

# Domestic Renewable Heat Incentive

July 2018

## Annual Report

**The Domestic Renewable Heat Incentive (RHI) opened for applications on 9 April 2014. The scheme is for people across England, Scotland and Wales who install eligible renewable heating systems in their homes. This report details the activity for the fourth year of the Domestic RHI scheme, which covers 1 April 2017 to 31 March 2018.**

### Background

The Department for Business, Energy and Industrial Strategy (BEIS), launched the Domestic Renewable Heat Incentive (RHI) scheme in April 2014. The intent was to bridge the gap between the cost of fossil fuel heating sources and renewable heating alternatives by providing financial support for homeowners, private and social landlords, and people who built their own homes. The scheme was also designed to help build and support the supply chains needed to deliver the UK's targets for renewable heat in 2020 and beyond.

Ofgem administers a number of environmental programmes, including the Domestic RHI. We continue to work closely with BEIS to implement changes to the regulations, improve efficiency and ensure the scheme is delivered effectively.

Our audit and compliance activity supports this aim and helps protect the public purse by ensuring ongoing compliance with the scheme rules.

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.

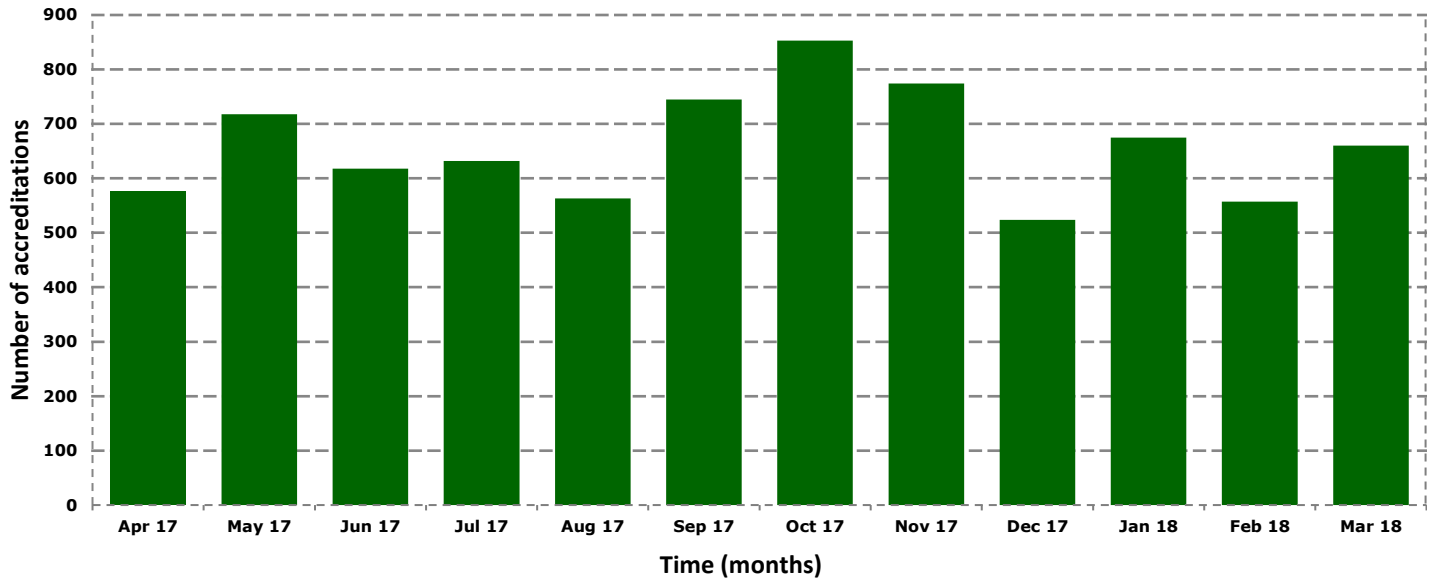
### Year in review

Over the course of the year we've worked with BEIS on a range of regulation changes to the scheme.

We've developed and published new guidance to support these regulation changes and updated our IT systems.

The biggest change to the scheme came in September 2017, which saw the Domestic RHI tariff rate uplift for Air Source Heat Pumps, Biomass, and Ground Source Heat Pumps and also introduced Heat Demand Limits for certain technologies on the scheme.

