

Renewable Heat Incentive (GB) Update

www.ofgem.gov.uk

July 2013

Issue 6

This quarterly report provides an update on the Renewable Heat Incentive (RHI) from April to June 2013. It presents the latest statistics for Great Britain and other news. Participants can read the articles at page 4 for advice on how to remain RHI compliant.



The RHI scheme

The RHI scheme supports uptake of renewable heat technologies by non domestic organisations and is funded from general government spending.

Ofgem is responsible for the administration of the scheme, which includes accrediting installations and paying participants for eligible heat generated or biomethane produced.

The **Department of Energy and Climate Change (DECC)** is responsible for policy and tariff setting.

DECC have now announced that a domestic version of the scheme should open from spring 2014. For more information check www.gov.uk/renewableheatincentive

RHI – key figures

Quarterly results (April to June 2013)

- £6.3 million in scheme payments were made during this quarter – 23.5% increase on the payments made in the previous quarter (£5.1 million)
- 551 installations were accredited under the scheme, 14 of which were preliminary – a 14% increase on the previous quarter (483)
- 138.1 MW of capacity was added to the scheme (of which 9.3MW came from preliminary accreditations) during the quarter – a 45% increase on that added within the previous quarter (95 MW)
- The RHI enquiry line received an average of 3,800 enquiries (phone calls and emails) a month
- The number of new RHI applications remains stable with 609 new applications received between 1 April and 30 June (605 in the previous quarter).

Air quality and metering changes

DECC recently announced important changes to the RHI non domestic scheme which will be implemented on 24 September.

Simplifying metering requirements

If you are applying for RHI accreditation on or after the 24 September, you can take advantage of the simplified metering requirements. The changes will allow you to:

1. in certain circumstances disregard heat loss from external pipework where the pipework is 'properly insulated' to the standards outlined in BS5422 and calculated in line with and EN ISO 12241 (these are British Standards)

Air quality and metering changes (continued)

- submit heat loss calculations in place of installing additional meters in such cases where doing so might be physically or financially overly burdensome
- only install meters which are necessary to calculate the 'eligible heat output' from the installation to enable the RHI payment to be calculated.

If you want to take advantage of either of **1** or **2** you will be asked to complete a 'heat loss assessment', which requires certain pieces of evidence pertaining to your situation.

If you are part way through your application and you want to take advantage of these changes, you will need to cancel your application and restart it on or after 24 September. This is because the simplified metering requirements will not be written into the regulations until this date.

If you have installed meters in line with the existing regulations you will still be eligible for the RHI under the revised regulations.

You may however have more meters than is mandatory to calculate the eligible heat output. Or, you may be able to disregard some heat loss or submit a heat loss calculation instead of metering if you have external pipework.

Air quality requirement

If you are intending to apply for the RHI on or after 24 September you will need to provide a **fully completed** RHI emission certificate or environmental permit to meet the new air quality requirements. This change only affects those applicants applying for accreditation with biomass boilers.

We will provide information on these changes to all affected applicants and current participants. For further information on these changes, please refer to our website. We will also contact all affected applicants and current participants to provide full details on these changes.

What does the quarterly data say about the RHI?

– April to June 2013

Chart 1 presents the status of RHI applications and accreditations at quarterly intervals since the scheme began.

