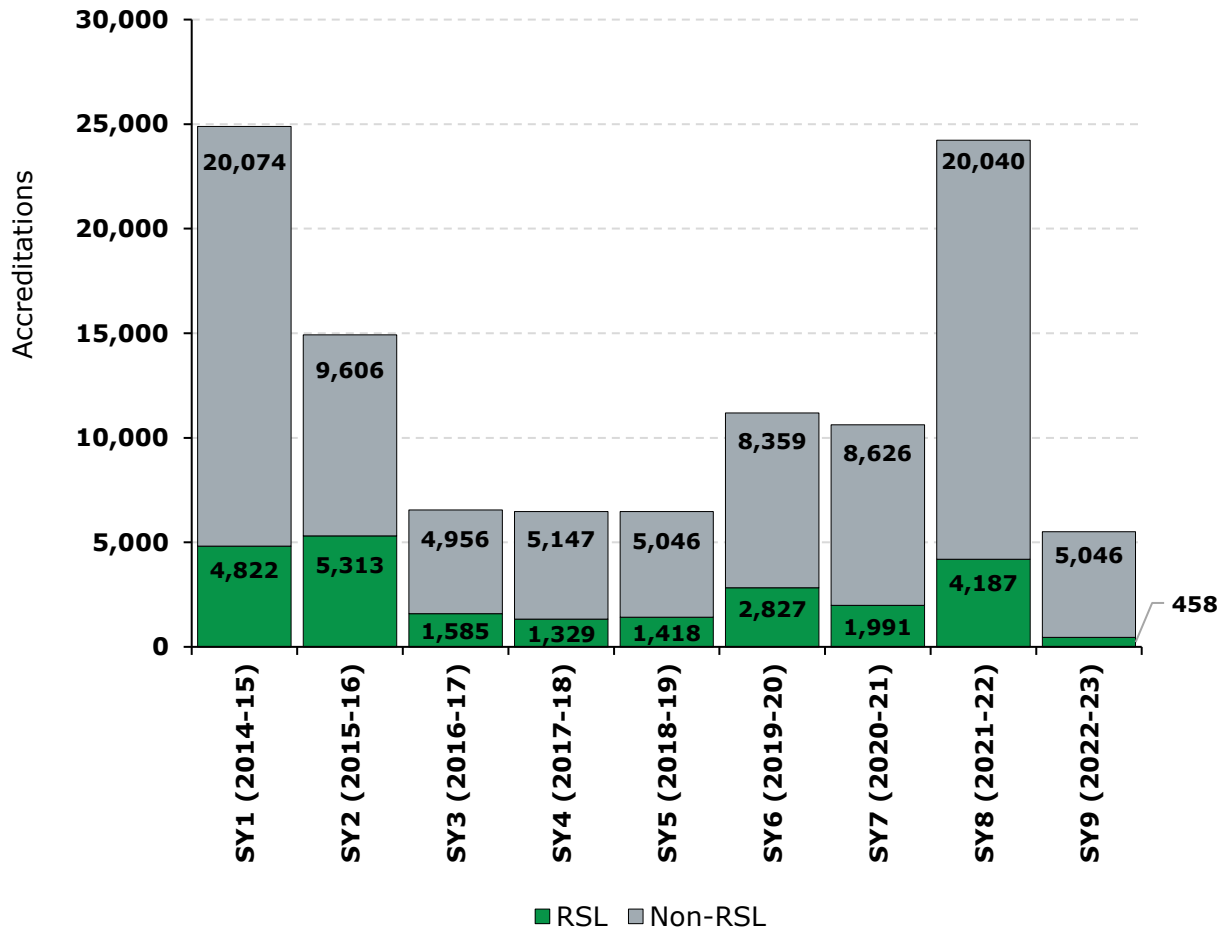
2.16. With a large number of properties under their management and the potential financial benefits for tenants (particularly those off gas-grid), Registered Social Landlords (RSLs) were one of the groups eligible to apply for the DRHI. In total, they account for 21.6% of all scheme accreditations.

2.17. Since scheme launch 23,930 RSL accreditations have been granted. All RSL applications have now been processed.

2.18. **Figure 2.11** shows the total number of accreditations each scheme year, split into those from RSLs and other applicant types.

Figure 2.11: Annual RSL accreditations since scheme launch.

Column graph showing RSL and non-RSL accreditations per year from SY1 to SY9. Overall RSL accreditations make up 21.6% of scheme accreditations. RSL accreditation numbers were highest in SY1 (4,822), SY2 (5,313) and SY8 (4,187).

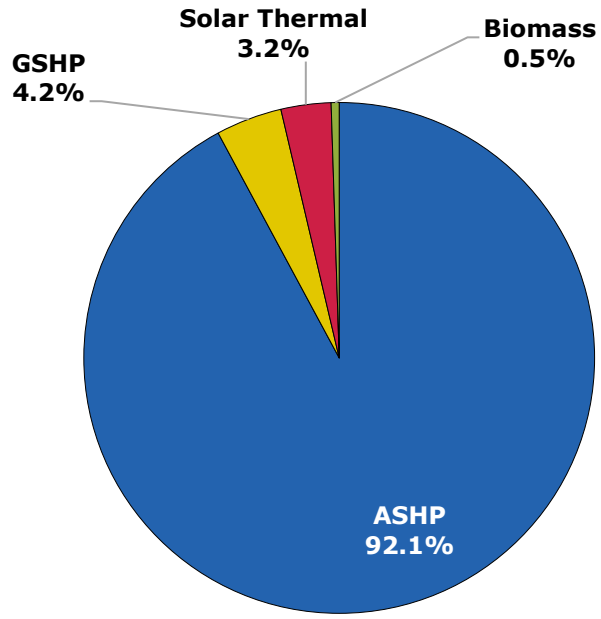


SY = Scheme Year

2.19. **Figure 2.12** shows the proportions of different technology types installed into RSL properties.

