

Domestic Renewable Heat Incentive (RHI) Www.ofgem.gov.uk/drhi Version 5.0 May 2018

Factsheet: An introduction to the Domestic RHI

For people considering or intending to apply

This factsheet is only an overview. For the full picture read our **Essential Guide for Applicants**.

What is it?

The Domestic Renewable Heat Incentive (RHI) is a government financial incentive to encourage a switch to renewable heating systems. If you join and comply with the scheme rules, you'll receive payments every three months for seven years, to assist in reimbursing you for some of the cost of installation. It's a way to help the UK reduce its carbon emissions.

The scheme is available for households both off and on the gas grid.

Those without mains gas have the most potential to save on fuel bills and decrease carbon emissions.

Is it for me?

Broadly speaking, the Domestic RHI scheme is for heating systems for single homes. The starting point is that your renewable heating system is in a property for which a domestic Energy Performance Certificate (EPC) has been issued. The EPC is the proof we need that your property is assessed as a domestic 'dwelling'. Unless one has been issued, you can't apply and won't be able to join the scheme.

Depending on meeting the eligibility criteria, anyone can apply. This includes people who own the homes they live in, who occupy but do not own them, private landlords and Registered Social Landlords (RSLs), and <u>custom-builders</u>.

If you don't fall into one of these eligible categories and can't join the scheme, you may want to find out more about the Non-Domestic RHI scheme. It's for renewable heating systems that are fitted in industrial, commercial, or public premises. It also covers heating systems that heat more than one home, such as two houses or more, or a block of flats. It has different eligibility requirements and a separate application process. Please read our Factsheet: Domestic or Non-Domestic? for more details.

Please note: The Government published its <u>response to the consultation</u> on Renewable Heat Incentive (RHI) reform in December 2016. The first stage of the changes came into effect on 20 September 2017. The second stage of changes came into effect on the 22 May 2018. For information on what the Government changes mean for you, see our <u>changes to the scheme webpage</u>.

What heating systems are eligible?

Domestic RHI are:

- biomass only boilers and biomass pellet stoves;
- air source heat pumps;
- ground source heat pumps; and,
- solar thermal panels flat plate or evacuated tube only

Biomass and heat pump systems must provide space heating (heating rooms in a house) or space and water heating. Under the scheme rules, they have to heat the home using a 'wet' central heating system like radiators.

Solar thermal panels eligible for the scheme may provide for your home only hot water, not space heating. Nor may they be used for any other purpose. The term <u>Domestic Hot Water (DHW)</u> doesn't include water used to heat a swimming pool or for space heating.

What products are eligible?

It's not enough just to have one of the types of renewable heating systems that are eligible for the scheme. The make and model must also meet specific technical requirements. Check your specific product is on the Product Eligibility List (PEL). If it's not, you need to contact us to discuss next steps.

Make sure you have an Energy Performance Certificate (EPC)

Your EPC must be less than 24 months old at the date of application. It needs to accurately reflect information about your house. If you have undertaken construction work on your property since your EPC was issued you may need to get a new one to ensure it reflects your circumstances.

The eligible renewable heating system types for the You must install loft and cavity wall insulation if it's recommended in the EPC. If it's not possible to do this, then you may be able to submit evidence to us as part of your application as to why it's not feasible. See insulation exemptions in our key terms.

> You'll then need to get an updated EPC to verify you've installed the loft and cavity wall insulation.

How do I apply?

- You must be the owner of an eligible heating system;
- You must own or occupy the property the renewable heating system is in;
- Your renewable heating system and installer must be certified under the Microgeneration Certification Scheme (MCS);
- No part of the renewable heating system can have been used before the first commissioning date (when your installer tested and signed off the system). The date is on the MCS Certificate. Some parts of it are exempt from this requirement. See relevant parts in our key terms;
- The heating system must have been first commissioned on or after 15 July 2009. The date is on your MCS Certificate;
- You must apply within 12 months of the first commissioning date of the heating system, shown on the MCS Certificate;
- If you received a public grant towards the costs of your heating system, we'll deduct the amount from your Domestic RHI payments over the course of the seven years' payment lifetime. We won't deduct any loan which you have to pay back; and,
- You or a former owner must also have made a personal financial contribution to the purchase or installation costs of the renewable heating system.

