

Non-Domestic Renewable Heat Incentive (NDRHI)

Annual Report

Scheme Year 15 (1 April 2025 to 31 March 2026)

ofgem

Making a positive difference
for energy consumers



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Foreword

Buildings account for around 22% of the UK's greenhouse gas emissions¹, and transitioning the 2.2 million non-domestic buildings across Great Britain² away from fossil fuel heating remains a major challenge. Since its launch in 2011, the Non-Domestic Renewable Heat Incentive (NDRHI) has played an important role in supporting this transition, helping more than 22,600 businesses, public sector organisations and non-profit organisations adopt renewable and low-carbon heating technologies. Over more than 15 years, the scheme has contributed to reducing reliance on fossil fuels and supporting the growth of the renewable heat sector across Great Britain.

The NDRHI scheme is one of 13 low-carbon energy and social schemes administered by Ofgem on behalf of the Government. Collectively, these schemes are worth more than £13 billion annually and support decarbonisation, energy security and vulnerable consumers. While the Department for Energy Security and Net Zero (DESNZ) is responsible for setting policy, Ofgem is responsible for administering and delivering the scheme on behalf of government. For NDRHI, this includes processing payments, managing changes to accredited installations, carrying out assurance activity and protecting public funds through effective scheme administration.

Our approach is guided by Ofgem's PACT principles (Predictable, Agile, Collaborative and Technology-enabled). In practice, this means setting clear expectations for participants, working constructively to support compliance, using data and technology to identify risks early, and targeting assurance activity where it can have the greatest impact. Alongside supporting decarbonisation, we remain committed to ensuring the scheme delivers value for money for consumers and taxpayers through proportionate, risk-based regulation. Although the scheme closed to new applicants in 2021, it remains operational and we will continue to administer it until all participants have reached the end of their support period in 2041.

¹ [2025 UK greenhouse gas emissions](https://www.gov.uk/government/statistics/provisional-uk-greenhouse-gas-emissions-statistics-2025/2025-uk-greenhouse-gas-emissions-provisional-figures-statistical-release#key-findings): < <https://www.gov.uk/government/statistics/provisional-uk-greenhouse-gas-emissions-statistics-2025/2025-uk-greenhouse-gas-emissions-provisional-figures-statistical-release#key-findings>>

² [National Buildings Database \(2026\)](https://www.gov.uk/government/publications/national-buildings-database-phase-2-understanding-great-britains-buildings): < <https://www.gov.uk/government/publications/national-buildings-database-phase-2-understanding-great-britains-buildings>>

This year's report reflects a mature scheme operating at significant scale. Since launch, accredited installations have generated the equivalent of more than 136 TWh of renewable heat, enough to heat around 11.8 million typical UK homes for a year. Over the lifetime of the scheme, more than £8 billion has been paid to participants, including over £1 billion during this reporting year alone. These outcomes demonstrate the significant contribution the scheme has made to supporting the transition to lower-carbon heating and reducing emissions across Great Britain.

Effective compliance and assurance remain central to successful scheme delivery. During the year, our work protected £3.7 million of public funds through payment assurance, compliance activity and recovery action. Our approach is proportionate: where non-compliance is identified, we work constructively with participants to resolve issues and wherever possible return them to compliance, while more serious or persistent cases may result in enforcement action. We continuously refine our risk-based approach, improving the way we use data and technology to oversee payments and scheme compliance, and apply operational learning to make our processes clearer and more efficient. This helps us focus resources on areas of greatest risk, respond proportionately when issues arise, and provide participants with clarity about what is expected of them.

The long-term legacy of the NDRHI is clear. The scheme has helped to accelerate the adoption of renewable heat, supported the development of the low-carbon heat sector and provided important learning for the design and delivery of newer schemes. As we continue to administer the NDRHI through to its conclusion, we are using the lessons learned to strengthen scheme delivery through clearer expectations, earlier risk identification, proportionate compliance activity and better use of data, ensuring value for money for consumers while supporting the UK's decarbonisation goals.

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 and Schemes

136.0 TWh
generated

As of 31 March 2026, over **136.0 TWh** has been generated over the lifetime of the scheme – **100.3 TWh** from heat generating installations and **35.6 TWh** from **3.3 billion m³** of green gas injected into the grid³.

£8.04 billion
Payments made

£8.04 billion in payments have been made since the start of the scheme. **£1.08 billion** of this was paid during SY15.

22,638
Accredited installations

In total, **22,638⁴** installations have been accredited to the scheme with a combined capacity of **6,153.4 MW**.

1.4 million
Homes heated

The heat generation and green gas injection in relation to payments made during SY15 would be enough to provide over **7 billion hot showers** or to heat over **1.4 million typical UK homes** for a year.

£3.69 million
Public funds protected or identified for recovery

In SY15, our audit and compliance action protected or identified **£3,695,032.25** of public funds for recovery.

³ Biomethane installations do not directly generate heat and instead are paid based on the volume of green gas injected into the gas grid. However, we calculate the equivalent heat output for the volumes of green gas injected, which has been used here.

Executive Summary

The Non-Domestic Renewable Heat Incentive (NDRHI) was introduced in 2011 to support businesses, public sector organisations and non-profit organisations to adopt renewable and lower-carbon heating technologies. The scheme contributes to the UK's decarbonisation ambitions by supporting the generation of renewable heat and reducing reliance on fossil fuel heating systems.

Although the scheme closed to new applicants in 2021, some applicants meeting specific criteria⁵, were permitted to submit a full application until 31 March 2023. Support continues for accredited participants throughout their 20-year support period, with payments continuing until 2041.

Since launch, the scheme has supported more than 22,600 accredited installations and over 136 TWh of renewable heat generation, while making more than £8 billion in payments to eligible participants. These outcomes demonstrate the significant and lasting contribution the scheme has made to the decarbonisation of heat across Great Britain

The Department for Energy Security and Net Zero (DESNZ) is responsible for NDRHI policy and legislation. Ofgem administers the scheme in line with that framework on behalf of government and is responsible for its day-to-day delivery. This includes assessing scheme activity, administering payments, supporting participants, publishing guidance, monitoring compliance and taking proportionate action where scheme requirements are not met.

Our administration of the NDRHI is guided by Ofgem's PACT principles: Predictable, Agile, Collaborative and Technology-enabled. We provide clear expectations for

⁴ This figure differs from that reported by the Department for Energy Security and Net Zero (DESNZ) due to how re-accreditation applications are counted. While DESNZ excludes the original accreditation during assessment, we continue to include it until a decision is made. Once approved, both we and DESNZ count the re-accreditation. As a result, figures such as accredited capacity, heat generated, and payments may vary slightly.

⁵ Applications supported by extensions or tariff guarantees had until 31 March 2023 to submit a full application. [NDRHI closure guidance](https://www.ofgem.gov.uk/decision/ndrhi-closure-guidance): <<https://www.ofgem.gov.uk/decision/ndrhi-closure-guidance>>

participants, adapt our assurance activity to emerging risks, work closely with stakeholders and government, and use data and technology to strengthen oversight. Through our administration and assurance activities, we help ensure scheme payments are made correctly, participants meet their obligations, and public money is protected.

The Northern Ireland Non-Domestic Renewable Heat Incentive (NI NDRHI), similar to the NDRHI scheme in GB, supports non-domestic organisations in Northern Ireland to take up low-carbon heat. The activity under the NI NDRHI scheme is not covered in this report⁶.

As part of our responsibilities, we produced this report summarising activity during the 15th year of the NDRHI scheme (Scheme Year 15), covering the period 1 April 2025 to 31 March 2026. An outline of the key points from Scheme Year 15 (SY15) are set out below.

Profile of NDRHI participants (page 15)

The NDRHI scheme has supported the installation of 22,638 low-carbon heating systems across GB, with a total accredited capacity⁷ of 6,153.4 MW. In SY15, we accredited 245 installations to the scheme, including re-accreditations⁸. As of the 31 March 2026, there were no new applications outstanding.

Solid biomass boilers are the most common technology type deployed under the scheme, making up around 77% of all accredited installations. Ground source heat pumps (12.4%), air source heat pumps (3.6%) and biogas installations (3.5%) were the next most deployed technology types under the scheme.

At least 34.9% (or 7,903) of systems installed were replacing a fossil fuel (oil, gas or coal) heating system. The actual percentage is expected to be higher given the voluntary

⁶ The Department for the Economy (DfE) set the policy and tariffs, and report on the NI NDRHI. [Northern Ireland Renewable Heat Incentive](https://www.ofgem.gov.uk/about-northern-ireland-non-domestic-renewable-heat-incentive): <<https://www.ofgem.gov.uk/about-northern-ireland-non-domestic-renewable-heat-incentive>>

[Renewable Heat Incentive for non-domestic customers](https://www.nidirect.gov.uk/articles/renewable-heat-incentive-non-domestic-customers):

<<https://www.nidirect.gov.uk/articles/renewable-heat-incentive-non-domestic-customers>>

⁷ Total accredited capacity includes all NDRHI eligible technology types except for biomethane installations, which are paid based on the volume of gas injected into the grid instead of heat generated.

⁸ Applications for re-accreditation (due to relocation, replacement, or change of ownership of existing installations) continue to be accepted and are counted here separate to their original accreditations

nature of responding to this question on the application (46% responded none or did not provide a response to this question). It should be noted that not all installations replace an existing system, as some installations are in new-build properties or buildings that were previously unheated.

We also track the industry sectors within which the heat is used by asking participants to categorise their area of economic activity⁹. Installations with the classification of 'Accommodation' are the most frequent (7,141 with 830 MW installed capacity). However, the 'Crop and animal production, hunting and related activities' category has a greater total installed capacity of 2,212 MW with 5,993 installations.

Payments and heat generation (page 23)

Since the scheme began, it has supported more than 136.0 TWh of renewable heat. This includes 100.3 TWh of heat generated by accredited installations and the equivalent of 35.6 TWh from almost 3.3 billion m³ of biomethane injected into the gas grid. Since launch, the scheme has made £8.04 billion in payments to eligible participants. Of this, £1.08 billion was paid during Scheme Year 15 (SY15), including £670.7 million for renewable heat generation and £411.1 million for biomethane injection. The total value of payments made in SY15 was 6.4% higher than in SY14.

Monitoring compliance (page 30)

Protecting public funds and maintaining confidence in the scheme remains a key part of Ofgem's role as scheme administrator. Through a combination of statistical and targeted audits to provide assurance over payments made under the scheme. Statistical audits help us understand compliance across the wider scheme population, while targeted audits focus on areas where data, intelligence or identified risks suggest additional scrutiny may be required. Together, these activities help strengthen oversight, improve participant understanding and support the effective delivery of the scheme.

