

Domestic Renewable Heat Incentive Quarterly Report

Update

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

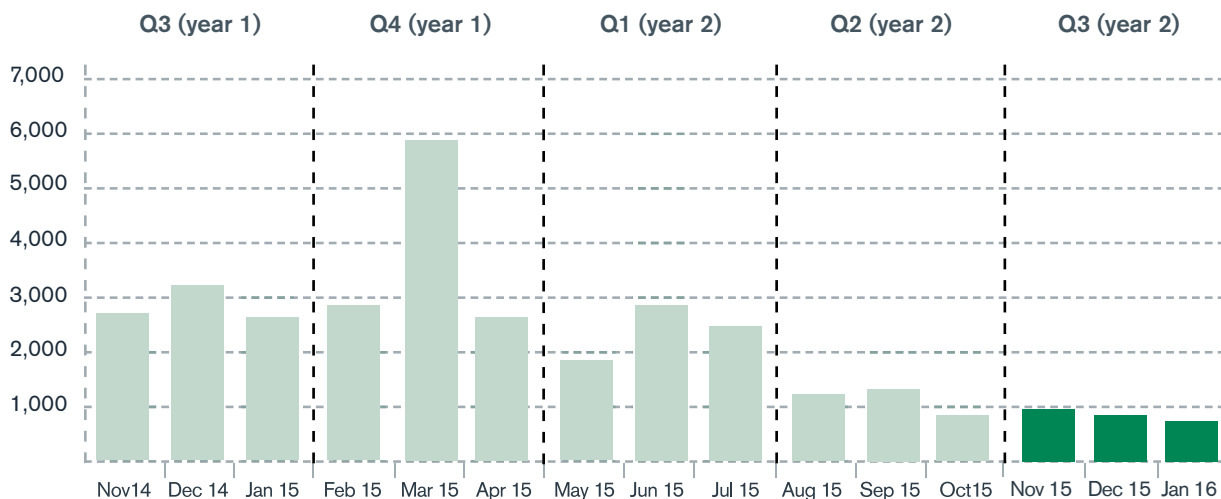
February 2016

Issue 7



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 3 (year 2) of the Domestic RHI scheme, covering the period November 2015 to January 2016*.

No. of accreditations



| Quarterly accreditations | |
|------------------------------|--------|
| Q3 Nov 14 - Jan 15 | 8,393 |
| Q4 Feb 15 - Apr 15 | 11,260 |
| Q1 May 15 - Jul 15 | 6,899 |
| Q2 Aug 15 - Oct 15 | 3,573 |
| Q3 Nov 15 - Jan 16 | 2,916 |

| Accreditations made | |
|---------------------|-------------------------------|
| 1,049 Nov - 15 | 979 Dec - 15 |
| 888 Jan - 16 | 2,916 Quarter Total |

