

Renewable Heat Incentive

Annual Report

www.ofgem.gov.uk

July 2014

The second issue of the annual report provides an update on the Non-Domestic Renewable Heat Incentive (RHI) from April 2013 to March 2014. The report presents a summary of the Non-Domestic RHI statistics and data.

A year of rapid growth and significant change

The RHI is the Government's key mechanism for driving uptake of renewable heat to deliver the UK's contribution to the EU renewables target with the aspiration of generating 15% of energy from renewable sources by 2020.

In line with this aspiration the number of plants accredited to the Non-Domestic RHI, and the amount of heat they have generated has grown substantially in the period covered by this second report on the scheme.

Ofgem is responsible for the administration of the scheme on behalf of government, providing information to those thinking of applying for the RHI, reviewing applications, receiving and examining meter data and making payments to participants. Ofgem is also responsible for ensuring that the scheme is robust against fraud or error.

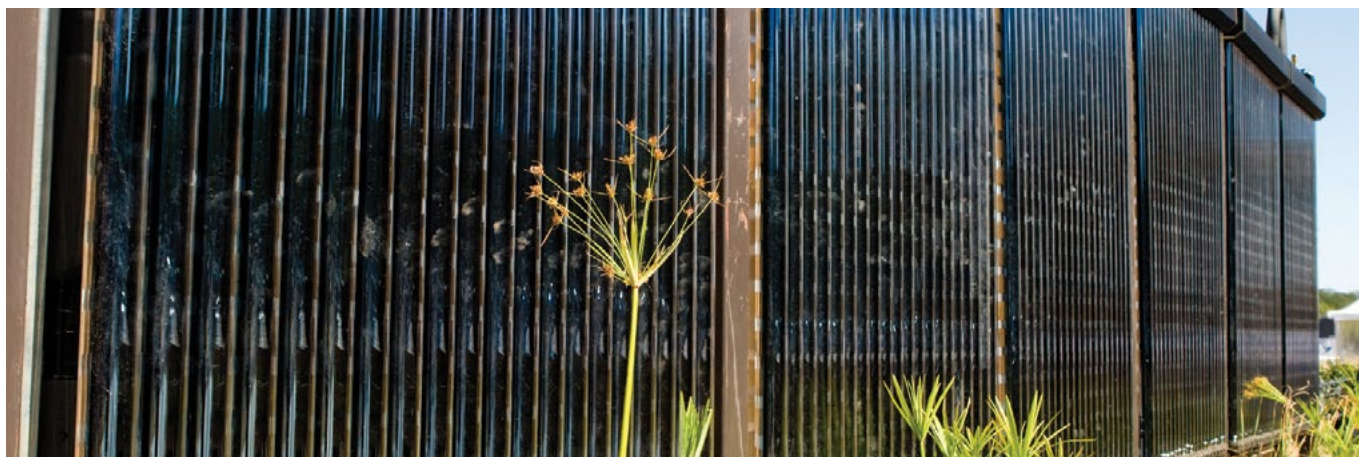
In the financial year 2013/14 we have:

- supported 3436 applicants and accredited 2561 installations – more than twice the number approved in the first 18 months of the scheme
- carried out 2858 identity and bank validation checks

- made £36 million in payments to accredited participants – more than four times the amount paid in the first 18 months of the scheme
- run an intensive programme of audits to identify non-compliance
- approved 458MW of capacity to the RHI scheme, and
- handled over 32,000 calls and 8700 emails

We also developed the scheme operations significantly in the year. We improved our use of our Customer Relations Management system and developed standard text for use when asking applicants for further information with the aim of making our questions clearer and more consistent.

We recognise the need for applicants to have access to skilled consultants and installers able to provide RHI compliant systems. Ofgem has worked with industry to help improve the standard of installations and to provide information to applicants on standards required under the RHI regulations to help them ensure their installations are compliant.

