Domestic Renewable Heat Incentive (DRHI)

Annual Report

Scheme Year 11 (1 April 2024 – 31 March 2025)

ofgem

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for energy consumers

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Foreword

Launched as the first scheme of its kind anywhere in the world[1], the Domestic Renewable Heat Incentive (DRHI) marked a bold step in the UK's journey toward net zero. While it closed to new applicants in 2022, the scheme remains open for existing participants, whom we will continue to support until the last participant completes their 7-year support period in March 2029.

The DRHI is one of 12 schemes Ofgem administers on behalf of the UK government. Set to exceed a value of £12 billion in the year 2024 to 2025, our schemes work to advance decarbonisation and support vulnerable consumers. Whilst the Department for Energy Security and Net Zero (DESNZ) retains overall policy responsibility, Ofgem are responsible for administering the scheme. Our role includes processing amendment applications, assisting with participant enquiries, issuing payments for eligible heat generation and conducting scheme monitoring and compliance activities.

The DRHI was designed with a clear policy intent: to encourage the uptake of low-carbon heating technologies in homes across Great Britain, reduce reliance on fossil fuels, and contribute to the UK's broader decarbonisation goals. From its inception in April 2014 to 31 March 2025, 117,424 installations have taken place under the scheme, resulting in almost 80,000 fossil fuel boilers being replaced with lower carbon alternatives. Over these years, the scheme has started to reshape the way we heat our homes, reducing the UK's greenhouse gas emissions, supporting the growth of low-carbon technologies, and laying vital foundations for achieving the UK's net zero ambitions.

This year we have continued to work closely with industry stakeholders and scheme participants to ensure the scheme operates effectively. This collaboration is vital in identifying and resolving challenges, sharing insights, and maintaining confidence in the scheme's delivery. The DRHI is a complex scheme, and I am proud of how we have met its demands with technical expertise, strong oversight, and a clear sense of public service.

Protecting public funds remains a top priority in order to maintain the integrity of the scheme. Through our monitoring and compliance work, we have taken decisive action where necessary to address non-compliance, helping ensure that payments are made only for eligible heat generation. This has helped safeguard over £1.17 million of public

[1] World-first Renewable Heat Incentive proves renewable heating is a genuine choice for home owners: <https://www.gov.uk/government/news/world-first-renewable-heat-incentive-proves-renewable-heating-is-a-genuine-choice-for-home-owners>

funds during this scheme year — either by preventing incorrect payments or identifying funds we expect to recover through our debt recovery process.

I would like to thank all those who continue to support and participate in the scheme - from installers and industry partners to the households who have embraced renewable heat. Your engagement is helping to drive the UK's low-carbon transition and build a more sustainable energy future for everyone.

We welcome comments from readers on the content of this report, so if you want to get in touch, please contact us at SchemesReportingFeedback@ofgem.gov.uk.

Neil Lawrence
Executive Director, Delivery & Schemes

117,424

Accreditations

The DRHI scheme has supported the installation of 117,424 low-carbon heating systems throughout its lifetime. As of 31 March 2025 almost 60,000 of these participants having reached the end of their 7-year support period.

10.1 TWh

Heat generation

The scheme has subsidised 10.1 TWh of estimated heat generation in domestic properties since 2014. This is enough to heat more than 880,000 typical UK homes for a year.

£1.2 billion

Lifetime support

Almost £106.2 million was paid out in the past year of the scheme. This brings the total amount of support paid to almost £1.2 billion since the scheme began in 2014.

78,553

Fossil fuel boilers replaced

A total of 78,553 boilers using fossil fuels have been replaced by lower carbon alternatives under the scheme, helping to reduce UK greenhouse gas emissions.

£1.2 million

Public funds protected or identified for recovery

Through our monitoring and compliance activities we prevented £578,530 of public funds from being paid out incorrectly in Scheme Year 11. A further £591,609 has been identified for recovery through our debt recovery process.

Executive Summary

Ofgem administers a range of environmental and social schemes on behalf of government and for the devolved administrations. Together, these are currently worth around £12 billion each year. Our schemes fall into 3 main categories: renewable electricity schemes, low-carbon heat schemes, and energy efficiency and social schemes.

According to the most recent government data, heating our homes accounts for around 14% of the UK's total greenhouse gas emissions[2]. To reduce carbon emissions, UK 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 7 years for the estimated[3] low-carbon heat their systems were expected to produce. The DRHI closed to new applicants on 31 March 2022.[4]

Ofgem is responsible for the administration and successful operation of the scheme on behalf of the Department for Energy Security and Net Zero (DESNZ)[5]. As scheme administrator, Ofgem's role includes processing amendment applications, assisting participants with enquiries, and making payments to accredited participants for the heat they produce. Additionally, Ofgem conducts monitoring and compliance work, including audits, to help ensure that participants are complying with the scheme rules and that public funds are being used fairly and effectively.

As part of our responsibilities, we have produced this report to provide an update on scheme activity during the 11th year of the scheme (Scheme Year 11) covering the period 1 April 2024 to 31 March 2025.

[2] UK territorial greenhouse gas emissions statistics: <https://www.gov.uk/government/collections/uk-territorial-greenhouse-gas-emissions-statistics>
[3] Heat generation estimates are made for all DRHI installations with the exception of those installations which are metered for payment.
[4] 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>
[5] 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) until 2023 and DECC (Department of Energy & Climate Change) until 2016.

Note that following the closure of the DRHI, the Boiler Upgrade Scheme (BUS) was introduced by government on 23 May 2022 to support the installation of heat pumps and, in limited circumstances, biomass boilers, in homes and small non-domestic buildings in England and Wales. By offering upfront grants, the BUS makes these technologies more affordable and appealing to households, while continuing to drive the decarbonisation of home heating and support the growth of the heat pump market.

Profile of DRHI installations (page 16)

As of 31 March 2025, the DRHI scheme has supported 117,424[6] lower carbon heating systems. Air source heat pumps are the dominant technology type, accounting for 67.4% of accreditations since the start of the scheme. The majority of installations, 75.1%, are located in England. However, when looking at the proportion of households in each country benefitting 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 20.3% of all scheme accreditations.

A key scheme objective is the replacement of domestic heating systems with lower carbon alternatives. To monitor this, DRHI applicants were required to provide details of the heating system being replaced. 52.0% of installations on the scheme replaced boilers. 95.8% of the replaced boilers used fossil fuels such as oil, gas, coal and liquefied petroleum gas (LPG). 'First heating systems' installed in eligible new builds[7], where no heating technology was being replaced, accounted for 21.9% of all installations, storage heaters a further 16.4%, with the remaining 9.7% accounting for all other heating technologies.

[6] This figure represents all eligible installations that have received support over the lifetime of the scheme. This includes installations that had their accreditation revoked for not completing their annual declarations, and installations where ownership has transferred but either the new owner has not applied to take over the accreditation or their application is pending approval. DESNZ does not include any revoked cases in their figures. Ofgem also dates Transfer of Ownership (ToO) applications based on an installation's initial accreditation date, whereas DESNZ assigns installations where ownership has changed with an updated accreditation date following a successful ToO application. For these reasons, yearly and total figures may differ from those provided by DESNZ and those previously reported by Ofgem.

[7] More information on eligible newly built properties can be found on our website: Key terms explained for the Domestic Renewable Heat Incentive: <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>

The scheme closed to new applicants in March 2022, and there have been no new accreditations since Scheme Year 9. The one outstanding application from the last scheme year has now been resolved and accredited.[8]

As of 31 March 2025, applications that received accreditation during the first 4 years of the scheme have reached the end of their 7-year support period. As such, almost 60,000 installations have now exited the scheme and stopped receiving DRHI support payments.

Payments and Heat Generation (page 30)

In Scheme Year 11, payments made to participants totalled almost £106.2 million, taking payments since the start of the scheme to almost £1.2 billion. Payments were made against low-carbon heat generation of 10,122 GWh. The figure below presents a breakdown of payments and heat generation by technology type for Scheme Year 11 and over the scheme's lifetime.

Payments and heat generation by technology type, SY11* and since the start of the scheme

Technology	SY11 Heat generation (GWh)	SY11 Payments	Scheme Lifetime Heat generation (GWh)	Scheme Lifetime Payments
Air source heat pump	599	£70,737,985	4,829	£442,272,047
Ground source heat pump	127	£32,072,353	1,692	£342,592,524
Biomass boiler	34	£2,762,714	3,498	£358,872,897
Solar thermal	2	£620,753	103	£19,776,937
Total	**763**	**£106,193,805**	**10,122**	**£1,163,514,406**

**SY = Scheme Year*

As a growing number of DRHI applications reach the end of their support period, the heat output on the scheme is falling. All technologies have now passed their peak heat output on the DRHI scheme with biomass reaching its peak in SY6, solar thermal in SY7, GSHPs in SY8 and ASHPs in SY9. Although no longer receiving support under the scheme, those previously supported will continue to benefit from the low-carbon heat their installations produce.