In total, we have made **45,971** accreditations since the launch of the scheme

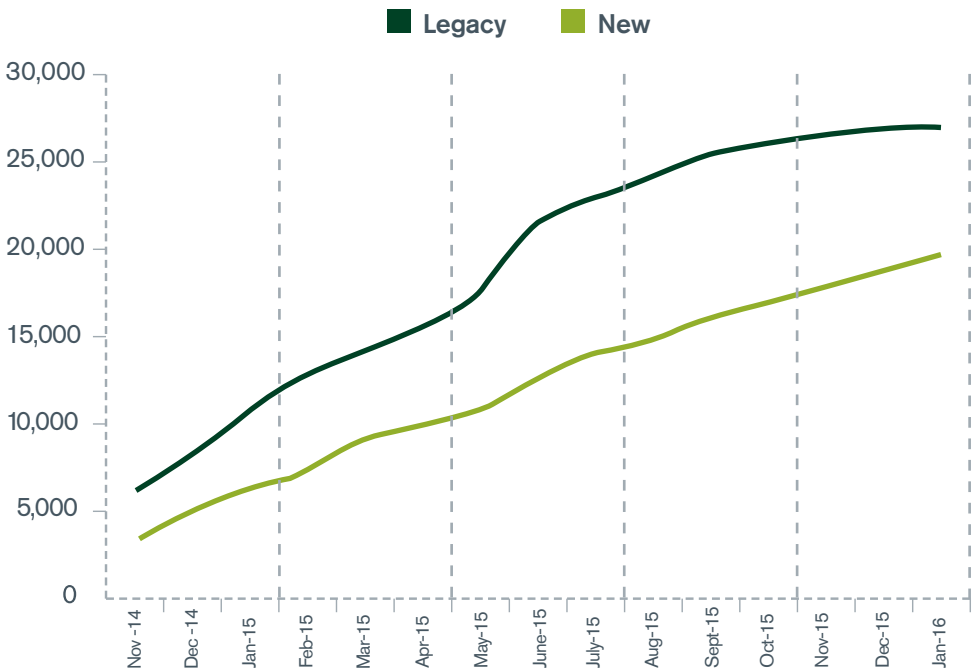
*As per the Domestic Renewable Heat Incentive regulations, our quarterly reports cover the following periods:

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

Legacy* and new accreditations

*The last date for legacy applicants to apply for Domestic RHI was 8 April 2015

| Q3 (year 1) | Q4 (year 1) | Q1 (year 2) | Q2 (year 2) | Q3 (year 2) |
|---------------|---------------|---------------|--------------|--------------|
| Legacy New | Legacy New | Legacy New | Legacy New | Legacy New |
| 4,579 3,814 | 7,558 3,702 | 3,068 3,831 | 739 2,834 | 107 2,809 |



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.

Where a system has transferred ownership however, the new owner must make a new application once the original owner's application has been cancelled. Therefore, we continue to see legacy accreditations made in quarter 3.

We saw a spike of new biomass applications in the run up to 1 January 2016, when the biomass tariff degressed, however this increase was not as substantial as previous degression periods.

| Legacy | | New | |
|--------|---------------|--------|---------------|
| 53 | 23 | 996 | 956 |
| Nov-15 | Dec-15 | Nov-15 | Dec-15 |
| 31 | 107 | 857 | 2,809 |
| Jan-16 | Quarter Total | Jan-16 | Quarter Total |

In total we have made
29,400
 legacy accreditations since the launch of the scheme

