

Domestic Renewable Heat Incentive Quarterly Report

Update

www.ofgem.gov.uk/domestic-renewable-heat-incentive

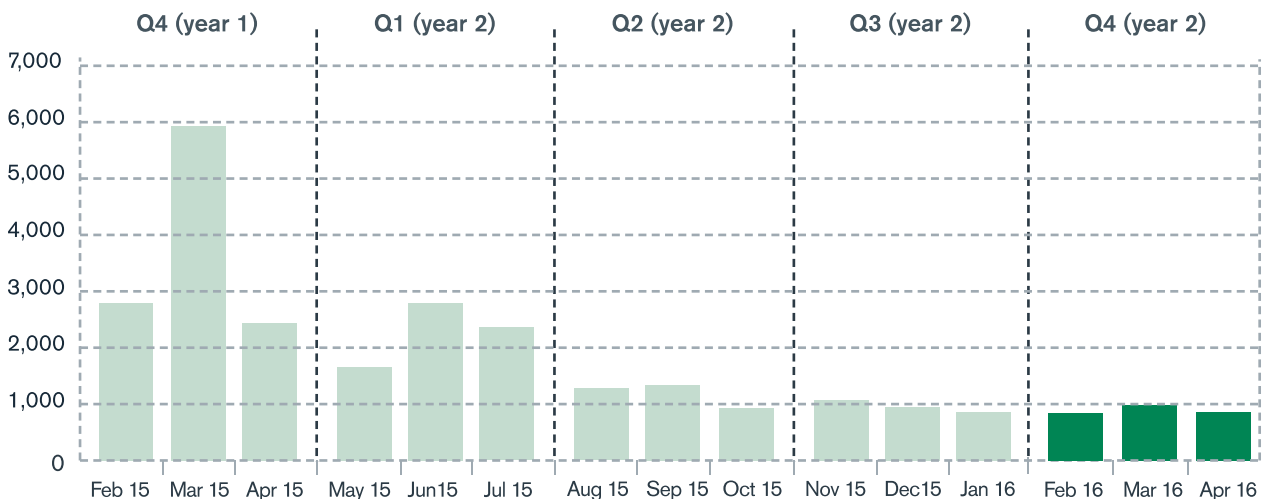
May 2016

Issue 8



The Domestic Renewable Heat Incentive (RHI) opened for applications on 9 April 2014 for customers across England, Scotland and Wales who install eligible renewable heating technologies in their homes. This report details scheme activity in Quarter 4 (year 2) of the Domestic RHI scheme, covering the period February 2016 to April 2016.*

No. of accreditations



| Quarterly accreditations | |
|------------------------------|--------|
| Q4 Feb 15 - Apr 15 | 11,213 |
| Q1 May 15 - Jul 15 | 6,850 |
| Q2 Aug 15 - Oct 15 | 3,550 |
| Q3 Nov 15 - Jan 16 | 2,914 |
| Q4 Feb 16 - Apr 16 | 2,742 |

| Accreditations made | |
|---------------------|-------------------------------|
| 852 Feb - 16 | 1,002 Mar - 16 |
| 888 Apr - 16 | 2,742 Quarter Total |