Figure 2.12 RSL accreditations by technology type since scheme launch

Chart showing total RSL accreditations by technology type. ASHPs account for the majority of RSL accreditations at 92.1% followed by GSHP (4.2%), Solar Thermal (3.2%), and Biomass (0.5%).



Metering and Monitoring Service Package (MMSP)

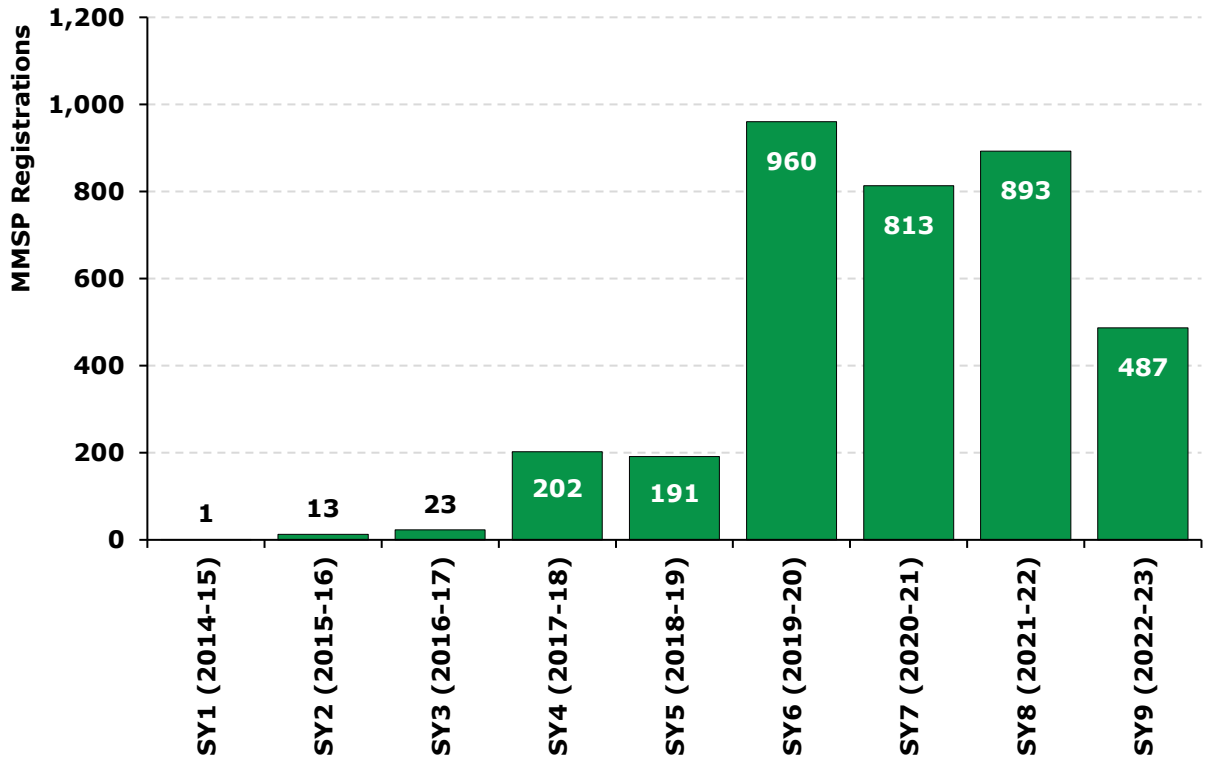
2.20. A Metering and Monitoring Service Package (MMSP) allows participants to check how their heating systems are performing. Participants who successfully register an MMSP receive financial support for its installation.

2.21. 11,255 MMSP packages were available during the lifetime of the scheme on a first-come, first-served basis.

2.22. **Figure 2.13** shows 3,583 MMSP packages (31.8%) have been allocated as of March 2023. From 22 May 2018, the MMSP introduced a lump sum payment for successful registrations of heat pump and biomass installations in addition to the quarterly MMSP support payments, resulting in a higher number of MMSP registrations between Scheme Year 6 and Scheme Year 8. Since the DRHI closed to new applications on 31 March 2022, no more applications for MMSP's can be made.

Figure 2.13: Annual MMSP registrations since scheme launch

Column graph data showing the number of MMSP registrations per year from SY1 to SY9. Average registration numbers were low at 12 per year from SY1 to SY3. Registration numbers from SY4 to SY5 then rose averaging 197, whilst numbers between SY6 and SY8 saw a dramatic increase averaging 889. Registration numbers in SY9 decreased to 487 following the schemes closure to new applicants.*



*SY = Scheme Year

Assignment of Rights

2.23. The Department for Business, Energy & Industrial Strategy (BEIS)[26] introduced the Assignment of Rights (AoR) option under the DRHI to allow applicants to install renewable heating with financial support from a nominated investor. Subsequent DRHI payments are redirected to the investor as a form of repayment whilst the applicant benefits from the low carbon heating system. AoR under the DRHI came into effect following amendments to the scheme on 27 June 2018.

2.24. To receive funding from investors, applicants to the DRHI scheme must choose to assign their DRHI payments to a nominated registered investor during the application process. As of 31 March 2022, the scheme closed to new applications including AoR. Until 30 June 2028, it is still possible for investors to apply to take over existing AoR contracts with participants where the current investors wish to exit their agreements.

