

**Ofgem E-Serve**  
in Scotland by Numbers  
2015



# Ofgem E-Serve

We are experts in operational design and delivery excellence. We are responsible for the delivery and administration of the Department of Energy and Climate Change's (DECC) environmental schemes and social programmes.

Our work is to assist DECC in making considerable progress towards its decarbonisation targets. Ofgem is responsible for the administration of all schemes while DECC remains in charge of its policy. We develop and administer these programmes on a not-for-profit basis, for less than 1% of total programme cost. 19% of our staff are based in our office in Glasgow.

# Scotland in numbers

## Feed-in Tariffs



**11%**

of GB total installed capacity  
(March 2015)

## Renewables Obligation

**30.49%**

capacity from Scotland  
(up to March 2014)

**62%**

of total onshore wind



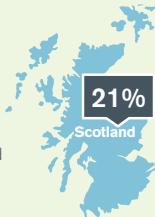
**85%**

of total hydro power

## Non-Domestic Renewable Heat Incentive (RHI)

**2,183**  
installations

21% of all applications from Scotland  
(July 2015)



## Domestic Renewable Heat Incentive (RHI)

**7,640**

installations  
across Scotland  
(July 2015)

1.4 applications per 1000 people in Scotland compared to  
GB average of 0.6

## ECO

**163,856**

measures installed in Scotland  
under ECO 1 (January 2013- March 15)

**11.5%** of all measures  
installed

## Warm Home Discount

rebate paid to  
low income  
consumers

**£140**

## Government Electricity Rebate

**£12**

rebate to ALL  
domestic consumers  
in 2014/15 and  
2015/16

# Renewables Obligation

The RO is one of the main mechanisms for supporting the deployment of large-scale renewable electricity generating stations in the UK. It puts an obligation on licensed electricity suppliers to source some of their supply from renewables, and this proportion increases every year.

20.75% of RO stations are in Scotland and **30.49%** (up to 31 March 2014) of renewable electricity generated under the RO has come from Scotland since the scheme launched in 2002.

Technology	Number of installations			Capacity		
	Number of stations in the UK (excluding microgenerators)	Number of stations in Scotland	% of Scottish stations in the UK	UK capacity (MW)	Scotland capacity (MW)	% of UK capacity generated in Scotland
Hydro	249	148	59.44%	720	616.24	85.59%
Photovoltaic	227	1	0.44%	1,358	0.63	0.18%
Onshore wind	558	170	30.47%	7,578	4722.36	62.32%
Offshore wind	28	4	14.29%	4,549	195.48	4.30%
Fuelled	191	18	9.42%	3,603	129.22	3.59%
Landfill gas	442	40	9.05%	951	93.4	9.82%
Sewage gas	191	5	2.62%	161	6.66	4.14%
Tidal power	4	3	75%	3	2.2	73.33%
Wave power	4	4	100%	2.39	2.39	100%
<b>Total</b>	<b>1894</b>	<b>393</b>	<b>20.75%</b>	<b>18925.39</b>	<b>5768.58</b>	<b>30.49%</b>

# Non-Domestic Renewable Heat Incentive (RHI)

The Renewable Heat Incentive is a world first. It provides financial incentives to encourage the switch from oil and gas fired heating systems to sustainable sources such as bio-fuels, solar thermal panels, heat pumps and renewable combined heat and power systems.

The scheme is the UK Government's key mechanism for driving uptake of renewable heat to reduce carbon emissions and help meet EU renewable targets. The Non-Domestic RHI scheme started in November 2011.

## Applications in Scotland as of July 2015

- Applications Received - 2,725
- Applications Approved - 2,183

In the financial year 14/15, we had a total of 1,602 applications in Scotland. This shows significant growth compared to previous years:

2011/2012 (from November 2011)	2012/2013	2013/2014	2014/2015
63	289	588	1,602

The total installed capacity figure is 347,970 (348MW). **This is 21% of all GB applications.**

# Non-Domestic Renewable Heat Incentive (RHI)

Technology breakdown and capacity:

Technology	Number of applications	Installed Capacity (kW)
Solid Biomass Boiler	1,844	344,724
Ground Source Heat Pump (GSHP)	22	1,565
Solar Thermal	18	284
Biogas	3	1,309
Air Source Heat Pump (ASHP)	1	28
Water Source Heat Pump (WSHP)	1	60
<b>Total to date</b>	<b>1,890</b>	<b>347,970</b>



# Domestic Renewable Heat Incentive

The Domestic RHI scheme opened in April 2014. It's targeted at, but not limited to, homes off the gas grid. Those without mains gas have the most potential to save on fuel bills and decrease carbon emissions.