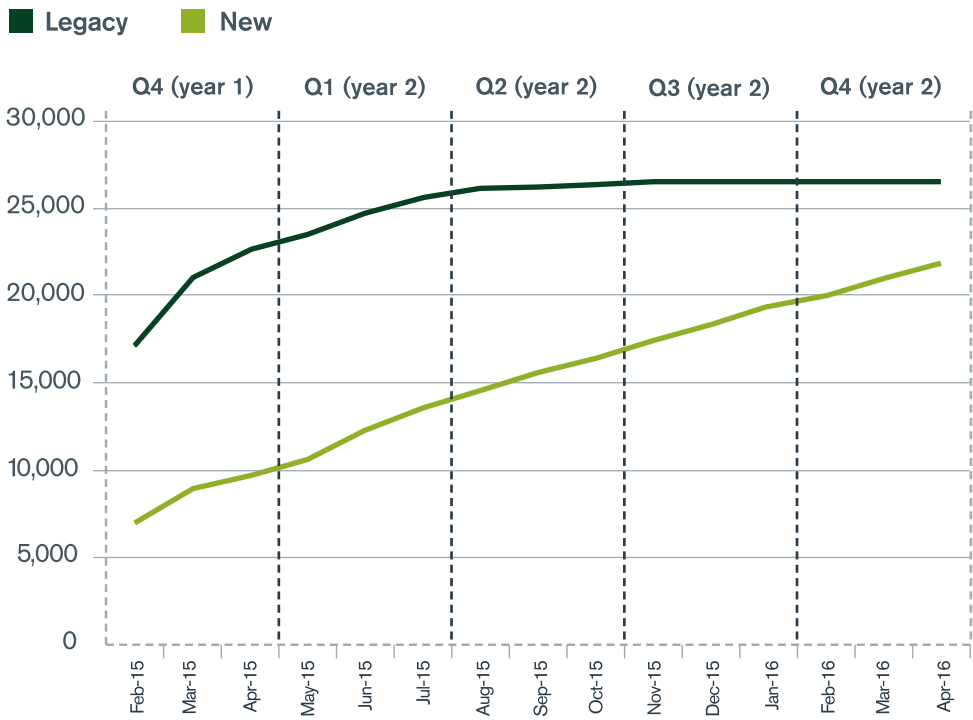
In total, we have made
48,482
accreditations since the launch of the scheme

*As per the Domestic Renewable Heat Incentives regulations, our quarterly reports cover the following periods:

- Q1:** May to July
- Q2:** August to October
- Q3:** November to January
- Q4:** February to April

Legacy and new accreditations (cumulative)

| Q4 (year 1) | | Q1 (year 2) | | Q2 (year 2) | | Q3 (year 2) | | Q4 (year 2) | |
|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|
| Legacy | New | Legacy | New | Legacy | New | Legacy | New | Legacy | New |
| 7,536 | 3,677 | 3,057 | 3,793 | 739 | 2,811 | 107 | 2,807 | 60 | 2,682 |



Legacy accreditations are systems that were commissioned between 15 July 2009 when the RHI was first announced by DECC, and 9 April 2014 when the Domestic RHI scheme launched. New systems are those that were commissioned on or after 9 April 2014. The application window for legacy applicants closed in April 2015.

Accreditations for new systems have been relatively steady over the last year, the average number of accreditations for new systems has been 3,023 a quarter.

Legacy accreditations in Quarter 4 relate to the sale of properties by legacy system owners. The scheme will cancel accreditations when there is a transfer of ownership and the new owners are required to apply to the scheme to receive the remainder of incentive payments due. Thereafter an accredited installation is counted only once within the data presented.

| Legacy | |
|--------|---------------|
| 19 | 16 |
| Feb-16 | Mar-16 |
| 25 | 60 |
| Apr-16 | Quarter Total |

| New | |
|--------|---------------|
| 833 | 986 |
| Feb-16 | Mar-16 |
| 863 | 2,682 |
| Apr-16 | Quarter Total |

In total we have made **26,596** legacy accreditations since the launch of the scheme

In total we have made **21,886** new accreditations since the launch of the scheme