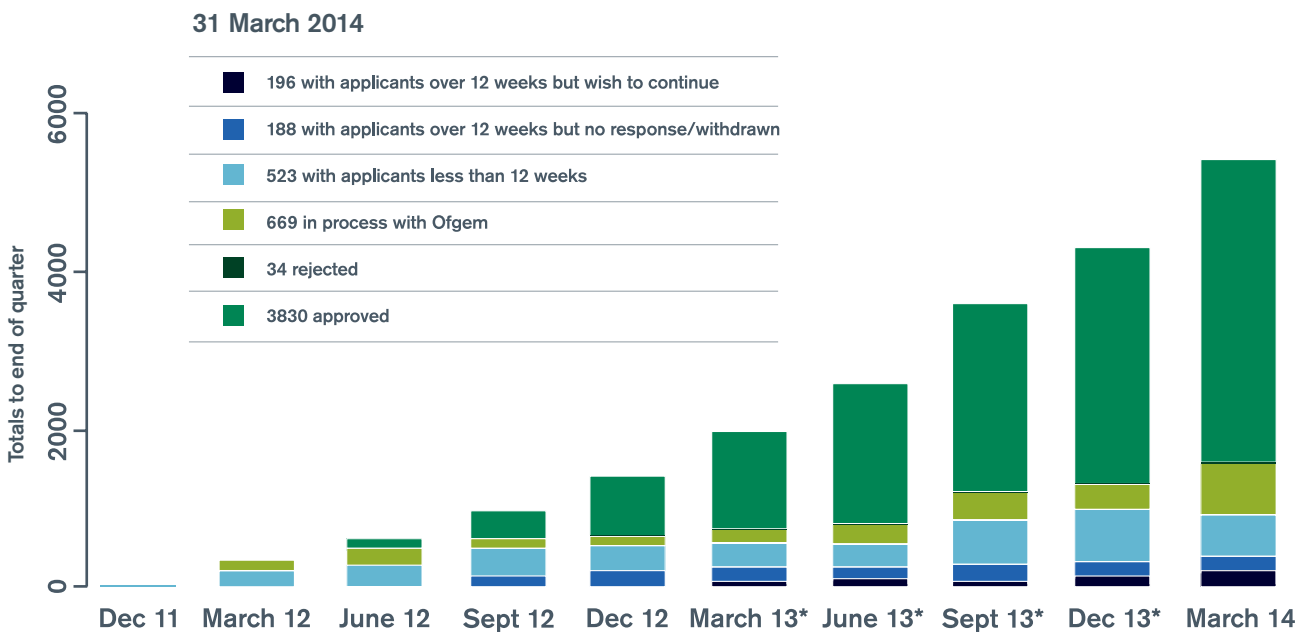


We have also worked to help applicants, and particularly multiple applicants to understand what is required to establish eligibility for the scheme. For example, we ran events specifically for those who provide Independent Reports on Metering Arrangements (IRMAs). We also developed easy guides on metering and metering flow charts and spoke at events including one aimed at metering professionals attended by over 600 specialists and RHI participants.

Annual results - December 2011 to March 2014

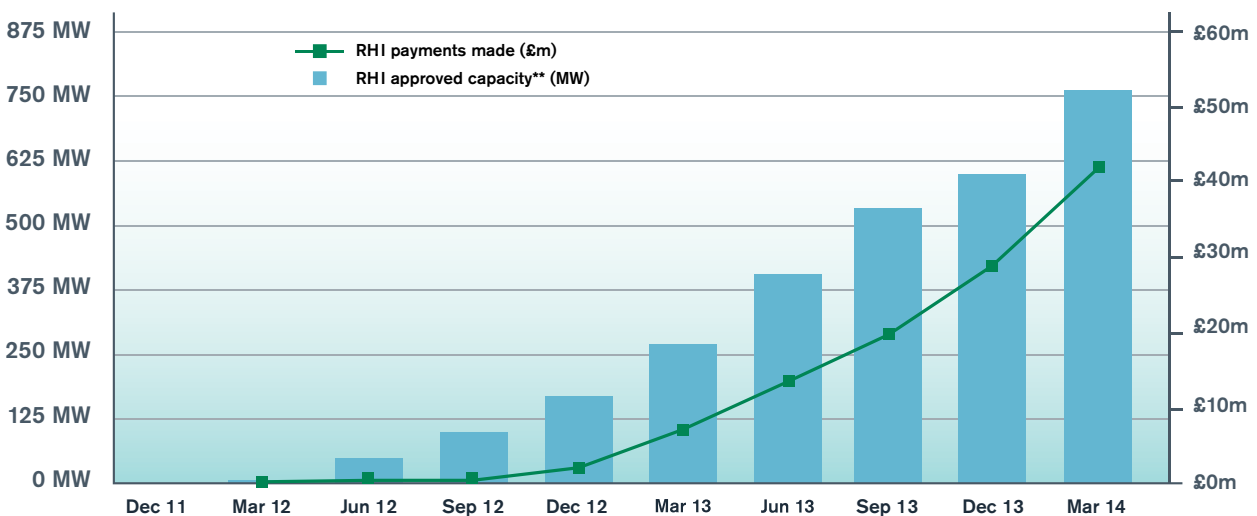
The five graphics below and on the next page give the status of RHI applications; the RHI installed payments and capacity at the end of each quarter since the scheme began; the proportion of accredited RHI installations by technology type; total capacity installed by country; and number of approved installations by country.

Chart 1: RHI application process



This chart presents the status of Non-Domestic RHI applications and accreditations at quarterly intervals since the scheme began.

Chart 2: RHI approved capacity and payments - cumulative



* Please note that from December the descriptions for 'With applicant over 12 weeks or more' and 'Dormant' previously reported have been amended to 'With Applicant Over 12 weeks (But wish to continue)' and 'With applicant over 12 weeks but no response / withdrawn'. Numbers for with applicant over 12 weeks prior to December 13 may not be consistent with current terminology.

** The 'approved' figures are based on all initial applications that have preliminary approval and all full applications that have been accredited. Figures may be subject to change.