In total we have made
16,571
 new accreditations since the launch of the scheme

Payments made to date



£42.1

million

Biomass



£18.6

million

Ground Source Heat Pump



£12.2

million

Air Source Heat Pump



£2.1

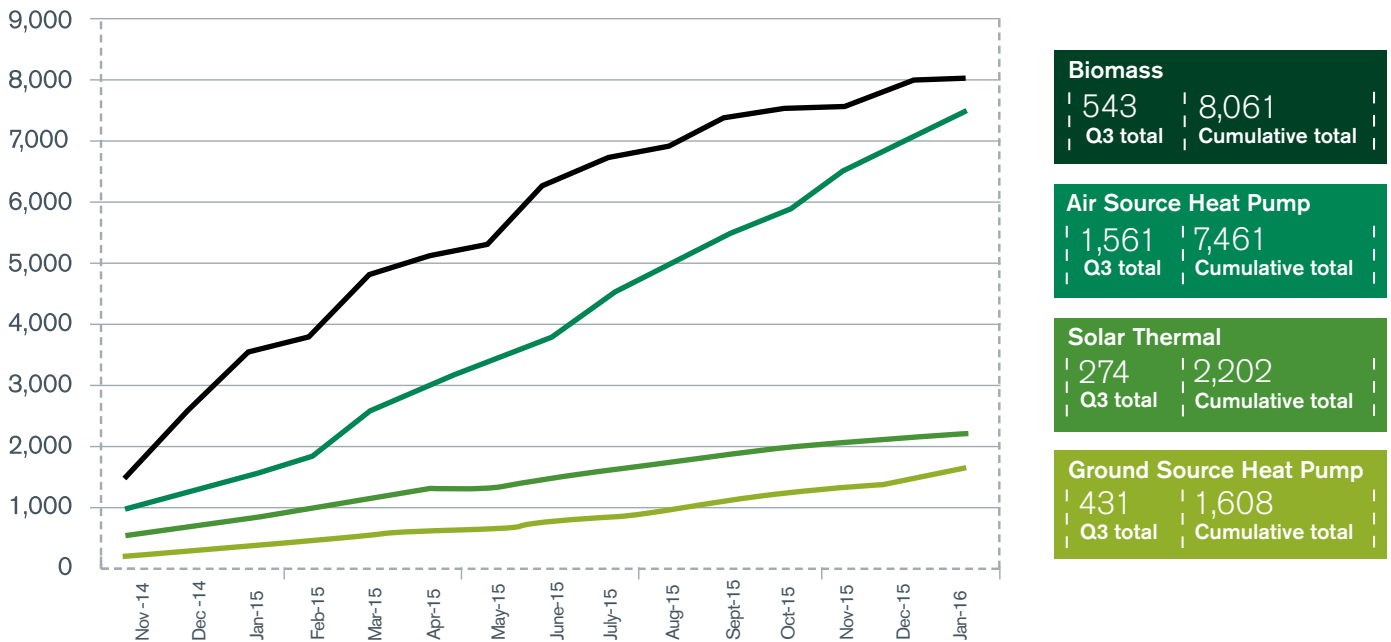
million

Solar Thermal

Accreditations by technology

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 have occurred every three months from January 2015 onwards, which causes a surge in applications in the run up to these changes.

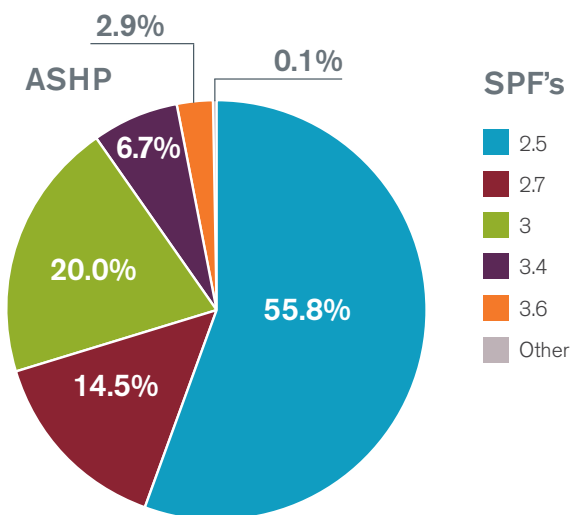
New Accreditations (cumulative)



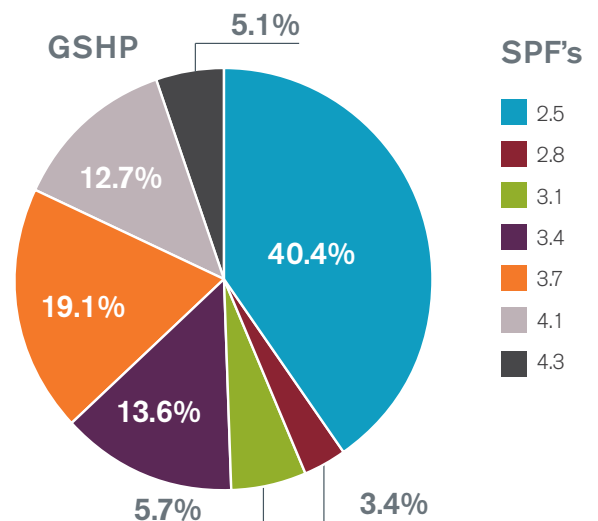
Seasonal performance factors (SPFs)

The SPF of a heat pump is a measure of how efficiently it is operating. The higher the system's SPF, the more energy efficient it is. Only a heat pump with an SPF 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 an SPF calculation completed by the installer.

