

Want to get paid for generating renewable heat?

Renewable Heat Incentive (RHI) scheme

What is it?

A government scheme that pays owners of renewable heat technologies for heat (kWh) that they generate. RHI is the world's first long-term financial support programme for renewable heat. The scheme launched on 9 April 2014 and is applicable to homeowners, private and social landlords as well as self-builders.

How does the RHI scheme work?

The RHI Scheme offers homeowners and generators of renewable heat financial returns for the heat they generate. A number of RHI tariff rates have been set by the government which vary depending on the technology. These rates are set to significantly shorten the payback period on some renewable technology investments and will help homeowners to become generators of renewable heat rather than consumers.

The income earned from the heat you generate from your renewable technology will be tax free, is index linked to the Retail Price Index (so increasing with inflation) and will apply to both new and existing installations (if installed since 15/07/2009). The scheme pays for 7 years on quarterly basis. RHI payments are backdated to your submission date.

Technology	Tariff
Air- source heat pumps (ASHP)	7.3p/kWh
Ground- source heat pumps (GSHP)	18.8p/kWh
Biomass boilers	12.2p/kWh
Solar Hot Water (SHW)	19.2p/kWh

Please note: Ofgem reviews the RHI rates on a quarterly basis. Please contact us for the latest rates and information.

How are the RHI payments calculated? Do I need to install a meter?

Payments for most customers are calculated on your annual estimated heat demand.

If you had a biomass boiler or ASHP/GSHP installed your payments will be calculated on the **heat demand figure** (kWh) from your Energy Performance Certificate (EPC).

It could be both your space heating and water heating heat demand figure that is used or just the space heating figure, depending on what your renewable heat technology is used for in your property. You can find these heat demand figures on the last page of your EPC. See below an example:

Your home's heat demand

For most homes, the vast majority of energy costs derive from heating the home. Where applicable, this table shows the energy that could be saved in this property by insulating the loft and walls, based on typical energy use (shown within brackets as it is a reduction in energy use).

Heat demand	Existing dwelling	Impact of loft insulation	Impact of cavity wall insulation	Impact of solid wall insulation
Space heating (kWh per year)	18,182	(1,417)	(991)	N/A
Water heating (kWh per year)	2,404			

For heat pumps, **Seasonal Performance Factor** (SPF) is also used to calculate payments. This is because heat pumps run on electricity and therefore not all of the heat production is included as renewable. You can find your SPF on your MCS certificate which must be provided by your installer.

If you had solar hot water system installed your payments will be calculated on the estimated annual **heat generation figure** from your MCS certificate. This figure is provided by your solar installer.

Examples of how payments are calculated below:

For biomass

Your home's heat demand (from EPC)	33,790 kWh
RHI tariff rate	12.2 p/kWh
Total annual payment	33,790 x 12.2 p = £4,122.38

For ASHP

Your home's heat demand (from EPC)	33,790 kWh
SPF	2.7
RHI tariff rate	7.3 p/kWh
Your home's heat demand (from EPC) x (1 - 1/SPF)	33,790 x (1 - 1/2.7) = 21,288
Total annual payment	21,288 x 7.3 = £1,554

For SHW

Annual heat generation figure	2,500 kWh
RHI tariff rate	19.2 p/kWh
Total annual payment	2,500 x 19.2 = £480

These figures are indicative only and will vary from system to system. However, what it does provide is an idea of how the economics of renewable heat technologies are affected by the introduction of the RHI scheme.

In most cases you will not need a meter and payments are calculated as detailed above.

However in some cases in order to receive payments you will need to have a heat meter installed and to submit meter readings to Ofgem.

You need a meter installed if:

- **You have back-up heating;** for example, if you have a biomass boiler and an oil boiler that you use for back-up or if you have heat pumps and a gas boiler. Also if you have more than one renewable space heating system.

If you have a secondary heating that heats only one room, for example open fire or an electric heater, you don't need a meter.

- **Your property isn't occupied permanently i.e. fewer than 183 days a year (half a year).**
- **Your biomass boiler doesn't heat your home fully.**

Not applicable if biomass system installed before 9/4/2014.

You will need to submit meter readings by logging in to [MyRHI online system](#).

To qualify for the RHI you must:

- Install/ed eligible renewable heat technology.
- Have the equipment installed by an installer who is accredited with the government's [Microgeneration Certification Scheme \(MCS\)](#).
- Have completed GDAR (Green Deal Assessment) of your property before the system was commissioned.
- Able to provide a domestic EPC number.

- Install loft and/or cavity wall insulation if recommended on the EPC (exempt for self builds) before you apply for the RHI and have a postEPC completed. You can see a list of [insulation exemptions on the Ofgem website](#).
- Apply for RHI payments within 12 months of installing your technology or if installed before the RHI was launched, apply before 9 April 2015.
- Check if you need a heat meter installed.
- Stay compliant to the RHI scheme regulations for 7 years.

How to apply for RHI payments?

Before you apply have ready:

- Your MCS certificate number
- Your GDAR report number
- Your EPC number

You need to apply on the Ofgem website <https://domesticrhi.ofgem.gov.uk/apply>.

When to apply for RHI payments?

You didn't receive the RHPP

You can apply immediately

You applied for RHPP before 20 May 2013 You can apply from 9 July 2014

You applied for RHPP after 20 May 2013 You can apply from 9 October 2014

I received the Renewable Heat Premium Payment (RHPP) grant? Is it important?

Yes. The grant scheme now closed but if you received the RHPP payment this will be deducted from your RHI payments.

Where can I find out more?

Ofgem has a very detailed web page on the RHI.

<https://www.ofgem.gov.uk/environmental-programmes/domestic-renewable-heat-incentive>

You can also give Action Surrey a call on **0800 783 2503** to find out more about installing solar hot water panels or any other renewable technology.

Action Surrey has installers who are all accredited with the MCS.