

Non-Domestic Renewable Heat Incentive

www.ofgem.gov.uk/ndrhi

31 March 2021

Easy guide to shared ground loops

Background

From 22 May 2018, applications submitted for a system where a ground loop is connected to two or more heat pumps will be classified as a Shared Ground Loop (SGL) system. Payment for heat pumps in domestic properties on an SGL system will typically be made based on the deemed heat demand of the property, as in the Domestic RHI scheme. This applies to ground and water source heat pumps, as well as open and closed-loop systems.

These arrangements are intended to provide investors with greater certainty about RHI payments, which should help with financial clarity and decision-making.

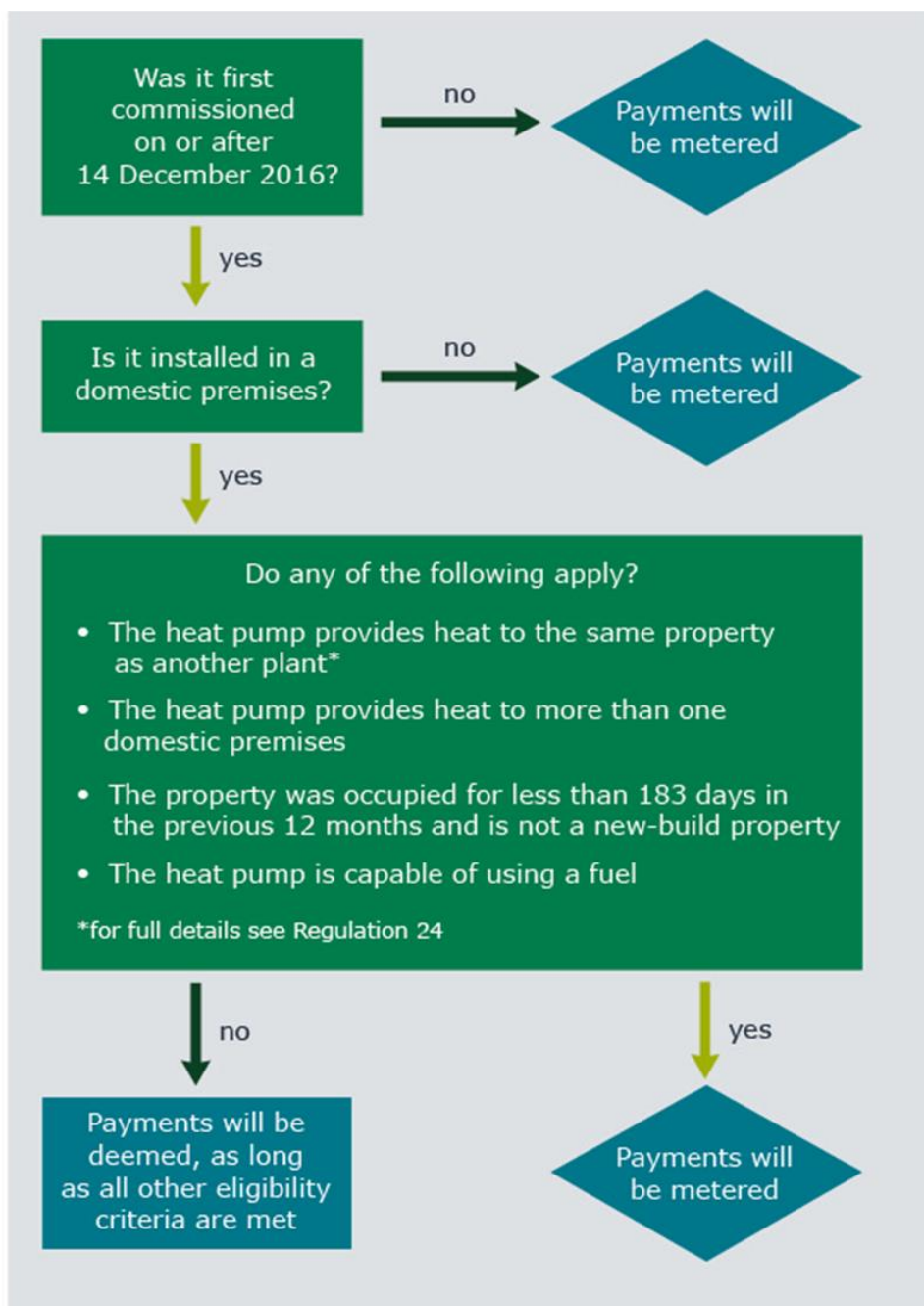
From the 1 April 2021, participants who have an accredited shared ground loop system (SGL) or a ground source heat pump will be able to modify the capacity of their installation through the addition of one or more ground source heat pumps. Any such modification is permissible only if the additional ground source heat pumps meet the eligibility requirements of SGLs.