2.25. Investors must register with Ofgem. Before registering, an investor must be a member of the Renewable Energy Consumer Code (RECC)[27] or the Home Insulation and Energy Systems Quality Assured Contractors Scheme (HIES)[28], one of the two Chartered Trading Standards Institutes (CTSI)[29] approved consumer protection codes for AoR. Nominated investors can finance the purchase, installation, and maintenance of accredited renewable heating systems for applicants, and in return be assigned DRHI payments.

[26] From February 2023 the new Department for Energy Security and Net-Zero (DESNZ) are responsible for RHI policy in GB. This responsibility was previously held by BEIS (Department for Business, Energy & Industrial Strategy) and DECC (Department of Energy & Climate Change).

[27] The Renewable Energy Consumer Code (RECC) <https://www.recc.org.uk/>

[28] The Home Insulation and Energy Systems Quality Assured Contractors Scheme (HEIS) <https://www.hiesscheme.org.uk/>

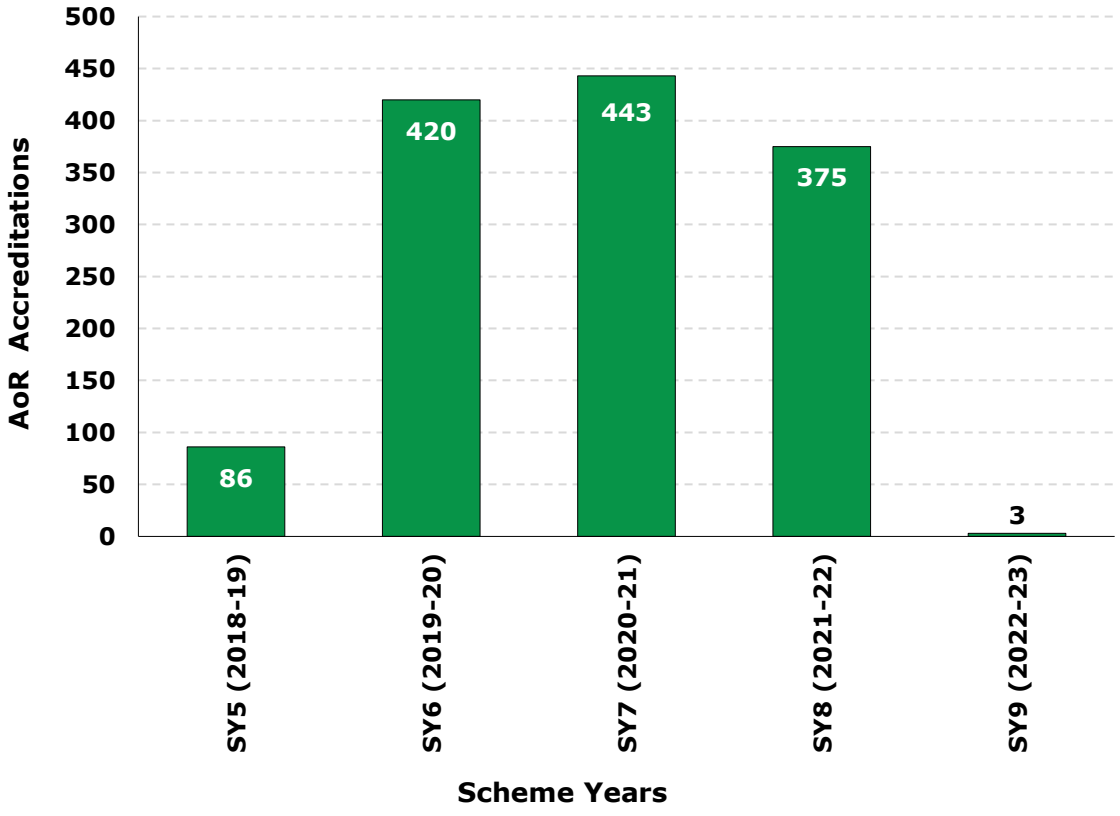
[29] Chartered Trading Standards Institute < https://www.tradingstandards.uk/>

2.26. As shown in **Figure 2.14** there are 1,327 installations accredited under AoR and as of 31 March 2023 there were 23 active investors.

2.27. Investors made a total of £2,695,583.65 in financial support payments to AoR scheme participants between 27 June 2018, when AoR under the DRHI came into effect, and 31 March 2023.

Figure 2.14: Assignment of Rights (AoR) accredited installations

A column chart showing the number of AoR installations accredited annually from SY5 to SY9. There was a significant rise in the number of accreditations between SY5 and SY6. Average registration numbers stood at 413 per year from SY6 to SY8 before a significant fall in SY9 following scheme closure.*



*SY = Scheme Year

Applications reaching end of support

2.28. As of 31 March 2023, seven years had elapsed for applications which received accreditation during the first two years of the scheme. This means that a total of 40,309 applications have now reached the end of their seven-year support period and exited the scheme. This includes all legacy applicants.

2.29. As the scheme is closed to new applicants the number of installations receiving payments and the total sum of payments made will continue to fall until all installations have reached the end of their seven-year support period.

2.30. It should be noted that in some cases (for example where ownership of an application has been transferred) payments may be paused until the changes to the application have been approved. As such the number of applications actually reaching the end of their support period in Scheme Year 9, may be lower than the number originally accredited during the first year of the scheme.

3. Payments & Heat Generation

Chapter summary

This chapter gives an update on the heat generation and payments made under the Domestic Renewable Heat Incentive (DRHI) scheme in Scheme Year 9. It also shows the historical trends in heat generation, by technology type and associated payments.