Payments made to date



£53.7
million

Biomass



£23.9
million

Ground Source Heat Pump



£15.8
million

Air Source Heat Pump



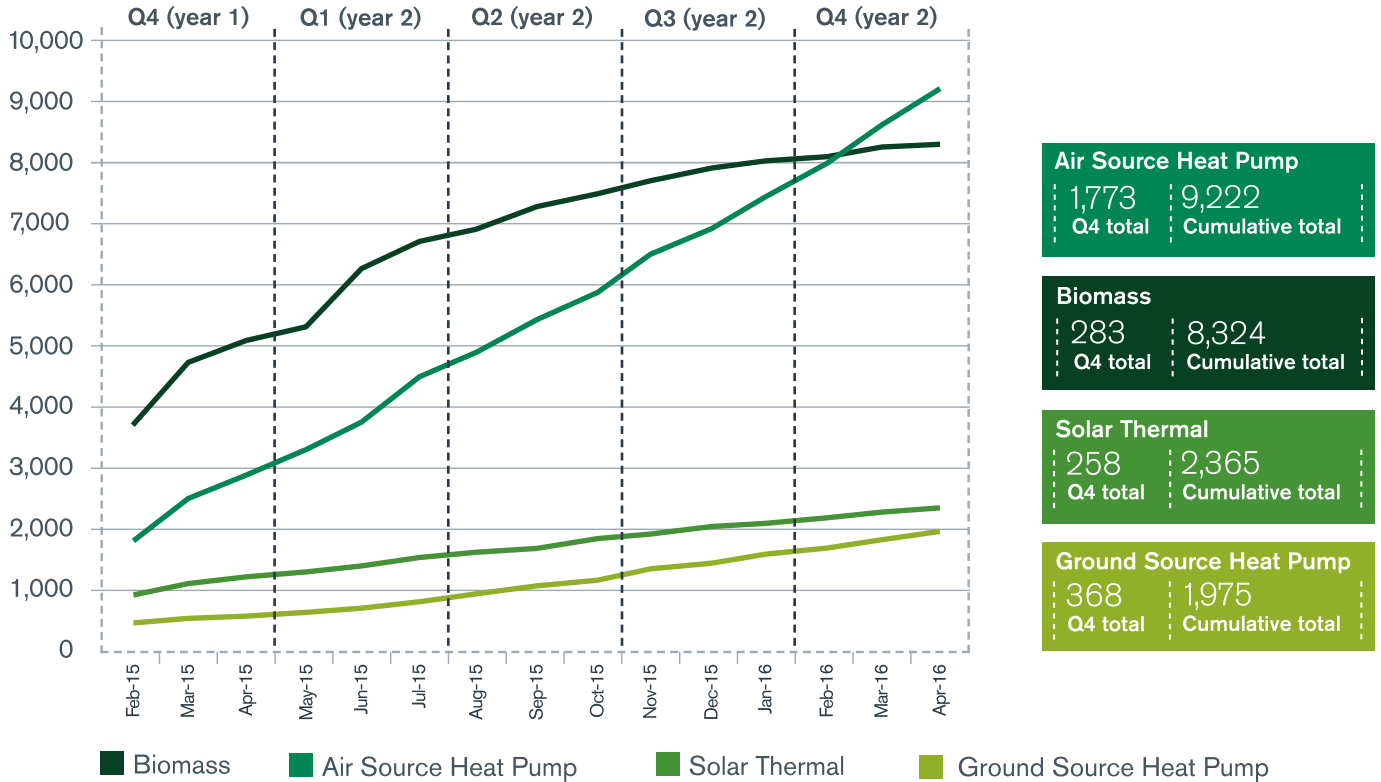
£2.6
million

Solar Thermal

Accreditations by technology for new applications

The graph below shows the cumulative number of accreditations made per technology type for new systems only (systems commissioned on or after 9 April 2014). Degressions to the biomass tariff occurred every 3 months from January 2015 to January 2016. This caused an increase in volume of applications in the run up to each of these changes which decreased in scale each time. This is shown by the slightly uneven biomass line. In March, for the first time the total number of new accredited systems for air source heat pumps exceeded those for biomass systems.

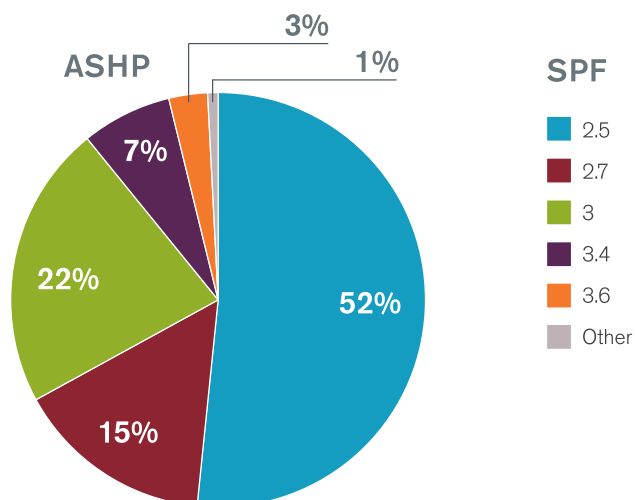
New Accreditations (cumulative)