[8] Please note that following accreditation DRHI payments are backdated to the initial application date.

Monitoring Compliance (page 36)

As part of our commitment to protect and help ensure the effective use of taxpayer money, Ofgem conducts monitoring and compliance activities, including an annual audit programme, to check that participants comply with the scheme rules. The audit programme comprises both statistical and targeted audits. Statistical audits aim to provide a representative view of non-compliance in the scheme population. They are selected at random and include both desk audits, which involve requesting documents and records for inspection, and site audits, which include a physical inspection of the heating system in addition to reviewing documentation. Targeted audits, on the other hand, are initiated based on specific concerns or risk indicators and may take the form of either a desk or a site audit. Site audits are carried out by an external auditor appointed by Ofgem.

In Scheme Year 11, a total of 1,199 audits were conducted, made up of 621 desk audits and 578 site audits. These audits provide additional assurance on this year's payments of almost £106.2 million. The audit work carried out in Scheme Year 11 resulted in the protection of almost £1.2 million in public funds, where we prevented incorrect payments being made to participants, or initiated recovery of incorrect payments which had already been made. In Scheme Year 11 there was an improvement in the recovery rate of payments made incorrectly, rising from 85.3% of incorrect payments made in Scheme Year 10 to 89.8% this year.

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

Contacts

For more information about the DRHI scheme, visit the Ofgem website[9].

If you cannot find the information you need on our website, our customer service team will be happy to help on **0300 003 0744** or email domesticrhi@ofgem.gov.uk.

Press enquiries

For press enquiries please contact Ofgem's press office at press@ofgem.gov.uk.

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

1. About the Scheme

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

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)[10]. It is a financial incentive designed to encourage the uptake of lower carbon heating systems in domestic properties. The scheme aims to cut greenhouse gas emissions in Great Britain and to help towards meeting the UK's decarbonisation 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')[11] and subsequent amendments.

1.3 Participants must either own or occupy the property or be a private or social landlord and own the heating system. Newly built properties are not normally eligible unless they meet certain requirements[12].

1.4 There are 4 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

[10] 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) until 2023 and DECC (Department of Energy & Climate Change) until 2016.
[11] The Domestic Renewable Heat Incentive Scheme Regulations 2014: <https://www.legislation.gov.uk/ukdsi/2014/9780111111192/contents>
[12] More information on eligible newly built properties can be found on our website: Key terms explained for the Domestic Renewable Heat Incentive: <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>

45kW for a single renewable heating product. Products may be combined in capacity of not more than 70kW to meet larger heat demands.[13]

1.6 Participants that are accredited to the scheme and meet their ongoing obligations will receive quarterly payments until their 7-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
- review of amendments to accredited installations
- working to ensure 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 2024 to 31 March 2025, also referred to as Scheme Year 11.

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 wider public. We will continue to produce and publish annual reports until all accredited installations have reached the end of their support period. This is projected to be Scheme Year 15 (2028 to 2029).

[13] As specified by 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:

29 June 2023[14]

1.11 As noted in previous annual reports, the DRHI scheme regulations were assimilated into domestic law by 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 the revocation of EU law.

21 February 2022[15]

1.12 The new statutory instrument which came into force in February 2022 closed the scheme to new applications and Metering and Monitoring Service Package (MMSP) applications from midnight on 31 March 2022 and made several other amendments. These included amendments for the following:

- provisions relating to replacement products, annual declarations, and occupancy
- provision for the Microgeneration Certification Scheme (MCS) and the consumer codes[16] 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[17].

[14] Retained EU Law (Revocation and Reform) Act 2023: <https://www.legislation.gov.uk/ukpga/2023/28/2023-06-29>
[15] The Domestic Renewable Heat Incentive Scheme and Renewable Heat Incentive Scheme (Amendment) Regulations 2022: <https://www.legislation.gov.uk/uksi/2022/159/contents/made>
[16] All MCS installers must be registered with a Consumer Code, an organisation which outlines the principles of effective customer service and protection. More information can be found on the MCS website: Consumer Code - MCS: <https://mcscertified.com/consumers-communities/consumer-code/>
[17] 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>

19 October 2021[18]

1.13 The Department for Business, Energy and Industrial Strategy (BEIS)[19] published their response to the consultation 'Domestic Renewable Heat Incentive - ensuring a stable scheme'. 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.

01 April 2021[20]

1.14 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[21] triggers to remove installations that had reached the end of their 7-year term from those calculations.

11 March 2020[22]

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

[18] 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>
[19] 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) until 2023 and DECC (Department of Energy & Climate Change) until 2016.
[20] 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>
[21] Expenditure for the DRHI is controlled through a process called degression, which works by gradually lowering the tariffs that are paid to new applicants as more renewable heating is installed. More information is available on the government website: Domestic Renewable Heat Incentive (DRHI) Factsheet – Degression Mechanism: <https://assets.publishing.service.gov.uk/media/5cb44f0ded915d43a185f8a5/Domestic_Factsheet.pdf>
[22] 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>

22 May 2018

1.16 The amendment in 2018 included metering for performance[23] requirements for heat pumps, new MMSP payment schedules and enforcement powers, the introduction of Assignment of Rights (AoR)[24], revised degression thresholds, as well as extending the RHI's budget management mechanism until the end of Scheme Year 8.

20 September 2017[25]

1.17 This amendment included tariff uplifts for 3 of the 4 technology types and introduced heat demand limits which are used to cap the financial support that individual installations can receive.

03 March 2016[26]

1.18 DECC published a consultation on proposed reforms to the DRHI scheme. In their consultation response it was determined that the changes would be implemented in 2 stages which were implemented in September 2017 and May 2018.

[23] More information about metering for performance can be found on our website: Domestic RHI: Guide to Metering: <https://www.ofgem.gov.uk/publications/domestic-rhi-guide-metering>
[24] AoR applications: were eligible from 27 June 2018 <https://www.ofgem.gov.uk/publications/domestic-rhi-guide-assignment-rights>
[25] 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>
[26] DESNZ's consultation response: <https://www.gov.uk/government/consultations/the-renewable-heat-incentive-a-reformed-and-refocused-scheme>

2. Profile of DRHI installations

This chapter provides a profile of accreditations under the Domestic Renewable Heat Incentive (DRHI) scheme. It includes detailed information on 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 information on Assignment of Rights applications, the Metering and Monitoring Service Package and accreditations reaching the end of support.

2.1 The DRHI scheme closed to new applications on 31 March 2022. As of 31 March 2025, the number of accreditations from Scheme Year 1 to Scheme Year 11 totalled 117,424.[27] Almost 60,000 of these accreditations have now reached the end of their support period on the scheme.

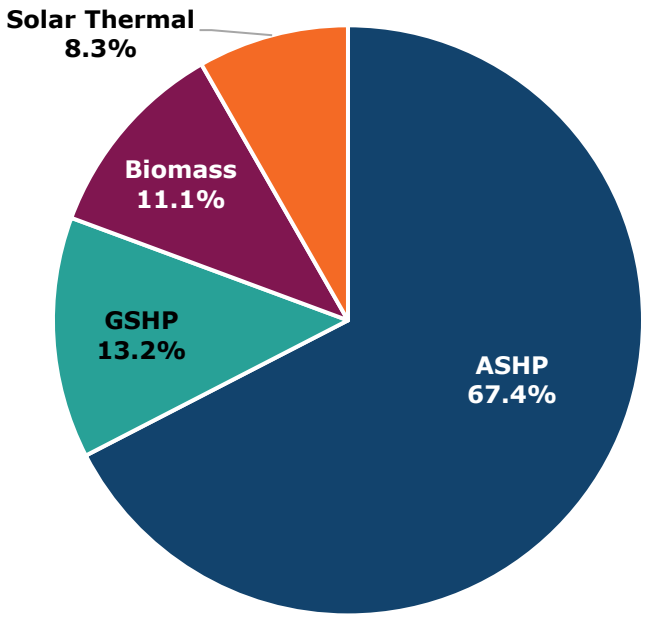
2.2 Of the 117,424 accreditations, 82,000 installations replaced existing boilers. Significantly, 78,553 (95.8%) of the replaced boilers used fossil fuels such as oil, gas, coal and liquified petroleum gas (LPG).

[27] This figure represents all eligible installations that have received support over the lifetime of the scheme. This includes installations that had their accreditation revoked for not completing their annual declarations, and installations where ownership has transferred but either the new owner has not applied to take over the accreditation or their application is pending approval. DESNZ does not include any revoked cases in their figures. Ofgem also dates Transfer of Ownership (ToO) applications based on an installation's initial accreditation date, whereas DESNZ assigns installations where ownership has changed with an updated accreditation date following a successful ToO application. For these reasons, yearly and total figures may differ from those provided by DESNZ and those previously reported by Ofgem.

