

Renewable Heat Incentive: Ofgem's role

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The Renewable Heat Incentive (RHI) is a new Government environmental programme designed to increase the uptake of renewable heat technologies by providing incentive payments to eligible generators of renewable heat for commercial, industrial, not for profit and public sector purposes and to producers of biomethane.

This will contribute towards the Government's target (as set under the 2009 EU Renewable Energy Directive) of 15 per cent of total UK energy consumption being generated from renewable sources by 2020. The RHI Regulations name the Gas and Electricity Markets Authority (Ofgem) as the body responsible for administering the scheme.

A range of renewable heat technologies are supported under the scheme. These include solar thermal panels, biomass boilers, ground and water source heat pumps, geothermal plants and

the production of biomethane for injection into the gas grid. Each technology has a different tariff level which determines how much support is provided per unit of eligible heat generated or biomethane produced. The different tariff levels have been set to reflect the expected difference in the costs of installing and maintaining each eligible renewable heat technology in comparison with an equivalent fossil-fuelled system.

Government, Ofgem and participants each play a distinct role in making the RHI work. In brief:

DECC

- Develop overarching policy framework and supporting legislation
- Set tariffs for different technologies
- Specify detailed eligibility criteria and scheme rules in RHI Regulations

Ofgem

- Formally administer the scheme on behalf of Government and in line with the RHI Regulations
- Accredite installations and register biomethane producers as eligible for RHI
- Make payments to accredited scheme participants
- Monitor compliance with scheme rules by participants

Participants

- Can apply for the RHI
- Must comply with ongoing scheme conditions
- Non-domestic participants only in RHI scheme for 2011/12

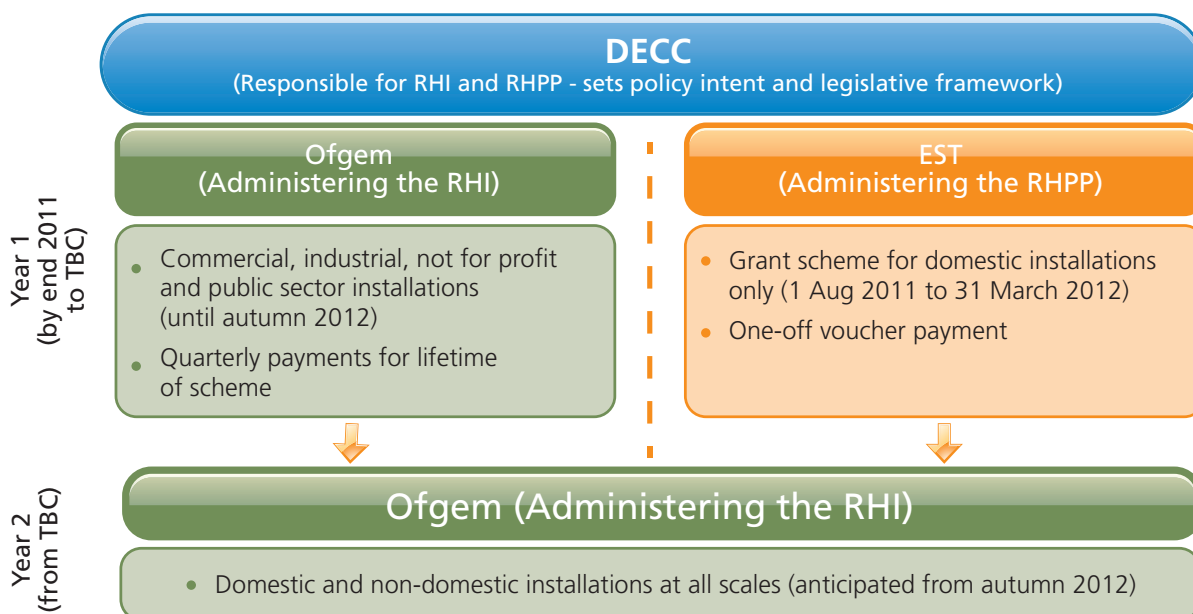
Ofgem is responsible for administering the RHI on behalf of the Department of Energy and Climate Change (DECC). Our functions include accrediting eligible installations, making payments to participants, monitoring compliance with the scheme requirements, and undertaking inspections to ensure the scheme conditions are being adhered to. We are also responsible for providing guidance for participants and prospective participants to assist them in understanding how to apply for the scheme and how to demonstrate compliance with both the RHI eligibility criteria and participants' ongoing obligations under the scheme.

Ofgem is not in a position to provide technical and legal advice to prospective participants. Applicants should seek relevant advice from appropriate third parties in advance of making an application for support.

RHI: The RHI is open to commercial, industrial, not for profit and public sector generators of renewable heat and to producers of

biomethane in the first phase. The Government is currently working to confirm the timings for support under the RHI for installations supplying a single domestic premise. In the meantime, DECC has launched the Renewable Heat Premium Payment (RHPP) for domestic renewable heat generators.

RHPP: This scheme provides eligible householders with a one-off payment towards the cost of installing an eligible renewable heat technology. The RHPP is being administered by the Energy Saving Trust (EST) and runs from 1 Aug 2011 to 31 March 2012. If support is received under the RHPP, the generator will also be able to apply for support under the RHI when it is extended to domestic participants. There may, however, be additional eligibility criteria that need to be complied with before the applicant can be accepted onto the RHI. DECC will be developing the RHI policy for domestic participants throughout 2011/2012 so any queries regarding support under the RHI for the domestic sector should be directed to DECC.



► Further information

Key documents

RHI Policy document – available on the DECC website at www.decc.gov.uk/rhi. This document explains the policy underpinning the scheme.

RHI Regulations – these provide the legislative basis for the administration of the scheme. Available at legislation.gov.uk.

RHI Guidance document - Available on the Ofgem website at www.ofgem.gov.uk/rhi. It provides detailed information for potential participants on the eligibility criteria, how to apply, and the ongoing obligations of the scheme.

The Renewable Heat Incentive - Financial support for renewable heat technologies - available on the Ofgem website at www.ofgem.gov.uk/rhi. This document provides an insight into the main eligibility criteria for the scheme, the application process and payments.

Key contacts

For questions concerning the policy underpinning the RHI (or RHPP) please contact DECC on **0300 060 4000** or visit their website at www.decc.gov.uk/rhi, or through www.direct.gov.uk.

For questions concerning eligibility criteria and how to apply for the RHI (for commercial, industrial, not for profit and public sectors), please contact Ofgem E-Serve's RHI enquiry team on **0845 200 2122** (9:00am to 5pm Monday to Thursday, 9:00am to 4:30pm on Fridays), via email at RHI.Enquiry@ofgem.gov.uk (preferred for long or complicated enquiries), or visit our website at www.ofgem.gov.uk/rhi.

For questions concerning eligibility criteria and how to apply or the RHPP, please contact the Energy Saving Trust on **0800 512 012** or visit their website at www.energysavingtrust.org.uk/RHPP.