It is important to note that the regulations specify that heat pumps added via the modified capacity route must only provide space and/or water heating only and not process heating. In cases where an existing heat pump provides process heating, it will be the responsibility of the participant to establish metering arrangements that will enable Ofgem to quantify the heat produced by the additional heat pump(s) that has been delivered to any process heating. This is in order to accurately calculate RHI payments. **Participants who wish to modify the capacity of their installation must notify Ofgem of their intention to do so on or before 31st March 2023.** For more information please see [Guidance Volume 1 and 2](#).

The flow chart below may help you to assess whether payments for a heat pump on an SGL will be made on a deemed or metered basis. After this, you should note the key eligibility requirements for each heat pump and property on your SGL system.

Heat pumps providing heat to non-domestic properties, and some heat pumps in domestic properties, on SGL systems will continue to be paid on the basis of metered heat use. This could mean that payments are made through a combination of deemed and metered heat use for some SGL systems.

Will payments for your heat pump (as part of an SGL system) be deemed or metered?



How will you be paid?

Deemed payments

For heat pumps in domestic properties that qualify for deemed payments, these will be calculated quarterly in the following way:

$$\left(D \times \frac{E}{4} \right)$$

Where:

- D represents the tariff for the ground source heat pump; and
- E represents the kWhth of deemed annual heat generation used for eligible purposes for the ground source heat pump. This is the lower of the heat demand on the Energy Performance Certificate (EPC) or 30,000 kWhth.
- 4 represents the number of quarters in the year

Metered payments

If your heat pump does not meet the requirements for deemed payments, you will need to meter in line with the Non-Domestic RHI metering requirements for heat pumps. Please see our Easy Guide to Metering for more information.

Making an application for an SGL system

The majority of eligibility requirements for SGL systems will be the same as for other heat pump installations. However, for domestic premises there are some key differences. In addition to the core documents set out in the Easy Guide to Applying, you will also need the following information:

- A heat pump nameplate
- A heat pump data sheet that includes capacity and Coefficient of Performance (COP) information
- A Microgeneration Certification Scheme (MCS) certificate (required if the individual capacity of each heat pump is under 45kW)
- An Installer Declaration
- A Seasonal Performance Factor (SPF) calculation

- A valid Energy Performance Certificate (EPC) for each domestic premises

A shared ground loop system is defined as one that provides energy through a hydraulic connection. This may be via a single pipe, as long as the pipe serves the purpose of transferring energy used in the operation of the heating system. Ofgem will determine the eligibility of each application on a case-by-case basis.

Once accredited what do you need to do?

- **If all payments for your SGL system are deemed:** - deemed payments will be paid automatically into your bank account every quarter. One of your on going obligation is to sign your annual declaration each year.
- **Combination of metered and deemed payments:** Submit meter readings for the metered heat pumps – once this has been completed and reviewed, you will be paid the metered plus deemed payments for the quarter.
- **If all payments for your shared ground loop system are metered:** Submit meter readings for all your heat pumps – payments will be paid into your bank account once your meter readings have been reviewed.

Important things to note

If you are successfully accredited on the RHI as an SGL system:

- You must notify us if any of the heat pumps change from being used for a domestic purpose to a non-domestic purpose, or vice versa.
- You must notify us of any change in the ownership of the heat pumps attached to your SGL system within 28 days. We will review the installation to ensure it continues to meet the eligibility criteria.
- Once you become accredited, or registered, you will have ongoing obligations which you will be required to comply with. Failure to comply with your ongoing obligations will result in compliance action which may impact your RHI payments or your accreditation. For further information on ongoing obligations, please refer to our [Easy Guide to Compliance](#) when accredited. You must comply with all ongoing obligations and keep the necessary documentation that Ofgem could request at any stage. Ofgem can audit your installation at any time.

Requirements for metered and deemed heat pumps	
Metered payments	Deemed payments for Domestic Premises
Electricity meters needed to calculate SPF. Readings to be submitted to Ofgem.	Metering for Performance required – mandatory electricity metering to improve user understanding. Readings do <u>not</u> need to be submitted to Ofgem.
Payments will be based on metered data.	Payments will be based on the estimated annual heat demand on the EPC

Easy guide series

- [Easy Guide to the Non-Domestic RHI](#)
- [Easy Guide to Eligibility](#)
- [Easy Guide to Applying](#)
- [Easy Guide to Metering Requirements](#)
- [Easy Guide to Compliance](#)
- [Easy Guide to Periodic Data Submissions](#)
- [Easy Guide to Sustainability](#)
- [Easy Guide to Heat Pumps](#)
- [Guide to Tariff Guarantees](#)

This Easy Guide is applicable to applicants and participants on the GB Non-Domestic scheme. If you are an applicant or participant on the Northern Ireland Non-Domestic scheme then please refer to the [Northern Ireland Renewable Heat Incentive](#).

Contact us

If you have a query or need help please contact us:

By telephone: 0300 003 2289 By email: RHI.Enquiry@ofgem.gov.uk

The Non-Domestic RHI enquiry line is open Monday to Friday. Please see our [Contact Us](#) page for timings. Note: calls may be recorded.

Please have your RHI application reference number to hand if you are calling or put it in the subject line of your email.