Non-Domestic Renewable Heat Incentive (RHI)

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Easy guide to compliance Your responsibilities when accredited. For new and existing scheme participants

Introduction

You've received the formal letter of approval which tells you that your installation has been accredited under the Non-Domestic Renewable Heat Incentive (RHI). Now that you re on the scheme, it's important that you understand your ongoing responsibilities. To comply with the scheme rules as set out in the regulations you must adhere to these ongoing obligations for the whole time you are a participant. This guide will help introduce you to the main requirements but is only intended as an overview, please refer to our main guidance for more detailed information on compliance for the Non-Domestic RHI scheme: RHI Guidance Volume Two.

Overview of what you have to do

1. Submit periodic data

Take and submit meter readings or a quarterly or monthly basis depending on your installation. You do this on the RHI Register, and it is important you submit accurate data on time, as we use it to calculate your payments. Our <u>Easy Guide to Meter</u> <u>Readings</u> can help you with this. You can also see more detail on the provision of periodic data chapter in <u>RHIGuidance Volume 2</u>. We will also send you email reminders about when it's time to submit your next submission.

Please be aware that if you submit meter readings incorrectly or late more than twice, we may take enforcement actions which could include permanently withholding a proportion of your payments.

2. Keep a fuel log and receipts (for biomass)

You will need to ensure you can demonstrate that your fuel meets the sustainability criteria. This may include providing fuel receipts containing your Biomass Suppliers' List (BSL) or Sustainable Fuels Register (SFR) number (s), or providing greenhouse gas (GHG) calculations and evidence to support your workings, depending on your circumstances. See the <u>Easy Guide to</u> <u>Sustainability</u> for more information on what you will need to provide.

If you've not been doing this then you should start immediately, and consider contacting your fuel supplier(s) to get evidence of what fuel you have used to date.

Please ensure that if your fuel is contaminated, you keep thorough records of the contamination percentage and ensure that the fuel used is eligible for your boiler.

You also need to ensure that all fuel used complied with your emissions certificate, and can be used in your boiler as part of operating in line with manufacturer instructions.

For help, see our guidance note <u>Keeping Fuel</u> <u>Records</u>. It gives examples of how you can comply with maintaining fuel records depending on your circumstances, and also provides an example of a boiler log template.

3. Notify us of any changes

You should notify us of any changes or upcoming changes to your installation, heat uses, or circumstances which may affect your eligibility to receive RHI payments as soon as you become aware of them. You have an ongoing obligation to tell us within 28 days of the relevant change taking place, and failure to do so could result in enforcement action. See chapter 2 of <u>RHI</u> <u>Guidance Volume2</u> for more information.

4. Maintain all equipment

You must ensure that your equipment and heat meters are regularly maintained in line with manufacturer instructions and keep a record of the maintenance schedule. See <u>RHI Guidance Volume</u> <u>2</u>. Please familiarise yourself with the integral equipment that is included in the definition of an eligible installation in the Guidance.

5. Eligible heat uses

Eligible heat uses are set out in the RHI regulations. These are:

- Space heating in a building
- Water heating in a building
- Carrying out a process in a building

- Commercial drying that takes place outside of a building
- Commercial cleaning that takes place outside of a building

Anything other than drying or cleaning, carried out on a commercial basis that takes place outside of a building¹ is ineligible (there are strict requirements for what is a building – please see chapter 5 of <u>RHI</u> <u>Guidance Volume 1</u>). Please note that BEIS is intending to introduce changes to what constitutes an eligible heat use. As such you should keep up to date with proposed changes to the RHI regulations and to <u>BEIS's consultation process</u>.

6. Make an annual declaration

Make an annual declaration on the RHI Register. Please be aware that it is the participant's responsibility to make the annual declaration and to verify that the information included is correct. We expect the Authorised Signatory to be the participant (or for organisations, to be a person authorised to act on the organisation's behalf such as an employee). We require the Authorised Signatory to sign the annual declaration and ensure that everything provided to us is correct, irrespective of who completed the application form or submits meter readings. You will be held responsible for any issues or discrepancies found. which could result in enforcement action, including withholding, reducing or recovering payments, and even revocation of your accreditation.