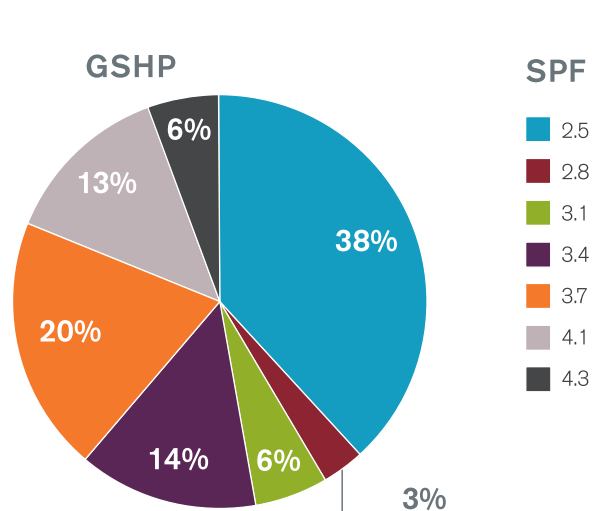
Seasonal Performance Factors (SPFs)

The SPF of a heat pump is a measure of how efficiently it is operating. The higher the SPF, the more energy efficient the system is. Only heat pumps with SPFs of 2.5 or higher can be eligible for Domestic RHI. All legacy systems were automatically assigned an SPF of 2.5, unless the applicant provided SPF calculations completed by the installer.

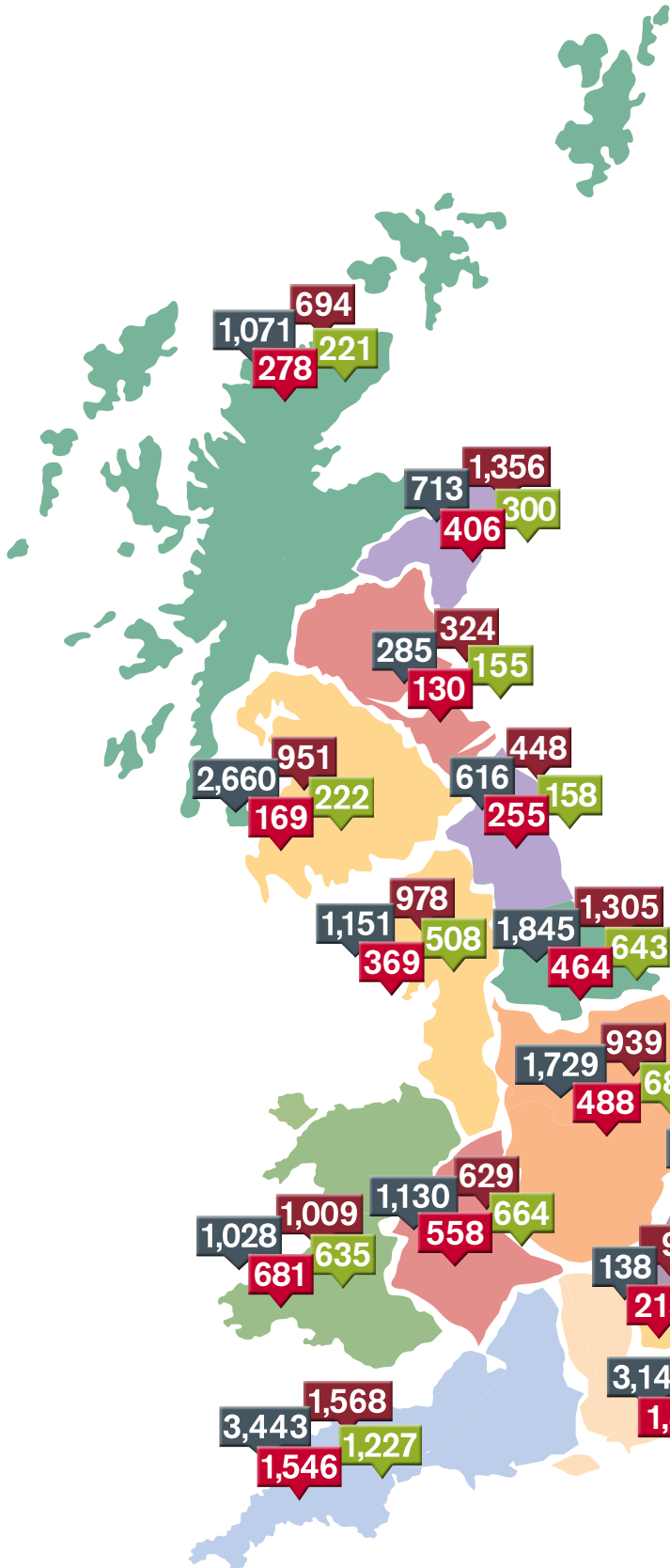
ASHP Seasonal performance factors (SPFs)



