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for energy consumers

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Ofgem response to comments on our draft guidance, and publication of our final guidance to incorporate changes, on Non-Domestic Renewable Heat Incentive Scheme Closure: Non-Tariff Guarantee Extension Applications

Dear Stakeholder,

On 27 January 2021 Ofgem published draft guidance for comment, in relation to Non-Tariff Guarantee (Non-TG) extension applications under the closure of the Non-Domestic Renewable Heat Incentive (NDRHI) scheme. This for comment period ended on 17 February 2021. The relevant amendment regulations, laid on 25 January 2021, come into force on 1 March 2021.

We're writing to let you know that today we've published our final guidance for NDRHI Non-Tariff Guarantee extension applications, ahead of the opening on 1 March 2021 of the one-month window for submitting extension applications. The guidance can be found [here](#).

We have reviewed all responses, and where appropriate have updated our guidance. We would like to thank all those who responded and those who attended our workshop on extension applications on 11 February 2021.

[The comments and our response](#)

We received comments on our draft guidance from a total of 13 stakeholders. We have used this feedback and comments and questions received at the stakeholder event on 11

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February to make changes to the draft document where appropriate. Table 1, below, lists the key changes made.

It is worth reiterating that this was not a consultation on the policy underpinning the NDRHI scheme, from the Department for Business, Energy and Industrial Strategy (BEIS) at www.gov.uk/beis, but on the clarity of the Ofgem guidance document.

Schedule of changes

Where we have made key changes to the guidance document in response to comments, we provide a reference to the change and section in which the guidance is published. These changes are listed in Table 1, below.

Table 1: Changes to Non-Tariff Guarantee Extension Applications Guidance

Changes made	Chapter and paragraph reference
Wording changed to 'If a properly made extension application meets the regulatory requirements and is approved by Ofgem, applicants will then have until 31 March 2022, in which to commission their plant and submit a properly made full application for accreditation,	Chapter 1, 1.5
Any queries relating to the scheme operation or applicant eligibility should be emailed to rhi.enquiry@ofgem.gov.uk	Chapter 1, 1.15
Wording changed to 'Only plants which are not eligible for Tariff Guarantees (TGs), and are not expected to commission before scheme closure...'	Chapter 2, 2.1
Wording inserted at 'The following technologies, which are eligible for Tariff Guarantees, therefore do not qualify for an extension application.'	Chapter 3, 3.1
Line added stating 'Extension applications may not be made in respect of a plant which is additional RHI capacity.'	Chapter 3, 3.2
Paragraph added stating 'There is limited budget for extension applications. Extension	Chapter 4, 4.4

<p>applications that meet the eligibility criteria will be allocated budget on a first come, first served basis. Once the available budget allocation for extension applications is exhausted, extension applications will enter a queue: they will only be granted if other applications previously granted an extension drop out of the process and they are the next eligible application and there is budget available to accommodate.'</p>	
<p>Paragraph reworded to state 'Ofgem is not required to hold any extension applications in a queue that are not 'properly made'. Where an application cannot be considered 'properly made', it may be rejected without a request being made for the missing information. This is for budget control reasons and so that all applicants have a fair opportunity to apply for an extension.'</p>	Chapter 4, 4.5
<p>Wording changed to 'All applicants are responsible for providing the evidence required to demonstrate that they meet the eligibility criteria via the NDRHI Register using the Ofgem extension evidence template. The required information that needs to be supplied is outlined in sections 5 and 6 below. Applicants should provide the information and evidence for their extension application without being prompted for it by Ofgem. This is particularly important in a scheme closure scenario.'</p>	Chapter 4, 4.7
<p>Deletion of 'basic eligibility', replaced with 'eligibility'.</p>	Chapter 4, 4.8
<p>Insertion of link to alternative route to applications in the event of Ofgem IT issues.</p>	Chapter 4, 4.11
<p>Paragraph now states 'Even in the event of IT issues, Ofgem will not accept one email</p>	Chapter 4, 4.12

seeking to cover extension applications for multiple plants during the period that extension applications are open, as an attempt to circumvent tight timescales for submitting multiple applications via the NDRHI Register.'	
At Further Information, line added stating 'Any duplicate applications will be rejected.'	Chapter 4, 4.14
Review Process paragraph inserted stating 'Once confirmed that an extension application is properly made and budget is available, Ofgem will assess the application and evidence provided, Ofgem will assess the application and evidence provided to determine whether the eligibility criteria have been met. If the extension application is granted, the applicant will receive confirmation by email. If the extension is rejected, the applicant will be notified by email. We will confirm the reason(s) for the rejection.'	Chapter 4, 4.17 and 4.18
Paragraph heading / lines added stating 'What happens when my Extension Application is granted?' 'Where an extension application is granted, applicants must commission their eligible NDRHI installation and submit a properly made accreditation application on or before midnight at the end of 31 March 2022 before accreditation may be granted.'	Chapter 4, 4.19
Line added, stating 'In relation to heat pumps, the installation capacity should be determined based on the intended operational design conditions.'	Chapter 5, 5.1 (iv)
Line deleted stating 'any further information Ofgem may require'	Chapter 5, 5.1 (ix)
Wording changed to read 'One piece of primary evidence (see Figure 1) or two of the required pieces of secondary evidence,	Chapter 6, 6.1

<p>(either two items of Category A secondary evidence, or one item of Category A and one item of Category B secondary evidence)... will be considered sufficient to satisfy Ofgem that significant capital, or significant human or material resource has been invested in project development on or before 17 August 2020.'</p>	
<p>Wording inserted stating 'Ofgem must be satisfied that the evidence presented in support of an extension application is linked to the installation in question.'</p>	Chapter 6, 6.2
<p>Paragraph inserted stating 'If applicants wish to supply a reasonable number of additional pieces of primary evidence or secondary evidence, for their own piece of mind, then Ofgem will accept this. Please note anything supplied beyond the minimum evidence level should be relevant and proportionate to fulfilling the evidence requirements. Applicants should clearly label their additional evidence.'</p>	Chapter 6, 6.4
<p>Paragraph inserted stating 'Question 'HL173 – Investment of significant capital or significant human or material resource' provides an upload slot for supporting evidence. There are additional upload slots in the application form if required. If all available upload slots in the application form have been used, further evidence can be emailed to RHI.Extension@ofgem.gov.uk. If emailing evidence, please include a copy of the Ofgem extension evidence template and the RHI number in the subject field of the email.'</p>	Chapter 6, 6.5
<p>Line inserted stating 'Where the documents being presented are usually signed (eg contracts, loan agreements) only signed</p>	Chapter 6, 6.6 and 6.10

versions will be accepted as suitable evidence.'	
Note added stating 'Evidence that planning permission has been granted or is not required is not a necessary criteria for a properly made extension application but can be used as supporting evidence where available.'	Chapter 6, 6.6 Figure 1 (ix)
Changed to 'Detailed quotations and estimated cost of works'.	Chapter 6, 6.11
'Quotation' inserted	Chapter 6.13
Changed to 'Using information included in the extension application and information published by BEIS, Ofgem will assess whether or not there is available budget to progress the application further in the application review process, or whether it should be held in a queue. Where we are operating a budget queue, applications will only be held in the queue if they are considered properly made and demonstrate that the eligibility criteria has been satisfied.'	Chapter 7, 7.3

Yours sincerely,

Renewable Heat Team