## Number of accredited applications



**7,895**

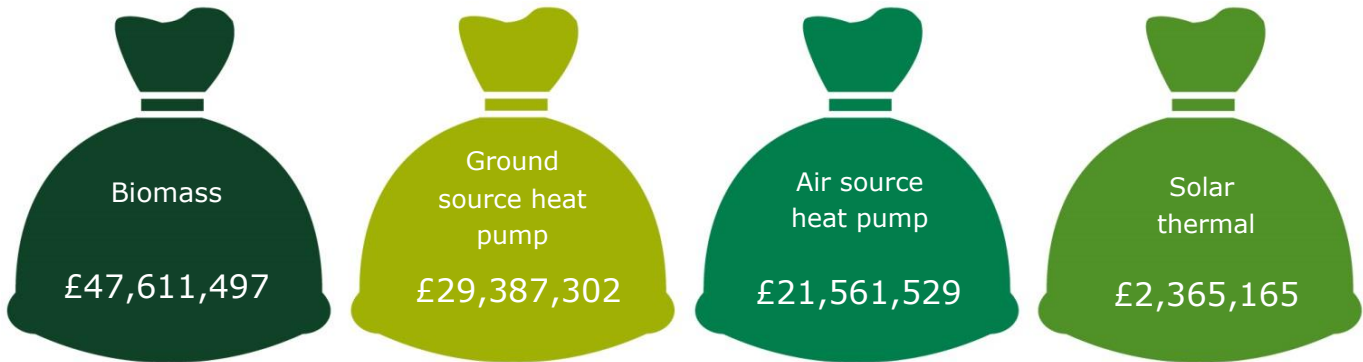
Accreditations in the fourth year of the scheme

**61,691**

Accreditations in total since scheme launch

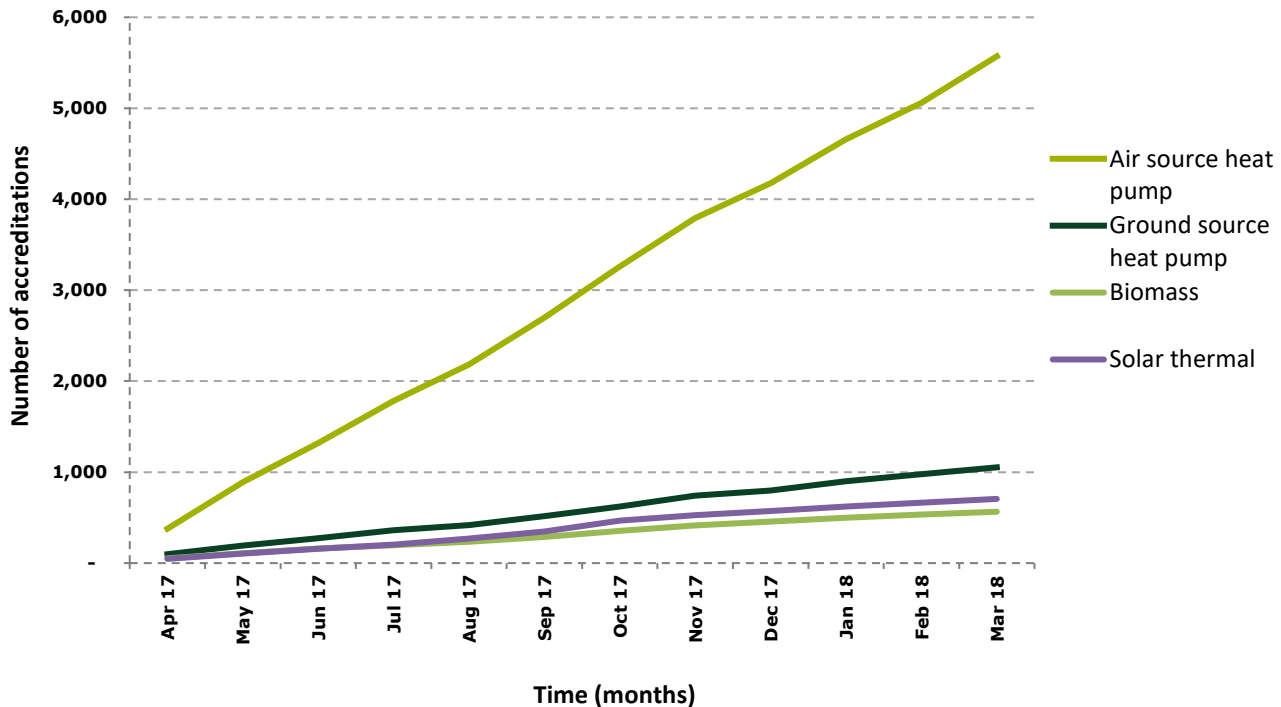
A relatively steady number of applications were submitted to the Domestic RHI scheme across 2017/18, with the exception of a spike in applications ahead of the introduction of Heat Demand Limits on 20 September 2017.

