

Renewable Heat Incentive

Heat loss calculations: Proposals made by the NON Domestic RHI Industry Advisory Group

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October 2013

On 29 May 2012 a meeting of the Non Domestic RHI Industry Advisory Group and other interested parties was held which focused on the use of heat loss calculations in the RHI scheme.

Ofgem guidance refers to the possible use of heat loss calculations as a means of calculating heat losses from external pipe work where the installation of meters would be 'unduly burdensome'. The meeting discussed what might be the appropriate methodology for calculating heat losses and also the criteria which might be used to support an argument that metering was unduly burdensome.

At the meeting it was decided that an existing heat loss calculation spreadsheet, which was agreed to be an appropriate calculation method for heat loss, would be included in 'Technical Guidance on Heat Metering' which is due to be published by the Building and Engineering Services Association in July.

More information is available at the following location: www.b-es.org/b-es-connections/industry-news/crucial-role-of-heat-meters

Criteria for acceptance (prior to 24th September 2013)

The following circumstances under which heat loss calculations might be considered acceptable in place of installing sub-meters were discussed and agreed at the meeting. A suitable cut off point for each criterion was also endorsed and is included below.

Criterion	Cut-off level/threshold	Why this should be acceptable
<i>"de minimis"</i>	Where the value of heat losses would be less than £100 per year	The administration cost of processing metering information or heat loss calculations would be greater than the value of the losses
<i>Technically impractical</i>	There must be a robust technical case	This would only apply where there are physical constraints, safety factors, and/or environmental impediments to meter installation

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Meters “within error margin”	Where the heat losses would amount to less than 6% of eligible heat output	Given the margin of error in heat metering, in this case, installing additional heat meters could be less accurate than heat loss calculations
High additional metering cost	Where the cost of installing meters would exceed 5% of the total installation cost or £50k, whichever is lower	In this case the installation of meters could be judged to be disproportionately expensive

Further feedback is invited on these criteria which will also be published by B and ES in the near future.

Criteria for acceptance (for applications submitted on or after 24th September 2013)

Further to regulatory changes coming into force from the 24 September 2013, Heat Loss Calculations (HLC) will be accepted in place of meters in *certain circumstances* where one or more of the following apply:

Criterion
One or more individual lengths of external pipework are ‘properly insulated’ but are > 10m and the average annual heat loss from all such piping is > 3% of the projected annual heat output of the plant
Due to physical constraints, reasons of safety or environmental conditions it is not practical to install a meter
A heat meter would provide less accurate results than a heat loss calculation
The cost of installing a heat meter would be disproportionate (> 5% but <£50,000) when compared to the total installation cost of the plant
Ofgem’s administrative costs (£100) for processing metering data from a heat meter would be greater than the value of the heat losses that RHI payments would be being made on

A Heat Loss Calculator is included as part of the Heat Loss Assessment Questionnaire available on the RHI website.

If you need help

Telephone: 0300 003 2289 **Email:** rhi.enquiry@ofgem.gov.uk

(RHI enquiry line open Monday to Thursday 9am-5pm and to 4.30pm on Fridays)

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