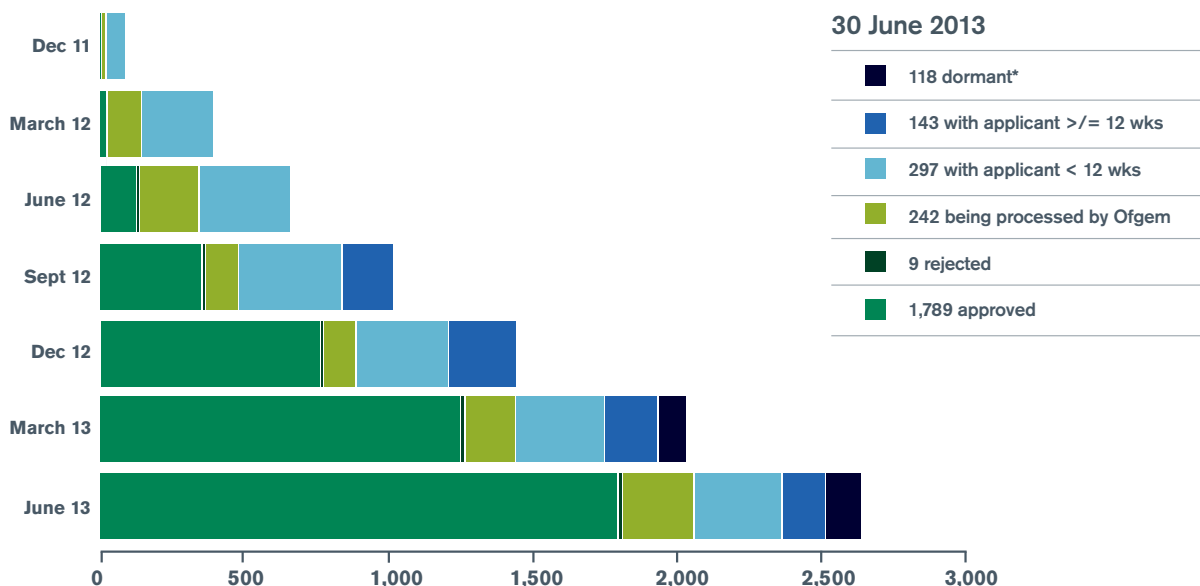
Since March 2013, the number of RHI accredited installations has increased from 1,238 to 1,789.

The chart shows that 22% of applicants (blue areas) have to yet provide the full information we require to accredit their RHI installation. Of these, 6% of applicants have taken more than 12 weeks to provide clarification or further supporting information and 5% of applications have been classified as

'dormant*'. We have written to ask these applicants about any issues that they may be facing in establishing their eligibility.

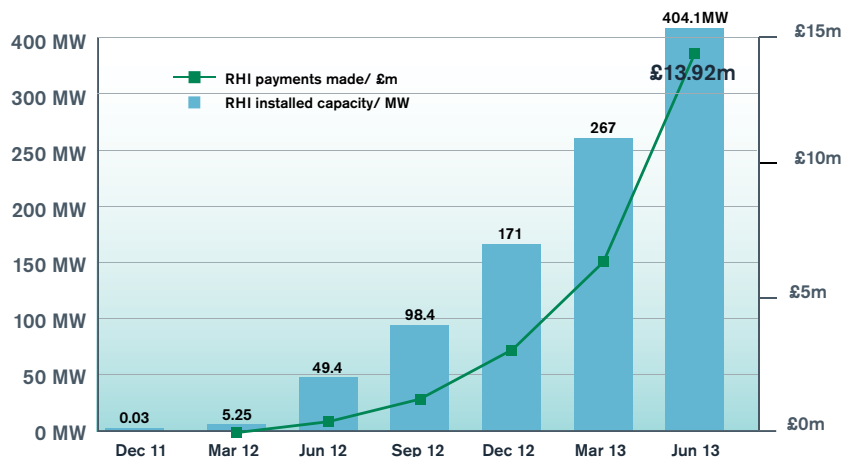
While the figures show that both applications with applicants and dormant applications have reduced by 5% on the previous quarter, we are keen to give applicants the support they need to ensure they achieve a swift accreditation. Please visit our website and review our guidance material to see what support is available and read our advice on how to make complete and accurate applications.

Chart 1: RHI application process



* Dormant applications are ones that have had no activity for 12 weeks, the applicant has been sent a follow-up email and there has been no response to this in the following 2 weeks.

Chart 2: RHI installed capacity and payments - cumulative



RHI payments are made on quarterly heat data submitted by participants with the first payments made in March 2012. Quarterly payments continue to rise reflecting the increase in accredited installations.

