

Non-Domestic Renewable Heat Incentive (RHI)

Annual Report

www.ofgem.gov.uk

July 2017

This is the fifth Non-Domestic Renewable Heat Incentive (RHI) annual report and provides an update on the scheme from April 2016 to March 2017. It includes key statistics, data and a summary of activity over the past year.

Update on the Non-Domestic RHI

The Non-Domestic Renewable Heat Incentive (RHI) is a government environmental programme that provides financial incentives to increase the uptake of renewable heat by businesses, the public sector and non-profit organisations. The scheme, which was set up in 2011, contributes to the UK's target of meeting 15% of energy demands with renewable sources by 2020.

Ofgem E-Serve administers a number of environmental programmes including the Non-Domestic RHI. The Department for Business, Energy & Industrial Strategy (BEIS) writes the regulations which are approved by Parliament. We oversee the application process, provide guidance to applicants and participants, accredit eligible installations and register producers of biomethane for injection. We receive and check participants' meter readings and other periodic data submissions, make payments and carry out checks to ensure applicants and participants comply with scheme rules. Ofgem E-serve is also responsible for ensuring the scheme is robust against fraud and error.

We are committed to providing an excellent service to applicants and participants on the scheme. This includes improving the way the scheme operates and implementing major policy changes.

- In July 2016 we redeveloped our website improving the language and layout, making content search easier.
- In January 2017 the Non-Domestic RHI reached another major milestone of 3GW of installed capacity accredited to the scheme.
- In January 2017 we published a response to our consultation in respect of installations generating heat using ground source heat pumps and recovered heat. The decision was to continue with the existing operational approach and that RHI support would not be provided to recovered heat that has not circulated the ground loop.
- In March 2017 we introduced a new online system to enable applicants to enter their bank details so that we can verify them automatically through a secure third party. If this verification is successful, participants won't need to post documents to us. Participants also benefit from this new system as it now allows them to view and change their bank details through the RHI Register.
- We conducted regular audit checks throughout the year as part of our commitment to ensure compliance on the scheme. 224 site audits were conducted with a total of £547,818 of Public Funds Protected (i.e. expected to be recovered following compliance investigation).
- We attended events throughout the year, taking part in presentations and Q&A sessions across the UK.

Over the financial year 2016/17 we have:

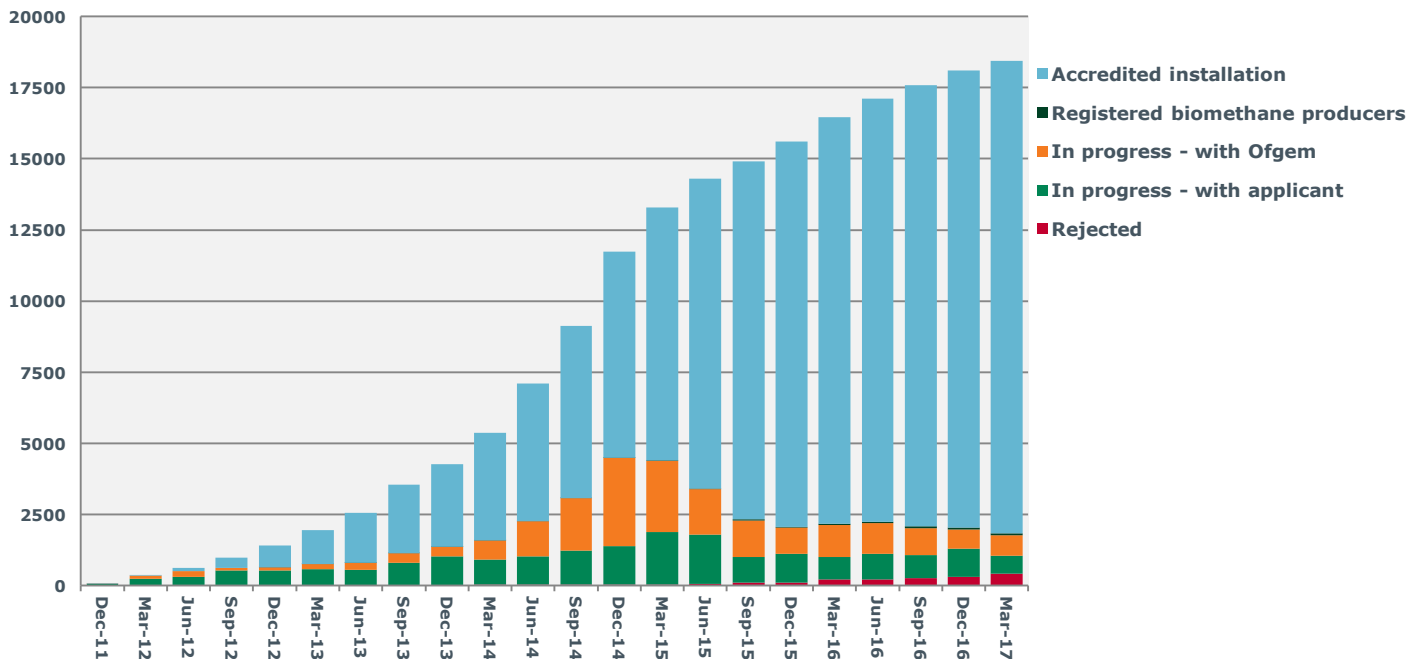
 <p>Handled over 33,351 calls</p>  <p>...and 30,138 emails</p>	 <p>Run an intensive programme of audits to identify non-compliance</p>  <p>Accredited 2,407 installations and completed 28 Biomethane registrations</p>	 <p>Made £368.7 million in payments to participants</p>	 <p>Received 2,551 applications</p>  <p>Approved 820 MW of heat capacity to the scheme</p>
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December 2011-March 2017