⁹ [UK SIC 2007:](https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007)

<<https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007>>

In Scheme Year 15, we completed 368 audits and concluded 971 compliance investigations. This activity prevented the payment of, or identified for recovery, around £3.7 million of public funds, while a further £1.49 million was recovered through our debt recovery processes. Our assurance activity provides valuable insight into how the scheme is operating, helping us identify emerging risks, improve guidance and participant engagement, and target resources where they can have the greatest impact. This supports the effective delivery of the scheme while ensuring public funds are managed responsibly

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 [visit the Ofgem website](#)¹⁰. You will find details about the scheme's closure, the accreditation process, and ongoing obligations.

If you can't find the information you need on our website, our customer service team will be happy to help on **0300 003 2289** or by emailing rhi.enquiry@ofgem.gov.uk.

Press enquiries

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

¹⁰ [Non-Domestic Renewable Heat Incentive \(RHI\) webpage](https://www.ofgem.gov.uk/environmental-and-social-schemes/non-domestic-renewable-heat-incentive-rhi): <<https://www.ofgem.gov.uk/environmental-and-social-schemes/non-domestic-renewable-heat-incentive-rhi>>

1. About the Scheme

This chapter introduces the context and legislative background to the NDRHI scheme, including Ofgem's administrative duties.

Introduction

- 1.1 The Non-Domestic Renewable Heat Incentive (NDRHI) was introduced in Great Britain in November 2011 to encourage businesses, public sector organisations and non-profit organisations to adopt renewable and low-carbon heating technologies. The scheme supports the UK's decarbonisation ambitions by reducing reliance on fossil fuel heating systems and increasing the use of renewable heat
- 1.2 The Northern Ireland (NI) RHI, similar to the NDRHI scheme in GB, operates separately. The Department for the Economy (DfE) sets policy and tariffs, and reports on scheme performance. The NI NDRHI scheme is not covered in this report.¹¹
- 1.3 Although the scheme closed to new applicants in March 2023, accredited participants continue to receive support throughout their 20-year payment period. As a result, the scheme remains operational and payments will continue until 2041. Accredited installations may also continue to undergo changes, including replacement, relocation or changes of ownership, which may require re-accreditation to ensure they remain eligible for support.
- 1.4 The Department for Energy Security and Net Zero (DESNZ) is responsible for the policy and legislative framework for the scheme. Ofgem administers the scheme on behalf of government and is responsible for its day-to-day delivery. This includes:

¹¹ The Department for the Economy (DfE) set the policy and tariffs, and report on the NI NDRHI. [Northern Ireland Renewable Heat Incentive](https://www.ofgem.gov.uk/about-northern-ireland-non-domestic-renewable-heat-incentive): <<https://www.ofgem.gov.uk/about-northern-ireland-non-domestic-renewable-heat-incentive>>

- Publishing guidance.
- Reviewing applications to join the scheme as well as re-accreditation.
- Ensuring scheme participants continue to meet their ongoing obligations.
- Processing amendments for existing participants.
- Receiving and checking participants' periodic data submissions before making periodic support payments.
- Ensuring the scheme is guarded against fraud and error.

1.5 Our administration of the NDRHI is guided by Ofgem's PACT principles: Predictable, Agile, Collaborative and Technology-enabled. We provide clear expectations for participants, adapt our assurance activity to emerging risks, work closely with government and stakeholders, and use data and technology to strengthen oversight. This helps ensure payments are made correctly, participants meet their obligations, and public money is protected.

1.6 The Renewable Heat Incentive Scheme Regulations 2018 (as amended) require Ofgem to publish an annual report following the end of each scheme year. This report covers Scheme Year 15 (SY15), from 1 April 2025 to 31 March 2026, and provides an overview of scheme delivery, payments, participant activity, compliance and administration.

Changes to the scheme

1.7 In Scheme Year 15 (SY15), there were no active legislative changes. However, a number of existing scheme requirements continue to play an important role in ensuring the scheme operated effectively and that public funding is used appropriately. We have therefore included information on other recent changes impacting the scheme and participants.

Maintenance requirements and fuel quality

- 1.8 Biomass boilers can contribute to local air pollution if they are not properly maintained. To support efficient operation and reduce environmental impacts, participants using accredited biomass boilers must ensure annual maintenance checks are carried out in each payment year. Participants must retain evidence that maintenance has been completed and provide this if requested by Ofgem.
- 1.9 The criteria for woodfuel quality, as set out in Schedule 4A of the Regulations, was introduced on 1 April 2021 and also came into force on 1 April 2022. This requirement was introduced to ensure that for those using solid biomass, or solid biomass contained in waste, as fuel complies with the sustainability criteria and burns efficiently.

Reporting requirement for biomethane producers

- 1.10 Biomethane producers receiving support under the NDRHI are required to demonstrate that the same gas has not been used to claim support through both the NDRHI and the Renewable Transport Fuel Obligation (RTFO). This helps prevent double counting and ensures public support is provided appropriately.
- 1.11 Since April 2022, biomethane producers have been required to submit an independent annual report as part of their sustainability audit, in addition to providing an annual declaration on their interactions with the RTFO. These requirements provide additional assurance that scheme payments are being claimed correctly.

2. Profile of NDRHI Participants

This chapter looks at the makeup of the scheme population in terms of capacity, technology types installed, heat use, system types replaced, and the industrial sectors in which the heat is being used.

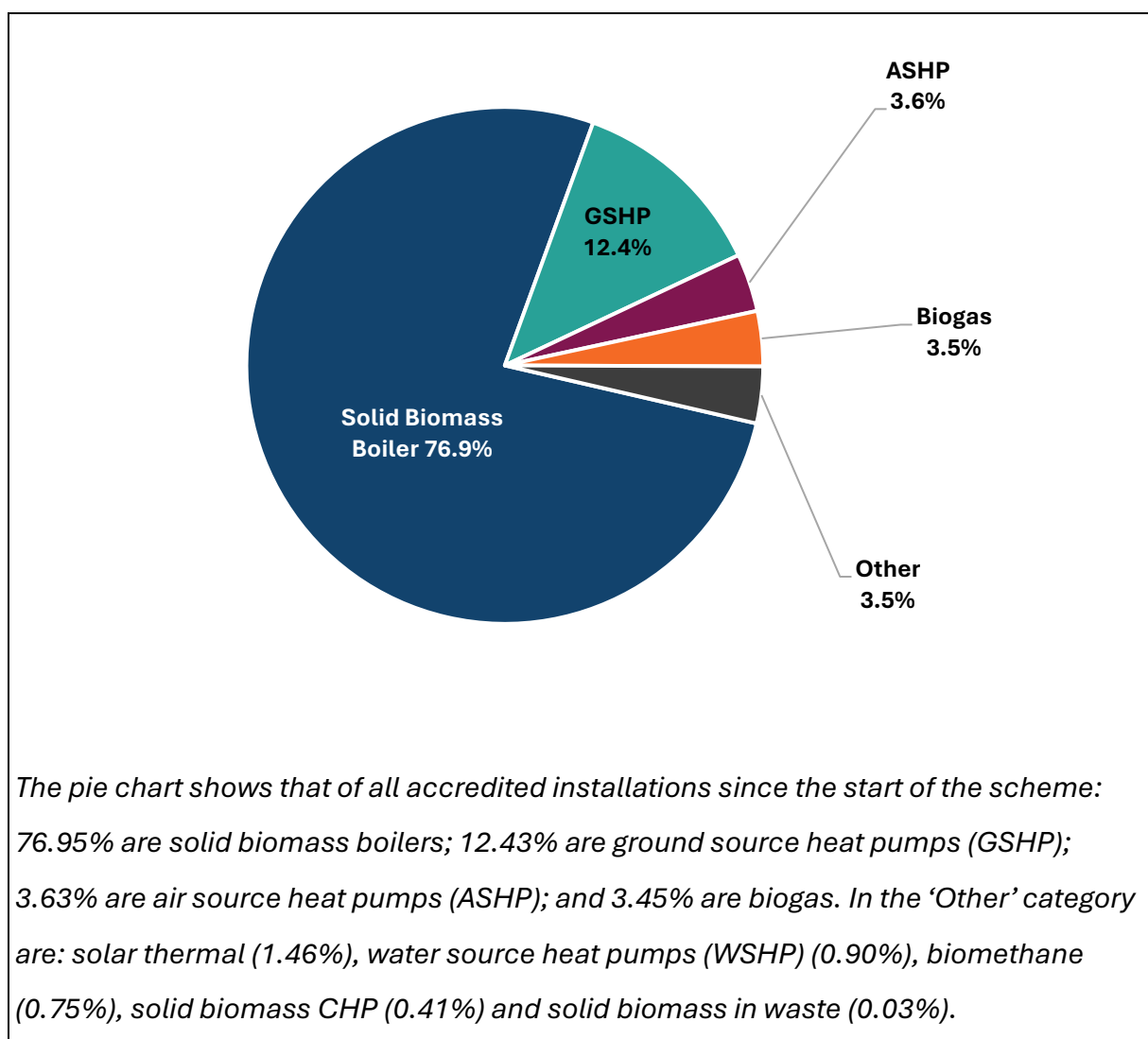
- 2.1 This chapter provides an overview of the organisations and technologies supported by the NDRHI scheme. It looks at the types of technologies installed, how the heat generated is used, which heating systems were replaced, the sectors benefiting from support, and where installations are located across Great Britain.
- 2.2 The total number of accredited installations on the scheme at the end of March 2026 stood at 22,638. Those installations had a combined accredited capacity¹² of 6,153.4 MW. During Scheme Year 15 (SY15), a further 245 installations were accredited, including re-accreditations for existing installations that had been replaced, relocated or changed ownership. There were no outstanding new applications at year end.

Technology

- 2.3 As indicated in **Figure 2.1**, the solid biomass boiler is by far the most installed technology type under the NDRHI scheme with 17,419 installations. Solid biomass boilers represent 76.95% of installations and 75.40% of accredited capacity (4,640 MW). Ground source heat pumps are the second most popular technology, representing 12.43% of installations and 7.87% of accredited capacity (484 MW).

¹² The capacity figures shown represent all technology types on the scheme except for biomethane. Biomethane installations are awarded payments based on the amount of gas injected into the gas grid, instead of the amount of heat generated.