3.1. DRHI payments are made quarterly for seven years. Payments for most installations are based on the annual heat demand of the property, which is taken from a property's Energy Performance Certificate (EPC). The only exceptions to this are for solar thermal; where payments are based on the estimated annual heat generation taken from the Microgeneration Certification Scheme (MCS) certificate, and for those installations required to be metered for payment. Payments are only made to accredited installations that continue to meet scheme rules.[30]

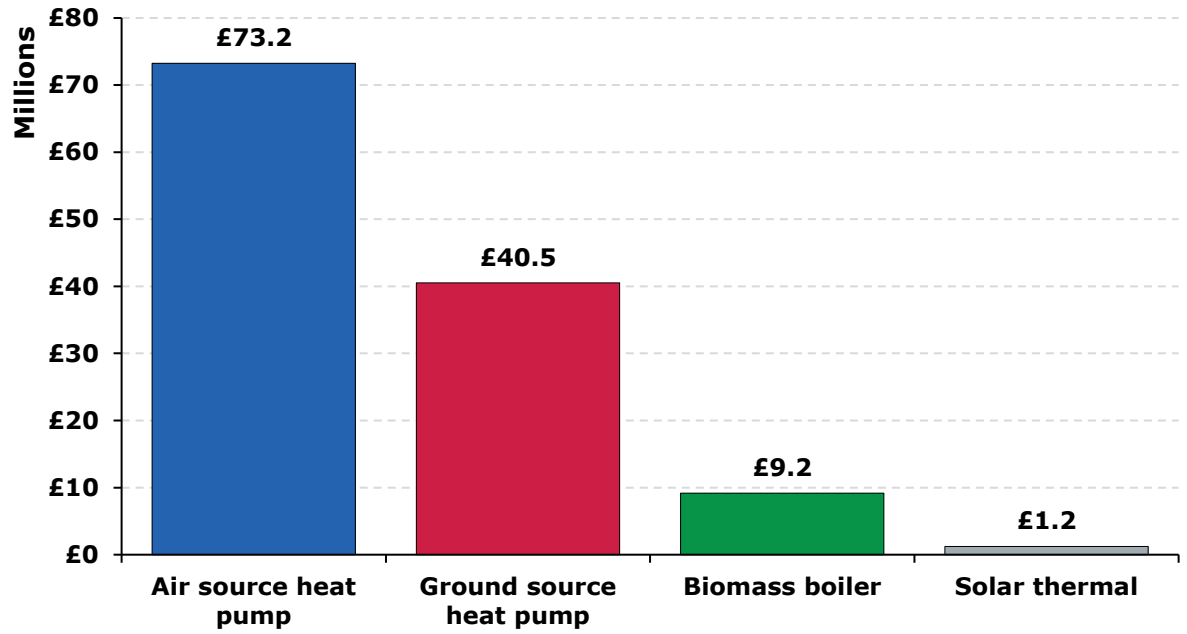
3.2. Tariff rates vary depending on technology type and when an application is received. These are set by the Department for Energy Security and Net Zero (DESNZ) and are regularly reviewed. Any changes to tariffs must be announced at least one month in advance of the change.

3.3. In Scheme Year 9 we made payments of over £124.1 million[31] to eligible participants. This brings the total paid over the lifetime of the scheme to almost £943.5 million. **Figure 3.1** shows that ASHPs account for the largest proportion of payments in Scheme Year 9, followed by GSHP and biomass.

[30] Information on DRHI payments and tariffs: <https://www.ofgem.gov.uk/environmental-programmes/domestic-rhi/contacts-guidance-and-resources/tariffs-and-payments-domestic-rhi>
[31] Figures are based on the amount paid out to accredited installations. Payments can be delayed in some circumstances such as a being under audit and would not appear within our data until cleared.

Figure 3.1: DRHI payments made in Scheme Year 9 (2022-23)

Chart showing payments made by technology type in Scheme Year 9. Air source heat pumps received the highest proportion (£73,246,138) followed by ground source heat pumps (£40,520,165) and biomass boilers (£9,172,669). Solar thermal was responsible for the lowest proportion of payments made (£1,223,853).



3.4. **Figure 3.2** shows that biomass installations accounted for 37.3% of payments made and 40.3% of estimated heat output[32] from scheme launch to 31 March 2023. This is despite accounting for only 10.3% of accreditations. In contrast, ASHPs account for 31.7% of payments made and 41.5% of estimated heat output, whilst forming 68.5% of all accreditations.

[32] Estimated heat output is equivalent to the heat demand used to calculate payments. For most installations this is the heat demand taken from the EPC certificate. In the case of solar thermal, it is taken from the MCS certificate or for those installations metered for payment, from the meter readings provided to us.

Figure 3.2: Lifetime DRHI payments made and heat output

Technology Type	Total Payments to Date (£)	Payments Percentage (%)	Estimated heat output (GWh)	Estimated heat output Percentage (%)
ASHP	£299,265,929	31.7%	3,331.8	41.5%
Biomass	£351,880,265	37.3%	3,236.1	40.3%
GSHP	£273,981,683	29.0%	1,367.2	17.0%
Solar thermal	£18,345,7	1.9%	95.0	1.2%
TOTAL	**£943,473,674**	**100%**	**8,030.07**	**100%**