The following charts and graphs on this page and the next page provide key statistics for the Non-Domestic RHI scheme.

Chart 1: Non-Domestic RHI application process

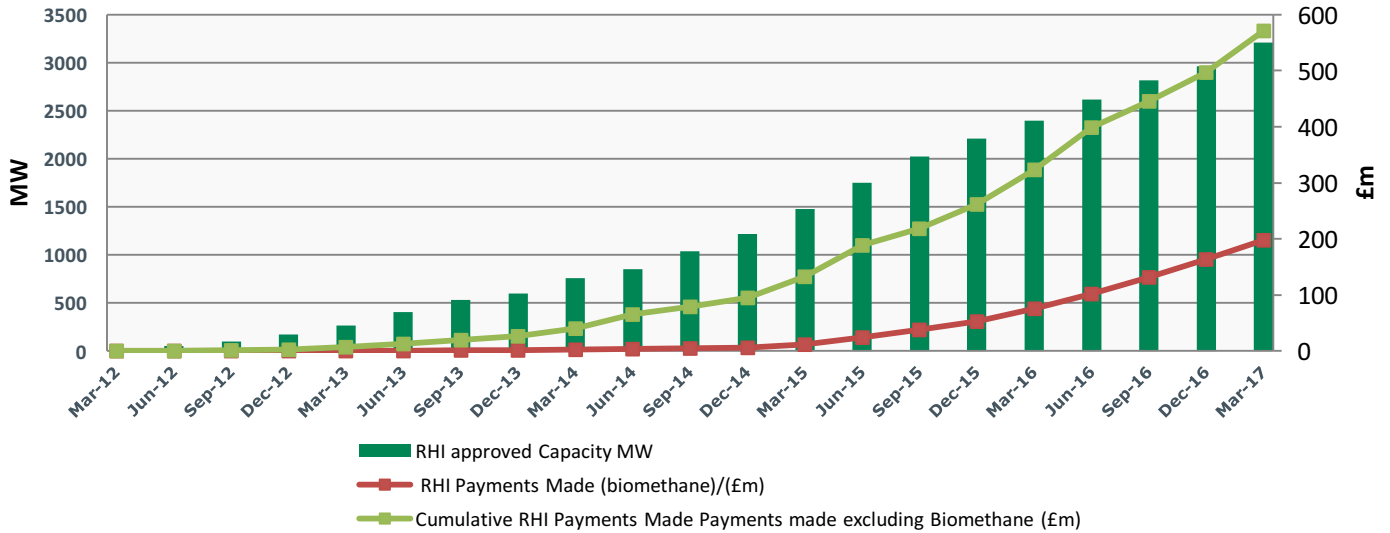
This chart presents the status of Non-Domestic RHI applications and accreditations at quarterly intervals since the scheme began (split by key categories).