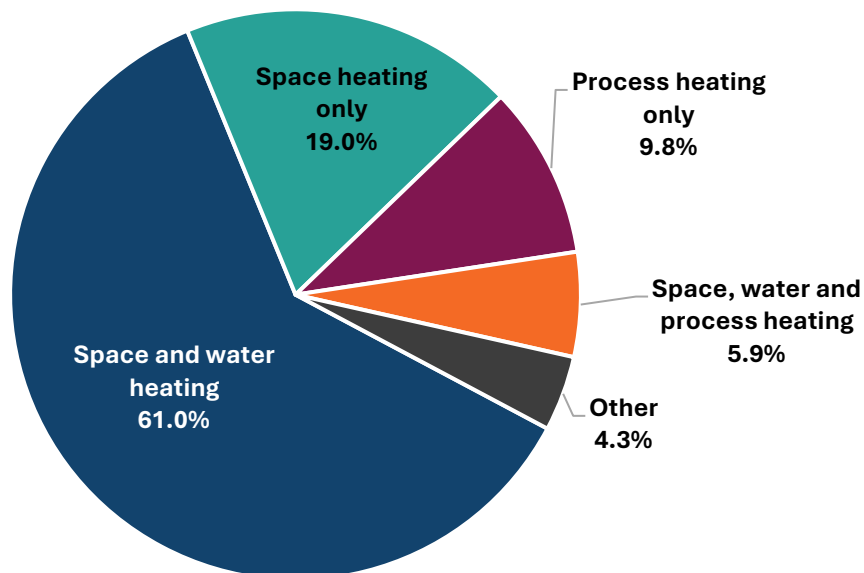
Figure 2.1: Proportion of accreditations by technology type since start of the scheme¹³



Eligible Heat Use

2.4 To gain accreditation onto the NDRHI scheme, heat generated by installations must be used for an eligible purpose. This can be space heating in a building, heating water for direct use, or heat for use in a process (excluding for the generation of electricity). In **Figure 2.2** you can see the breakdown of heat uses for all heat generating installations (excluding biomethane installations as they do not directly generate heat).

¹³ Please note that percentages may not add up to 100% due to rounding.

Figure 2.2: Eligible heat uses for accredited installations¹⁴

The pie chart shows the proportion of stated eligible heat use for accredited installations. Space and water heating account for 61.0% of installations, followed by space heating only (19.0%), process heating only (9.8%), and combined space, water and process heating (5.9%). The remaining 'Other' category comprises space and process heating (2.6%), water heating only (1.5%), and water and process heating (0.2%).

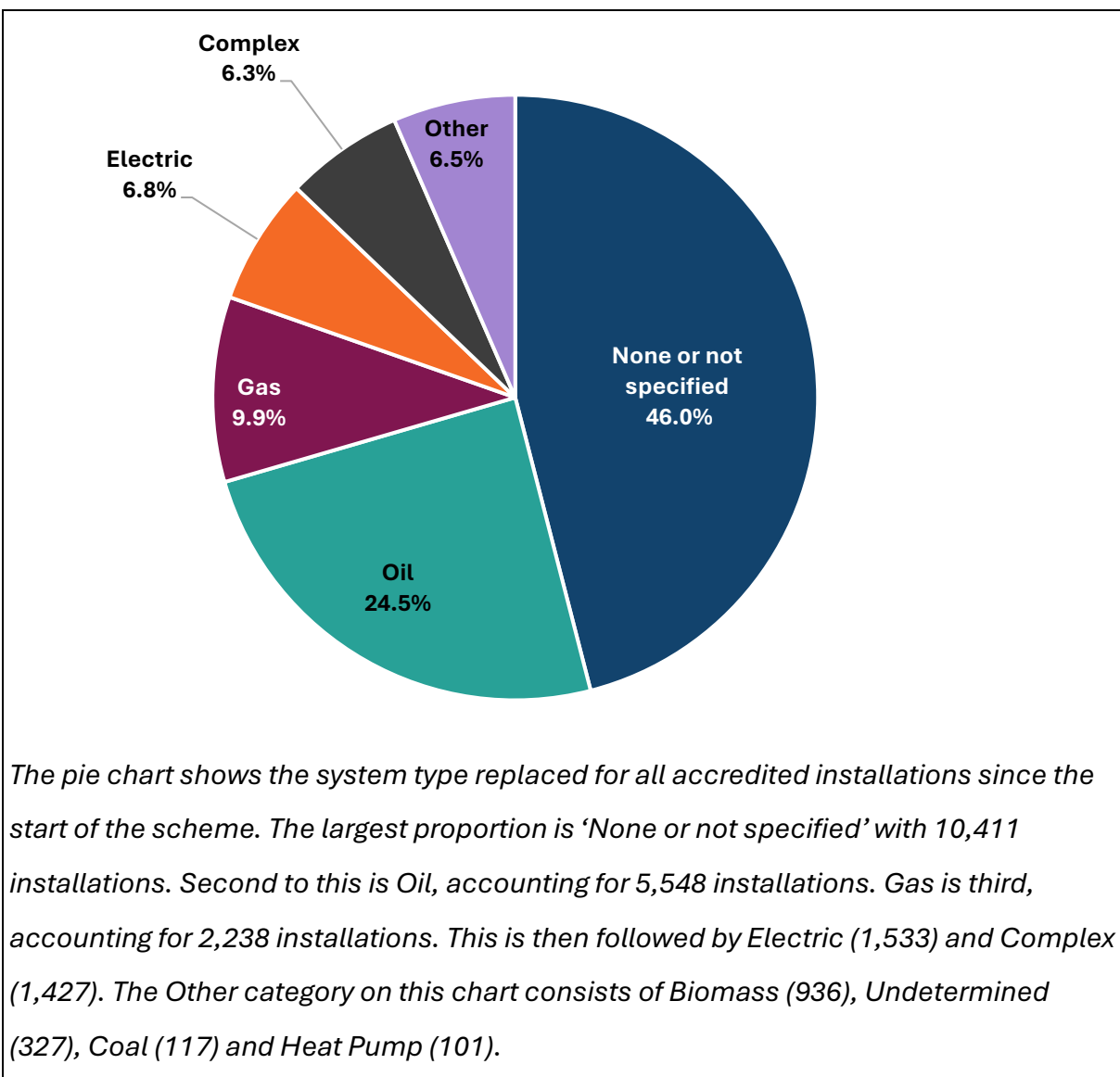
System Type Replaced

2.5 When applying to the scheme, participants were asked to identify the heating system being replaced. As responses to this question were voluntary, the information does not provide a complete picture of all installations. **Figure 2.3** shows this information for all installations granted accreditation since the start of the scheme.

¹⁴ Please note that percentages may not add up to 100% due to rounding.

2.6 Where several heating systems of different types were replaced, we have categorised these as *Complex*. Where we have been unable to determine the replaced technology type, we have categorised these under ‘None or not specified’.

Figure 2.3: System type replaced for all accredited installations



2.7 Of those installations where information was provided, at least 7,903 installations (34.9%) replaced a fossil fuel heating system, such as oil, gas or coal. The actual figure is likely to be higher because almost half (46.0%) of participants either did not answer the question or indicated that no previous heating system was being

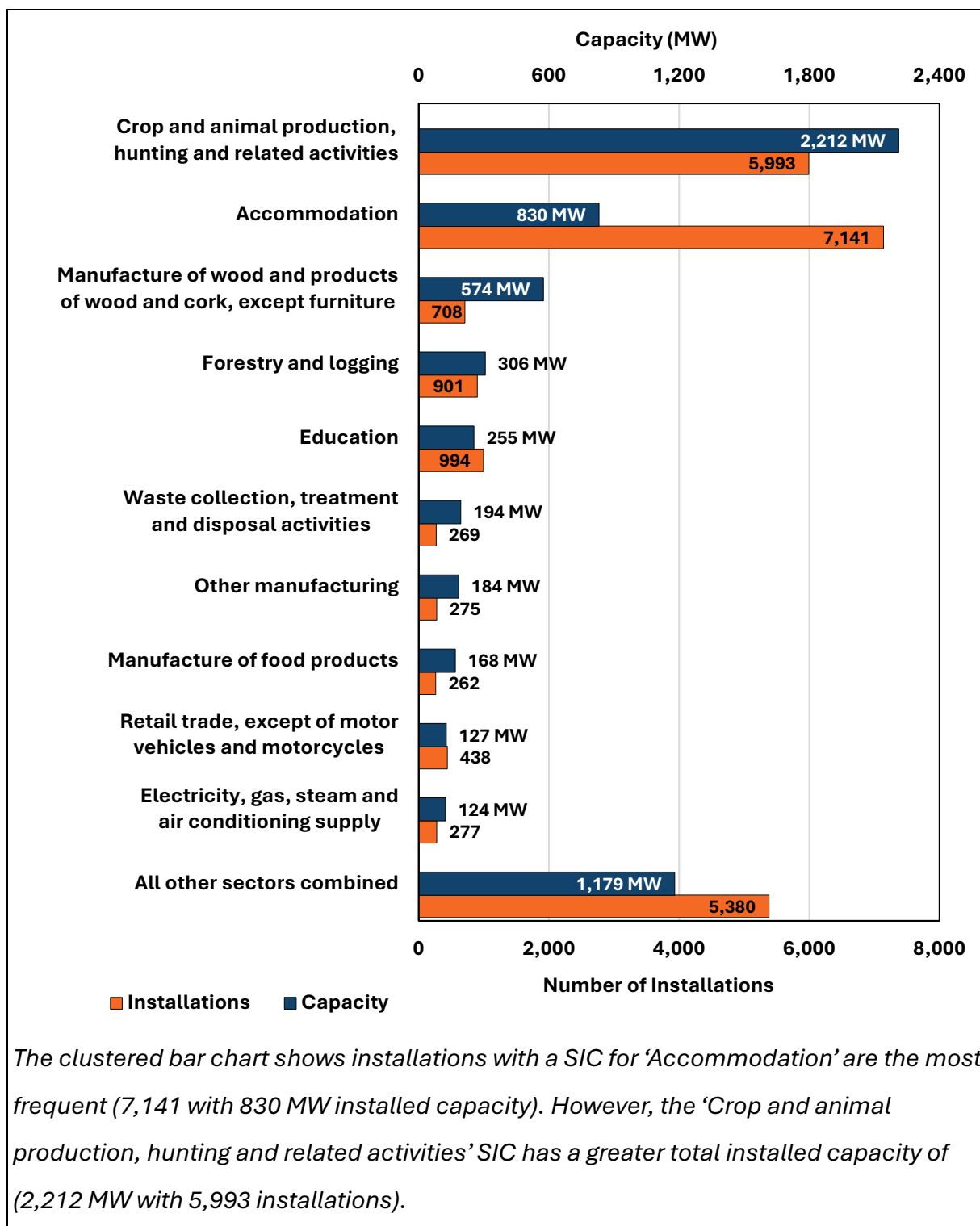
replaced. This may reflect cases where applicants chose not to provide information, as well as installations serving new buildings or new heat demands rather than replacing an existing heating system.

