

Renewable Heat Incentive



Key Facts

- Accredited* renewable heat installations (e.g. solar thermal, biomass, ground source heat pumps) commissioned since 15 July 2009 are now eligible for **per-unit heat payments**
- Modelled on existing feed-in tariff system for clean electricity, but tax-funded and a **world first** for heat systems
- Payments are **guaranteed for 20 years**, and index-linked—green gas (bio-methane) grid injection is also supported

Background

The UK government has been consulting for some time on a more effective way to drive rapid growth in clean, low-carbon heat. This is because heat production—often overlooked—is responsible for **nearly half of UK carbon emissions**, and green heat has a major part to play in meeting our 2020 targets.

Although direct grants have ended, a new incentive system, whereby premium guaranteed rates are payable for most types of **green heat** produced, commenced in Nov 2011 for commercial and *non-domestic* installations (domestic to follow in late 2012). The UK scheme is the world's first, and it has proved very complex to design—some aspects will evolve in future phases. The RHI is managed for the government by Ofgem.

The arrival of the Renewable Heat Incentive means there has never been a better time to consider green heating systems in businesses and homes.



* Installations below 45kW size must be MCS accredited

RHI Rates

DECC has published initial support rates for **non-domestic** RHI installations, which range from 1.0—7.9 p/kWh for biomass heat at various tiers, 8.5 p/kWh for solar thermal, 4.5p for ground source heat pumps and 6.8 p/kWh for bio-methane or 'green gas' grid injection. Heat metering is required in all cases.

RHP Payments

To bridge the gap between now and Phase 2 of the RHI in 2012, **domestic customers**, in properties that are off the gas grid (except solar thermal) and have basic insulation in place, can apply for up-front support for green heating systems.

Renewable Heat Premium Payments are basically tide-over grants, and are due to be available until 31 March 2012, with the levels set as follows:

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|-------------------------|---------------|
| • Solar hot water | £300 |
| • Air source heat pump | £850 |
| • Ground src. heat pump | £1,250 |
| • Biomass boiler | £950 |

Applications must be made through the Energy Saving Trust.

Further Information

Severn Wye Energy Agency Ltd
Unit 15 Highnam Business Centre
Highnam, Gloucester, GL2 8DN

Gov't RHI information — www.decc.gov.uk/rhi
RHP payment details—www.est.org.uk/rhpp