## Payments made to accredited customers (In financial year 2017-18)



## Accreditations by technology (Cumulative over this financial year)

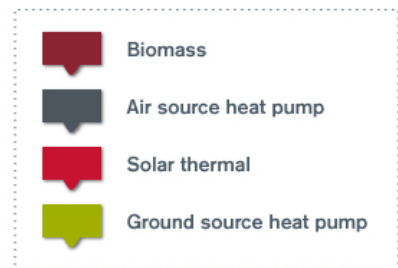
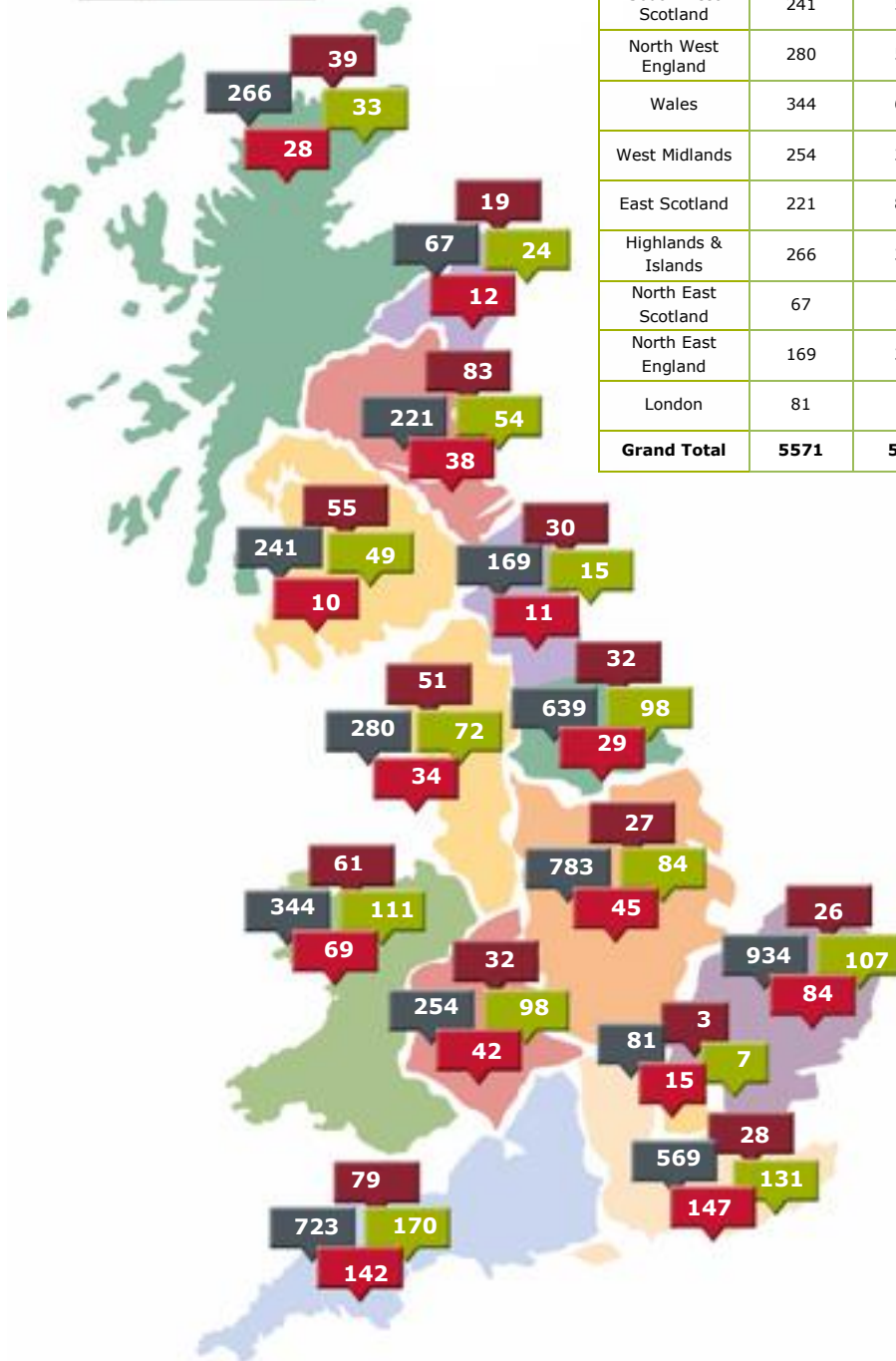
The graph below shows the number of accreditations awarded by technology type. Air source heat pumps continue to be the most popular choice of technology, followed by ground source heat pumps. Meanwhile solar thermal overtook biomass accreditations in September 2017.