UK Standard Industrial Classification (UK SIC)

2.8 We collect information on the industry sectors within which the heat is used by asking participants to categorise their area of economic activity using the UK Standard Industrial Classification (UK SIC).¹⁵ The top 10 sectors by the total capacity of accredited installations are shown in **Figure 2.4**.

¹⁵ [UK SIC 2007](https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007):

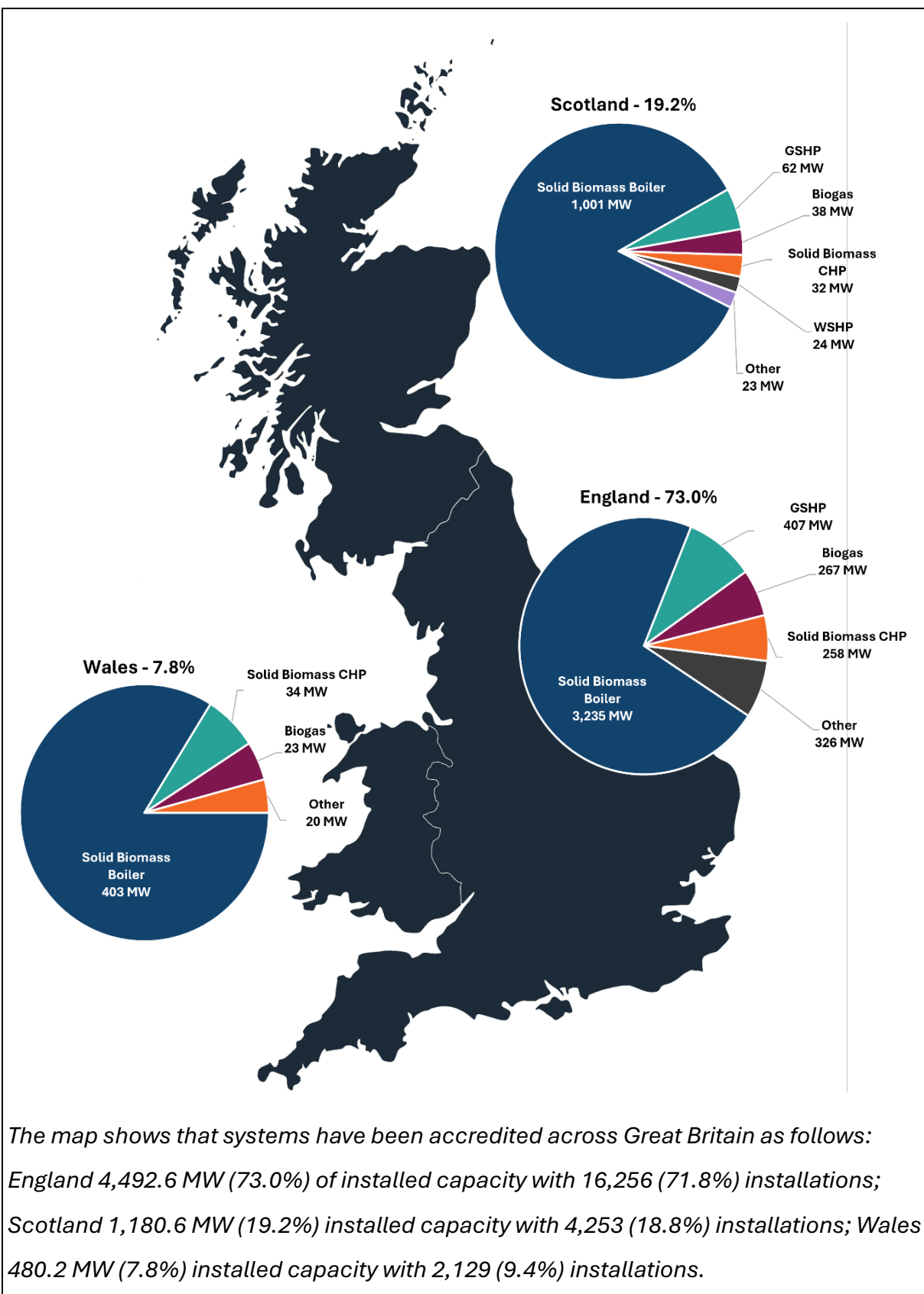
<<https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007>>

Figure 2.4: UK SIC for accredited installations

Geographic Distribution of Accredited Installations

- 2.9 The majority of installations and accredited capacity under the NDRHI are concentrated in England, which accounts for 71.8% of installations and 73.0% of total capacity.
- 2.10 **Figure 2.5** shows the split of installed capacity across Great Britain. Please note that as biomethane plants do not generate heat, they are not included in the capacity figures. A full breakdown by technology type and capacity can be found in **Appendix 1**.

Figure 2.5: Total accredited capacity by country



3. Payments and Heat Generation

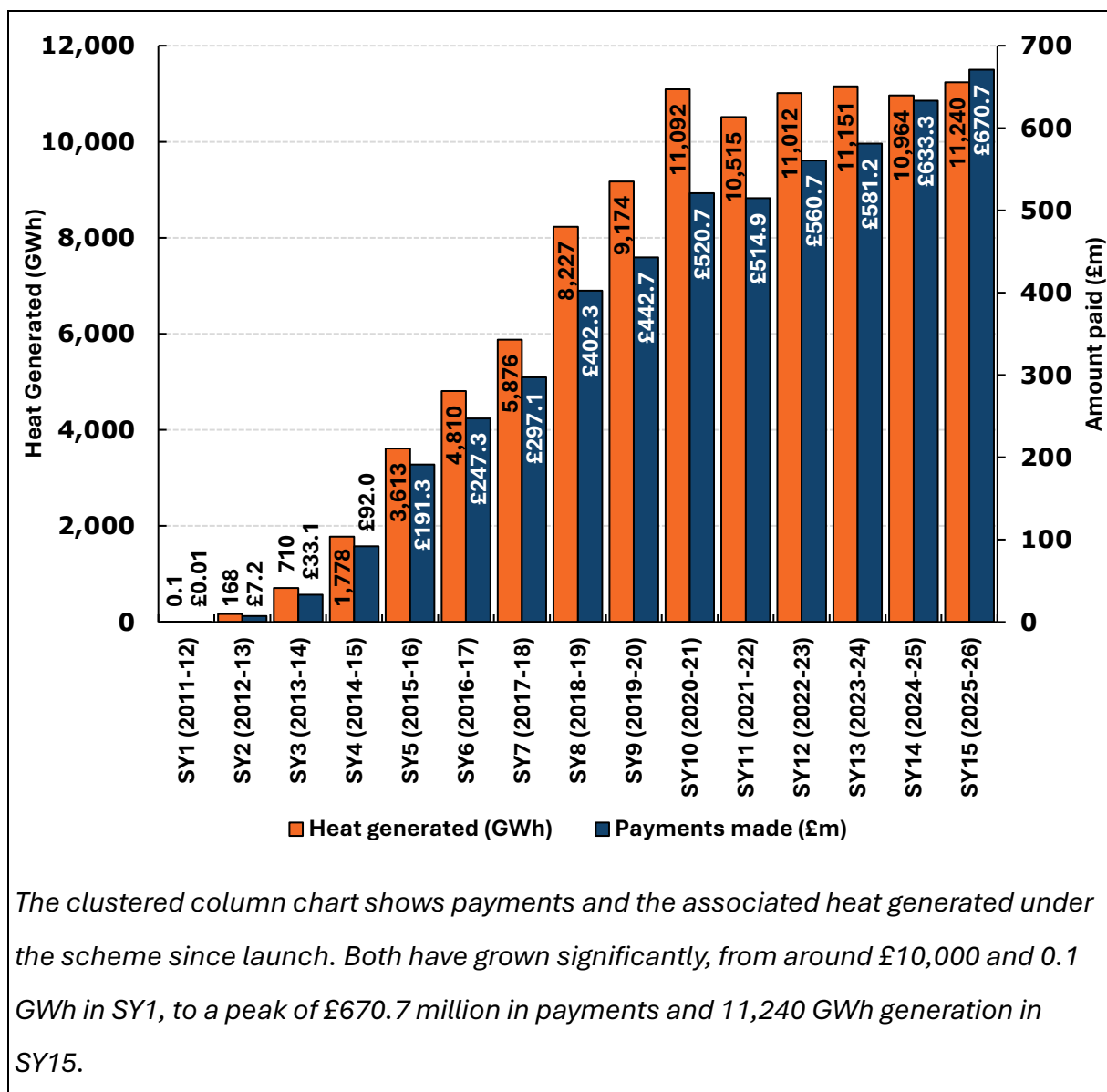
This chapter presents statistics on payments made under the Non-Domestic Renewable Heat Incentive (NDRHI) scheme, alongside data on heat generation and green gas injection into the grid. It covers both Scheme Year 15 (SY15) and cumulative figures since the scheme's inception.

- 3.1 The NDRHI continues to deliver significant support for renewable heat generation across Great Britain. Since the scheme launched, more than £8 billion has been paid to eligible participants, supporting over 136 TWh of renewable heat generation and biomethane injection. During Scheme Year 15 (SY15), payments totalled £1.08 billion, the highest annual payment value since the scheme began.
- 3.2 Renewable heat generated under the scheme is equivalent to heating around 11.8 million typical UK homes for a year, demonstrating the significant contribution the scheme has made to reducing reliance on fossil fuel heating and supporting the transition to lower-carbon energy sources.
- 3.3 RHI payments are made quarterly for up to 20 years and are based on the eligible heat output of heat generating installations, or in the case of biomethane producers, the volume of eligible biomethane injected directly into the gas grid.
- 3.4 Payments are only made to accredited installations that continue to comply with the scheme rules. Tariff rates are set by the Department for Energy Security and Net Zero (DESNZ) and are adjusted annually to account for inflation.¹⁶
- 3.5 As biomethane production does not directly generate heat, payments made to biomethane producers follow a separate calculation formula. For this reason, when speaking of biomethane payments in this chapter we use the volume of green gas injected into the grid. However, we also calculate the equivalence of

¹⁶ [NDRHI payments and tariffs](https://www.ofgem.gov.uk/environmental-and-social-schemes/non-domestic-renewable-heat-incentive-rhi/non-domestic-renewable-heat-incentive-rhi-payments-and-tariffs): <<https://www.ofgem.gov.uk/environmental-and-social-schemes/non-domestic-renewable-heat-incentive-rhi/non-domestic-renewable-heat-incentive-rhi-payments-and-tariffs>>

biomethane volumes in terms of eligible heat output so its contributions can be viewed alongside other technology types.

