

Non-Domestic Renewable Heat Incentive (GB)

Update

www.ofgem.gov.uk

November 2013

Issue 7

This quarterly report provides an update on the Non Domestic Renewable Heat Incentive (RHI) from July to September 2013. It presents the latest statistics, an update on the recent changes to the scheme and important advice for participants on how to stay RHI compliant.



The Non Domestic RHI scheme

The Non Domestic 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 the policy and tariff setting.

Message for new applicants with biomass boilers of 500kW and below

As you may be aware, a number of regulatory changes to the scheme came into force on 24 September 2013, including new air quality requirements for biomass boilers.

The new air quality provisions currently require emissions testing for all biomass boilers to meet technical standards. However, due to a drafting error in the amendments, some of the standards that may only be appropriate for larger boilers are required for all boilers, including those below 500kW. As a result, 500kW biomass boilers and below may not be able to obtain the emission certificate required to complete the RHI application.

DECC have been working on draft amendment regulations to correct this drafting error and these are currently subject to parliamentary process.

Next steps for Non Domestic RHI applicants with biomass boilers of 500 kW and below

1. If you have applied on or after 24 September 2013 and you are not in possession of a compliant emission certificate, you can upload a RHI emission certificate without confirmation of compliance to the testing standards EN14792:2005, EN 13284-1:2002 and ISO 9096:2003, as long as compliance to EN 303-5 has been confirmed. For test laboratories using the RHI emission certificate based on the Ofgem template, section 4(d) relating to the testing standards should be marked as not applicable.

24 September changes in a nutshell

- New air quality requirements for biomass boilers
- Simplification of metering requirements
- Allowing heat to be used for processes other than in a building
- Allowing accredited installations to be relocated
- Allowing installations used by installers to gain their MCS accreditation to be eligible for the RHI

Find out more about these changes by visiting **DECC's website** or the **Policy and Regulations** page on the **Ofgem website**.

2. Your application and evidence provided will then be reviewed, but we will not be able to accredit your installation until the draft amendment regulations have commenced. The earliest date of accreditation you can receive will be on or after the commencement date of the draft amendment regulations.

Applications received in the period on or after 24 September 2013 and the day before the start of the draft amendment regulations or before 1st January 2014, whichever is earliest, will be protected from a tariff reduction in the event that DECC announce a degeneration for small or medium biomass technologies for the tariff period starting on 1st January 2014 if:

- the biomass installation has a capacity of 500kW or below
- the application is properly made
- eligibility requirements are met
- the plant was commissioned before 1st January 2014.

Applications received before the start of the draft amendment regulations will need to provide valid meter readings once a date of commencement for the draft amendment regulations has been determined.

Consultation on our guidance

- We have produced draft guidance for consultation to reflect the changes introduced by the September regulatory amendments. We made revisions to both volumes of the main Non Domestic RHI guidance and have also produced separate metering and heat loss assessment guidance. The consultation closed on **25 October 2013** and we will consider all responses before we finalise our guidance by the end of the year. Please visit our [website](#) for further information.



RHI – key figures

Quarterly results (July to September 2013)

- We received **938** new applications between 1 July and 30 September – a **54%** increase on the number of applications received on the previous quarter (**609**)
- We accredited **678** installations under the scheme during the quarter – a **23%** increase on the previous quarter (**551**)
- Renewable heat generated during the quarter amounted to **155.8 GWh**, bringing the amount of heat generated to **457 GWh** since the scheme started
- We made **£6.9m** in scheme payments during this quarter – **9.5%** increase on the payments made in the previous quarter (**£6.3m**)
- The RHI enquiry line received an average of **4,100** enquiries (phone calls and emails) a month.

* 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.

What does the quarterly data say about the Non Domestic RHI?

– July to September 2013

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

- Since July 2013, the number of RHI accredited installations has increased from 1,787 to 2,392
- The chart shows that the number of installations accredited by Ofgem has grown quarter by quarter
- As a result of Ofgem contacting applicants with dormancy asking whether they wished to proceed with their RHI applications, the number of dormant applications* has decreased by 35% on the previous quarter
- 777 applications were sent back to applicants to provide further information. We would like to advise them to respond promptly to our requests to submit further information - the earlier these are responded to, the earlier these installations will be accredited.

