



renewable energy information sheet

Renewable Heat Incentive fact sheet

The Renewable Heat Incentive (RHI) is the first scheme of its kind in the world. It has been designed to increase the uptake of renewable heat technologies and reduce the UK's carbon emissions. The scheme has been developed by DECC and will be administered by OFGEM. It is envisaged that the scheme will provide £860 million of funding between now and 2014/2015.

how it works

The scheme is being introduced in two phases. Phase 1 supports non domestic installations and opened for applications in November 2011. Phase 2 will include more technologies and domestic installations. The scheme will provide an incentive payment per kWth of eligible renewable heat generated by accredited installations. Payments will be made on a quarterly basis for a period of 20 years. All payments will be index linked annually.

In order to apply for RHI accreditation under Phase 1 of the Scheme, the installation must meet certain eligibility criteria. The eligibility requirements are summarised below (please note that this list is not exhaustive and other requirements will apply depending on the technology type and size):

- The applicant is the owner of the eligible installation, the owner's identity has been verified by OFGEM and their bank details have been validated.
- The plant is an eligible renewable heat technology type and size
- The installation was completed and the plant first commissioned on or after 15 July 2009
- No grants from public funding have been or will be received for purchasing or installing the eligible installation
- The plant was new at the time of installation
- The plant uses either liquid or steam as the heat delivery medium
- The plant is providing heat for at least one eligible heat use: heating a space; heating water; or carrying out a process where the heat is used within a building
- The installation is not solely heating a single domestic premises
- The metering arrangements are correct – right type of meters, calibrated, and placed in correct locations according to whether the installation is classed as 'simple' or 'complex'

eligible technologies and sizes

eligible technology	sizes
Solid biomass	All scales
Solid biomass contained in municipal waste	All scales
Ground source heat pumps Water source heat pumps	All scales
Geothermal	All scales
Solar thermal	Installations less than 200 kWth
Biogas combustion	Installations less than 200 kWth
CHP	Size criteria relevant to technology; geothermal, biogas, solid biomass contained in municipal waste or solid biomass
Biomethane injection	Separate 'registration' requirements



tariffs

Tariff name	Eligible technology	Eligible sizes	Tariff rate (pence/kWh)
Small commercial biomass	Solid biomass including solid biomass contained in municipal solid waste (incl. CHP)	Less than 200 kWth	Tier 1: 7.9 Tier 2: 2.0
Medium commercial biomass		200 kWth and above; less than 1,000 kWth	Tier 1: 4.9 Tier 2: 2.0
Large commercial biomass		1,000 kWth and above	1.0
Small commercial heat pumps	Ground-source heat pumps; Water source heat pumps; deep geothermal	Less than 100 kWth	4.5
Large commercial heat pumps		100 kWth and above	3.2
All solar collectors	Solar collectors	Less than 200 kWth	8.5
Biomethane and biogas combustion	Biomethane injection and biogas combustion, except from landfill gas	Biomethane all scales, biogas combustion less than 200 kWth	6.8

who should apply

The tariffs have been calculated to provide a return of 12% on the cost of the renewable heat installation when compared to a mains gas installation.

If your current fossil fuel boiler is oil or LPG these returns can be greatly increased.

If a biomass boiler replaces an oil fired boiler the returns can be in excess of 20%. So, if you are off the mains gas grid, you should be investing in renewable heat.

Fisher German renewable energy services

Our renewable team can provide support for:

- renewable energy appraisal
- full feasibility reports
- financial forecasting
- RHI eligibility appraisal
- RHI applications
- project management - inception to completion
- bank due diligence
- funding advice

For an initial discussion and to arrange your site assessment, contact us on

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