Historical figures can be found on our [website](#).

Chart 2: RHI approved capacity and payments (cumulative)

Non-Domestic RHI payments are made based on quarterly heat data submitted by participants with the first payments made in March 2012. These capacity figures are based on active full accreditations from June 2014. Before June 2014 the figures included preliminary and full approvals.



Historical figures can be found on our [website](#).

Chart 3: proportion of approved Non-Domestic RHI installations by technology type (scheme to date)

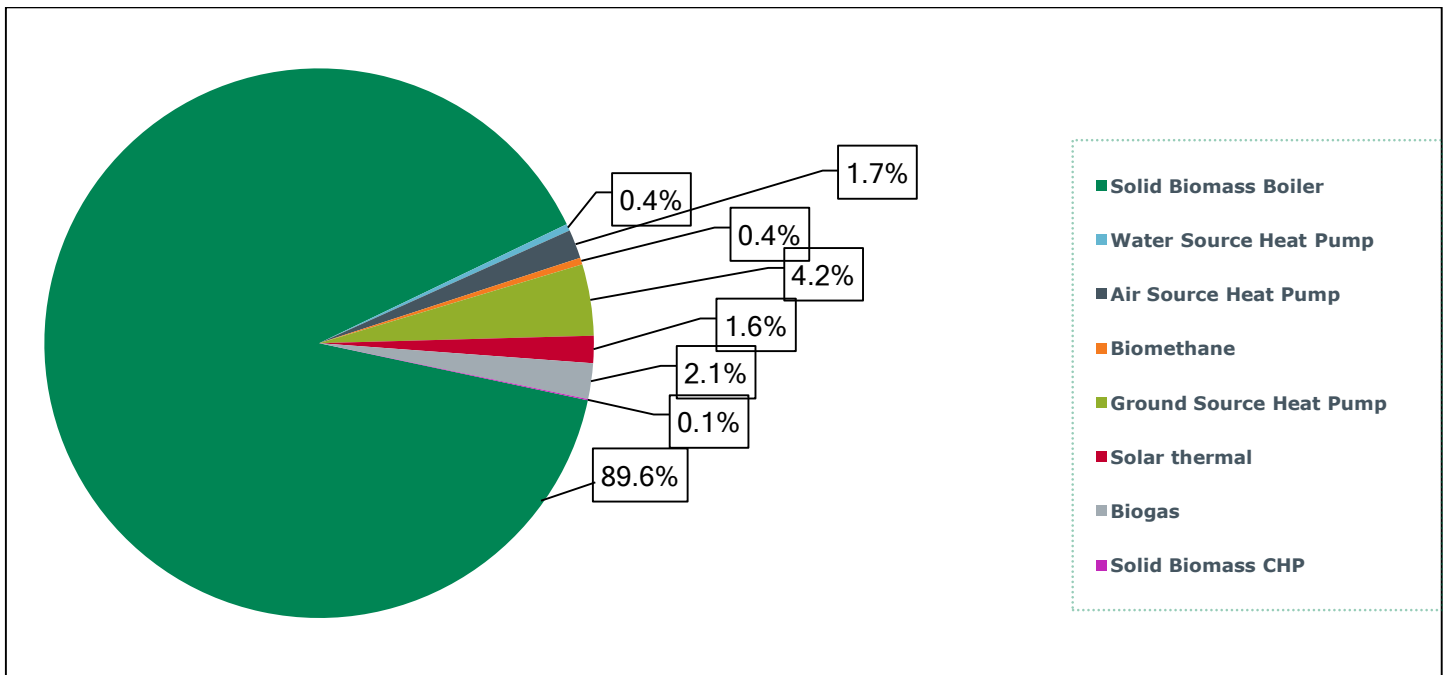


Chart 4: Non-Domestic RHI total accredited capacity (MW) by country (scheme to date)