GSHP Seasonal performance factors (SPFs)

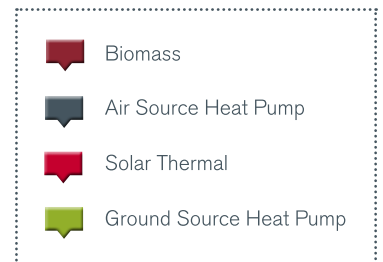


Regional distribution of accreditations



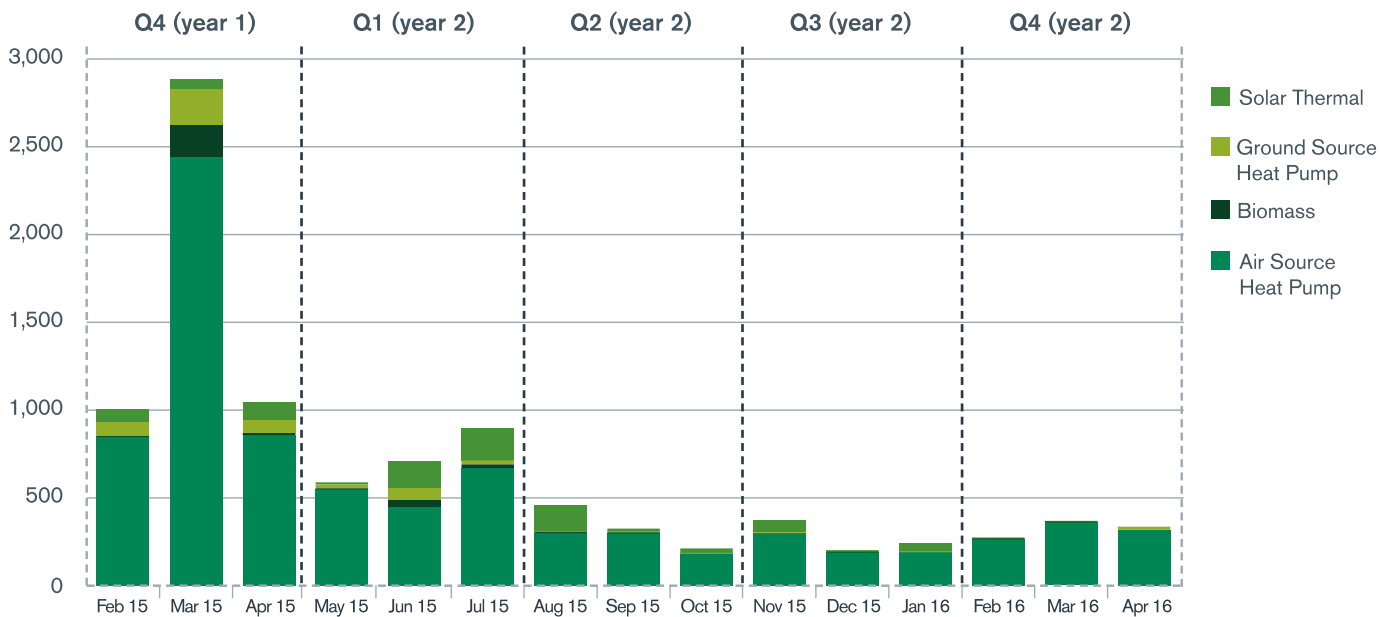
Total accreditations per region (up to April 2016)