Technology

2.3 A percentage breakdown of DRHI accreditations by technology type since scheme launch can be seen in **Figure 2.1.**

Figure 2.1: Accreditations by technology type since scheme launch



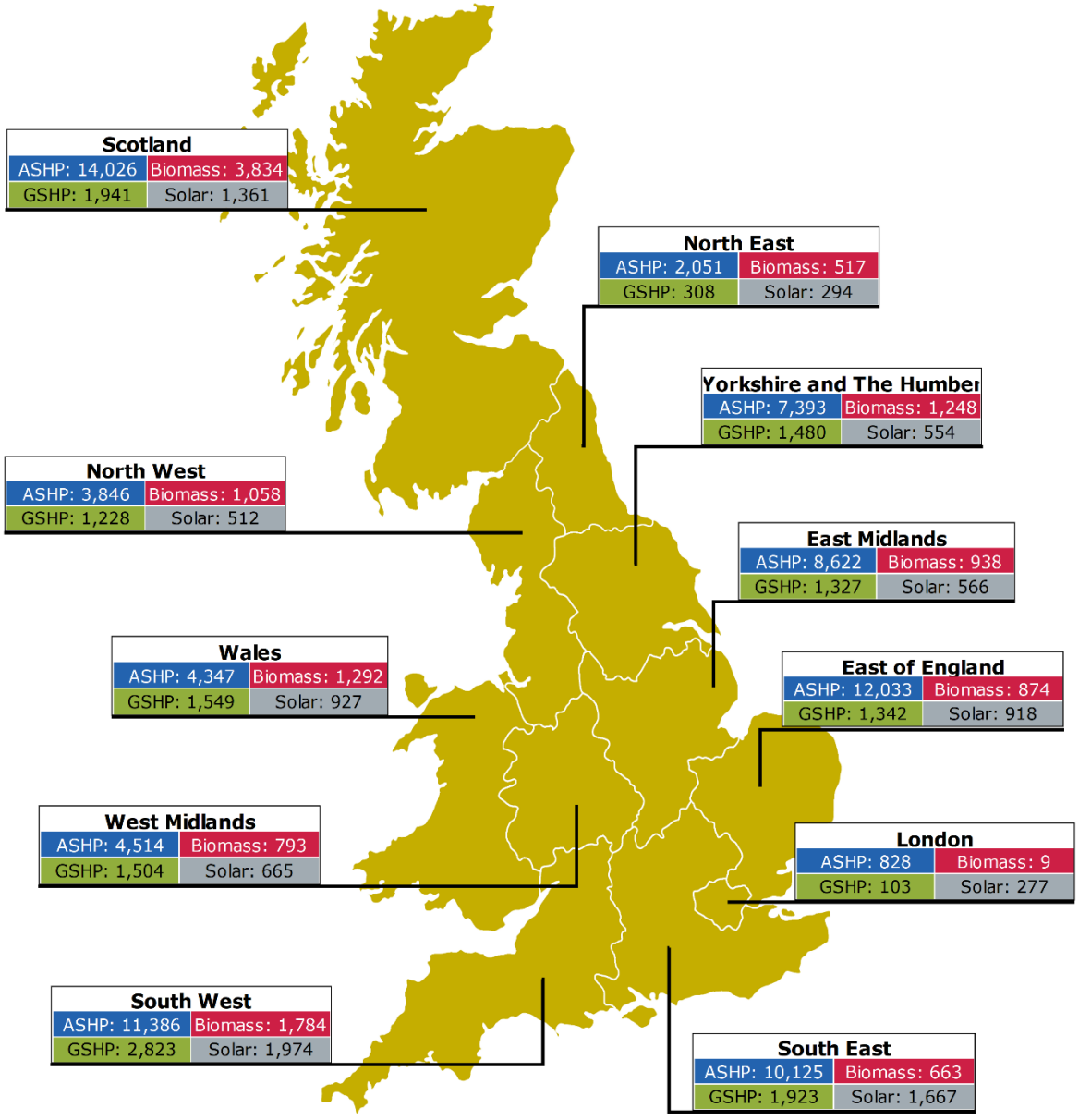
Pie chart data showing the percentage of accreditations by technology type since scheme launch. Air Source Heat Pump (ASHP) (67.4%), Ground Source Heat Pump (GSHP) (13.2%), Biomass (11.1%), and Solar Thermal (8.3%).

Geographical Distribution

2.4 **Figure 2.2** shows the geographical distribution of accreditations by technology type since scheme launch. 75.1% of installations are in England, 18.0% are in Scotland and 6.9% are 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%.[28]

[28] Household data taken from the Office for National Statistics: Households by household size, regions of England and Great Britain constituent countries: <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/datasets/householdsbyhouseholdsizeregionsofenglandandgbconstituentcountries>

Figure 2.2: Geographic distribution of accreditations since scheme launch



Map[29] of Great Britain showing number of accreditations by technology type in each region. The South West has the highest number of accredited installations totalling 17,967. In contrast, London has the lowest number of accredited installations at 1,217.

[29] We have combined the Scottish regions on this map to create consistency with the way we report regional information across the schemes we administer. A breakdown of regional information for Scotland is provided in Figure 2.3.

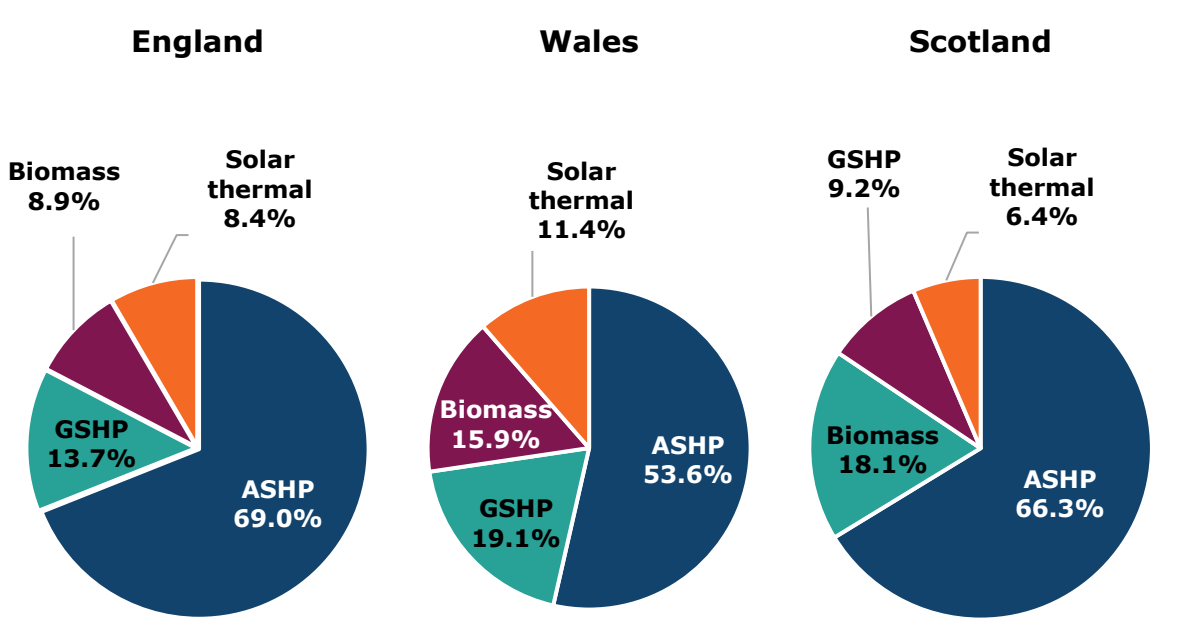
2.5 **Figure 2.3** shows the breakdown of accredited installations by region and technology type since scheme launch, with Scotland divided into regions.

Figure 2.3: Total accreditations by region and technology type

Location	ASHP	Biomass	GSHP	Solar Thermal	Grand Total
South West England	11,386	1,784	2,823	1,974	17,967
East England	12,033	874	1,342	918	15,167
South East England	10,125	663	1,923	1,667	14,378
East Midlands	8,622	938	1,327	566	11,453
Yorkshire and The Humber	7,393	1,248	1,480	554	10,675
Highlands & Islands	5,956	1,357	577	570	8,460
Wales	4,347	1,292	1,549	927	8,115
West Midlands	4,514	793	1,504	665	7,476
North West England	3,846	1,058	1,228	512	6,644
Southern Scotland	4,445	1,088	409	175	6,117
East Scotland	2,145	903	571	404	4,023
North East England	2,051	517	308	294	3,170
North East Scotland	883	346	311	178	1,718
London	828	9	103	277	1,217
West Central Scotland	597	140	73	34	844
Grand Total	**79,171**	**13,010**	**15,528**	**9,715**	**117,424**

2.6 **Figure 2.4** 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 2.4: Accreditations by country and technology type since scheme launch



Pie charts showing the percentage of technology types by country for England, Wales, and Scotland. ASHPs make up over 50% of installations in all regions. England has the highest proportion of ASHPs (69.0%), Wales has the highest proportion of GSHPs (19.1%) and Solar Thermal (11.4%), and Scotland has the highest proportion of biomass (18.1%).