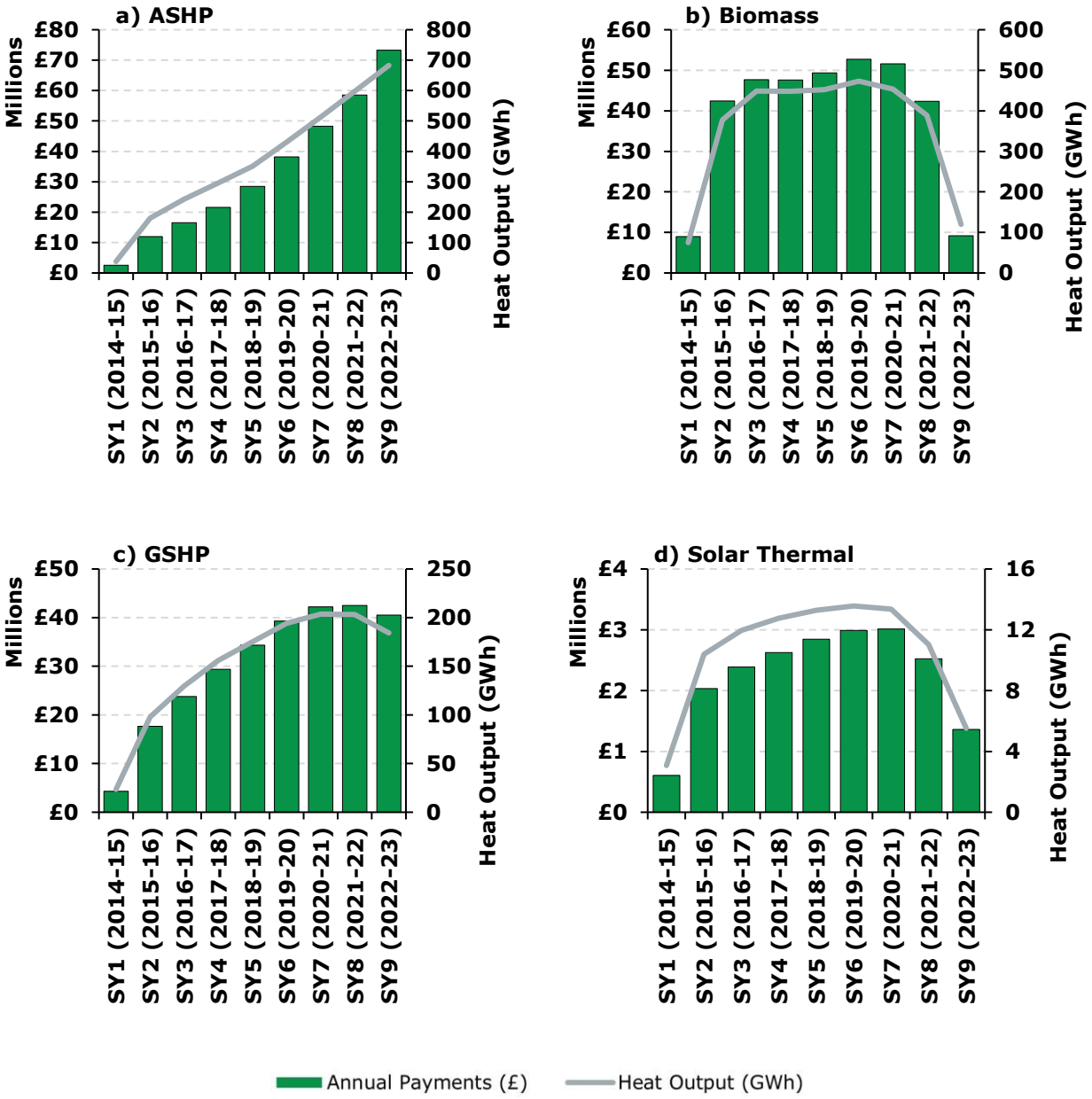
3.5. The high proportion of biomass payments and heat demand despite lower accreditation numbers is likely due to biomass installations tending to heat larger properties with higher heat demands. This was particularly true in the early years of the scheme before heat demand limits were introduced.

3.6. Also shown in **Figure 3.2**, the estimated amount of heat on which the £943 million in payments have been made, stands at around 8,030 GWh.

3.7. An annual breakdown of payments and estimated heat output by technology type can be seen in **Figure 3.3** below.

Figure 3.3 (a-d): Annual payments and heat demand (GWh) by technology type

Combined line and bar graphs showing payments and estimated heat output by technology type per year. ASHP payments and estimated heat output continually rose from SY1 to SY9. GSHP also rose to SY8 before marginally declining in SY9, whilst biomass and solar thermal see smaller rises from SY2 onwards, falling in SY8 before decreasing more significantly in SY9.*



SY = Scheme Year

3.8. Compared to last year, ASHP payments saw a 20.1% (£14,752,508) increase during Scheme Year 9. In comparison, GSHP payments fell by -4.6% (£1,967,078) with more significant decreases in solar thermal payments which fell by -41.9% (£1,045,158) and

biomass payments falling by -78.4% (£33,215,683). The significant fall in biomass and solar thermal payments is due to the large number of installations of these types, that joined the scheme in the first two years and have now exited the scheme. Large numbers of ASHP and GSHP installations have also now exited the scheme, but these have been offset by those being newly accredited.

3.9. The next seven years will see a gradual decline in payments being made, as new applications are no longer accepted and current accreditations gradually come to the end of their support period under the scheme.

4. Audit & Assurance

Chapter summary

This chapter covers audit and compliance activity for the Domestic Renewable heat Incentive (DRHI) scheme during Scheme Year 9. It provides an overview of the results of targeted and statistical audits, compliance investigations, and the public funds protected.

4.1. In order to protect the public purse and ensure we are meeting requirements to only pay subsidies for eligible heat generation, our audit programme is designed to check compliance with the regulations and identify non-compliances. Our audit strategy has been developed in line with best practice from the National Audit Office (NAO). The strategy is reviewed annually and updated to account for emerging risks, changes to the scheme and new trends in non-compliance. Following each audit year, we conduct Root Cause Analysis on the top non-compliances identified and implement changes to drive down the chance of those non-compliances happening in future.