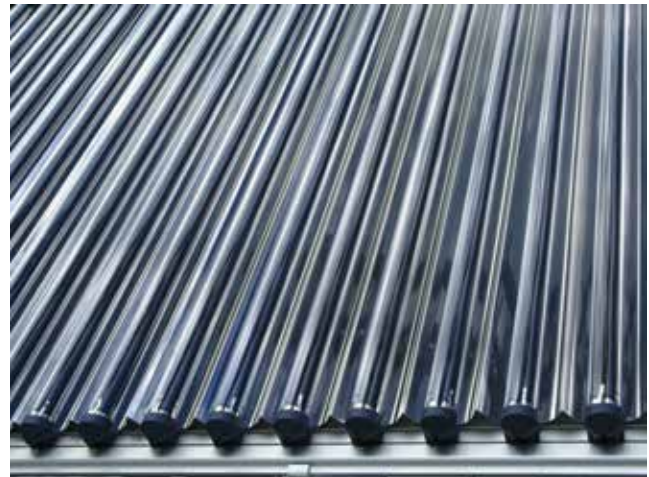
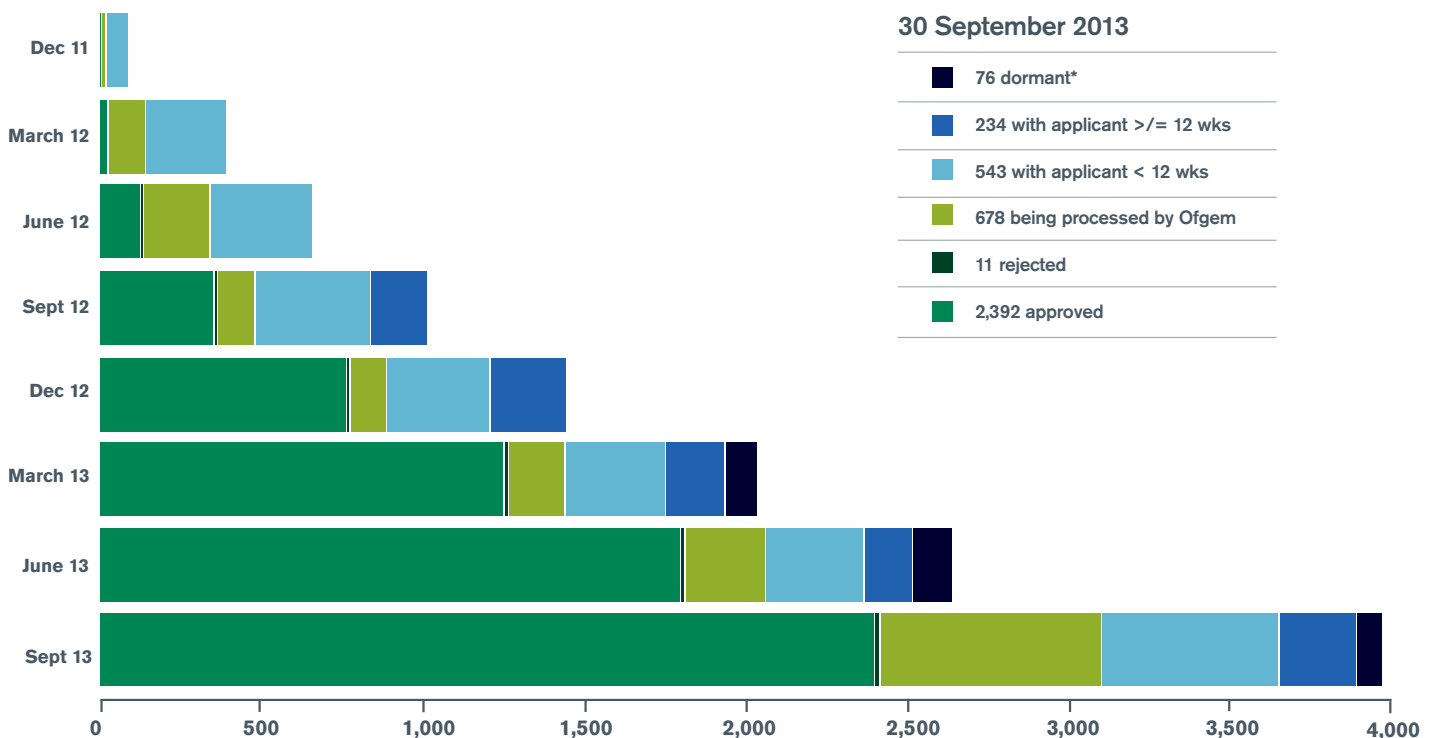