Chart 3: Proportion of accredited RHI installations by technology type - percentage of installations

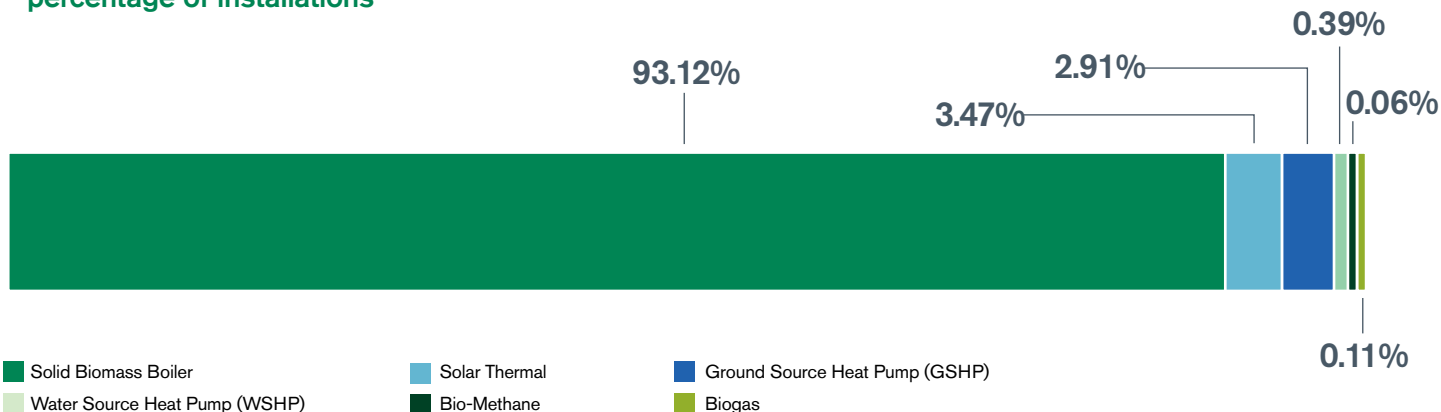


Chart 4: Total capacity installed by country - cumulative

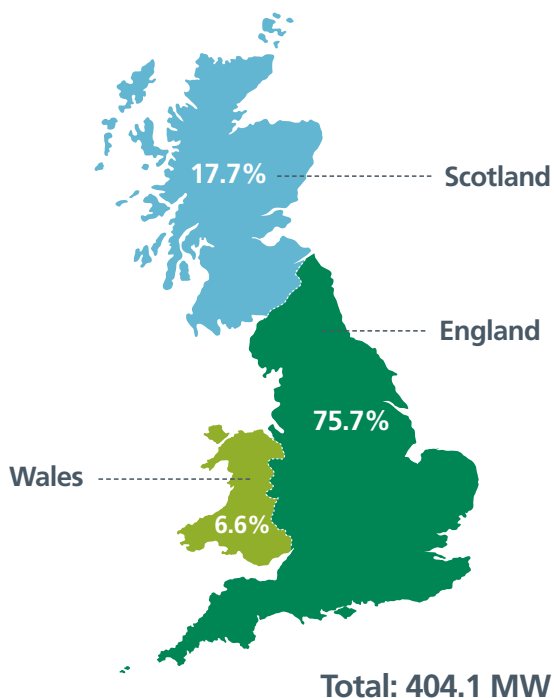
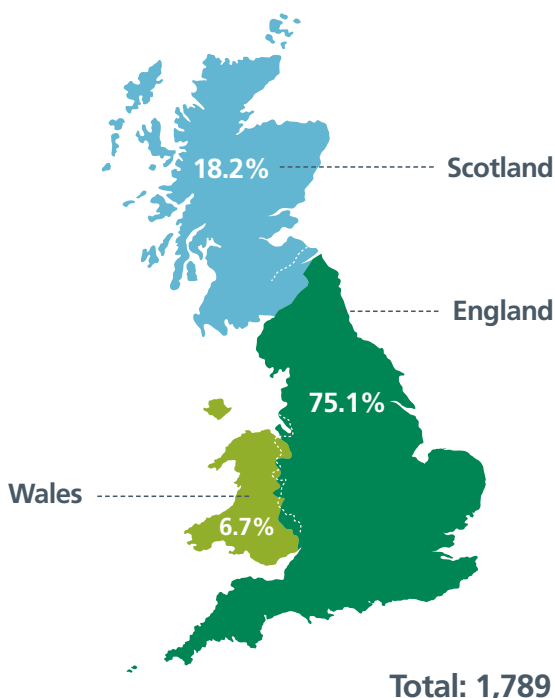