4.2. We undertake both statistical and targeted audits. Statistical audits are randomly selected to provide a representative view of the scheme population at a 90% confidence level. This provides us with assurance that the results of audits will reflect the level and types of non-compliance within the population. Targeted audits are identified via internal and external referrals, and data analytics, which we use to identify applications that have an increased risk of non-compliance.

4.3. Statistical audits comprise both an initial desk audit and a site audit. However, in some cases the site audit is not required if we identify eligibility issues during the desk audit that result in revocation of an accreditation. Targeted audits comprise of a desk audit, or a site audit.

4.4. **Figure 4.1** below gives an overview of the Scheme Year 9 audit programme and shows the overall participant compliance rating for those audited. As a number of investigations are ongoing at time of writing, this data is correct as of May 2023.

Figure 4.1: DRHI audit results Scheme Year 9 (2022-23)

Audit Type	Closed Audits	Open Audits	Compliant Audits	Non-Compliant Audits	Compliance Rate (%)
Statistical (desk)	417	0	360	57	**86.33**
Statistical (site)	391	0	329	62	**84.14**
Targeted (desk)	272	0	242	30	**88.97**
Targeted (site)	246	0	184	62	**74.80**

4.5. A total of 689 desk audits and 637 site audits were conducted during Scheme Year 9. This is a decrease from the 741 desk audits and 679 site audits in Scheme Year 8.

4.6. The level of non-compliance identified in the DRHI population (or error rate as determined by the annual statistical audit programme) in the previous year is used to determine the statistical audit sample size. The compliance rate increased in Scheme Year 8 leading to a decrease in the statistical audit sample size.

4.7. We found that those installations included in our statistical programme reaching the end of their eligibility period during Scheme Year 8 had a higher incidence of failing to engage with the process. Also, in some cases installations reached the end of their support period before a site visit could be carried out. In response, we adjusted the way we select sites for our statistical programme to exclude those due to exit the scheme during the year, though such cases could still have a targeted audit if there was a compliance concern.

4.8. In March 2022, the DRHI scheme closed to new applications. Based on our experience from other renewable incentive schemes there is an increased likelihood of more speculative applications being submitted as people try to meet the deadline. Therefore, to mitigate against an increased risk of non-compliance and fraud we developed a scheme closure audit strategy focusing on applications submitted in the run up to closure. Of the 246 targeted site audits, 197 focused on applications submitted in the final four months of the scheme. Of the 272 targeted desk audits, 200 focused on applications submitted in the final four months of the scheme.

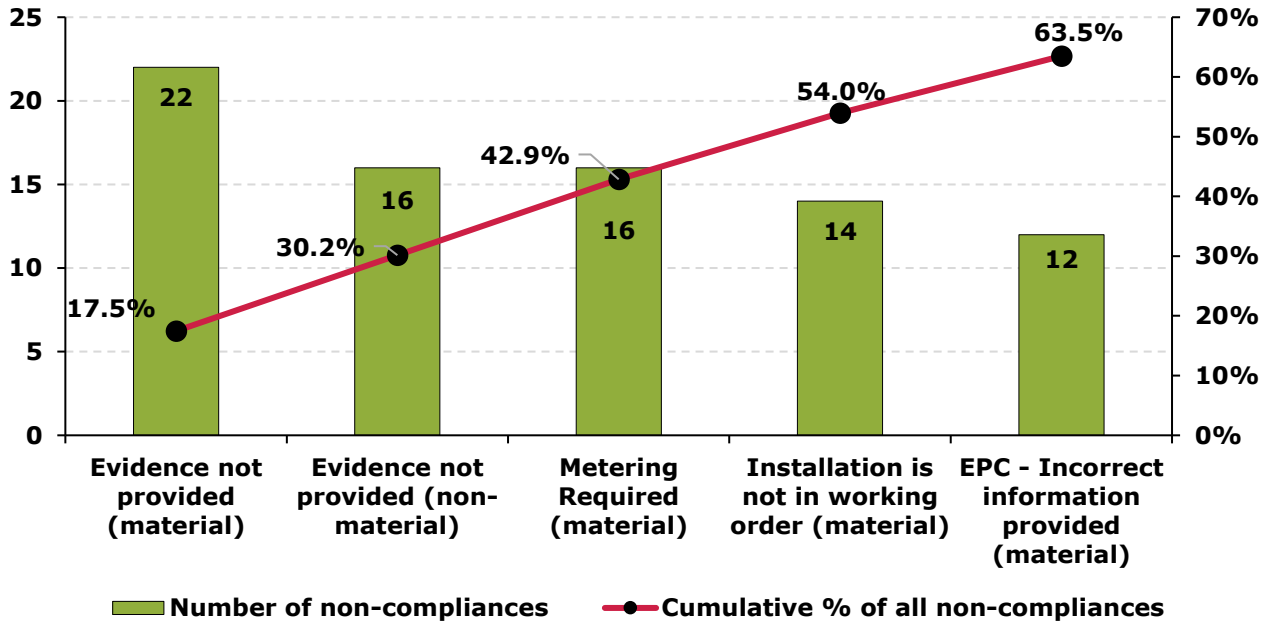
4.9. Some non-compliance cases will be resolved by participants providing relevant information after an audit. Others will result in recoupment of overpayments or, in the worst cases of non-compliance, revocation of accreditation. We have revoked or will

revoke 62 accreditations from the Scheme Year 9 programme, of these, 47 instances were identified through desk audits, the remaining 15 instances were identified through site audits.