Anyone who meets the joining criteria can apply, including people who own the homes they live in, social and private landlords and self-builders.

Participants are paid quarterly for seven years. The eligible heating systems are: biomass boilers and biomass pellet stoves, air source and ground source heat pumps and solar thermal panels.

- Scotland has the highest per capita installation rate in GB. At the 23 July 2015, Scotland is at 1.4 accreditations per 1000 people compared to GB average of 0.6.
- As of the 23 July E-serve received over 52,000 applications, and have dedicated account managers working with applicants such as the NHS in Scotland and Highland and South Lanarkshire Councils. **34% of Scottish accreditations are for Registered Social Landlords (RSLs) compared to 21% across the whole of GB.**
- To incentivise the uptake of renewable heat in Scotland we work closely with Home Energy Scotland (HES). This is to ensure HES are fully trained in the policy and provide correct advice to applicants so that they are making an informed choice about whether to install a renewable heat technology.

# Domestic Renewable Heat Incentive

The following table shows uptake across Scotland

LA Name	Air Source Heat Pump	Biomass	Ground Source Heat Pump	Solar Thermal	Grand Total
Highland	381	677	125	200	1383
Dumfries & Galloway	1013	198	52	30	1293
South Lanarkshire	598	102	17	13	730
Aberdeenshire	204	210	88	87	589
Eilean Siar	406	91	22	20	539
Perth & Kinross	115	170	60	83	428
Argyll & Bute	97	129	41	58	325
Scottish Borders	29	190	39	34	292
Fife	82	76	34	77	269
Stirling	54	91	52	26	223
Moray	57	87	17	45	206
Orkney Islands	107	31	28	11	177
East Lothian	12	75	8	30	125
South Ayrshire	31	76	5	9	121
Angus	33	43	16	21	113
East Ayrshire	9	92	8	2	111



LA Name	Air Source Heat Pump	Biomass	Ground Source Heat Pump	Solar Thermal	Grand Total
Shetland Islands	60	12	29	4	105
West Lothian	14	41	19	16	90
Dundee City	26	33	6	19	84
North Ayrshire	10	32	11	9	62
Midlothian	4	43	1	5	53
Edinburgh, City of	7	20	4	21	52
Falkirk	10	22	4	3	39
Aberdeen City	13	7	7	10	37
Renfrewshire	6	21	6	3	36
North Lanarkshire	12	8	7	3	30
Clackmannanshire	4	11	7	3	25
East Dunbartonshire	4	10	5	4	23
East Renfrewshire	6	11	2	2	21
Glasgow City	13	4	2	2	21
West Dunbartonshire	3	13	1	4	21
Inverclyde	5	10	1	1	17
<b>Grand Total</b>	<b>3425</b>	<b>2636</b>	<b>724</b>	<b>855</b>	<b>7640</b>

## Feed-in Tariffs (FIT) scheme

The FIT scheme is a UK Government programme to encourage uptake of small-scale renewable low carbon electricity generation technologies.

The scheme requires FIT licensees to make fixed tariff payments for electricity generated and exported to the grid by accredited installations. The cost of the scheme is shared across all electricity suppliers.

Additional benefits are also available for community and school installations.

Scotland has 7.2% of the total number of installations registered on the FIT scheme and **11% of total installed capacity**. A breakdown of technology type and capacity in Scotland is shown below (figures from 31 March 2015).

Technology	Number of installations			Capacity		
	UK total installations	Scotland total installations	Scotland % of UK total installations	UK total installed capacity (kW)	Scotland total installed capacity (kW)	Scotland % of UK total installed capacity
Anaerobic digestion	167	6	3.59%	124,464	3,157	2.54%
Hydro	572	243	42.48%	71,693	57,605	80.35%
Photovoltaic	591,600	40,340	6.82%	2,737,499	160,881	5.88%
Wind	6,374	2,636	41.34%	373,530	144,137	38.59%
MicroCHP	486	0	0%	498	0	0%
<b>Total</b>	<b>599,199</b>	<b>43,225</b>	<b>7.20%</b>	<b>3,307,684</b>	<b>365,781</b>	<b>11.06%</b>

# Energy Companies Obligation (ECO)

ECO is a domestic energy efficiency programme introduced by the UK Government in January 2013. It follows on from previous government energy efficiency schemes that Ofgem and its predecessors have administered since 1994.

ECO places a legal obligation on Britain's largest energy suppliers to install energy efficiency measures, such as loft and wall insulation, to households in Britain. Each year we allocate suppliers a proportion of the overall targets. This is determined by a supplier's share of the gas and electricity supply market. Suppliers then gain credits towards their obligations for eligible energy efficiency measures they install at domestic properties.