Replaced Technology

2.7 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 2.5** shows that boilers account for just over half of total accreditations at 82,000 or 52.0% of the total. 'First heating system' indicates accreditations for eligible new-builds[30] for which there was no heating technology being replaced.

Figure 2.5: Heating technology replaced since scheme launch

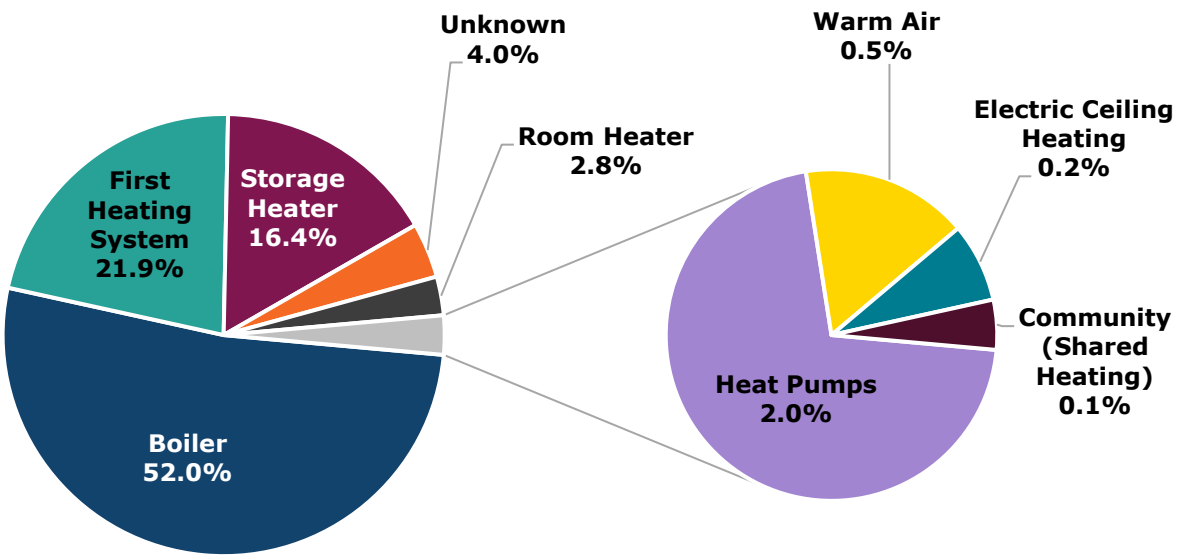
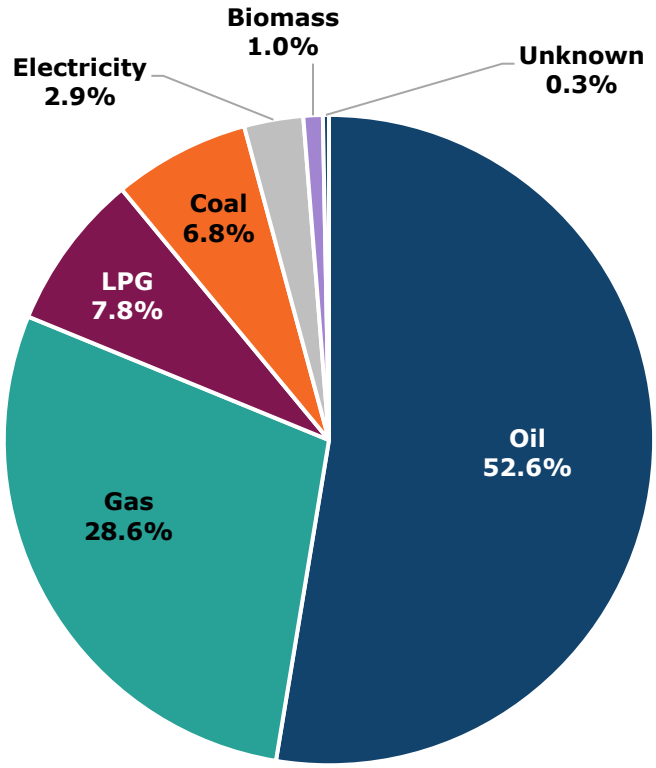


Chart showing a breakdown of heating technologies replaced under the scheme. The most common technologies replaced were boilers (52.0%) and storage heaters (16.4%), followed by smaller proportions of room heaters (2.8%), heat pumps (2.0%), warm air (0.5%), electric ceiling heating (0.2%), and community (shared heating) (0.1%). The remainder consists of first heating systems (21.9%), where no heating technology was being replaced, and installations where the replaced technology was unknown (4.0%).

[30] 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>

2.8 Information on the fuels being used in the replaced boilers (82,000) can be found in **Figure 2.6**. 95.8% (78,553) of these boilers used fossil fuels such as oil, gas, coal and liquified petroleum gas (LPG).

Figure 2.6: Replaced boiler fuel types



Pie chart showing the boiler fuel types replaced under the scheme. Fossil fuels including oil (52.6%), gas (28.6%), LPG (7.8%) and coal (6.8%) constitute the clear majority of replaced boiler fuel types. The remainder consists of electricity (2.9%), biomass (1.0%), and boilers for which the previous fuel type was unknown (0.3%).

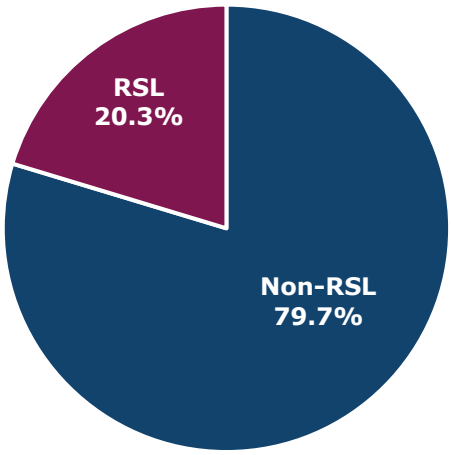
Registered Social Landlords (RSLs)

2.9 With a large number of properties under their management and the potential for tenants to save on their energy bills (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 20.3% of all scheme accreditations.

2.10 In total, 23,869 RSL accreditations were granted.

2.11 **Figure 2.7** shows the total number of accreditations since scheme launch, split into those from RSLs and other applicant types.

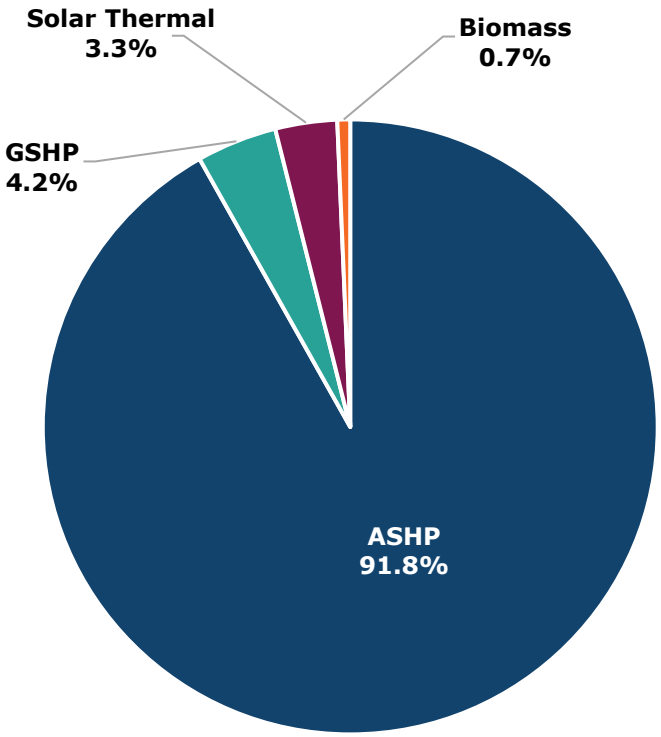
Figure 2.7: RSL and non-RSL accreditations since scheme launch



Pie chart showing RSL and non-RSL accreditations since scheme launch. Overall, RSL accreditations make up 20.3% (23,869) of scheme accreditations, while non-RSL accreditations account for 79.7% (93,555) of total accreditations.

2.12 **Figure 2.8** shows the proportions of different technology types installed into RSL properties.

Figure 2.8: RSL accreditations by technology type since scheme launch



Pie chart showing RSL accreditations by technology type. ASHPs comfortably account for the majority of RSL accreditations at 91.8% followed by GSHP (4.2%), Solar Thermal (3.3%), and Biomass (0.7%).

Assignment of Rights (AoR)

2.13 The Department for Business, Energy & Industrial Strategy (BEIS)[31] introduced the concept of Assignment of Rights (AoR) following amendments to the scheme on 27 June 2018, during Scheme Year 5. This allowed applicants to install low-carbon heating with financial support from a nominated registered investor. Subsequent DRHI payments are redirected to the investor as a form of repayment whilst the applicant benefits from the low-carbon heating system. Nominated registered investors can finance the purchase, installation, and maintenance of accredited renewable heating systems for applicants, and in return be assigned DRHI payments.