4.10. **Figure 4.2** shows the five most common reasons for non-compliance by instance and the cumulative percentage of all non-compliance in Scheme Year 9. Instances of non-compliance are categorised as either material or non-material non-compliance. A material non-compliance is one that could have a financial impact and lead to an error in payments or result in DRHI payments being recouped by Ofgem. A non-material non-compliance is when there has been a contravention of scheme rules that does not have a financial impact but may affect eligibility to the DRHI scheme.

Figure 4.2: Top five non-compliance reasons from statistical audits SY9 (2022-23)*

Chart showing the top five reasons for non-compliance and their cumulative contribution to non-compliance on the scheme. Evidence not being provided was the most frequent cause of non-compliance with 22 instances (17.5%) of material non-compliance and 16 instances (12.7%) of non-material non-compliance. Remaining causes were all instances of material non-compliance and included 16 instances (12.7%) of metering required, 14 instances (11.1%) of installations not being in working order and 12 instances (9.5%) of incorrect information being provided on Energy Performance Certificates (EPC).



*SY = Scheme Year

4.11. For further information on how we deal with non-compliance please refer to the essential scheme guide.[33]

4.12. We track instances where non-compliance effects payments that installations are eligible to receive. These instances are defined as either a prevented or detected error. A prevented error refers to any payment which we have prevented from being paid out because of our work. A detected error is any payment which has been paid out to a participant for which they were not eligible.

4.13. **Figure 4.3** shows the money we have protected (prevented and detected error) based on the audits carried out from Scheme Year 5 to Scheme Year 9.

4.14. **Figure 4.3: Money protected from DRHI audits SY5 (2018-19) to SY9 (2022-23)***

Scheme Year	Prevented Error	Detected Error	**Total Error**	Detected Error (Recovered %)
SY5 (2018-19)	£959,668	£673,654	**£1,633,323**	43.5%
SY6 (2019-20)	£935,147	£877,844	**£1,812,991**	59.5%
SY7 (2020-21)	£562,579	£634,035	**£1,196,615**	62.3%
SY8 (2021-22)	£531,760	£530,749	**£1,062,509**	56.5%
SY9 (2022-23)	£687,195	£97,478	**£784,673**	82.7%

4.15. In Scheme Year 9 we observed a significant improvement in our recovery rates compared to the previous years. This can be attributed to two key factors. Firstly, we have significantly enhanced repayment process to ensure a more seamless and efficient experience. Secondly, by building on the best practice developed, we have established a streamlined debt process that enabled the effective management of debt cases. In light of the current cost-of-living pressures, we have reviewed our debt management process and made some improvements to ensure that we are taking a more participant focused approach.

4.16. In total this year's audit programme has resulted in the identification of £784,673 in prevented and detected error. This is in addition to the protection of public funds provided though our other control measures, such as robust eligibility assessments prior to accreditation and annual participant declarations.

4.17. We have listened and responded to challenges faced by customers in light of the cost-of-living crisis by adopting a customer-focused approach to debt management. We can offer assistance and flexibility in handling debt, such as setting up a repayment plan.

[33] Domestic RHI: Essential Scheme Guide <https://www.ofgem.gov.uk/publications/domestic-rhi-essential-guide>

4.18. Based on the findings of the Scheme Year 9 statistical audit programme, the value of payments made in error during 2022-23 under the DRHI is estimated at £2.4 million (2.7% of total payments) within a 95% confidence interval of £1.4 million to £3.3 million. A 95% confidence interval means that we are 95% confident that the actual value of payments made in error will fall between the upper and lower values of £1.4 million to £3.3 million. Please note the error rate includes a forecast of expected outcomes for the remaining open audits and compliance investigations.

5. Our Administration

Chapter summary

This chapter provides detail on our administration activity during Scheme Year 9 not already detailed elsewhere in the report.

5.1. Ofgem performs several functions as administrator of the scheme, including review of applications and amendments, calculating and making payments, responding to enquiries and ensuring ongoing participant compliance with scheme regulations.

5.2. To ensure that we are providing a good service, we track our performance each month and publish details on the Ofgem website.[34] **Figure 5.1** provides a summary of this year's performance in comparison to last year.

Figure 5.1: DRHI delivery performance SY8 (2021-22) to SY9 (2022-23)*

	SY8 (2021-22)	SY9 (2022-23)	Change Percentage point (pp.)
No. of applications processed	32,016	6,936	-78.3 pp.
No. of outstanding applications awaiting a decision	6,150	15	-99.8 pp.
No. of telephone enquiries	30,344	15,756	-48.1 pp.
Abandoned call rate	9.6%	2.6%	-7.0 pp.
No. of email enquiries	9,883	4,948	-49.9 pp.
Emails responded to in 10 WD	99.1%	99.9%	0.8 pp.
Payments made	335,143	317,221	-5.3 pp.
Payments made within 30 WD	98.2%	96.5%	-1.7 pp.
No. of amendments processed	8,266	7,606	-8.0 pp.
Amendments processed within 6 months	92.7%	90.7%	-2.2 pp.

**SY = Scheme Year*

5.3. Following a significant increase in application and enquiry numbers in Scheme Year 8 due to scheme closure on 31 March 2022, Scheme Year 9 saw a decrease in volumes as expected.

[34] Information on DRHI performance: <https://www.ofgem.gov.uk/environmental-programmes/environmental-programmes-ofgem-s-role-and-delivery-performance>

5.4. In Scheme Year 9, 6,936 applications were processed. Of the outstanding applications in the queue at scheme closure, 99.8% have now been processed leaving 15 awaiting a decision. The remaining applications are complex cases for which we are engaging with applicants to gather information necessary to reach a decision.