The list above isn't comprehensive. For more details and full examples see our Essential Guide for Applicants.

How do I supply proof?

Your installer will register your renewable heating system and give you the MCS Certificate for it.

To apply, you must complete an online application form and supply:

- An MCS Certificate number. This is at the top of the certificate and looks like this: MCS-01234567-A; and,
- An EPC number. This is at the top of your certificate and looks like this: 1234-5678-9012-3456-7890. Make sure your EPC includes a heat demand at the bottom.

We'll ask you to complete declarations as evidence of some of the joining requirements and terms and conditions. We'll also need you to provide personal information and bank details, so we can pay you.

Some people may need to supply more information, depending on their circumstances. See our Essential Guide for Applicants.

How much do I get paid?

Most people will be paid on an estimate of their property's annual heat demand, or the relevant annual heat demand limit - whichever is lower. The heat demand limit caps the financial support that participants can receive for their annual heat use. This is to ensure subsidies represent good value for money in order to protect the public purse.

For biomass and heat pump systems, we take the annual heat demand figure in the EPC. For solar thermal, we use a figure calculated by your MCS installer. **There is no heat demand limit for solar thermal systems**.

Some people will have to install meters for payment and/or performance purposes. They will have to submit regular readings on which their RHI payments will be based. To see if you need metering, please see our Factsheet: Do I need metering for the Domestic RHI? for more information.

Current tariffs are shown on our website.

What are my responsibilities?

As we're dealing with public money, a condition of joining is that you agree to keep to the scheme rules. They include, but aren't limited to:

- Keeping the heating system and metering equipment (if you have it) in good working order;
- Telling us if the equipment breaks down and isn't working while you wait for repairs;
- Telling us if you sell your house (with the heating system in it). In this case payments to you will stop and switch to the new owner, should they satisfy certain other conditions;
- Telling us if you make any changes to your heating system, for example if you replace part of it;
- Telling us if there are changes that mean your property may need to be metered, for example if you expect it to be occupied for less than half the year; and,
- Telling us if there is ANY change in circumstances that may affect your eligibility to receive payments.

What are audit checks?

To continue to receive payments, you'll have to complete an annual declaration every year that you're on the Domestic RHI scheme confirming that you're continuing to follow the rules.

To help protect the public purse, we carry out a system of desk and site audits to verify that declarations are accurate. They're randomly chosen, so anyone may be selected at any time.

If we suspect fraud or non-compliance, we may conduct audits at short notice.

For more information on audits, see our <u>webpage</u> on audit checks.

Guide Material

We update our guide material regularly. Check the website for the latest versions, to be sure you're reading the most up-to-date information.

See our website:

<u>Domestic RHI</u> <u>Non-Domestic RHI</u>

Domestic RHI Factsheets

Factsheet: The Renewable Heat Incentive - Domestic

or Non-Domestic?

Factsheet: A Metering and Monitoring Service

<u>Package for the Domestic RHI</u> <u>Factsheet: Tariffs and Payments</u> <u>Factsheet: Do I Need Metering?</u>

Domestic RHI Essential Guides

Essential Guide for Applicants

Essential Guide for Installers

Essential Guide to Metering

Essential Guide to Metering and Monitoring Service

Packages (MMSP)

Domestic RHI Reference Document

Domestic RHI Reference Document

Find out more

Next steps

See the Department for Business, Energy & Industrial Strategy (BEIS)

Domestic RHI Payment Calculator

Ask your installer to fill out and leave for you: Installer Checklist

For Help

For queries regarding Domestic RHI scheme requirements and eligibility and for free impartial general information on how to save energy in the home:

Energy Saving Advice Service

(England or Wales)

Email energy-advice@est.org.uk

Home Energy Scotland

(Scotland) 0808 808 2282

Calls are free from landlines and most mobile

networks

Online email form

For consumer protection information:

Renewable Energy Consumer Code (RECC)

www.recc.org.uk

The Home Insulation and Energy Systems Contractors Scheme (HIES)

www.hiesscheme.org.uk

The Glass and Glazing Federation (GGF)

www.ggf.org.uk

If you need help with a Domestic RHI application:

Domestic RHI Applicant Support Centre

Telephone: 0300 003 0744

Email: DomesticRHI@ofgem.gov.uk

Monday to Thursday: 9:00 to 17:00 Friday: 9:00 to 16:30