## Geographic distribution of accredited installations this year



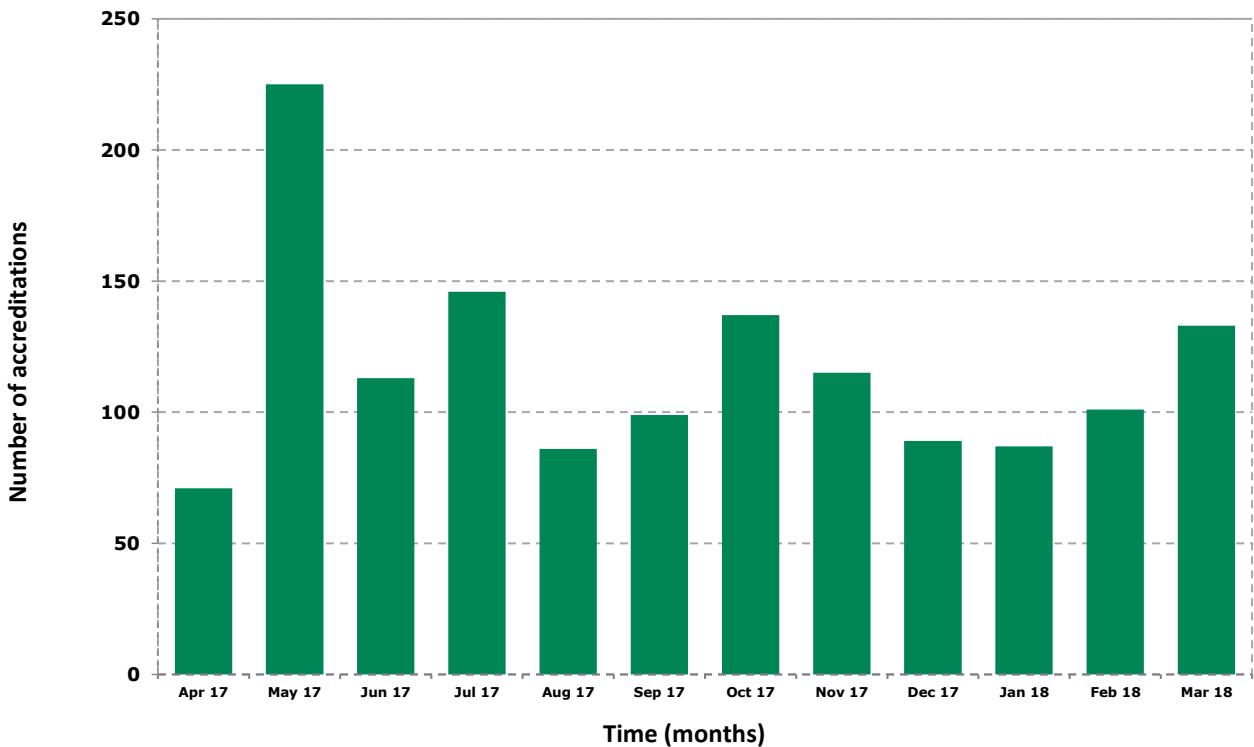
Location	Air source heat pump	Biomass	Ground source heat pump	Solar Thermal	% Increase of total accreds in year 4	% Change in accreds, Y3 to Y4	Grand Total
South West England	723	79	170	142	13.1	0.0	1114
East England	934	26	107	84	18.5	6.3	1151
South East England	569	28	131	147	13.4	-1.1	875
Yorkshire & the Humber	639	32	98	29	16.6	-4.5	798
East Midlands	783	27	84	45	22.7	37.1	939
South West Scotland	241	55	49	10	8.1	-43.1	355
North West England	280	51	72	34	12.8	-22.9	437
Wales	344	61	111	69	15.7	11.2	585
West Midlands	254	32	98	42	13.2	3.9	426
East Scotland	221	83	54	38	13.1	0.5	396
Highlands & Islands	266	39	33	28	14.5	-3.7	366
North East Scotland	67	19	24	12	11.8	-38.4	122
North East England	169	30	15	11	14.2	21.0	225
London	81	3	7	15	16.4	-7.0	106
<b>Grand Total</b>	<b>5571</b>	<b>565</b>	<b>1053</b>	<b>706</b>	<b>14.7</b>	<b>-1.4</b>	<b>7,895</b>