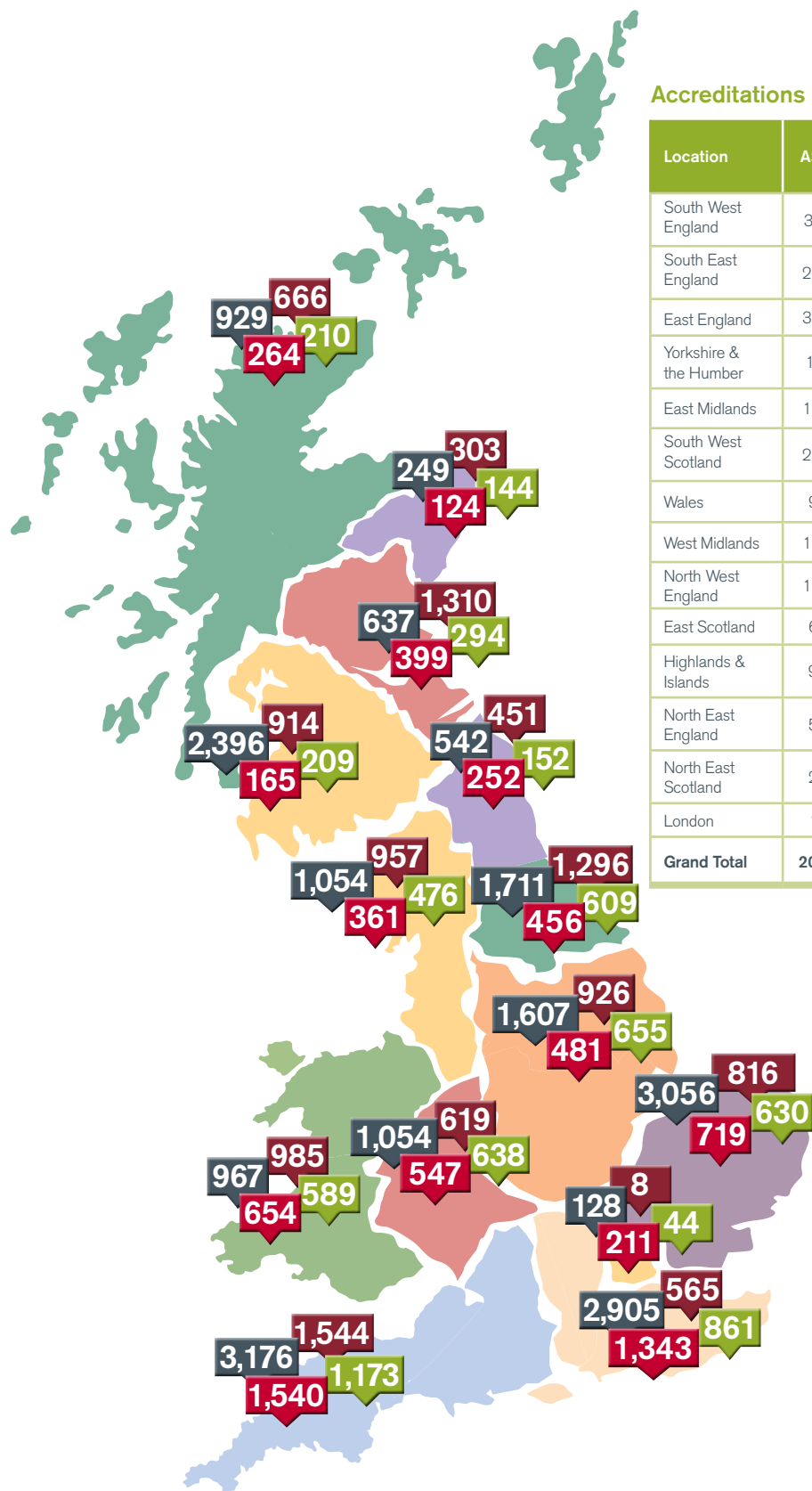
ASHP Seasonal performance factors (SPF's)