2.14 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 applications. 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.

2.15 Investors must register with Ofgem. Before registering, an investor must be a member of the Renewable Energy Consumer Code (RECC)[32] or the Home Insulation and Energy Systems Quality Assured Contractors Scheme (HIES)[33]. Both are Chartered Trading Standards Institutes (CTSI)[34] approved consumer protection codes for AoR.

2.16 As of 31 March 2025, there are 1,285 installations accredited under AoR and there are 19 active investors. Ofgem has made a total of £4,583,214.82 in financial support payments to active AoR investors on the DRHI scheme between 27 June 2018, when AoR came into effect, and 31 March 2025.

[31] 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) until 2023 and DECC (Department of Energy & Climate Change) until 2016.
[32] The Renewable Energy Consumer Code (RECC): <https://www.recc.org.uk/>
[33] The Home Insulation and Energy Systems Quality Assured Contractors Scheme (HEIS): <https://www.hiesscheme.org.uk/>
[34] Chartered Trading Standards Institute: <https://www.tradingstandards.uk/>

Metering and Monitoring Service Package (MMSP)

2.17 A Metering and Monitoring Service Package (MMSP) allows participants to check how their heating systems are performing, and the data collected may be used by DESNZ to inform future research and policy development. Participants who successfully register an MMSP receive quarterly MMSP support payments for its installation. Since scheme closure on 31 March 2022, no new applications for MMSPs can be made.

2.18 A total of 3,405[35] MMSP packages have been registered as of March 2025. In Scheme Year 10 and Scheme Year 11, we approved 14 and 10 MMSP applications, respectively. Following scheme closure, MMSP accreditations can only be granted in cases of Transfer of Ownership (ToO), where the previous MMSP accreditation is cancelled, and the new owner of the installation must reapply for an MMSP.

[35] The annual figure reported for MMSP packages may be lower than previous years due to cancelled accreditations in cases where the participant has sold their property.

Applications reaching end of support

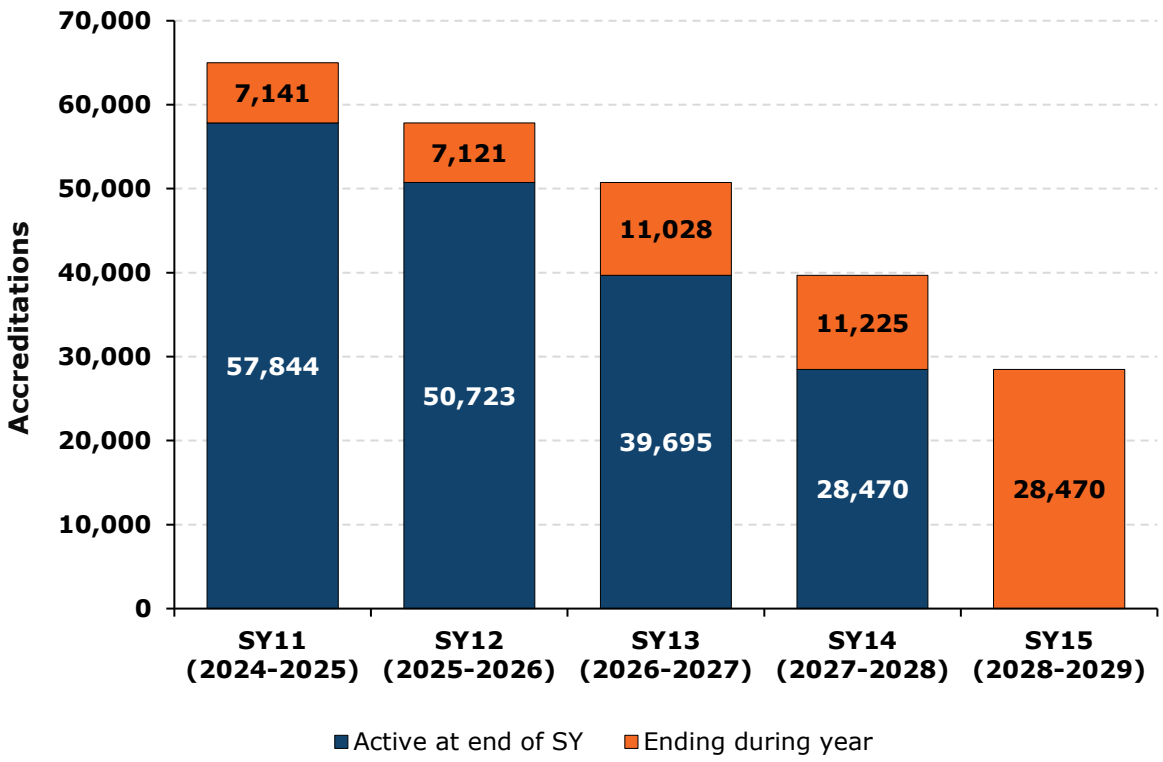
2.19 As of 31 March 2025, applications that received accreditation during the first 4 years of the scheme have reached the end of their 7-year support period. This means that almost 60,000 applications exited the scheme and stopped receiving DRHI support payments by the end of SY11.

2.20 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 7-year support period.

2.21 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. Once any changes have been approved and payments are resumed, any payments previously on hold will be paid in a lump sum to the participant. As such, any payment holds will not impact the end date of the accreditation.

2.22 A projection of accreditations reaching the end of support from SY11 onwards is shown in **Figure 2.9**.

Figure 2.9: Projected accreditations reaching the end of support from SY11*



Column graph showing a projection of accreditations reaching the end of support from SY11 onwards. By the end of SY11, the majority of accreditations granted over the lifetime of the DRHI scheme have reached the end of support. The number of active installations on the scheme will continue to decrease until SY15, when all remaining accreditations are projected to reach the end of their support period.

**SY = Scheme Year*

3. Payments & Heat Generation

This chapter gives an update on the heat generation and payments made under the Domestic Renewable Heat Incentive (DRHI) scheme in Scheme Year 11. It also shows the historical trends in heat generation by technology type and associated payments.

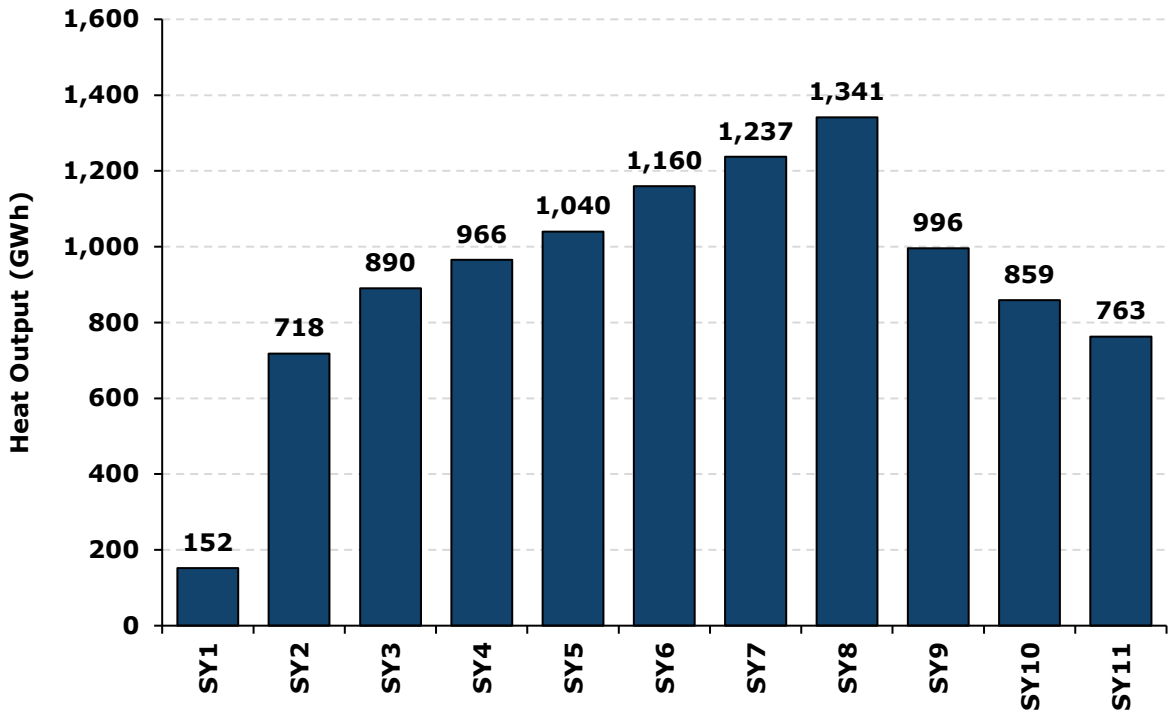
3.1 DRHI payments are made quarterly for 7 years. Payments for most installations are based on the annual heat demand of the property, which is taken from a property's Energy Performance Certificate (EPC). The only exceptions to this are for solar thermal, where payments are based on the estimated annual 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.[36]

3.2 Tariff rates vary depending on technology type and when an application was received. Once an accreditation has been granted the tariff rate is secured and will change each year in line with inflation[37] but will never decrease.