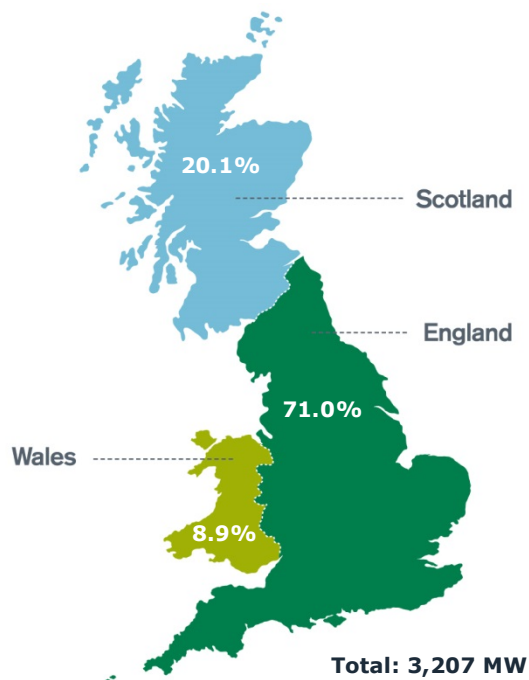
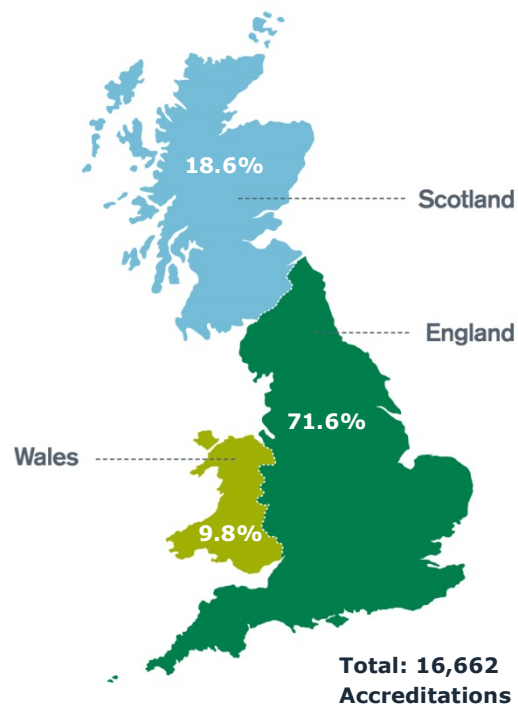


Chart 5: Percentage of accredited Non-Domestic RHI installations and registered biomethane producers by country (scheme to date)



Changes to the Non-Domestic RHI Regulations

Changes to the Non-Domestic RHI introduced by BEIS in Great Britain over the past year.

August 2016

BEIS introduced an amendment to the scheme affecting how payments are calculated for solid biomass CHP installations with a tariff start date on or after 1 August 2016 and a power efficiency less than 20%. For solid biomass CHP installations with a tariff start date on or after 1 January 2017 this power efficiency requirement was changed to 10%.

December 2016

Reforms to the RHI scheme regulations were announced by BEIS in December through its consultation response entitled [The Renewable Heat Incentive: A Reformed and Refocused scheme](#). These reforms were expected to come into force in Spring 2017 but the parliamentary process was delayed due to the general election. BEIS will be providing an update on the progress of these reforms in due course.

Other changes affecting scheme participants

July 2016

We published our decision about strap-on temperature sensors. Our decision meant that affected applicants had to replace the strap-on temperature sensors with ones that were eligible or alter them, ensuring their heat sensors were compliant within 6 months.

November 2016

The Sustainable Fuel Register (SFR), a new fuel list for non-woody biomass fuels was approved by the Secretary of State. The SFR is an independent register similar to the Biomass Suppliers List (BSL). Participants with a solid biomass installation on the RHI, can demonstrate compliance with the sustainability requirements by using fuel on the SFR or the BSL.

January 2017

Fees for applicants registering on the Biomass Suppliers List (BSL), were introduced from 1 January 2017. This applies to new applications as well as existing authorised suppliers. The BSL is administered by Gemserv on behalf of BEIS.

Key Contacts

RHI

For more information visit the Ofgem website at www.ofgem.gov.uk/rhi. You will find information about the accreditation process, how to apply and details about your ongoing obligations. If you can't find the information you need on our website, our customer service team will be happy to help on **0300 003 2289** or email rhi.enquiry@ofgem.gov.uk.

Press enquiries

For press enquiries please contact Ofgem's press office on **0207 901 7179**