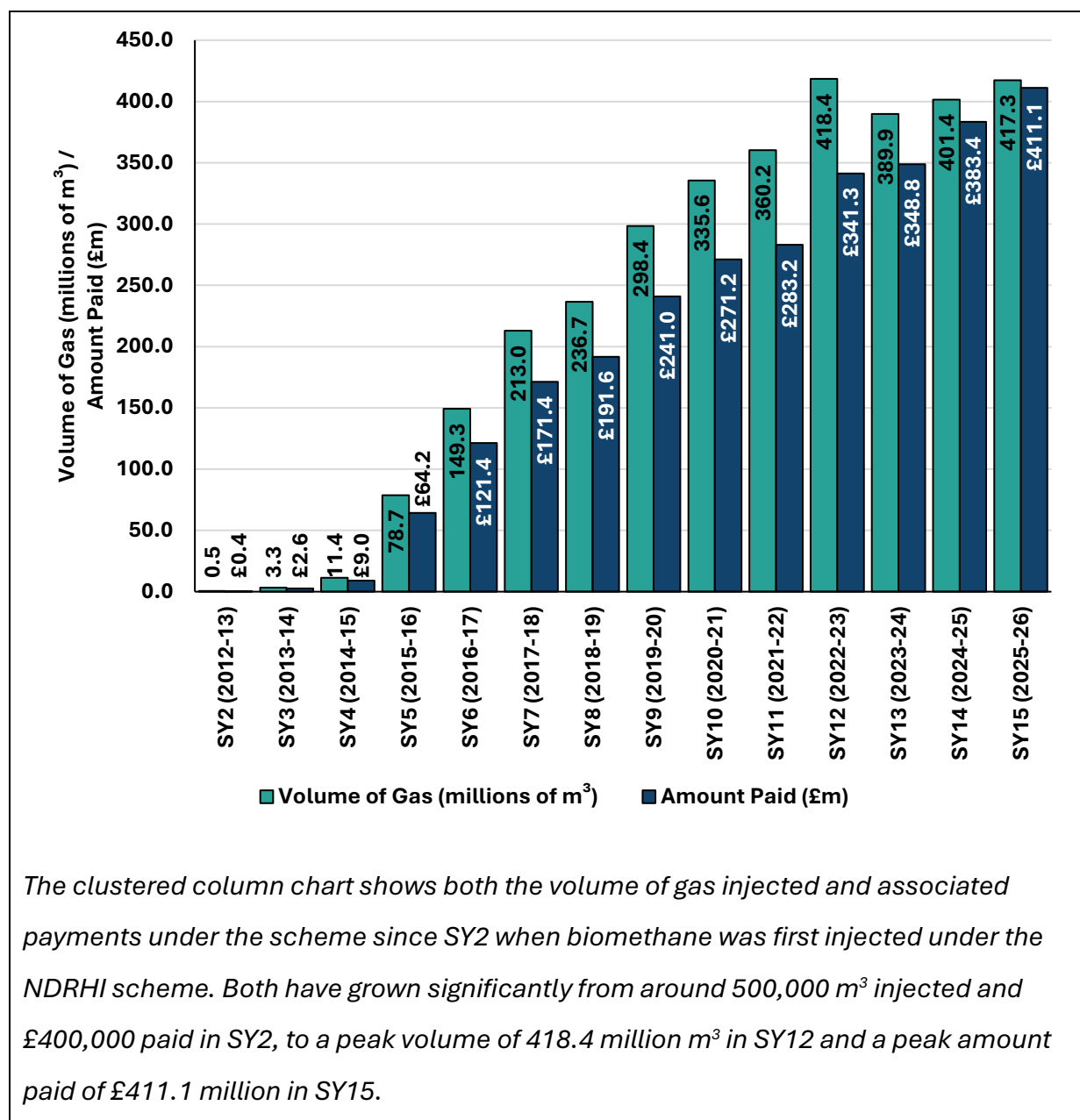
- 3.6 Note that Scheme Year payment and associated heat generation/injection figures in this chapter reflect all payments made within the Scheme Year. However, the heat generation or injection may have occurred in previous scheme years.
- 3.7 **Figure 3.1** shows that £670.7 million in payments were made during SY15 to heat generating installations. These payments were made against heat generation of 11.2 TWh. This brings total payments made to heat generating installations over the lifetime of the scheme to £5.19 billion, corresponding to 100.3 TWh of heat generation.

Figure 3.1: NDRHI annual heat generated and payments made (ex. biomethane)

- 3.8 The amount of heat generated has remained relatively consistent from SY10 to SY14 with a notable dip of around 5.2% between SY10 and SY11 - partially in relation to the COVID-19 pandemic. We believe that there could be several factors contributing to this including well publicised supply chain issues and rising costs. These issues may have impacted the ability of some participants to carry out their usual activities, thereby reducing the amount of heat required.
- 3.9 Whilst the amount paid to participants increased by almost 6% during SY15, the heat generated in relation to these payments increased by 2.5%. The increase in

the value of payments in relation to heat generation can in part be attributed to tariffs being uplifted by retail price index (5.2%) and consumer price index (4.0%).

3.10 Information on the volume of gas injected into the grid and payments made to biomethane producers (which started in SY2) can be seen in **Figure 3.2**. Almost £411.1 million of payments were made during SY15, and almost 417.3 million m³ of gas was injected into the grid, with the reported volume of gas injected being 4.0% higher than SY14. Over the same period, payments increased by 7.2%, also influenced by changes to the retail price and consumer price indexes. The total volume of gas injected over the lifetime of the scheme amounts to almost 3.3 billion m³, with £2.84 billion in payments made during this period.

Figure 3.2: NDRHI biomethane – annual volume of gas injected and payments made

3.11 **Figure 3.3** outlines the payments and heat generated or gas injected by technology type since the scheme launched. The lifetime distribution of payments highlights the key technologies that have supported delivery of the scheme's objectives. Two technologies account for more than 84% of all payments made since the scheme launched: solid biomass boilers (48.7%) and biomethane installations (35.4%). Solid biomass boilers account for almost 77%

of accredited installations whilst biomethane accounts for less than 1% of installations.

- 3.12 Fifteen years after its launch, the NDRHI continues to support substantial levels of renewable heat generation and biomethane injection. Although the scheme is closed to new applicants, accredited installations continue to deliver significant environmental benefits and receive support throughout their 20-year payment periods. The continued scale of heat generation and green gas injection demonstrates the lasting impact of the scheme and its contribution to the decarbonisation of heat across Great Britain.

Figure 3.3: NDRHI lifetime payments made, heat generated, and gas injected by technology

Technology Type	Payments (£m)	Payments (% total)	Heat generated (GWh)	Volume of gas injected (m ³)	Heat output (% total) ¹⁷
ASHP	£8.56	0.1%	286.9	-	0.2%
Biogas	£519.85	6.5%	9,139.7	-	6.7%
Biomethane	£2,840.49	35.4%	-	3,313,848,604	26.2%
GSHP	£323.27	4.0%	3,732.9	-	2.7%
Solar Thermal	£2.02	0.03%	17.6	-	0.01%
Solid Biomass Boiler	£3,913.55	48.7%	77,258.6	-	56.8%
Solid Biomass CHP	£286.82	3.6%	6,179.7	-	4.5%
Waste	£46.54	0.6%	2,736.9	-	2.0%
WSHP	£94.16	1.2%	976.9	-	0.7%
Total	£8,035.24	100%	100,329.3	3,313,848,604	100%

¹⁷ Biomethane installations do not generate heat. However, when making payments based on the volume of green gas injected to grid, we also calculate the equivalence in terms of eligible heat output. Biomethane installations' share of heat generated is included here based on this conversion to heat output, where heat output (kWh) equals the volume of biomethane injected (m³) multiplied by 10.75. Biomethane's equivalent heat output is 35,624 GWh bringing total generation including biomethane to 135,953 GWh. The column 'heat generated (% total)' is calculated based on the total generation including biomethane equivalence.

4. Monitoring Compliance

This chapter covers monitoring and compliance activity on the NDRHI scheme during Scheme Year 15 (SY15). It provides an overview of the targeted and statistical audit programmes, compliance investigations, and the delivery of our debt programme.

- 4.1 Protecting public funds and maintaining confidence in the NDRHI scheme is a key part of Ofgem's role as scheme administrator. Through our audit, compliance and debt recovery activities, we provide assurance that payments are made only for eligible heat generation and that participants continue to meet their obligations under the scheme. This helps ensure the scheme continues to deliver its intended objectives while safeguarding public money. This assurance is important because the scheme is funded through public expenditure and plays an important role in supporting government decarbonisation objectives.
- 4.2 Our audit strategy is informed by National Audit Office (NAO) good practice and is reviewed annually to reflect emerging risks, changes in scheme delivery and trends identified through compliance activity. This helps ensure our assurance activities remain proportionate, risk-based and focused on the areas where they can have the greatest impact.
- 4.3 Our approach is guided by Ofgem's PACT principles. We provide clear expectations for participants, use data and intelligence to identify emerging risks, work collaboratively with participants to resolve issues where possible, and take proportionate action where scheme requirements are not met. This helps ensure public funds are protected while supporting the effective operation of the scheme.
- 4.4 The audit programmes help us identify emerging issues, understand the causes of non-compliance and target assurance, guidance and stakeholder engagement where they will have the greatest impact.

- 4.5 Compliance investigations may arise following audit activity or from a range of intelligence sources, including data analytics, counter fraud activity, whistleblowing reports and issues identified through operational controls.
- 4.6 When identifying non-compliances through our audits and investigations, we determine whether they have a financial impact. We classify non-compliances as either material, meaning they have a financial impact and may potentially lead to funds being paid out in error, or non-material, meaning they have no financial impact.
- 4.7 Where non-compliance is identified, we seek wherever possible to work constructively with participants to help them return to compliance. We explain the actions required, provide opportunities to address issues and clearly communicate the consequences of inaction. Where necessary, payments may be recouped or withheld and, in the most serious cases, accreditations may be revoked.
- 4.8 Beyond identifying individual instances of non-compliance, our assurance activity helps us understand wider trends across the scheme. We use this insight to improve guidance, strengthen operational controls and support participants in meeting their obligations, helping to prevent issues from occurring in the future.
- 4.9 We have identified a number of non-compliances which stem from participants being unprepared for site audits. To address this, we have reviewed and updated our pre-audit communications to help participants with preparation. This includes informing participants of the documents, information, and access they need to have ready on the day of audit.
- 4.10 These insights help us improve guidance, participant communications and assurance activity, allowing us to focus resources on areas of greatest risk, reduce future non-compliance and strengthen the overall administration of the scheme.