Your annual declaration will confirm that:

- a) Your RHI installation meets the eligibility criteria
- b) You have met the ongoing obligations of the scheme. For more details on the Annual Declaration, see chapter 2 of <u>RHI</u> <u>Guidance Volume2.</u>

What else?

- 1. If your biomass installation is 1MW or above you must supply us with quarterly reports on sustainability of fuel and feedstock. See the Additional fuel data reporting of <u>RHI Guidance Volume2</u>.
- 2. If your biomass installation is 1MW or above and does not use 100% biomass fuel you must complete a Fuel

¹ ¹ The Regulations define a building as `any permanent or long-lasting building or structure of whatever kind and whether

fixed or moveable which, except for doors and windows, is wholly enclosed on all sides with a roof or ceiling and walls'.

Measurement and Sampling (FMS) questionnaire on a quarterly basis. See the Fuel Measurement and Sampling Guidance.

- 3. If you add capacity to your RHI installation or capacity or another plant to the heating system of which it's a part, you must notify us within 28 days of the commissioning date of the additional capacity. You must do this regardless of whether you intend to apply for RHI support for it. See the Additional capacity chapter of <u>RHI</u> <u>Guidance Volume2.</u>
- You must notify us of a change in ownership of an RHI installation. The Regulations allow ownership to be transferred as long as certain conditions are satisfied. See the change of ownership chapter of <u>RHIGuidance Volume2.</u>
- 5. If you have a biomethane or biogas plant that requires heat from an external heat source (such as an oil or gas boiler) please ensure that this is declared to us and metered appropriately.
- 6. If you have a heat pump, please ensure that you have an electricity meter that measures electricity used by the heat pump and not electricity provided to the building.
- 7. It is an ongoing obligation to ensure that your meters are installed in line with manufacturer's instructions and that they are positioned to provide accurate measurements. Please ensure that your temperature probes are fully inserted into their respective pockets and are security tagged against tampering and cannot come loose. Where appropriate, we suggest using thermal paste or transfer grease as bonding agent.
- 8. We may also require ad hoc information regarding your installation, which you must provide upon request.

Audits and site inspections

You need to know that we operate a programme of site inspection and desktop audits for which any installation may be selected. We will not necessarily notify you in advance that the audit is occurring, and inspections may be unannounced. An installation can be selected for an audit as part of a pre-accreditation check, or at any time during its participation on the scheme. During an audit our team of experts will:

- Carry out spot-checks on equipment
- Check meter readings
- Verify scheme eligibility; and
- Assess compliance with all relevant ongoing obligations

For more information see the Compliance and enforcement chapter in <u>RHIGuidance Volume2</u>.

Compliance and Enforcement

As administrators of the RHI we have a responsibility to protect the public purse by ensuring that participants comply with the rules of the scheme. Where we uncover non-compliance we do have a range of enforcement powers that we can exercise under the scheme Regulations including:

- Withholding RHI payments (temporarily and permanently)
- Recovering overpayments
- Revoking the accreditation or registration of a participant

For more information see the Compliance and enforcement, and Dispute resolution chapters of <u>RHIGuidanceVolume2.</u>

Fraud

Ofgem has a zero tolerance approach to fraud and will actively investigate suspect behaviour. All applications will be subject to a thorough review and discrepancies fully investigated, which can include Ofgem carrying out site audits before and after accreditation. If fraud is identified, Ofgem will reject/revoke your application, recover any payments made, and report the matter to Action Fraud and the Police to consider prosecution.



Easy Guide series

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This Easy Guide is applicable to applicants and participants on the GB Non-Domestic scheme. If you're a participant on the Northern Ireland Non-Domestic scheme then please refer to the <u>Northern Ireland</u> <u>Renewable Heat Incentive</u>.

Contact us

Ofgem.gov.uk/RHI

Help is at hand if you need it. Our enquiries staff are experts on the RHI and can help advise you. Telephone: 0300 003 2289 Email: <u>rhi.enquiry@ofgem.gov.uk</u> RHI enquiry line open Monday to Thursday 9am-5pm and to 4.30pm on Fridays. Note: Calls may be recorded.