3.3 Since scheme launch installations accredited on the DRHI scheme have generated over 10,121.7 GWh of low-carbon heat. An annual breakdown of heat output over the lifetime of the scheme is shown in **Figure 3.1** below.

[36] Information on DRHI payments and tariffs: <https://www.ofgem.gov.uk/environmental-programmes/domestic-rhi/contacts-guidance-and-resources/tariffs-and-payments-domestic-rhi>
[37] Applications accredited up to 31 March 2016 are adjusted annually by the Retail Prices Index (RPI), applications accredited after this date are adjusted by the Consumer Prices Index (CPI).

Figure 3.1: Annual heat output (GWh) over scheme lifetime



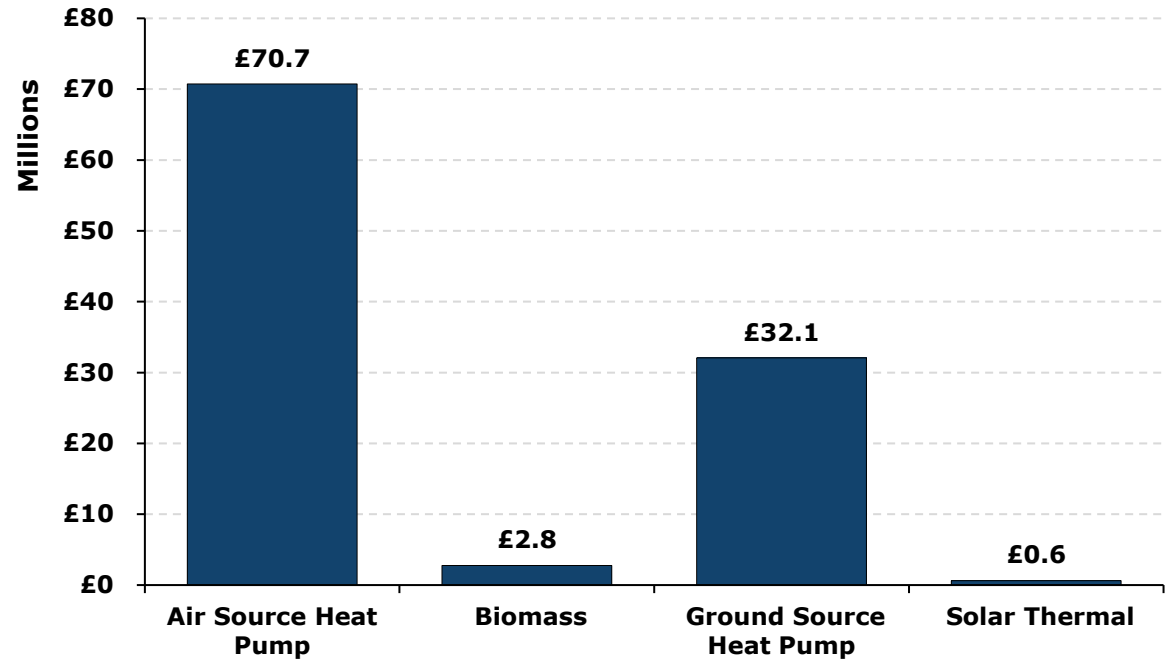
Column chart showing annual DRHI heat output in GWh over the lifetime of the scheme. Heat output jumped considerably from 152.0 GWh in SY1 to 717.7 GWh in SY2 and rose steadily every year before reaching a peak of 1,340.9 GWh in SY8. As a consequence of scheme closure to new entrants, annual heat output started to decline as installations reached the end of their 7-year support period. Heat output in SY11 stood at 762.6 GWh.*

**SY = Scheme Year*

3.4 In Scheme Year 11 we made payments of almost £106.2 million[38] to eligible participants. As expected, following scheme closure to new entrants, this marks a decrease from the £114 million in payments we made in Scheme Year 10. **Figure 3.2** shows that air source heat pumps (ASHP) account for the largest proportion of payments in Scheme Year 11, followed by ground source heat pumps (GSHP) and biomass.

[38] Figures are based on the total amount paid out to accredited installations based on their estimated heat generation, except in cases where an MMSP has been installed. Payments can be delayed in some circumstances such as a being under audit and thus may not be included in the overall figure until this has been resolved.

Figure 3.2: DRHI payments made in SY11*



Column chart showing payments made by technology type in Scheme Year 11. ASHPs received the highest proportion (£70,737,985) followed by GSHPs (£32,072,353) and biomass (£2,762,714). Solar thermal was responsible for the lowest proportion of payments made (£620,753).

**SY = Scheme Year*

3.5 Overall, total payments across the scheme's lifetime stand at almost £1.2 billion. **Figure 3.3** shows that biomass installations accounted for 30.8% of payments made and 34.6% of estimated heat output[39]. This is despite accounting for only 11.1% of accreditations. By contrast, ASHPs account for 38.0% of payments made and 47.7% of estimated heat output, whilst forming 67.4% of all accreditations.

[39] 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 3.3: Lifetime DRHI payments made and heat output

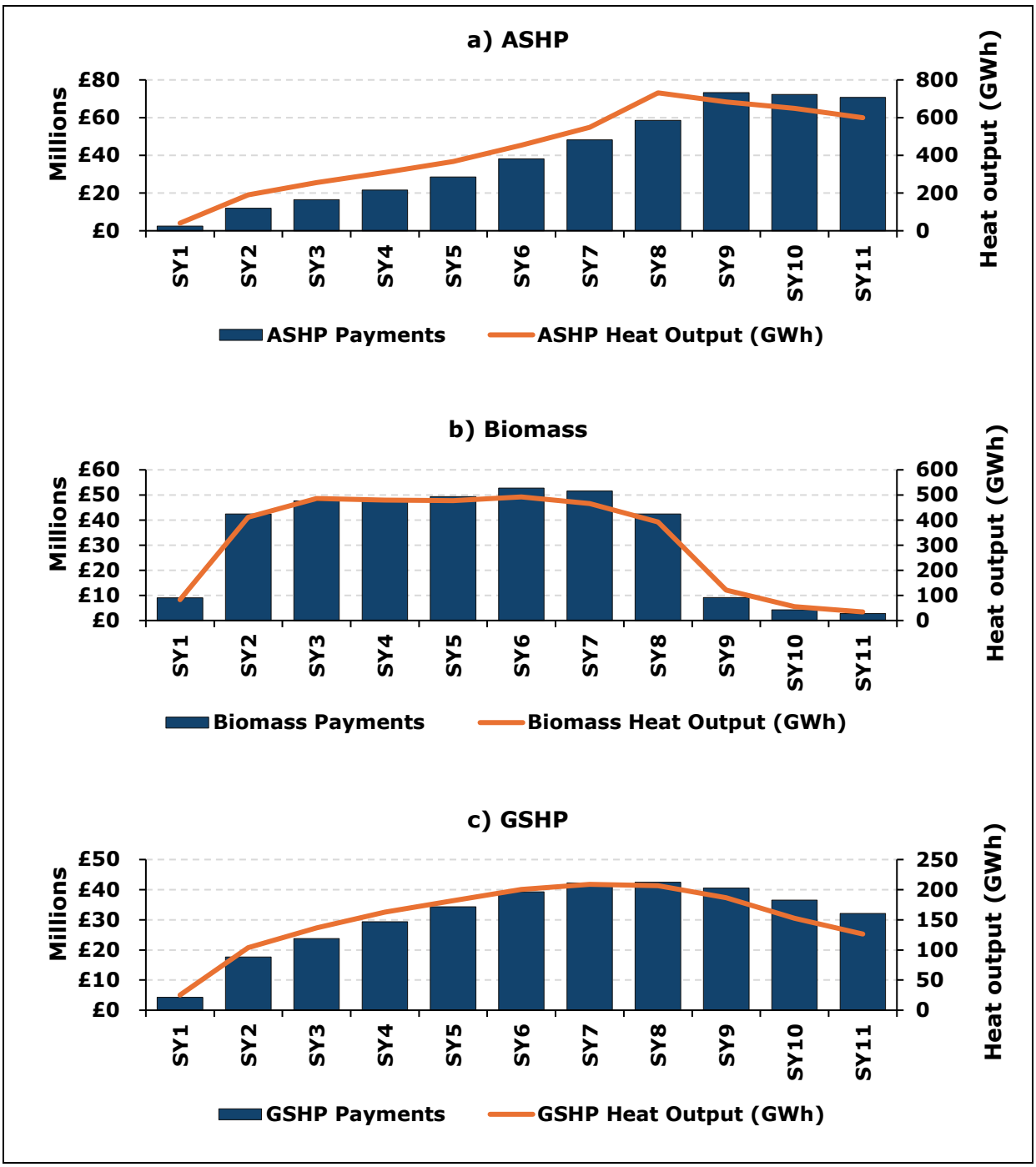
Technology Type	Total Payments to Date (£)	Payments Percentage (%)	Estimated heat output (GWh)	Estimated heat output Percentage (%)
ASHP	£442,272,047	38.0%	4,829	47.7%
Biomass	£358,872,897	30.8%	3,498	34.6%
GSHP	£342,592,524	29.4%	1,692	16.7%
Solar thermal	£19,776,937	1.7%	103	1.0%
Total	**£1,163,514,406**	**100%**	**10,122**	**100%**