| Location | ASHP | Biomass | GSHP | Solar Thermal | Grand Total | % increase from Q2 |
|------------------------|---------------|---------------|--------------|---------------|---------------|--------------------|
| South West England | 3,443 | 1,568 | 1,227 | 1,546 | 7,784 | 5 |
| South East England | 3,144 | 568 | 912 | 1,364 | 5,988 | 6 |
| East England | 3,208 | 834 | 663 | 739 | 5,444 | 5 |
| Yorkshire & the Humber | 1,845 | 1,305 | 643 | 464 | 4,257 | 5 |
| South West Scotland | 2,660 | 951 | 222 | 169 | 4,002 | 9 |
| East Midlands | 1,729 | 939 | 687 | 488 | 3,843 | 5 |
| Wales | 1,028 | 1,009 | 635 | 681 | 3,353 | 5 |
| North West England | 1,151 | 978 | 508 | 369 | 3,006 | 6 |
| West Midlands | 1,130 | 629 | 664 | 558 | 2,981 | 5 |
| East Scotland | 713 | 1,356 | 300 | 406 | 2,775 | 5 |
| Highlands & Islands | 1,071 | 694 | 221 | 278 | 2,264 | 10 |
| North East England | 616 | 448 | 158 | 255 | 1,477 | 7 |
| North East Scotland | 285 | 324 | 155 | 130 | 894 | 9 |
| London | 138 | 9 | 52 | 215 | 414 | 8 |
| Grand Total | 22,161 | 11,612 | 7,047 | 7,662 | 48,482 | 6 |

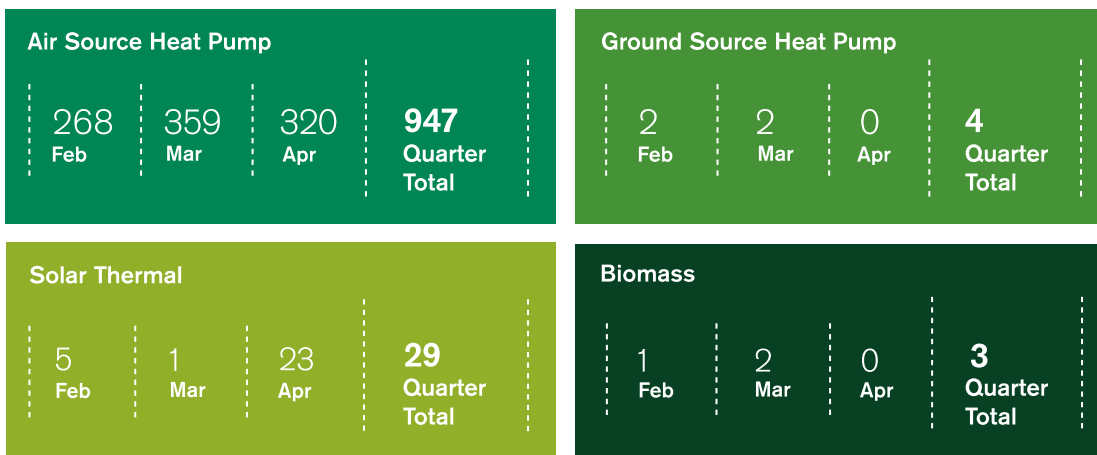


Registered Social Landlords (RSLs)

In addition to homeowners, RSLs are also eligible to apply for the Domestic RHI. The large increase in RSL accreditations in February and March 2015 was due to a combination of the removal of Green Deal requirements for RSLs and the pending closure of the legacy application window. 59% of RSL accreditations are for legacy systems. In total, 11,535 accreditations have been made so far.



RSL accreditations (Q4)



We have made over
£4.36 million
 of payments to Registered Social Landlords to date.

Our administration

85%

of applications last quarter received a decision within working 30 days

We use feedback from our applicants to continuously improve and streamline the application process. Our survey is sent to applicants where a decision has been made on their application, and we have received over 12,315 responses to date. Our results so far show:

Our Net Promoter Score (NPS) for the last quarter

+55.6%

49.4% Feb | 56.5% Mar | 60.81% Apr

The NPS is calculated by asking our applicants how likely they would be to recommend the Domestic RHI application process to others. We then take the percentage of applicants who score us **9 or 10 out of 10**, and subtract the percentage of applicants who score us **1 to 6 out of 10**.

7.9 average satisfaction with the application process
10

7.9 average satisfaction with the customer service received
10

8.5 likelihood to recommend the Domestic RHI based on the application process
10

We estimate that accredited systems will save over

3.3 MT of CO₂
OVER THE LIFETIME OF THE SCHEME

Since scheme launch, accredited systems have generated over:

859,000 MWh
OF RENEWABLE HEAT



If you have any questions about the content of this report, please let us know by emailing Survey.DomesticRHI@ofgem.gov.uk