GSHP Seasonal performance factors (SPF's)

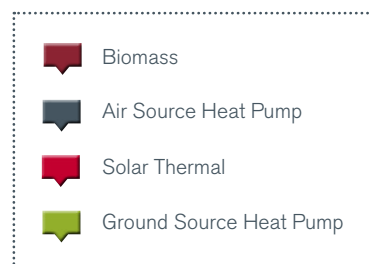


Regional distribution



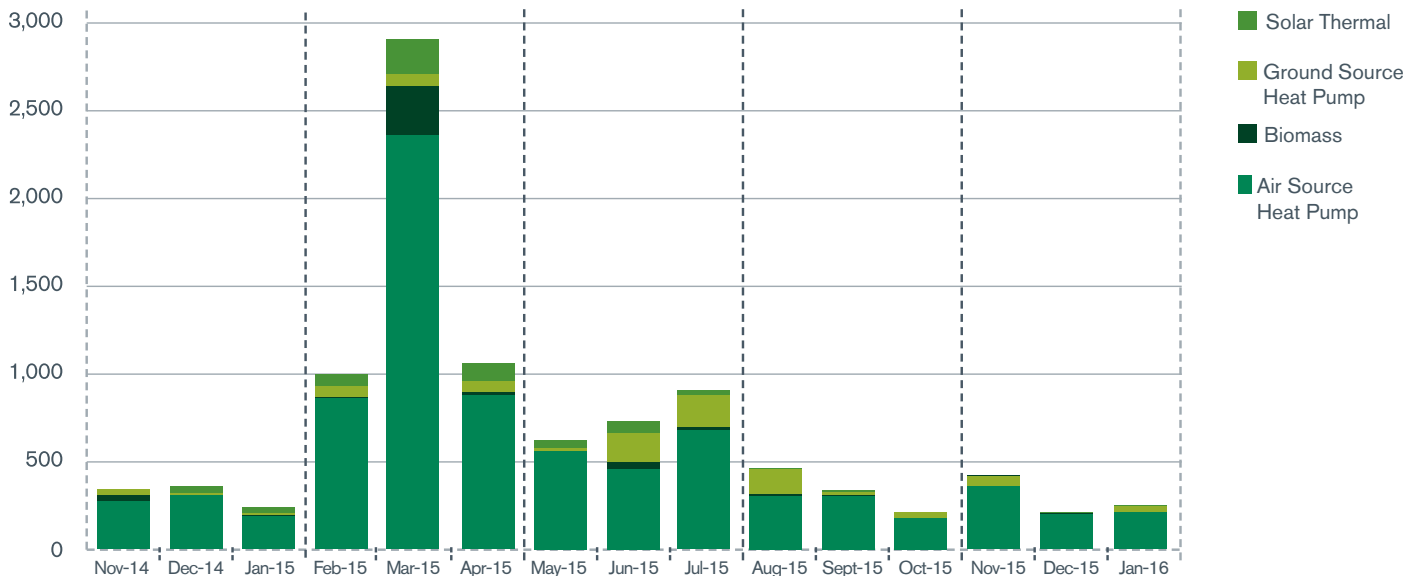
Accreditations per region (up to January 2016)