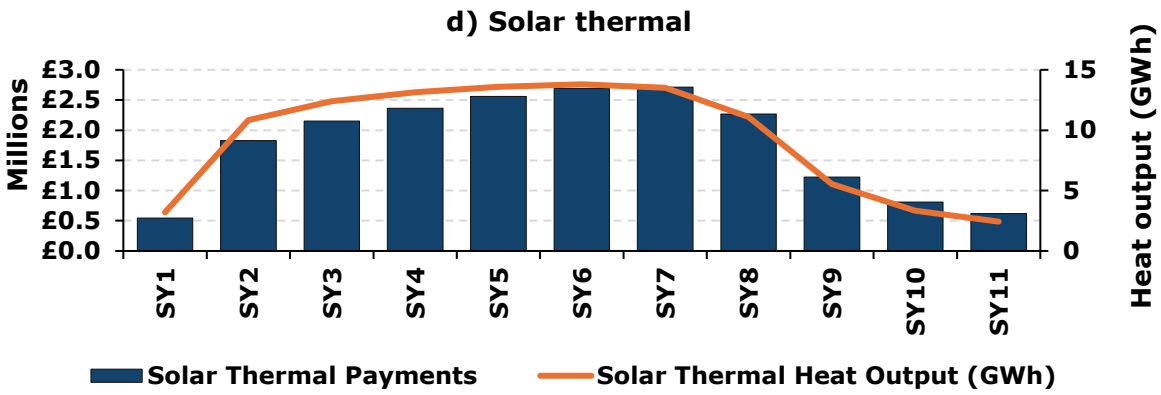
3.6 The high proportion of biomass payments and heat demand despite lower accreditation numbers is likely due to biomass installations tending to heat larger properties with higher heat demands. This was particularly true in the early years of the scheme before heat demand limits were introduced.

3.7 Also shown in **Figure 3.3**, the estimated amount of heat on which the almost £1.2 billion in payments have been made stands at approximately 10,121.7 GWh.

3.8 An annual breakdown of payments and estimated heat output by technology type can be seen in **Figure 3.4** below.

Figure 3.4 (a-d): Annual payments and heat output (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 before starting to decline. GSHP peaked in SY8 before declining. Biomass and solar thermal payments and heat output rose significantly in SY1 to SY2 but saw much smaller rises from SY3 onwards, before starting to fall considerably in SY8 as installations accredited during SY1 and SY2 reached the end of their 7-year support period.*

**SY = Scheme Year*

3.9 Compared to Scheme Year 10, ASHP payments saw a 2.1% (£1,536,355) decrease during Scheme Year 11. GSHP payments fell by 12.2% (£4,474,964), biomass 34.7% (£1,467,205) and solar thermal at 23.4% (£189,634). The more significant falls in biomass and solar thermal payments are due to the large number of installations of these types that joined the scheme in the first 2 years that have now exited. Large numbers of ASHP and GSHP installations have also now exited the scheme, but these have been offset by those being newly accredited.

3.10 The next 4 years will see a gradual decline in payments being made, as the remaining active accreditations come to the end of their support period under the scheme.

4. Monitoring Compliance

This chapter covers our activity to monitor compliance on the Domestic Renewable Heat Incentive (DRHI) scheme during Scheme Year 11. It provides a summary of the aims and objectives of our audit programme, as well as an overview of the results of targeted and statistical audits, compliance investigations, and the public funds protected.

Aims & Objectives

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 scheme 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 the 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. Statistical audits comprise of 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 are identified via internal and external referrals, and data analytics, which we use to identify applications that have an increased risk of non-compliance. These audits may take the form of either a desk-based review or an on-site inspection.

4.3 Participants selected for a desk audit will be notified and asked to complete a checklist containing questions about their DRHI installation. They will also be required to submit specific supporting documents, which will be listed for them as part of the desk audit process.

4.4 DRHI participants who are subject to a site audit are usually contacted in advance to help them prepare paperwork, access meters or other aspects of the installation. This allows the scheme participant to be present and have time to engage with the auditor. In some cases, DRHI participants can be subject to an audit at short notice. While this is not the normal process, this allows Ofgem to act quickly if any concerns are identified or to monitor non-compliance rates between those given normal notice and those given a shorter notice period.

4.5 The DRHI scheme, as well as our audit and compliance programme, is funded by general taxation. It is therefore crucial that we maintain effective delivery of the scheme and ensure that public money is being used correctly. Accordingly, we emphasise that due diligence is the sole responsibility of participants on the scheme. Ofgem expects participants to provide paperwork regarding fuel, ownership, and other criteria for accreditation upon request so that we can monitor and ensure that participants are fulfilling their obligations.

Audit & Compliance Activity

4.6 **Figure 4.1** below gives an overview of the Scheme Year 11 audit programme and shows the overall participant compliance rate for those audited.

Figure 4.1: DRHI audit results SY11*

Audit Type	Closed Audits	Open Audits	Compliant Audits	Non-Compliant Audits	Compliance Rate (%)[40]
Statistical (desk)	421	0	358	63	85.04
Statistical (site)	389	0	270	119	69.41
Targeted (desk)	200	0	115	85	57.50
Targeted (site)	189	0	109	80	57.67

**SY = Scheme Year*

4.7 A total of 621 desk audits and 578 site audits were conducted during Scheme Year 11. This is an overall decrease from the 618 desk audits and 593 site audits in Scheme Year 10.

[40] Following an audit we instruct all non-compliant participants to take corrective action. Therefore some of those provisionally assessed as being non-compliant may subsequently be brought into compliance.

4.8 The level of non-compliance identified in the DRHI population (the error rate as determined by the annual statistical audit programme) in the previous year is used to determine the statistical audit sample size. The sample selection methodology was largely driven by the objectives and expected outcomes of our Audit Plan and the characteristics of the population to be sampled.

4.9 In Scheme Year 9 we found that installations included in our statistical programme reaching the end of their eligibility that year were more likely to fail 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 Scheme Year 10 we therefore adjusted the way we select sites for our statistical programme to exclude those due to exit the scheme during the year. However, such cases could still be subject to a targeted audit if there was a compliance concern. We continued this approach in Scheme Year 11.

4.10 Some non-compliance cases will be resolved by participants providing relevant information after an audit. Others will result in recovery of overpayments or, in some cases, revocation of accreditation. We have revoked or will revoke 65 accreditations from the Scheme Year 11 programme. Of these, 49 cases were identified through desk audits, while 16 were identified through site audits. 35 of these 65 cases were related to targeted audits, while the remaining 30 were from the statistical programme.

4.11 **Figure 4.2** shows the 5 most common reasons for non-compliance by instance and the cumulative percentage of all non-compliance in Scheme Year 11. 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.