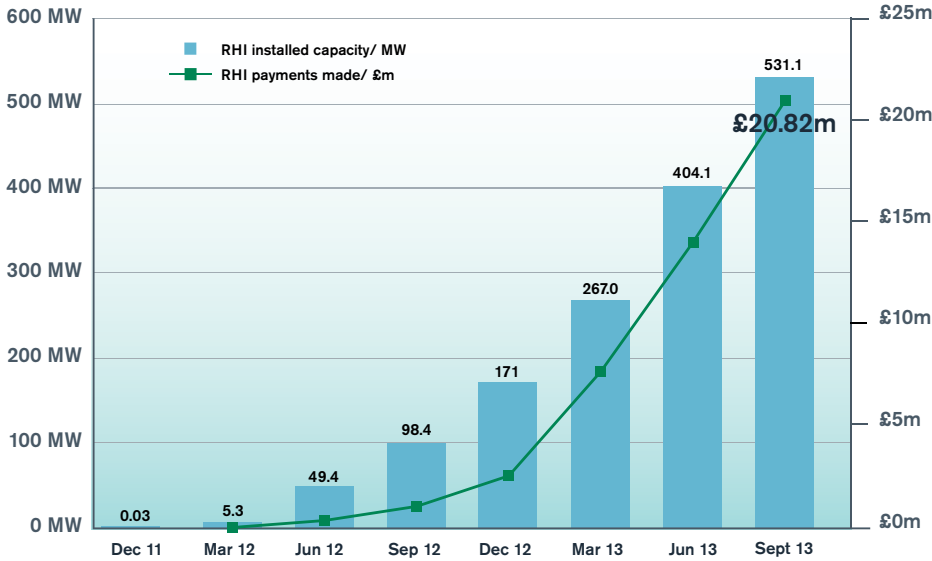
Chart 1: Non Domestic RHI application process



30 September 2013

- 76 dormant*
- 234 with applicant >= 12 wks
- 543 with applicant < 12 wks
- 678 being processed by Ofgem
- 11 rejected
- 2,392 approved

Chart 2: Non Domestic 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 Non Domestic RHI installations by technology type - percentage of installations

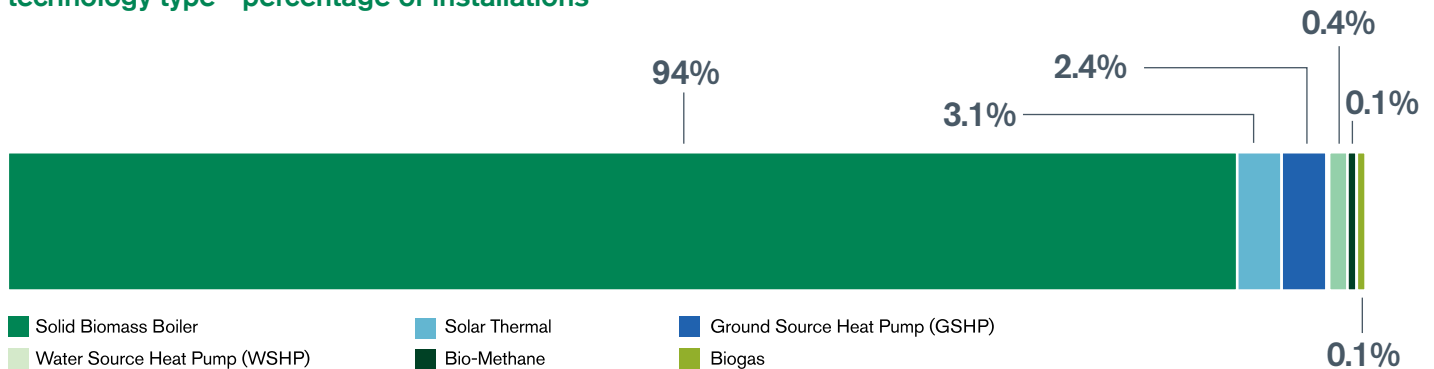


Chart 4: Total capacity installed by country - cumulative

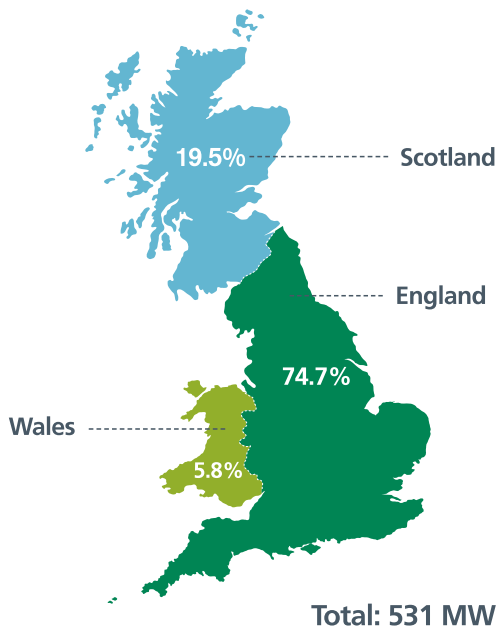
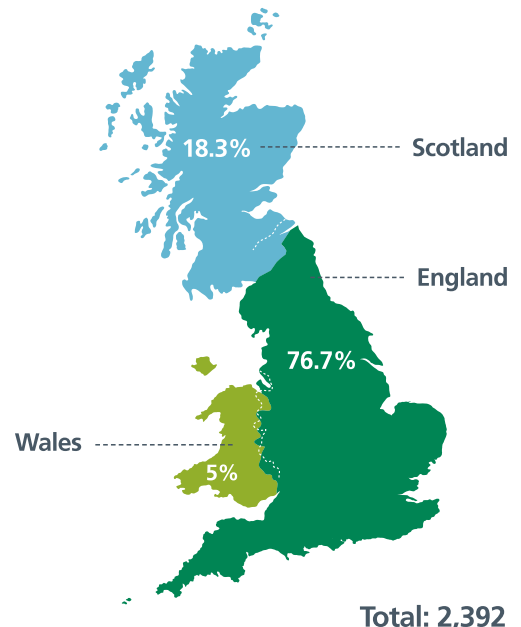