| Location | ASHP | Biomass | GSHP | Solar Thermal | Grand Total | % increase from Q2 |
|------------------------|---------------|---------------|--------------|---------------|---------------|--------------------|
| South West England | 3,176 | 1,544 | 1,173 | 1,540 | 7,433 | 5.5% |
| South East England | 2,905 | 565 | 861 | 1,343 | 5,674 | 6.8% |
| East England | 3,056 | 816 | 630 | 719 | 5,221 | 6.2% |
| Yorkshire & the Humber | 1,711 | 1,296 | 609 | 456 | 4,072 | 4.9% |
| East Midlands | 1,607 | 926 | 655 | 481 | 3,669 | 6.0% |
| South West Scotland | 2,396 | 914 | 209 | 165 | 3,684 | 10.5% |
| Wales | 967 | 985 | 589 | 654 | 3,195 | 6.6% |
| West Midlands | 1,054 | 619 | 638 | 547 | 2,858 | 5.1% |
| North West England | 1,054 | 957 | 476 | 361 | 2,848 | 6.7% |
| East Scotland | 637 | 1,310 | 294 | 399 | 2,640 | 7.9% |
| Highlands & Islands | 929 | 666 | 210 | 264 | 2,069 | 3.1% |
| North East England | 542 | 451 | 152 | 252 | 1,397 | 5.8% |
| North East Scotland | 249 | 303 | 144 | 124 | 820 | 12.8% |
| London | 128 | 8 | 44 | 211 | 391 | 8.3% |
| Grand Total | 20,411 | 11,360 | 6,684 | 7,516 | 45,971 | 6.4% |

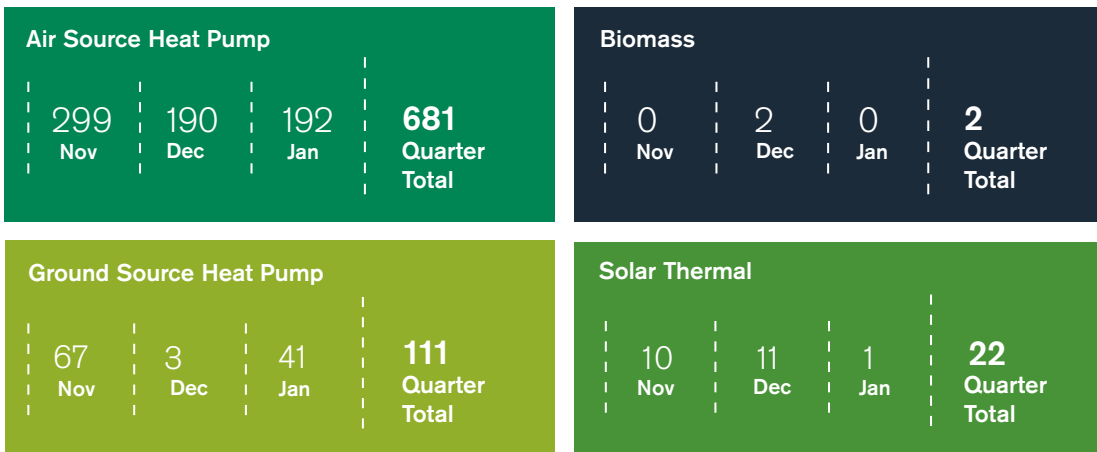


Registered Social Landlords

In addition to homeowners, Registered Social Landlords (RSLs) are also eligible to apply for the Domestic RHI. The large increase in RSL accreditations in February and March 2015 was largely due to the removal of Green Deal requirements for RSLs. In total, 10,561 RSL accreditations have been made up to January 2016.



RSL accreditations (Q3)



We have made over
£3.2 million
 of payments to Registered
 Social Landlords so far.

Our administration

80% of applications last quarter received a decision within 30 working 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 11,500 responses to date. Our results so far show:

Our Net Promoter Score (NPS) for the last quarter

+49%

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**.

| | | |
|------------------------|------------------------|------------------------|
| 38.4% Nov-15 | 53.4% Dec-15 | 53.7% Jan-15 |
|------------------------|------------------------|------------------------|

7.8 average satisfaction with the application process
10

7.7 average satisfaction with the customer service received
10

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

We estimate that accredited systems will save over

3.1 MT of CO₂
OVER THE LIFETIME OF THE SCHEME

Since scheme launch, accredited systems have generated over 650,000MWh 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