Figure 4.2: Top 5 non-compliance reasons from statistical audits in SY11*

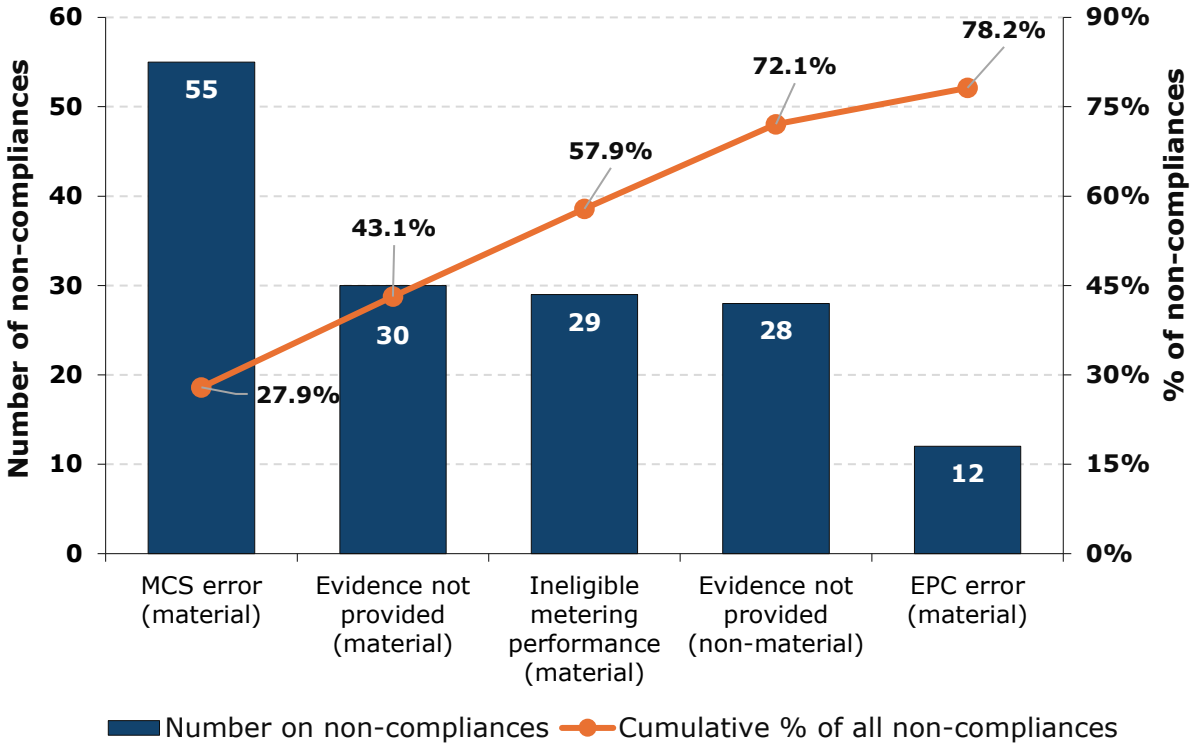


Chart showing the top 5 reasons for non-compliance and their percentage contribution to non-compliance on the scheme in SY11. "MCS error" (material)[41] was the most frequent cause of non-compliance with 55 instances (27.9%). The remaining most common non-compliances were "evidence not provided" (material) with 30 instances (15.2%), "ineligible metering performance" (material) with 29 instances (14.7%), "evidence not provided" (non-material) with 28 instances (14.2%), and "EPC error" (material)[42] with 12 instances (6.1%).

**SY = Scheme Year*

4.12 For further information on how we deal with non-compliance please refer to the essential scheme guide.[43]

[41] A "MCS" (material) non-compliance is where information on the MCS certificate is found to be incorrect and this impacts the payment due.
[42] An "EPC" (material) non-compliance is when an EPC is found to be incorrect at audit, and the new EPC requested by the participant impacts the payment due.
[43] Domestic RHI: Essential Scheme Guide:
<https://www.ofgem.gov.uk/publications/domestic-rhi-essential-guide>

4.13 We track instances where non-compliance affects 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.

4.14 **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 11.

Figure 4.3: Money protected through DRHI audits from SY5 to SY11*[44]

Scheme Year	Prevented Error	Detected Error	Total Error	Detected Error (Recovered %)[45]
SY5	£959,668	£673,654	**£1,633,323**	43.5%
SY6	£935,147	£877,844	**£1,812,991**	59.5%
SY7	£562,579	£634,035	**£1,196,615**	62.3%
SY8	£531,760	£530,749	**£1,062,509**	56.5%
SY9	£687,195	£97,478	**£784,673**	82.7%
SY10	£422,999	£280,231	**£703,229**	85.3%
SY11	£578,530	£591,609	**£1,170,139**	89.8%

**SY = Scheme Year*

4.15 From Scheme Year 9 we observed a significant improvement in our recovery rates compared to previous years. This can be attributed to two key factors. First, we have significantly enhanced repayment processes to ensure a more seamless and efficient experience, and second, we have established a streamlined debt process to enable more effective management of debt cases.

4.16 In total this year's audit programme has resulted in the identification of £1,170,139 in prevented and detected error. This is in addition to the protection of public funds provided through our other control measures, such as robust eligibility assessments prior to accreditation and annual participant declarations.

4.17 In Scheme Year 9 we listened and responded to challenges faced by consumers throughout the cost-of-living crisis by adopting a customer-focused approach to debt management. We can offer assistance and flexibility in handling debt, such

[44] Due to rounding, some figures may not sum precisely to the stated totals.
[45] These figures represent the proportion of funds that participants either agreed to offset against future payments or repaid as a one-off contribution, within the scheme year. We continue to chase outstanding debt after year end, but any funds subsequently recovered are not represented in these figures.

as setting up a repayment plan. We have retained and continued implementing these measures throughout Scheme Year 11.

4.18 Based on the findings of the Scheme Year 11 statistical audit programme, at the time of writing the value of payments made in error during 2024 to 2025 under the DRHI is estimated at £2.79 million (4.18% of total payments) within a 90% confidence interval of £2.15 million to £3.43 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 £2.15 million to £3.43 million. Please note that where there are open audits or compliance investigations, the error rate includes a forecast of expected outcomes for these cases.

5. Our Administration

This chapter provides detail on our administration activity during Scheme Year 11 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 rules.

5.2 To ensure that we are providing a good service, we track our performance each month and publish details on the Ofgem website.[46] **Figure 5.1** provides a summary of this year's performance in comparison to last year.

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

Figure 5.1: DRHI delivery performance SY10 to SY11*

	SY10	SY11	Change
No. of applications processed[47]	541	490	-9.4%
No. of outstanding applications awaiting a decision	1	0	-100%
No. of telephone enquiries	8,714	6,749	-22.5%
Abandoned call rate	1.4%	0.7%	-0.7 pp**
No. of email enquiries	2,857	2,164	-24.3%
Emails responded to in 10 working days	99.9%	100%	0.1 pp
Payments made	265,160	245,732	-7.3%
Payments made within 30 working days	98.9%	99.1%	0.2 pp
No. of amendments processed	4,066	2,227	-45.2%
Amendments processed within 6 months	93.5%	95.6%	+2.1 pp
No. of physical amendments[48]	1,838	1,442	-21.5%
No. of non-physical amendments[49]	968	785	-18.9%

**SY = Scheme Year*
***pp = percentage points*

5.3 Scheme Year 11 saw a further decline in the volume of applications processed and enquiry numbers. In total, 490 applications were processed, including transfer of ownership applications and the final outstanding 'new' application in the queue from before the scheme closed to new applicants.

5.4 The number of physical amendments processed decreased from 1,838 in Scheme Year 10 to 1,442 in Scheme Year 11. 95.6% of these were processed within 6 months marking a slight increase from the 93.5% processed within 6 months last year. For non-physical amendments the application numbers fell from 968 to 785.

[47] Applications processed includes accredited and rejected accreditations, as well as Transfer of Ownership (ToO) applications.
[48] Physical amendments refer to changes made to the heating system. This includes repairs that affect the use of the system.
[49] Non-physical amendments relate to changes in the participant or owner's details. This includes updating bank account information or changing ownership due to a participant's death.

5.5 Finally, there was a 7.3% decrease in the volume of payments made during Scheme Year 11 as more applications had reached the end of their support period. Delivery performance remained high as 99.1% of payments were made within the target of 30 working days, marking a slight increase from the 98.9% of payments made within this target in Scheme Year 10.

5.6 We continue to process amendment and change of ownership requests with diligence and efficiency, ensuring that as many eligible participants as possible remain on the scheme and can benefit fully from it. We are committed to continuously refining and improving internal processes to ensure that all applications—whether for amendments or ownership transfers—are handled promptly and effectively, supporting the scheme's long-term success.

Stakeholder Engagement

5.7 As administrators of the DRHI scheme, engagement with key stakeholders has been critical. Ensuring all scheme participants are aware of key scheme updates, such as compliance-related requirements, is vital to the effective and robust operation of the DRHI scheme.

5.8 To do this effectively, we carry out a wide range of activities with organisations and individuals representing scheme participants and scheme users. We meet them in a diverse range of settings, from board-level meetings and roundtables to conferences and other events.

5.9 This allows for regular, detailed dialogue to take place between Ofgem and our external stakeholders. It ensures that, as the scheme administrator, we maintain a strong understanding of the broader operational context, supported by expert input from a diverse range of perspectives. This engagement has helped inform how we design our administration of the scheme and improve the user experience.

5.10 As accredited participants are eligible to receive support for up to 7 years on the DRHI scheme, we will continue to engage with and inform participants through our stakeholder engagement activities until the final participants have reached the end of their support period in 2029.

6. Looking Forward

This chapter looks beyond Scheme Year 11 at any changes due to impact the scheme and provides information on how we plan to continue to administer the scheme.

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 7-year period meaning that we will continue to service participants until 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 We will continue to actively monitor participant compliance through our extensive audit programmes, internal checks conducted during scheme administration, and requirements for participants to submit annual declarations. This, alongside the counter fraud measures that we continue to implement, helps ensure that we only pay subsidies on eligible heat generation, thereby ensuring fair and effective use of public funds. We continue to incorporate insights from our administrative work and compliance activity to proactively look for ways to adapt our procedures and guidance to reduce the likelihood of non-compliances occurring.

6.3 Following on from the closure of the DRHI to new applicants, the Boiler Upgrade Scheme (BUS)[50] was launched on 23 May 2022. The BUS supports the decarbonisation of heat in buildings, providing upfront capital grants to support the installation of heat pumps and, in limited circumstances, biomass boilers in homes and small non-domestic buildings in England and Wales.

[50] 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, in limited circumstances, 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>