



Renewable Heat Incentive



Key Facts

- Accredited* renewable heat installations (e.g. solar thermal, biomass, heat pumps) commissioned after July 2009 should be eligible for **premium payments** for all heat produced
- Modelled on existing feed-in tariff system for clean electricity generation, but a **world first** for heat systems
- Payments would be **guaranteed for 10—23** years, varying by technology—green gas 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 generation—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 grant-based support has ended, a new incentive system modelled on the electricity feed-in tariffs is planned for 2011, whereby premium guaranteed rates are payable for **all green heat** produced. The UK will be the first country in the world to implement such a system, and there is no proposed upper capacity limit for biomass—such that even large community district heating plants should be supported.

The forthcoming Renewable Heat Incentive means there has never been a better time to install a green heating system in Gloucestershire.



* Installations must be **MCS** accredited where applicable

Rates (per kWh)

The following rates are still under consultation and may change:

- Solar thermal (domestic) **18.0p**
- ASHP (domestic) **7.5p**
- GSHP (domestic) **7.0p**
- Small biomass (< 45 kW) **9.0p**
- Med biomass (45—500 kW) **6.5p**
- Biogas on-site (45—200kW) **5.5p**
- GSHP (commercial < 350 kW) **5.5p**
- Biomethane grid injection **4.0p**

Note that the next announcement on the government's RHI plans is expected in October 2010, and more details will be available then.

Benefit Illustration

Example: a typical **2-panel solar thermal** system producing up to 1,800 kWh of hot water each year (50-60% of household demand) in an oil-heated property:

Typical installed price:	£4,000
Displaced oil savings:	£144
RHI payment:	£324
Total annual benefit:	£468
Payback time:	8.5 years

Further Information

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