ECO has the joint aims of reducing carbon dioxide emissions from the domestic sector and tackling fuel poverty. It does this through three distinct obligations:

- Carbon Emission Reduction Obligation (CERO) - targets homes generally in need of energy efficiency measures, primarily loft and wall insulation measures, but can include other types of insulation as well as connections to district heating systems
- Carbon Saving Community Obligation (CSCO) - targets specified low income and rural areas with insulation and district heating measures
- Home Heating Cost Reduction Obligation (HHCRO) - targets reduction of heating costs through the installation of heating and insulation measures to private sector households on certain means-based benefits

# Energy Companies Obligation (ECO)

The first period of ECO ended in March 2015 and its second phase, ECO2 launched in April 2015 and runs until March 2017.

- By the end of March 2015, **163,856 measures had been installed in Scotland** using ECO funding. This equates to **11.5% of all ECO measures installed**.
- Around 68 ECO measures have been installed for every 1,000 households in Scotland compared to an average of 53 measures per 1,000 households in England and 54 measures per 1,000 households in Wales.
- The proportion of ECO boilers and insulation measures installed in Scotland are equivalent to the proportions installed across Great Britain with the exception of solid wall measures which are much greater in Scotland. Across Great Britain, the overall proportion of solid wall installations is 5% whereas it rises to 11% in Scotland.

The following table shows delivery of ECO measures in Scotland by local authority

Country	Total ECO measures	% of ECO measures	ECO measures per 1,000 households
Great Britain	1,430,054	100	54.5
England	1,194,456	83.5	53.0
Wales	71,657	5.0	54.3
Scotland	163,856	11.5	68.2

**The following table shows delivery of ECO measures in Scotland by local council area**

Local Council Area	Eco measures per 1000 households	Local Council Area	Eco measures per 1000 households
Clackmannanshire	92.4	Scottish Borders	39.9
Dumfries & Galloway	26.0	Shetland Islands	4.4
East Ayrshire	91.1	South Ayrshire	62.0
East Dunbartonshire	61.3	South Lanarkshire	107.0
East Lothian	34.1	Stirling	45.9
East Renfrewshire	92.3	Aberdeen City	25.8
Eilean Siar	29.6	Aberdeenshire	28.2
Falkirk	59.9	Argyll & Bute	34.0
Fife	90.0	Edinburgh, City of	47.9
Highland	25.1	Renfrewshire	105.0
Inverclyde	110.1	West Dunbartonshire	97.4
Midlothian	56.3	West Lothian	86.0
Moray	32.1	Angus	26.8
North Ayrshire	94.4	Dundee City	75.8
Orkney Islands	3.7	Glasgow City	101.3
Perth & Kinross	39.1	North Lanarkshire	98.7



## Warm Home Discount (WHD)

The Warm Home Discount Scheme is an important element of the UK Government's strategy for addressing fuel poverty. It provides low income consumers with **an annual electricity bill rebate of £140** as well as providing indirect support such as energy advice and assistance in reducing energy debts. The scheme is divided into three elements: the Core Group, the Broader Group, and Industry Initiatives. DECC administers the Core Group and is in charge of the whole scheme's policy while Ofgem administers the remaining elements and monitors compliance with scheme obligations.

Initially intended to run for four years the scheme has been extended to continue supporting low income consumers. Participation of energy companies has grown since April 2011 and the 11 largest GB energy suppliers now offer WHD support to consumers. We continue to work closely with suppliers and DECC to ensure efficient and effective delivery of the current scheme whilst also offering government the benefit of our experience and expertise as it explores future policy options to tackle fuel poverty. The WHD scheme has now delivered **over £1 billion in support** from obligated suppliers for those at risk of fuel poverty since it began in April 2011.

An example of an activity targeting Scotland is Glasgow City Council's, G-HEAT, which is funded partly through WHD Industry Initiatives, and provides independent advice on energy related issues to householders on a face to face basis.

# Government Electricity Rebate

The Government Electricity Rebate (GER) was established following the Chancellor of the Exchequer's 2013 autumn statement in which the UK Government outlined plans to help lower the impact of environmental and social policy costs on domestic energy bills. It is part of a wider package of measures designed to reduce domestic energy bills by an average of around £50 per year.

**GER requires electricity supply licence holders to provide an annual £12 rebate to all domestic customers in 2014/15 and 2015/16.** Customers are paid by suppliers via their normal payment method and suppliers must provide the rebate by 28 February each year. We check that suppliers have made these payments and the UK Government then reimburses them for the rebates provided.

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