Chart 5: Number of accredited installations by country - cumulative



Helping you with your ongoing obligations

In order to maintain compliance with the RHI, you are required to fulfil a number of responsibilities, known as ongoing obligations. These include, but are not limited to:

- **submitting meter readings and heat output data** - installations with a capacity of under 1MWth will be required to take meter readings quarterly; installations with a capacity of 1MWth and above are required to take them monthly
- **biomass sustainability information** – these are required only for those installations with a capacity of more than 1MW
- **maintenance of equipment and meters** – these must be maintained according to your manufacturer's instructions. Keep any evidence of maintenance work and provide us with this evidence on request
- **annual declarations** – every year you are required to sign a declaration on confirming you are still compliant
- **fuel records** – please don't forget to keep fuel records.

For a comprehensive overview of these obligations, please refer to our *RHI Guidance Non-domestic scheme - Volume 2: Ongoing obligations and payments*.

We have also developed a number of reference guides and tools to help you meet your obligations, all of which are available on our website. These include:

- **date calculator spreadsheet:** it helps with the understanding of when meter readings are due and when data must be submitted to us by
- **guide to using the RHI Register:** it provides assistance for navigating your RHI account
- **example table:** it provides an overview of the steps needed to take when calculating heat data for an installation that is classed as 'complex'.

RHI audits

Audits of RHI installations are carried out to monitor participant compliance, detect fraud and deter those that may be tempted to break the rules.

In the last year we have been carrying out a large number of site audits. Findings tell us that the non compliance rate is high, which has resulted in payments being reduced or suspended. The most frequently occurring issues are:

- **participants have not been maintaining fuel records** for biomass installations, particularly where harvesting their own fuel. We would like to remind participants that records of the quantity and type of fuel used and the date of supply to the boiler must be maintained
- **meters have not been installed in accordance with manufacturer's instructions.** Metering equipment and meter installation manuals must be checked to ensure the meter has been installed correctly.

Payments may be resumed when we are satisfied that participants have provided evidence that actions have been taken to rectify their non compliance issues.

We have recently commenced a desktop audit programme to complement the site audits. We require participants to provide documentary evidence that we verify against RHI application responses, periodic data submissions and ongoing obligations.

Any participant may be selected for an audit and/or a site inspection. We would like to thank participants that have been audited for their cooperation.

Key contacts

RHI

For more information, visit the RHI webpages at www.ofgem.gov.uk/rhi. **You will find information about the accreditation process, how to apply and your ongoing obligations.** Alternatively, you can contact the RHI enquiry team on **0845 200 2122** or via email at RHI.Enquiry@ofgem.gov.uk

Press enquiries

For press enquiries please contact the Ofgem press office on **020 7901 3858**

Renewable Heat Premium Payment (RHPP)

For information on support for installing renewable heat technologies in domestic properties under the Renewable Heat Premium Payment (RHPP) please contact the Energy Saving Trust (EST) on **0800 512 012** or visit their website at www.energysavingtrust.org/RHPP

Further data available

Monthly and quarterly statistical updates on the uptake of the RHI non-domestic are available on our website.

You can also visit DECC's website to find out more about statistics for the RHI: www.gov.uk/government/organisations/department-of-energy-climate-change/series/renewable-heat-incentive-renewable-heat-premium-payment-statistics