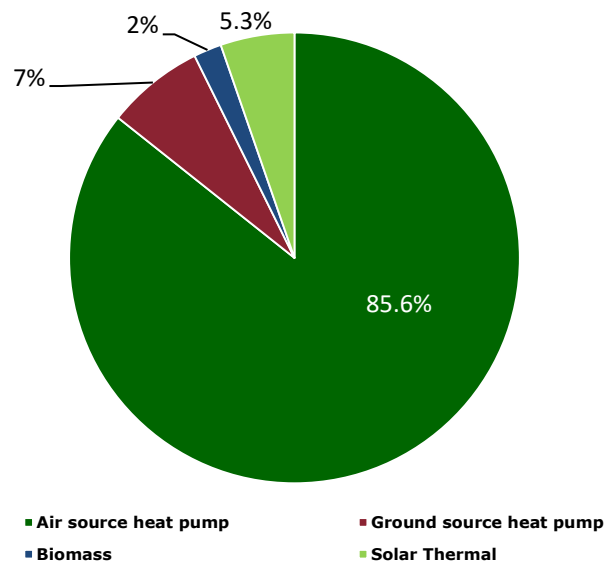
## Registered Social Landlords

Registered Social Landlords (RSLs) are also eligible to apply for the Domestic RHI. In total 14,083 accreditations have been awarded to RSLs, 47% (6,641) of which relate to 'legacy' installations (installations that were commissioned between 15 July 2009 and 9 April 2014 – before scheme launch – and applied before the legacy application deadline of 8 April 2015). Air source heat pumps continue to be the preferred technology among RSLs.

## Number of RSL accreditations



## Percentage of RSL applications by technology type



**1,402**

RSL accreditations in the fourth year of the scheme

**17.7%**

of all accreditations are RSL applications

## Our administration (In financial year 2017-18)



**83%**

of calls were answered within

**10**

seconds

**20,010**

Phone calls were received in total

The customer satisfaction score for our application process was

**77%**

**82%**

of applications received a decision within 30 working days

**499**

Applications to transfer an accreditation to a new heating system owner were processed

**98.1%**

of payments were made within five working days of their due date

## Assurance and Audits

- We carried out extensive audit campaigns to detect and prevent fraud and have run articles on compliance in all of our newsletters this year.
- We conducted an increased number of audit checks throughout the year as part of our commitment to ensure compliance on the scheme.
- 536 installations were audited on the scheme.

If you have any questions about the content of this report, please let us know by emailing [DRHIResolutions@ofgem.gov.uk](mailto:DRHIResolutions@ofgem.gov.uk).