Audit Activity

- 4.11 Audits form an important part of our assurance framework. They help provide confidence that public funds are being used appropriately, participants continue to meet their obligations, and the scheme is delivering support in line with its objectives. We carry out both statistical and targeted audits. Statistical audits provide a representative view of compliance across the scheme population, while targeted audits focus on areas where data, intelligence or identified risks suggest additional scrutiny may be required.
- 4.12 Our audits examine a range of evidence to assess compliance with scheme requirements. This includes verification of fuel sustainability obligations, servicing and maintenance records, metering requirements and evidence supporting participants' ongoing eligibility.
- 4.13 Participants must continue to meet a range of ongoing obligations throughout their participation in the scheme. This includes maintaining appropriate records, granting access for inspection where required and demonstrating continued compliance with scheme requirements. Failure to meet these obligations may result in further investigation and compliance action.
- 4.14 Whilst the majority of audits are carried out with prior notice to participants, the NDRHI scheme also allows unannounced audits to be conducted.
- 4.15 During SY15, we completed 168 statistical audits and 200 targeted audits. Together, these audits provide both assurance over compliance across the wider scheme population and deeper examination of higher-risk areas identified through data analysis, operational activity and other intelligence sources. By year end, all statistical audits and 172 targeted audits had been completed, with the remaining cases progressing through closure processes. **Figure 4.1** and **Figure 4.2** provide a summary of closed audits undertaken during SY15 and SY14.
- 4.16 Audit findings should not be viewed as a final determination of non-compliance or financial impact. Findings identified during audit are subject to further compliance

investigation, during which participants may provide additional evidence or take corrective action. In some cases, issues initially identified as material may ultimately have no financial impact or may be resolved before any incorrect payment occurs. For this reason, final compliance outcomes are only confirmed when the associated compliance investigation has concluded.

4.17 Beyond identifying individual cases of non-compliance, our audit programme helps us understand wider trends across the scheme. We use these insights to improve guidance, strengthen operational controls and target stakeholder engagement towards the areas where participants may need additional support. This helps reduce future non-compliance while improving the overall administration of the scheme.

Figure 4.1: NDRHI statistical audit activity SY15 and SY14

Scheme Year (SY)	Closed audits	Compliant audits	Non-compliant audits	Non-compliance rate	Material non-compliance	Material non-compliance rate
SY15 (2025 to 2026)	168	18	150	89%	149	89%
SY14 (2024 to 2025)	168	31	137	82%	93	55%

Figure 4.2: NDRHI targeted audit activity SY15 and SY14

Scheme Year (SY)	Closed audits	Compliant audits	Non-compliant audits	Non-compliance rate	Material non-compliance	Material non-compliance rate
SY15 (2025 to 2026)	172	29	143	83%	139	81%
SY14 (2024 to 2025)	80	16	64	80%	36	45%

- 4.18 We monitor trends in non-compliance, fraud and error through our audit programmes. Based on our statistical audits, the estimated value of payments made in error during SY15 was £8.2 million, representing 0.76% of total payments, with a 95% confidence interval of £4.9 million to £11.5 million.¹⁸ Applied to the expenditure total of £1,125 million (which represents the value of payments made in SY15, adjusted for net movements on accrued amounts payable) this gives an estimated potential error value of £8.6 million, within a 95% confidence interval of £5.1 million to £12 million. This assumes the same error rate would apply to the accrued expenditure when it is paid. This is an increase from an estimated 0.39% of total payments in SY14. These figures related to NDRHI only.¹⁹
- 4.19 The same number of statistical audits were carried out in SY14 and SY15. Compared with SY14, the overall non-compliance rate increased by 3.1 percentage points, while the material non-compliance rate increased by 35.8 percentage points. One factor contributing to this increase is the annual biomass boiler maintenance requirement introduced from 1 April 2022.²⁰ As the scheme ages, more audited installations are now subject to this obligation, which requires relevant biomass participants to complete and retain evidence of annual maintenance checks.
- 4.20 In SY15, we carried out 200 targeted audits, compared with 251 in SY14. Based on the closed cases, the non-compliance rate increased by 3.0 percentage points and the material non-compliance rate increased by 33.6 percentage points. These figures should be interpreted carefully because targeted audits are focused on areas where data, operational activity or other intelligence indicates a higher risk

¹⁸ A 95% confidence interval means that there is a 95% chance that the actual value of payments made in error will fall between the lower and upper values of £4.9 million to £11.5 million.

²⁰ Under this obligation, participants using solid biomass, or solid biomass contained in waste as fuel in an accredited biomass boiler, must have an annual maintenance check completed by an accredited HETAS Approved Biomass Maintenance Scheme (HABMS) engineer, within each payment year.

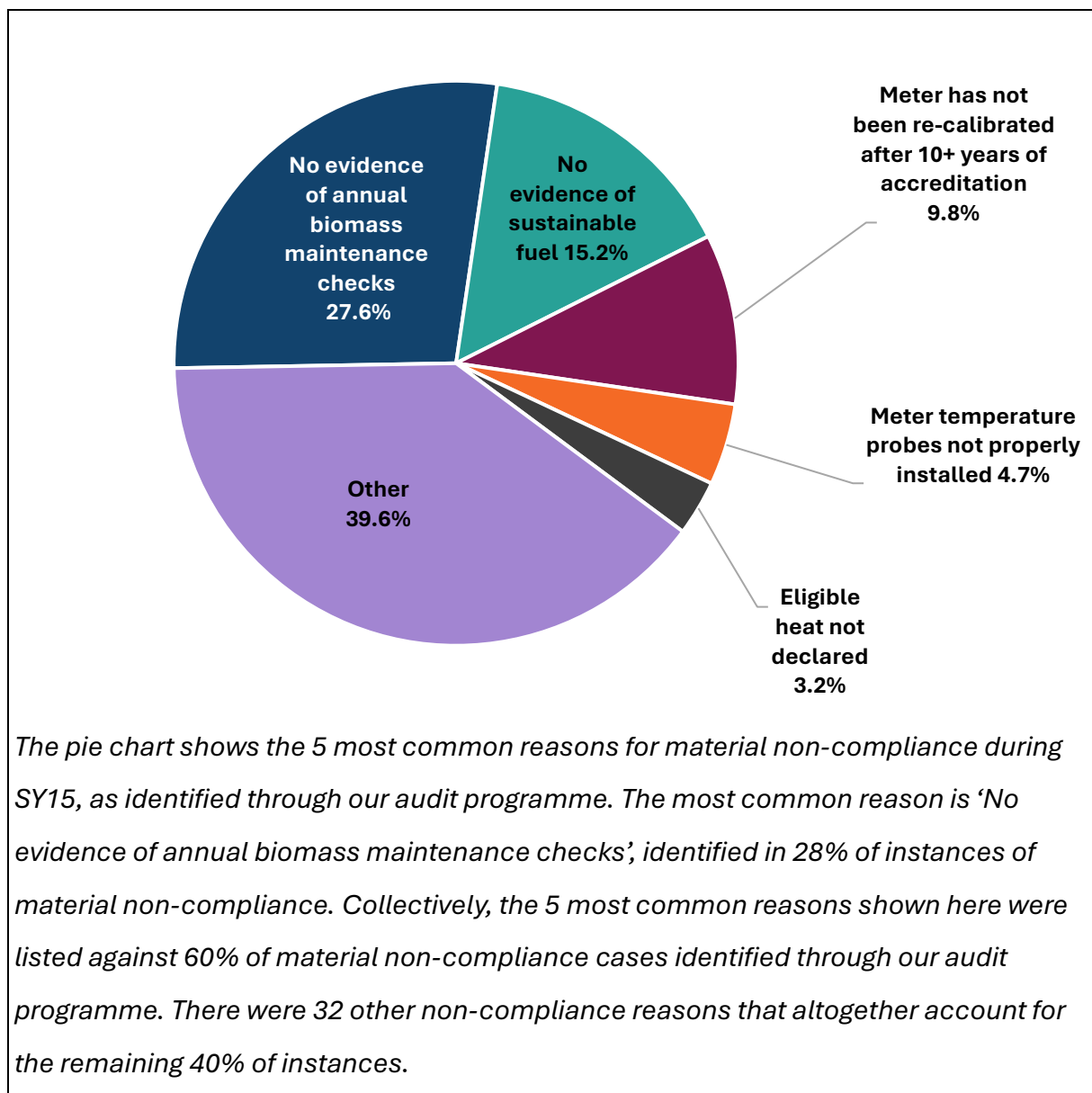
²⁰ Under this obligation, participants using solid biomass, or solid biomass contained in waste as fuel in an accredited biomass boiler, must have an annual maintenance check completed by an accredited HETAS Approved Biomass Maintenance Scheme (HABMS) engineer, within each payment year.

of non-compliance. They are therefore not intended to provide a representative view of compliance across the whole scheme population.

4.21 The most common material non-compliances identified through audits related to participants not providing evidence of annual biomass maintenance checks, evidence of sustainable fuel use, and evidence of meter recalibration after 10 years. These findings help us understand where participants may need clearer guidance or further support. We use this insight to refine participant communications, improve operational controls and target future assurance activity towards the areas of greatest risk.

4.22 To provide further information on the nature of the material non-compliances identified through our audits, we have included information on the 5 most common findings in **Figure 4.3**. It should be noted that a materially non-compliant case can have one or more reasons for material non-compliance listed against it.

Figure 4.3: The 5 most common reasons for material non-compliance in SY15



4.23 The 5 most common reasons for material non-compliance identified in SY15 account for a slightly larger share of total non-compliances compared to SY14 in which they accounted for 59%.

4.24 To reduce overall non-compliance on the scheme, we continue to analyse the causes behind the non-compliance cases being identified. We use this information to proactively look for ways to adapt our procedures and guidance to reduce the likelihood of non-compliances occurring.

Compliance

- 4.25 Where we identify concerns that a participant may not be complying with the scheme requirements, we seek wherever possible to work constructively with them to understand the issue, explain what action is required and support a return to compliance. Where issues cannot be resolved, or where significant or repeated non-compliance is identified, we may take further compliance or enforcement action.
- 4.26 The scheme regulations provide a range of powers to address non-compliance, including withholding or reducing payments, recovering overpayments and, in the most serious cases, revoking a participant's accreditation. These powers help maintain confidence in the scheme, ensure a level playing field for participants and protect public funds.
- 4.27 We assess the financial impact of non-compliances during our investigations to ensure that any action taken is evidence-based and proportionate to the circumstances of the case.
- 4.28 We classify error as either being prevented or detected. Prevented error relates to payments that were stopped before they were made as a result of our work. Detected error relates to payments that had already been made but were subsequently identified as ineligible and are expected to be recovered.
- 4.29 We classify error as either prevented or detected. Prevented error relates to payments that were stopped before they were made as a result of our work. Detected error relates to payments that had already been made but were subsequently identified as ineligible and are expected to be recovered. Enforcement actions arising from investigations concluded during SY15 resulted in almost £3.7 million of error being either prevented or detected and identified for recovery. These outcomes provide assurance that our compliance activities continue to identify and address issues where they arise, helping protect public

funds while supporting participants to meet their obligation. Further details on the outcomes of our compliance cases closed in SY15²¹ can be found in **Figure 4.4**.

