

RHI applicants and participants,
renewable heat installers, meter
manufacturers and suppliers,
renewable heat trade bodies,
meter testing laboratories

Direct Dial: 020 003 2289

Email: rhi.enquiry@ofgem.gov.uk

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Dear Stakeholders,

Response following the open letter on the eligibility of ISO 4064:2014 and MID MI-001 water meters in the GB and NI Renewable Heat Incentive ("RHI") schemes.

On 31 May 2019 we published an open letter¹ setting out our view on the eligibility of heat meters that use ISO 4064:2014 and MID MI-001 water meters. That letter outlined our understanding of the relevant standards and why we did not consider some of these meters to be eligible. It also put forward our proposed remedial action.

This letter aims to summarise the feedback we have received on the open letter, and sets out our revised approach to remedial action.

Summary of open letter

The open letter published on 31 May 2019 described the requirements for heat meters set out in the RHI Scheme Regulations 2018 ("the GB Regulations") and the RHI Scheme Regulations (Northern Ireland) 2012 ("the NI Regulations"). It then described the analysis we undertook to compare these requirements to the requirements set out in BS EN ISO 4064:2014 ("ISO 4064:2014") and the Measuring Instruments Directive ("MID") Annex MI-001; this analysis concluded that the following meters (together, the "affected meters") are not compliant with the GB Regulations and NI Regulations:

- Meters that have only been shown to meet Class 2 accuracy requirements of ISO 4064:2014, and the heat conveying liquid being measured is typically greater than 30°C.
- Meters that have only been shown to meet the accuracy requirements set out in Annex MI-001 of the MID, and the heat conveying liquid being measured is typically greater than 30°C.

¹ <https://www.ofgem.gov.uk/publications-and-updates/open-letter-eligibility-iso-40642014-and-mid-mi-001-water-meters-gb-and-ni-renewable-heat-incentive-scheme>

The open letter then proposed that all applicants and participants replace affected meters within a six-month grace period. Where necessary, compliance action would then take place at the conclusion of this grace period.

Summary of open letter feedback

The open letter asked for any written feedback by 1 July 2019. We received 18 responses, 11 of which were from scheme participants, three from consultants, two from suppliers and two from trade bodies. One of these responses was received after 1 July 2019, but was nonetheless given the same consideration as all other responses.

- No responses indicated that our interpretation of the legislation and standards was unsound;
- The most common point made was that the matter was too complicated for the typical installation owner to understand, and that we should be able to provide clearer guidance;
- Feedback we received highlighted the financial impact on participants of these changes, especially in context of the limited material impact of non-compliant meters. A number also stated that Ofgem should fund the replacement of these meters;
- It was suggested that we produce and maintain a publicly available list of compliant meters.

Ofgem's position

Ofgem's view of the eligibility of ISO 4064:2014 and MID MI-001 water meters in the GB and NI RHI schemes remains in line with what was set out in our 31 May 2019 open letter, as summarised above.

The remedial action proposed in the open letter required all applicants and participants to replace affected meters within a six-month grace period. Where necessary, compliance action would then take place at the conclusion of this grace period.

Taking on board the feedback we have received, and having conducted further analysis, we have decided to implement the following approach:

- With respect to applications for accreditation that are submitted after the date of publication of this letter, no installations using affected meters will be able to receive accreditation. To receive accreditation, affected meters will either need to be replaced, or evidence will need to be provided with the application clearly showing that the meter is compliant;
- With respect to installations using affected meters that are already accredited, or for which applications were submitted on or before the date of publication of this letter, we remain of the view that participants should replace their affected meters as soon as possible. However, we will only enforce this when affected meters fall to be replaced due to normal operation and maintenance as required by the GB and NI Regulations. At this time, the participant must replace the meter with one which can be shown to be compliant.

The GB Regulations and NI Regulations set out ongoing obligations in relation to meters (regulation 45 in the GB Regulations, regulation 34 in the NI Regulations). The requirements include (but are not limited to) that participants must keep all relevant meters:

- Continuously operating;
- Properly maintained and periodically checked for errors;
- Re-calibrated every 10 years or within such period of time as may be specified in accordance with manufacturers' instructions where available, whichever is the sooner.

Participants must also retain evidence of this, including service and maintenance invoices, receipts or certificates for the duration of their participation in the RHI scheme.

When an affected meter needs to be replaced to ensure compliance with regulation 45 or regulation 34 (as applicable), it will need to be replaced with a meter that can be shown to be compliant. We understand from industry feedback that when meters need to be recalibrated, it is common for that meter to instead be replaced; this being the case it is our expectation that when a meter is replaced for this reason, it is replaced with a compliant meter.

If the affected meters are not replaced upon the earlier of (i) the meter requiring replacement in order to ensure that it is continuously operating and properly maintained, and (ii) when re-calibration is required, then we may take compliance action under the GB Regulations and NI Regulations (as applicable).

It is our view that this approach strikes the right balance between ensuring the scheme regulations are appropriately enforced and minimising the impact on participants.

Further Guidance

We are mindful of the feedback regarding the complex nature of this matter. Nonetheless, it is our expectation that heat industry practitioners are familiar with the relevant standards and should be able to advise participants on heat meter compliance. Detailed guidance on the evidence required to demonstrate compliance was published by the National Measurements Office in 2014². We will aim to update our existing guidance (in particular paragraphs 13.6 to 13.24 of RHI Guidance Volume One³) by the end of October 2019.

As a participant, should the need arise to replace a heat meter, we strongly advise you to discuss this matter with whomever you intend to replace the heat meter.

We do not intend to publish a list of compliant meters, however, the feedback we have received on this point has been communicated to The Department for Business, Energy and Industrial Strategy.

If you are still unsure how this decision might affect you, please contact us using the details above.

Yours sincerely

RHI Operations Team

² <https://www.ofgem.gov.uk/ofgem-publications/90820/nmoreportfinalversion-pdf>

³ https://www.ofgem.gov.uk/system/files/docs/2019/01/guidance_volume_1_oct_2018.pdf