Chart 5: Number of accredited installations by country



How to stay RHI compliant

Once your installation has been accredited under the Non Domestic RHI, it's important that you comply with the scheme's requirements. Failure to do so could lead to your RHI payments being stopped. Complying with these obligations is essential to ensure you don't incur on sanctions such as suspension of your RHI payments.

Site audits have identified the most common non compliances as metering arrangements and keeping fuel records. We recognise these can be challenging tasks so we are providing below some advice on carrying out these obligations correctly.

90°



45°



Meter installation issues typically relate to the flow meter being installed in the flow or return pipe when it should be installed in the opposite pipe; or the flow meter being orientated facing upwards (90°) on a horizontal pipe when manufacturer's guidelines state it should be installed at +/- 45°

Metering arrangements

- **Seek competent professional advice** on metering arrangements. If an Independent Report on Metering Arrangement (IRMA) is required for your installation, you must ensure it is completed by a competent person. Ask potential IRMA providers when and where they were trained in the RHI requirements to ensure the report is completed properly
- **Correct installation of meters** and their positioning is one of the most crucial elements in staying compliant. Your meter's installation manual from the meter's manufacturers will help your installer ensure the meter's position and installation meet the scheme's requirements
- **Set up a routine of inspection**, monitoring and maintenance in line with the manufacturer's instructions to ensure heat meters are working as required. Keep a record of the maintenance schedule.

Fuel records

- The records you keep should include the quantity and type of biomass fuel used and the date that the fuel was supplied or delivered to the boiler house
- If easier, records of fuel used could take the form of a boiler log, an example of which is available in our [Easy Guide for Fuel Records](#)
- If you purchase your fuel from a third party supplier, you should always keep records of the fuel that you have purchased, including invoices. If you harvest fuel supplies from your own woodland or use waste wood from industrial processes, also keep a record of where the fuel was sourced.

Your toolkit to staying compliant

- For a full list of your ongoing obligations, please read our **RHI Guidance Volume Two**
- The **Easy Guide to compliance** will introduce you to the main requirements to comply with the scheme
- The **Easy Guide to periodic data** will give you an overview on how and when to submit periodic data to us
- The **Easy Guide for fuel records** helps you understand what fuel records you need to keep and provides some examples of how to comply with our requirements
- We require an **Independent Report on Metering Arrangements (IRMA) template** to verify metering arrangements of some installations. A new version of the report is available for those who applied on or after 24 September.

These guides and supporting documents are available at www.ofgem.gov.uk/rhi



Learning opportunities

- If you are offering metering services to Non Domestic RHI applicants, you need to ensure your staff are knowledgeable and competent and that they read manufacturers' instructions. Aside from our guidance and information material available on the Ofgem website, installers wishing to update their knowledge can also refer to trade bodies. Industry associations are taking steps to develop Non Domestic RHI specific training. For example, courses in metering design and installation are available from CIBSE, B & ES and TEAM. Visit their websites for further information.
- Ofgem will be holding an IRMA workshop for IRMA authors and providers in early December. The objective of the workshop is to discuss the legislative amendments to metering for the Non Domestic RHI and the new requirements for the accreditation process, as well as answering any questions on the new version of the IRMA template. As part of the workshop, we will also be explaining the steps to follow to determine multiple and standard installations. We will be emailing IRMA authors with more details, so please look out for the invite.

Contact us

RHI

For more information, visit the Non Domestic RHI web pages. **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**

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.

Domestic RHI

DECC have now announced that a domestic version of the scheme should open from spring 2014. For more information check **www.gov.uk/renewableheatincentive** or call the Energy Saving Advice Service on **0300 123 1234**.

Press enquiries

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