Figure 4.4: Compliance cases closed in SY15

Referral source	Cases closed	Non-compliant cases	Value of Prevented Error	Value of Detected Error	Total Error
Operational	715	395	£1,687,334.69	£1,609,157.64	£3,296,492.33
Audit – Statistical	116	29	£47,088.64	£141,061.89	£188,150.53
Audit - Targeted	124	35	£3,420.26	£206,969.13	£210,389.39
Counter-fraud/ Compliance	16	0	£0.00	£0.00	£0.00
Total	971	459	£1,737,843.59	£1,957,188.66	£3,695,032.25

4.30 Of the 971 cases closed in SY15, 459 were found to have a financial impact and were therefore classified as materially non-compliant.

4.31 Operational referrals generated through our administration of applications, amendments and payments accounted for 715 (74%) closed cases. Of these, 55% resulted in sanctions, totalling £3.3 million of prevented or detected error. This

²¹ Compliance cases can take several months or longer, and hence, may not conclude within the same scheme year in which they were opened. This means that the compliance cases closed in SY15 can originate from other scheme years.

demonstrates the important role that operational controls play in identifying and addressing issues as part of the ongoing administration of the scheme.

4.32 The largest category of sanctions related to metering obligations and meter readings. Accurate metering is essential because it underpins the calculation of scheme payments. Many cases involved participants failing to meet requirements relating to meter maintenance, recalibration or evidencing compliance with metering obligations. Where participants fail to comply with these requirements, we may recover payments relating to periods of non-compliance.

4.33 Audit referrals accounted for 240 (25%) closed cases. Of these, 64 (27%) resulted in sanctions, totalling £398,540 of prevented or detected error. Many audit-related compliance cases arose because participants did not provide sufficient evidence to demonstrate compliance or did not respond to requests for information. Where eligibility cannot be demonstrated, we may recover payments or, in the most serious cases, revoke accreditation.

4.34 The findings from compliance investigations help us identify emerging risks and improve scheme administration. We use these insights to strengthen guidance, refine operational controls and target future assurance activity towards the areas of greatest risk, helping participants meet their obligations while protecting public funds.

Debt Recovery

4.35 Recovering payments identified as having been made incorrectly is an important part of protecting public funds and maintaining confidence in the scheme. Through our debt recovery programme, we seek to recover all detected error arising from completed compliance investigations. During SY15, we continued to review and refine our processes to support effective case management and maximise recovery activity. As a result, we recovered £1.49 million during the year, as shown in **Figure 4.5**.

Figure 4.5: Total debt recovered in SY15

Debt recovery method	Debt recovered
Offsetting from ongoing payments	£1,244,871.00
Direct repayment: repaid in full	£207,667.32
Direct repayment: repayment plan	£31,041.49
Direct repayment: repaid to debt agency	£2,282.00
Total	£1,485,861.81

- 4.36 The majority of debt (£1.24 million) recovered during SY15 came from offsetting against ongoing scheme payments, supported by direct repayments, repayment plans and recovery activity undertaken through our external debt recovery arrangements (£240,990.81). During the year, nine cases were referred to our external debt recovery agency and remained in progress at year end.
- 4.37 We recognise the financial pressures that some participants may face and seek to adopt a participant-focused approach wherever possible. This includes working with participants to establish appropriate repayment arrangements while continuing to recover funds owed to the scheme.
- 4.38 During SY15, we also successfully pursued a debt case through civil action, marking the first instance in which Ofgem has sought recovery of unpaid NDRHI debt through the courts. We are now seeking to recover the debt through enforcement activity. The case related to an organisation with an outstanding debt of more than £64,000 where previous recovery approaches had been unsuccessful. This outcome demonstrates our commitment to recovering public funds where other recovery methods have been exhausted.
- 4.39 Debt recovery forms an important part of Ofgem's wider assurance framework. Alongside audits, compliance investigations and operational controls, it helps

ensure public funds are protected, participants are treated consistently and confidence is maintained in the administration of the scheme.

5. Our Administration

This chapter provides details on our administration activity during Scheme Year 15 (SY15). This includes statistics on delivery performance indicators for our various administrative functions, as well as information on our stakeholder engagement activities.

- 5.1 As scheme administrator, Ofgem is responsible for ensuring the effective day-to-day delivery of the NDRHI. This includes supporting participants, administering payments, processing applications and amendments, monitoring compliance and protecting public funds through robust assurance activity.
- 5.2 As scheme administrator, Ofgem is responsible for ensuring the effective day-to-day delivery of the NDRHI. This includes supporting participants, administering payments, processing applications and amendments, monitoring compliance and protecting public funds through robust assurance activity.
- 5.3 As the scheme has matured and closed to new applicants, the focus of administration has shifted from assessing new applications towards managing ongoing participant obligations, processing changes to existing accreditations, administering payments and maintaining assurance over scheme expenditure.
- 5.4 This chapter provides further information on certain aspects of our administration not covered elsewhere in the report. To ensure that we are providing a good service, we track our performance monthly and publish details on our website.²²

²² [Environmental programmes: Ofgem's role and delivery performance:](https://www.ofgem.gov.uk/environmental-programmes/environmental-programmes-ofgem-s-role-and-delivery-performance)

<<https://www.ofgem.gov.uk/environmental-programmes/environmental-programmes-ofgem-s-role-and-delivery-performance>>

Application Processing

- 5.5 While the NDRHI scheme closed to most new applicants on 31 March 2021, certain tariff guarantee²³ applicants were permitted additional time²⁴ to complete the application process in accordance with the regulations.
- 5.6 Although the scheme is closed to new applicants, accreditation activity continues through applications relating to replacement installations, relocations, ownership changes and re-accreditations. These processes help ensure eligible installations can continue receiving support while maintaining the integrity of the scheme.
- 5.7 In SY15, 245 applications were accredited under the scheme, including re-accreditations associated with changes in ownership, relocation and replacement of accredited installations. This brought the total number of accredited installations to 22,638, an increase of 1.2% compared with SY14.
- 5.8 Although application volumes are significantly lower than during the active growth phase of the scheme, administration remains an important part of ensuring participants continue to receive support appropriately, scheme records remain accurate and public funds are protected. Effective administration supports the continued delivery of the scheme through to its conclusion in 2041.

²³ [Guide to tariff guarantees](https://www.ofgem.gov.uk/sites/default/files/2022-04/Guide%20to%20Tariff%20Guarantees%20Draft%202022.pdf): <<https://www.ofgem.gov.uk/sites/default/files/2022-04/Guide%20to%20Tariff%20Guarantees%20Draft%202022.pdf>>

²⁴ [Guide to extension applications](https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/ndrhi_non-tg_extension_application_guidance_final.pdf): <https://www.ofgem.gov.uk/sites/default/files/docs/2021/02/ndrhi_non-tg_extension_application_guidance_final.pdf>

Delivery performance**Figure 5.1: Ofgem NDRHI Delivery Performance**

Performance indicator	SY15 (2025 to 2026)	SY14 (2024 to 2025)	Change
No. of application decisions	290	271	19
Application decisions within 6 months	62.4%	54.6%	7.8pp
No. of payments made	72,801	70,937	1,864
Payments made within 40 working days	95.0%	97.5%	-2.5pp
No. of amendment decisions	4841	4199	642
Amendment decisions made within 6 months	87.1%	93.2%	-6.1pp
Enquiries emails received	6,561	5,958	603
Enquiry emails responded to within 10 working days	98.9%	99.5%	-0.6pp
Calls received	16,346	14,383	1,963
Abandoned call rate	4.6%	3.2%	1.4pp

5.9 As shown in **Figure 5.1**, 62.4% of application decisions were made within six months, an improvement of 7.8 percentage points compared with SY14. This reflects continued focus on efficient processing of scheme activity while maintaining appropriate assurance and quality controls.

5.10 Performance against the 40-working-day payment KPI has remained strong at 95.0%, reflecting continued focus on timely delivery. The slight reduction from the previous year (97.5%) largely reflects the broader operating context, including changes in available resources and sustained complexity in casework. The team has prioritised maintaining a balance between value for money and service delivery, alongside appropriate assurance, while continuing to deliver payments

within expected timeframes for the majority of cases. Timely payment processing remains important for participants who rely on support payments and for maintaining confidence in the administration of the scheme.

- 5.11 SY15 saw 642 more amendment decisions than SY14. Alongside the increase in volume, the team experienced a higher proportion of complex amendment types. While this affected performance against the six-month measure, it reflects the evolving nature of a mature scheme where administration increasingly focuses on managing existing accreditations rather than processing new applications.

Value for Money

- 5.12 Since its introduction, the NDRHI has supported the deployment of renewable heat across the non-domestic sector while making more than £8 billion in payments to eligible participants. Effective administration of a scheme of this scale requires robust controls to ensure public funds are protected, payments are made correctly and support is delivered in line with government policy objectives.
- 5.13 In SY15, audit, compliance and operational activities identified, prevented or recovered £3.7 million of public funds. This demonstrates the important role that assurance activity plays in protecting public money and supporting confidence in the administration of the scheme.

Stakeholder Engagement

- 5.14 Stakeholder engagement remains an important part of how we administer the scheme. By engaging regularly with participants, industry representatives and other stakeholders, we help ensure obligations are understood, emerging issues are identified early and feedback is used to improve scheme administration.
- 5.15 We engage with a wide range of stakeholders through forums, conferences, industry meetings, roundtables and bilateral discussions. These engagements provide valuable insight into the experience of participants and help inform the way we administer the scheme.

5.16 We continued to keep participants informed through regular communications, including updates on changes to obligations and reminders relating to key compliance requirements such as annual maintenance checks.

5.17 As participants remain eligible for support for up to 20 years, stakeholder engagement will continue to play an important role in supporting compliance, improving participant understanding and maintaining confidence in the scheme through to its conclusion in 2041.

6. Looking Forward

This chapter provides a summary of significant changes affecting the future of the NDRHI scheme and discusses the ongoing support for low-carbon gas and heat following the closure of the scheme to new applicants.