5.5. The number of amendments to applications processed fell from 8,266 in Scheme Year 8 to 7,606. 90.7% of these were processed within six months marking a slight decrease from the 92.7% processed within six months last year.

5.6. Finally, there was a 5.3% decrease in the volume of payments made during Scheme Year 9 as more applications reach the end of their support period. Delivery performance remained high as 96.5% of payments were made within the target of 30 working days.

6. Looking Forward

Chapter summary

This chapter introduces upcoming changes to the scheme providing a summary of significant changes affecting the future of the scheme introduced by the end of Scheme Year 9.

6.1. The DRHI closed to new applicants and MMSP applications on 31 March 2022. Although closed, a significant amount of work is still required to administer the scheme. The DRHI provides payments over a seven-year period meaning that we will continue to service participants up until 31 March 2029. Over this period, we will process amendments to accredited installations (such as changes of ownership) and ensure that the processes supporting the scheme remain effective.

6.2. To ensure that only those that continue to meet scheme rules receive payments we will be actively monitoring participant compliance. In part, this is achieved through a requirement for annual declarations to be submitted by participants, and our extensive audit programme. This, along with the counter fraud measures that we continue to implement, ensures that we only pay subsidies on eligible heat generation, thereby ensuring fair and effective use of public funds.

6.3. Following on from the closure of the DRHI, the new Boiler Upgrade Scheme (BUS)[35] was launched on 23 May 2022 to continue support for the deployment of low carbon heat technologies. This scheme provides up front capital grants towards the installation costs of heat pumps, and in certain circumstances biomass boilers, in homes and some small non-domestic buildings. Ofgem is the administrator for the BUS scheme.

6.4. It is understood at the time of writing that the Regulations have been retained under the Retained EU Law (Revocation and Reform) Act 2023, which received Royal Assent on 29 June 2023, ensuring legal certainty and continuity of the scheme after Brexit. Accepting the closure of the DRHI scheme, this means that the Regulations will continue to operate unchanged.

[35] Information on the BUS: <https://www.ofgem.gov.uk/environmental-and-social-schemes/boiler-upgrade-scheme-bus>

Appendix 1 – Glossary of terms

Many of the terms included in this glossary are defined in the Regulations and those definitions should be consulted for their legal meaning for the purposes of the Regulations.

A

Air source heat pump – see Heat pump.

Authority - The Gas and Electricity Markets Authority (GEMA) (the Authority) is the statutory body responsible for administering the DRHI in Great Britain (GB). The Authority's day-to-day functions are performed by Ofgem, the office of the Authority.

B

BEIS – The department for Business, Energy and Industrial Strategy (BEIS). From July 2016 the new Department for Business, Energy and Industrial Strategy (BEIS) assumed the roles and responsibilities of DECC. In 2023, BEIS was replaced by the Department for Energy Security & Net Zero (DESNZ).

BUS – The Boiler Upgrade Scheme (BUS) supports the decarbonisation of heat in buildings. It provides upfront capital grants to support the installation of eligible heat pumps and biomass boilers in homes and non-domestic buildings in England and Wales.

D

DECC – Department of Energy and Climate Change. From July 2016 the new Department for Business, Energy and Industrial Strategy (BEIS) assumed the roles and responsibilities of DECC. In 2023, BEIS was replaced by the Department for Energy Security & Net Zero (DESNZ).

DESNZ - The Department for Energy Security & Net Zero (DESNZ) are responsible for RHI policy in Great Britain (GB).

E

Error rate – A measure of non-compliance. This is the estimated level of error across the scheme population, expressed as a percentage of all payments.

G

GEMA – The Gas and Electricity Markets Authority (GEMA) (the Authority) is the statutory body responsible for administering the DRHI in GB. The Authority's day-to-day functions are performed by Ofgem, the office of the Authority.

Ground source heat pump (GSHP) – see Heat pump.

GW – Gigawatt, equal to one billion watts.

GWh – Gigawatt hour, equivalent to one-billion-watt hours of heat output.

H

Heat pump – A heat pump is a device that extracts ambient heat from the air, ground or water and increases it to use for heating.

K

kW – Kilowatt, equal to one thousand watts.

kWh – Kilowatt hour, equivalent to one-thousand-watt hours of heat output.

S

Solar thermal – A system that uses energy from the sun to heat water.

T

TW – Terawatt, equal to one trillion watts.

TWh – Terawatt hour, equivalent to one trillion-watt hours of heat output.

Appendix 2 - Associated Documents

- The legislation which underpins the Domestic Renewable Heat Incentive (DRHI) scheme can be viewed on the legislation.gov.uk website:

  The DRHI section of the legislation.gov.uk website
  <https://www.legislation.gov.uk/primary+secondary?title=Domestic%20renewable%20heat>

- Guidance and resources in relation to the DRHI including annual reports for all previous scheme years along with other DRHI scheme data is published on our website:

  DRHI Guidance and resources
  <https://www.ofgem.gov.uk/environmental-and-social-schemes/domestic-renewable-heat-incentive-domestic-rhi/contacts-guidance-and-resources>

- The Department for Energy Security & Net Zero (DESNZ) publish DRHI statistics on the gov.uk website:

  DRHI statistics
  <https://www.gov.uk/government/collections/renewable-heat-incentive-statistics>

- The policy consultation for the Renewable Heat Incentive: proposals for a domestic scheme:

  Renewable Heat Incentive: proposals for a domestic scheme
  < https://www.gov.uk/government/consultations/renewable-heat-incentive-proposals-for-a-domestic-scheme>