Chart 3: Proportion of approved Non-Domestic RHI installations by technology type - percentage of installations

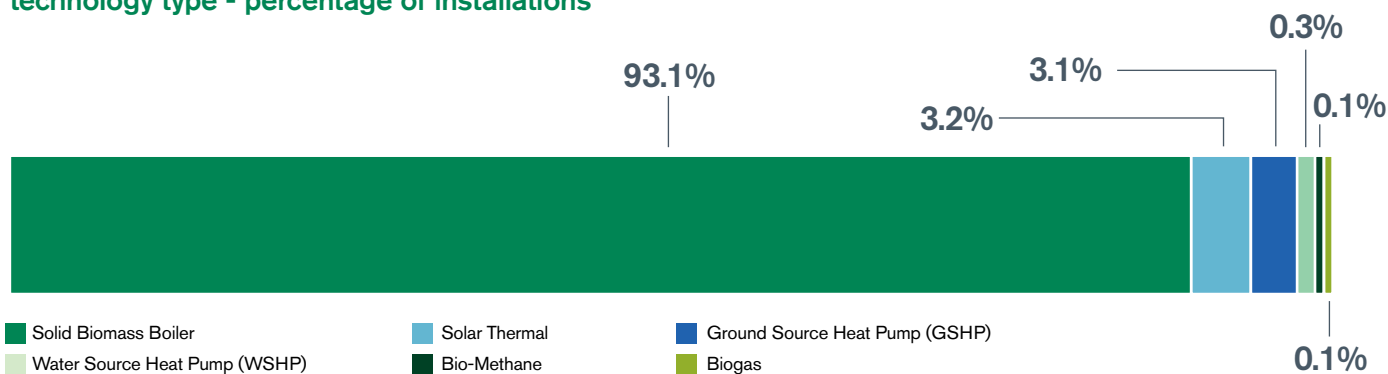


Chart 4: Non-Domestic RHI total approved capacity by country

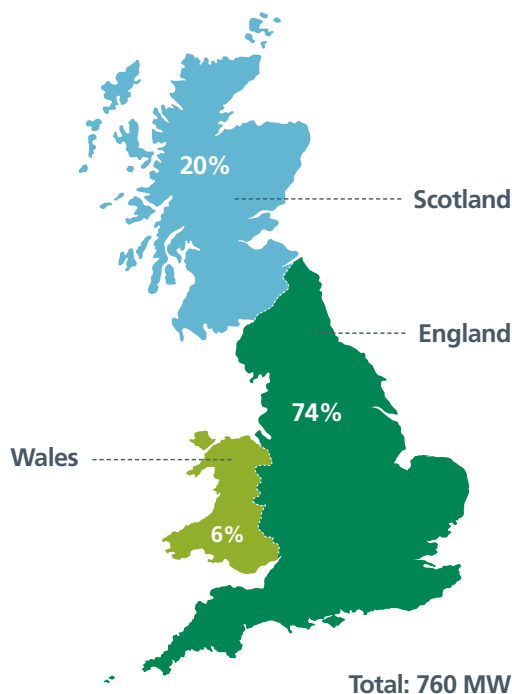
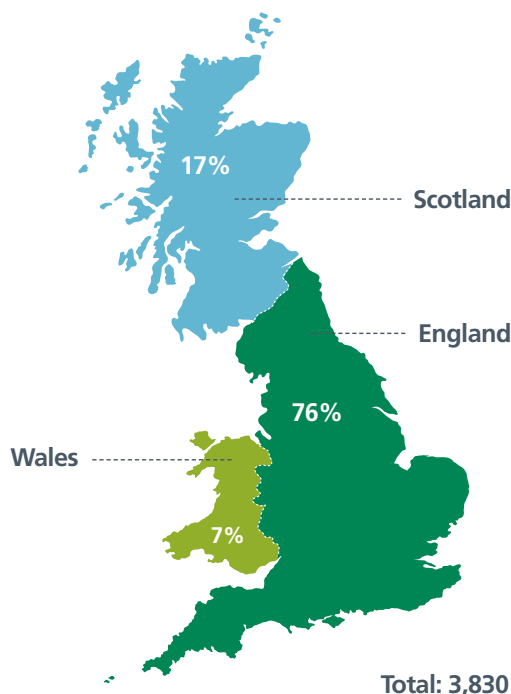


Chart 5: Percentage of approved Non-Domestic RHI installations by country



Significant changes to non-domestic RHI regulations

Our efforts were supported by DECC, the government department responsible for developing the scheme policy and regulatory framework.

On 24 September 2013, DECC introduced a number of significant changes to the Non-Domestic Renewable Heat Incentive. The two most significant changes were:

1. simplified metering requirements - the rules now require the minimum number of meters necessary to calculate your scheme payment; and
2. air quality requirements for biomass boilers – all applicants with biomass boilers will now need to submit an [RHI emission certificate](#) or a valid environmental permit with their application.

Other changes and improvements introduced in September 2013 included:

- heat to be used for processes other than in a building
- in certain circumstances accredited installations can be moved providing the installation meets the necessary requirements in its new location
- installations used to gain Microgeneration Certification Scheme accreditation can be eligible for the Non-Domestic RHI.

Other changes were made in spring 2014, with further changes anticipated in 2015. Please see our [website](#) for further details.

Key contacts

RHI

For more information, visit the Ofgem webpage at **www.ofgem.gov.uk/rhi**. You will find clear information about the accreditation process, how to apply and instructions on 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**