- 6.1 Although the scheme is closed to new applicants, Ofgem will continue to administer payments, process changes to accredited installations and support participants throughout the remainder of their support periods until 2041.
- 6.2 We will continue to actively monitor participant compliance through our extensive audit programmes, as well as internal checks during our work administering the scheme, and requirements for participants to submit declarations. This, alongside 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. We continue to incorporate insights from our administrative work and our monitoring compliance activity to proactively look for ways to adapt our procedures and guidance to reduce the likelihood of non-compliances occurring. We will continue to use data, insight and operational learning to strengthen guidance, improve controls and target assurance activity where it can have the greatest impact.
- 6.3 Although the NDRHI is closed to new applicants, government continues to support the decarbonisation of heat through successor schemes including the Green Gas Support Scheme (GGSS) and the Boiler Upgrade Scheme (BUS). These schemes support renewable and low-carbon heating technologies through different funding mechanisms and will continue to play an important role in supporting the transition to net zero.
- 6.4 The NDRHI has provided valuable operational and policy learning that continues to influence newer schemes. Insights from NDRHI administration, participant engagement, risk management and assurance activities are helping shape the

delivery of future low-carbon heat schemes, supporting government objectives while improving the experience of scheme participants.

- 6.5 As a scheme that supports renewable heat generation, developments in wider biomass and biomethane policy remain relevant to NDRHI participants.
- 6.6 Beyond renewable heat support schemes, Ofgem is also preparing for future regulation of heat networks under the Energy Act 2023²⁵. While separate from the NDRHI, this reflects the broader evolution of heat decarbonisation policy and Ofgem's role in supporting consumers through the transition to lower-carbon heating systems.
- 6.7 Looking ahead, our focus remains on administering the scheme efficiently, supporting participants to meet their obligations, protecting public funds and ensuring the scheme continues to deliver value through to its conclusion in 2041. Through the application of Ofgem's PACT principles, we will continue to adapt our approach, use operational insight to improve delivery and maintain confidence in the administration of the scheme.

²⁵ [Energy Act 2023](https://www.legislation.gov.uk/ukpga/2023/52/contents): <<https://www.legislation.gov.uk/ukpga/2023/52/contents>>

Appendix 1: Accredited Installations by Region

Figure A1.1: Installed capacity (MW) by region and technology²⁶

Region	Solid Biomass Boiler	GSHP	Biogas	Solid Biomass CHP	WSHP	Waste	ASHP	Solar Thermal	Region total (MW)
West Midlands	574.5	98.0	44.3	36.5	46.9		4.9	1.2	806.4
East Midlands	494.7	27.7	42.8	72.7	25.3		3.6	0.3	667.1
Yorkshire and The Humber	533.6	37.3	31.7	5.3	20.5	15.0	5.0	0.8	649.2
South West	453.8	70.2	31.0	20.7	9.5	25.2	6.4	1.0	617.8
North West	400.4	49.9	23.3	33.8	19.7	24.1	3.3	0.4	555.0
Wales	401.8	33.0	23.2	31.7	11.2		4.4	0.4	505.7
East of England	323.1	33.2	56.8	7.7	1.5		2.5	0.8	425.6
South East	275.0	45.5	25.1	44.8	3.2		4.8	0.5	398.9
Southern Scotland	314.4	18.7	10.1	16.2	17.9		1.2	0.0	378.5
North East	141.9	27.4	13.3	38.0	5.9	88.0	1.1	0.1	315.7
Eastern Scotland	235.3	10.8	8.7	1.8	14.4		1.1	0.2	272.2
Highlands and Islands	200.7	4.8	8.6	3.2	0.1		1.6	0.3	219.2
North Eastern Scotland	179.5	6.6	4.0		0.2		0.6	0.0	191.0
West Central Scotland	78.1	10.1	2.3	2.9	0.2		0.4	0.2	94.2
London	32.7	11.2	2.8	8.4	0.3		1.6	0.0	57.0
Grand Total (MW)	4,639.6	484.2	328.1	323.7	176.8	152.3	42.3	6.4	6,153.4

Note, biomethane plants are not included as they do not have a heat output.

²⁶ Due to rounding to one decimal place, some figures may not sum precisely to the stated totals.

Figure A1.2: Accredited installations by region and technology

Region	Solid Biomass Boiler	GSHP	ASHP	Biogas	Solar Thermal	WSHP	Bio-methane	Solid Biomass CHP	Waste	Region Total
South West	2,332	409	111	79	65	25	22	9	2	3,054
West Midlands	1,797	376	81	139	34	22	14	21		2,484
Yorkshire and The Humber	1,797	320	115	70	35	29	17	6	1	2,390
Wales	1,729	211	64	64	31	13	4	13		2,129
North West	1,603	241	87	90	27	25	12	9	1	2,095
East Midlands	1,566	207	60	90	13	18	13	4		1,971
East of England	1,221	223	56	58	30	11	15	4		1,618
South East	1,086	296	82	37	39	29	38	9		1,616
Southern Scotland	1,267	102	24	46	5	9	3	7		1,463
Eastern Scotland	811	84	24	34	10	7	7	1		978
Highlands and Islands	692	78	34	26	20	1	14	1		866
North East	669	100	34	16	9	6	3	5	2	844
North Eastern Scotland	494	41	16	18	4	3	4			580
West Central Scotland	252	78	14	11	5	3	2	1		366
London	103	47	19	4	4	3	2	2		184
Grand Total	17,419	2,813	821	782	331	204	170	92	6	22,638

Appendix 2: Associated Links

- **The Renewable Heat Incentive Scheme Regulations 2018** (as amended) can be viewed on the legislation.gov.uk website. Please note that this link returns legislation for both the domestic and non-domestic RHI schemes:

[Renewable Heat Incentive Scheme Regulations:](https://www.legislation.gov.uk/primary+secondary?title=Renewable%20Heat%20Incentive)
<https://www.legislation.gov.uk/primary+secondary?title=Renewable%20Heat%20Incentive>
- **The Renewable Heat Incentive Scheme (Amendment) Regulations 2022** can be viewed on the legislation.gov.uk website:

[February 2022 amendments to the RHI regulations:](https://www.legislation.gov.uk/uksi/2022/159/contents/made)
<https://www.legislation.gov.uk/uksi/2022/159/contents/made>
- **Ofgem has published guidance documents** on the NDRHI scheme, which can be viewed on the Ofgem website linked below:

[Ofgem's NDRHI main guidance:](https://www.ofgem.gov.uk/publications-and-updates/non-domestic-rhi-main-guidance)
<https://www.ofgem.gov.uk/publications-and-updates/non-domestic-rhi-main-guidance>
- **For more information on the NDRHI scheme**, visit the Ofgem website using the following link: Guidance and Resources

[Ofgem contacts, guidance and resources about the NDRHI scheme:](https://www.ofgem.gov.uk/environmental-programmes/non-domestic-rhi/contacts-guidance-and-resources)
<https://www.ofgem.gov.uk/environmental-programmes/non-domestic-rhi/contacts-guidance-and-resources>
- **For more information on NDRHI Payments and Tariffs**, including information on how payments are calculated, visit the Ofgem website here:

[NDRHI payments and tariffs:](https://www.ofgem.gov.uk/environmental-and-social-schemes/non-domestic-renewable-heat-incentive-rhi/non-domestic-renewable-heat-incentive-rhi-payments-and-tariffs)
<https://www.ofgem.gov.uk/environmental-and-social-schemes/non-domestic-renewable-heat-incentive-rhi/non-domestic-renewable-heat-incentive-rhi-payments-and-tariffs>
- **Public reports and data** about the NDRHI scheme can be viewed our website:

[Ofgem's public reports and data on the NDRHI scheme:](https://www.ofgem.gov.uk/environmental-programmes/non-domestic-rhi/contacts-guidance-and-resources/public-reports-and-data)

<<https://www.ofgem.gov.uk/environmental-programmes/non-domestic-rhi/contacts-guidance-and-resources/public-reports-and-data>>

Appendix 3: Glossary²⁷

A

Air source heat pump – See Heat pump.

Anaerobic digestion – Natural process in which micro-organisms break down organic matter (e.g., animal manure or waste food) within a contained environment. This produces biogas which can then be used as fuel to generate electricity.

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

B

Biogas – Biogas is a renewable fuel produced by the breakdown of organic matter.

Biomass – Organic matter used as fuel.

Biomethane – Biomethane is a gas (biogas) produced from organic matter through anaerobic digestion and then purified. Anaerobic digestion is a natural process in which micro-organisms break down organic matter (e.g. animal manure or waste food) within a contained environment.

Boiler Upgrade Scheme (BUS) – The Boiler Upgrade Scheme (BUS) supports the decarbonisation of heat in buildings. It provides upfront capital grants to support the installation of heat pumps and biomass boilers in homes and non-domestic buildings in England and Wales. The BUS opened to applicants in May 2022, with the scheme set to close to new applicants in 2025, however, the scheme was extended for a further 3 years until 2028.

C

Combined Heat and Power (CHP) – A plant that captures and uses heat which is created as a by-product of electricity generation.

²⁷ 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.

D

DESNZ – Department for Energy Security and Net Zero is responsible for RHI policy in 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.

Extension application – A type of application introduced by BEIS (the former Department for Business, Energy and Industrial Strategy, now DESNZ) in response to the COVID-19 pandemic. Extension applications allow those whose projects had been delayed but were not eligible to submit a tariff guarantee application additional time to commission and submit a full accreditation application.

G

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

Green Gas Support Scheme (GGSS) – The GGSS is a government environmental scheme that provides financial incentives for new anaerobic digestion biomethane plants to increase the proportion of green gas in the gas grid. The scheme initially opened to applicants in England, Scotland and Wales for 4 years from 30 November 2021. An extension to the GGSS was announced in June 2024 and the scheme is now due to remain open for applications for another 3 years, until 31 March 2028.

Ground source heat pump – 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.

M

MW – Megawatt, equal to one million watts.

MWh – Megawatt hour, equivalent to one million watt-hours of heat output.

R

RTFO – The Renewable Transport Fuel Obligation (RTFO) supports the government policy on decarbonising transport by encouraging the production and use of renewable fuels that do not damage the environment.

S

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

Solid biomass boiler – A boiler fuelled by solid biomass such as wood.

Solid biomass CHP – A plant fuelled by solid biomass such as wood that produces both heat and electricity.

T

Tariff guarantee – A process that allows certain applicants to the NDRHI to secure a tariff rate before their installation is commissioned and fully accredited on the RHI.

TW – Terawatt, equal to one trillion watts.

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

W

Water source heat pump – See Heat pump.