

Domestic RHI applicants and participants, renewable heat installers and renewable heat trade bodies

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Dear Stakeholder,

### **Open letter on the introduction of the 'Replacement Product Declaration Form'**

Under the Domestic RHI Scheme, heating systems can remain accredited and normally receive RHI payments at a set tariff for seven years. Over the course of this period (the 'tariff lifetime'), there may be reason to replace all or part of the system.

The Domestic Renewable Heat Incentive Regulations 2014 (as amended) ('the Regulations') provides for 'replacement plant'<sup>1</sup>. The Regulations set out that where the plant is replaced, the owner may make an accreditation application for the replacement plant, if they were the participant in relation to the original plant. We would expect a new Microgeneration Certification Scheme (MCS) certificate to be issued and provided in support of the accreditation application.

However, we have increasingly seen circumstances where parts of the system are replaced. In cases where the renewable heat generating component(s) (the 'product') is replaced, we understand that it is not the MCS policy to produce a new MCS certificate. This is because MCS certification relates to the commissioning of the *entire* designed heating system as a whole and therefore does not extend in scope to the specific replacement of some parts of that system during the tariff lifetime.

Consequently, we are proposing to introduce an operational approach to ensure that replacement of the product does not lead to non-compliance with the Regulations. This is also intended to ensure compatibility between our administrative functions and the functions of the MCS in relation to its certification of systems. This approach allows for the continuation of RHI payments to participants who own compliant plant.

Under this process, when a product is replaced, we will look to use the 'Replacement Product Declaration Form' (see ANNEX A) which we would require an MCS certified installer to complete. The participant would then submit the completed form as part of their amendment, in order to satisfy their "[ongoing obligations](#)" under the Scheme.

We have commenced a pilot programme with existing requests to change the products on accredited RHI installations.

### **Why are we looking to require the completion of the 'Replacement Product Declaration Form'?**

We believe the 'Replacement Product Declaration Form' provides us with sufficient assurances that the participant is capable of complying with the Regulations. These assurances are that:

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<sup>1</sup> <http://www.legislation.gov.uk/ukxi/2014/928/regulation/47/made>

1. the system remains eligible under the Scheme— this means that any replacement product must be listed as eligible on the [Product Eligibility List \(PEL\)](#) and the system continues to meet the relevant MCS installation standard and any other eligibility criteria under The Regulations;
2. the participant receives the amount of RHI payments to which they are entitled.

As such, we are looking to introduce this requirement and are seeking views on our approach via this open letter.

### When do we interpret a product as being replaced?

It is our view that a product is replaced when all or any of the renewable heat generating components of the system are replaced. The components themselves correspond to those which comprise the product listed on the PEL. The original product will also be listed on the MCS certificate under 'MCS certificated Product Name'.

The table below gives a general guide to what parts of the system are 'the product' and what are 'associated infrastructure'.

The product (as applicable)	Heating system and associated infrastructure
<ul style="list-style-type: none"> <li>• Biomass Boiler unit</li> <li>• Biomass Stove unit</li> <li>• Heat pump unit/compressor (indoor <i>or</i> outdoor)</li> <li>• Solar Collector (flat plate or evacuated tubes)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixings</li> <li>• pipes</li> <li>• Controls</li> <li>• Heat emitters (e.g. radiators)</li> <li>• Hot water cylinders</li> <li>• Circulation pumps</li> <li>• Supplementary electric heaters</li> <li>• Immersion heaters</li> <li>• Buffer tanks/thermal stores</li> <li>• Expansion vessels</li> <li>• Storage/preparation/delivery equipment (Biomass)</li> <li>• Roof fixings (Solar Thermal)</li> </ul>

It should be noted that participants are still obliged to notify us if a component listed under either column is repaired or replaced. However, submission of a replacement product declaration form would only be required if a component under 'The product' column is replaced.

### Industry Engagement

We are requesting any information or evidence that you believe would mean the new process on replacement products on the Domestic RHI Scheme should not be introduced, or should be changed. We would welcome any feedback by 27 September 2019. We would particularly welcome any feedback on the practicality of providing the information requested in the form or any problems that may arise in doing so.

Any submission should be a clear, evidence-based analysis that we will review before publishing a final position on this matter. We may publish any non-confidential responses we receive alongside a decision on next steps on our website at [Ofgem.gov.uk/consultations](http://Ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential.

**Next steps**

We are currently piloting this approach in relation to a selected sample of accreditations in which a product has been replaced. The findings of the pilot project, will, in conjunction with any information received in response to this open letter, inform development of a final position in relation to replacement products under the Domestic RHI. This position will then be published through our online guidance and communications.

**Yours sincerely,**  
**RHI Policy team**

**[ANNEX A] Replacement Product Declaration Form**

This form is to be completed by an MCS certified installer in the event that the MCS certified renewable product(s) of an RHI accredited heating system is/are replaced. Ofgem require this form to determine whether the participant is continuing to comply with their ongoing obligations.

<b>To be completed by an MCS certified Installer</b>	
<b>RHI accreditation</b>	
Application number (e.g. A123456):	
Scheme participant's full name:	
<b>Property information</b>	
Installation address:	
<b>Installer information</b>	
MCS Certificated Installation Company Name and Address:	
MCS Certificated Installation Company MCS number:	
<b>Original Product information</b>	
Original MCS Installation Certificate number:	
Original MCS Installation Certificate product name(s) and number(s):	
Please list the date when the original product ceased to provide heat to the property:	
Reason for decommissioning original product:	
Original product decommissioning date (if known):	
<b>Replacement Product information</b>	
MCS Certificated Product name(s) and number(s):	
MCS Certified Product Licence Holder:	
Technology type:	
Commissioning date of replacement product:	
Is the system <a href="#">meter ready</a> ?	
Capacity:	
List of parts of the system which have been replaced:	

Estimated annual heat generation:	
Please select the purpose of the plant: (Space heating/DHW/Space heating & DHW)	
Seasonal Coefficient of Performance (SCOP) (heat pump only):	
Flow temperature (heat pump only):	
Does the system contain more than one MCS certified product?	

**Where the product was installed by the MCS certified installer completing this form:**

I have given the participant a commissioning report: Yes  No

I confirm that the participant holds heat loss calculations for the property: Yes  No

I confirm the parts commissioned were all new and have attached evidence of this: Yes  No

I have attached photos of the product's name plate and warranty information:

**I declare that the information provided is correct to the best of my knowledge and belief**

**Installer signature**

Signed \_\_\_\_\_

Date \_\_\_\_\_

**To be completed by the participant**

Have you made any structural modifications to your property since your RHI accreditation date? (If yes, please describe these)

**I declare that the information provided is correct to the best of my knowledge and belief.**

**Participant Signature**

Signed \_\_\_\_\_

Date \_\_\_\_\_