

Renewable Heat Incentive

Non Domestic RHI - Frequently Asked Questions

www.ofgem.gov.uk

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Please consult the **RHI Guidance Volumes One and Two** for further detail on Ofgem’s administration of the RHI.

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1. How can I apply?

You can apply for the Non Domestic RHI by going to <https://rhi.ofgem.gov.uk/Public/>. You will need to create an account on the RHI system before you can make an application for accreditation to the RHI. If you do not have access to the internet please contact us on **0845 200 2122** and we will provide you with a paper application.

2. Can I apply for the RHI if I live in Northern Ireland?

As of November 2012, Ofgem started accepting applications for the NIRHI and applicants can apply for the scheme by going to <https://rhi.ofgem.gov.uk/Public/>

3. How do I claim Non Domestic RHI for my business?

In order to claim the RHI, you will need to submit an application for accreditation and become a participant in the scheme. You must be the owner, or authorised signatory, for the installation in order to apply for the scheme. For further information on who can apply for the scheme, please see question 5. You will need to demonstrate to us that the installation meets the RHI eligibility criteria, including that:

- The installation is of an eligible renewable heat technology type and size
- The installation was completed and first commissioned on or after 15 July 2009 and
- That the heat is used for 'eligible purposes' heating space, water or for carrying out a process where the heat is used in a building.

A full eligibility checklist and more detailed information on the eligibility criteria appear in Chapter Three and Four of Volume One of the Guidance document.

Different rules apply to producers of Biomethane. Please see Chapter Eight of Volume One, “Registration for biomethane producers”.

4. Can I claim the RHI? (I am a domestic customer)

The Government has stated that the domestic sector will be eligible for RHI support from Phase Two, but guidance on this scheme has not yet been drawn up. In the interim you may wish to consider applying for the Renewable Heat Premium Payment Scheme (RHPP), if your installation is 45kWth or less. If you are eligible for the RHPP you will receive a grant towards the cost of purchasing a renewable heat installation. The technologies that are supported include solar thermal panels, heat pumps, and biomass boilers. The scheme is being administered by the Energy Saving Trust. For further details please visit their website at: <http://www.energysavingtrust.org.uk/rhpp>

5. Who is able to apply for the scheme?

Please see Chapter Four, Volume One of the Guidance document for more information on the meaning of ‘owner’ for the purposes of the RHI.

6. What information do I need to supply to Ofgem?

There is a ‘Summary of Supporting Information for Applicants’ document for RHI applicants on our website. This shows what documents you will need to submit to support your application.

7. Can we pre register?

There is no facility to pre register for accreditation to the Non Domestic RHI, however there is a facility for early application or Preliminary accreditation.

Early application:

If your installation has already been built and is 1MW or larger, you can apply for accreditation in the month prior to your installation being first commissioned. This early application provides more time for your application to be processed and could minimise any delay to your initial payment.

Preliminary accreditation:

Preliminary accreditation is only available for larger, more complex and bespoke installations using the following technologies:

- geothermal
- biogas

- Solid biomass (including solid biomass contained in municipal waste installations) – above 200 kWth.

Preliminary accreditation allows an organisation to submit plans and evidence demonstrating that, once built, an installation would meet the eligibility criteria of the RHI scheme. It can be considered as a form of 'in principle' agreement and may include conditions. It gives reassurance that once the proposed installation is built and the owner applies we would grant full accreditation so long as the installation is built in line with the submitted plans and all other conditions are met and there has been no relevant changes to the Regulations since the installation received preliminary accreditation. However it does not make the applicant a participant in the scheme, or will any payments be made on the basis of Preliminary accreditation. Full details on early application and Preliminary accreditation can be found at Chapter Two, Volume One.

8. How long will the scheme last for?

Once you have received accreditation under the RHI you are entitled to support for 20 years, providing you continue to comply with the conditions of your participation.

9. How do I submit an application and ongoing periodic data?

You should generally submit all information that directly relates to your installation, including the application and ongoing data, via the RHI Register. This will help to ensure data integrity, a proper audit trail, and minimise the time taken to process your application. **N.B.** The bank account information form^[1] is an exception to this as it must be printed, completed and posted to us. There are circumstances when you should provide data or documents via email or post. Please refer to Chapter Two, Volume One of the Guidance for further details on how to apply and Chapter Three, Volume Two of the Guidance for information on submitting periodic data. RHI Register link:

<https://rhi.ofgem.gov.uk/Public/>

If you do not have access to the internet, and in other exceptional circumstances, you may be able to make a paper application. Please see Question 2 for how to request a paper form. However please note that we cannot take account of any time taken in posting out or returning of the forms in determining the date on which your payments will begin to accrue (accreditation date).

10. If I send in a copy of my specifications for my installation, can you tell me if I will be eligible?

In order to give you a definitive answer on the eligibility of your installation we will need to receive and assess your application for accreditation. Guidance on eligibility for the scheme can be found in Chapter Four, Volume One of the Ofgem Guidance document, which details the supported technologies

^[1] The bank account information form is a template available only on the RHI Register.

and fuels for the scheme.

11. Am I a domestic or a non-domestic installation?

Domestic premises are defined in the Regulations as ‘single, self contained premises used wholly or mainly as a private residential dwelling where the fabric of the building has not been significantly adapted for non-residential use.’

We will consider the eligibility of premises by taking into account the way in which they are treated for ratings purposes. For example, we will consider premises to be single domestic based on whether that premises is treated as a separate and self-contained premises for council tax banding purposes. Please refer to Chapter Four of Volume One of the Guidance document for further information on domestic/non-domestic premises.

If we consider premises to be single domestic, and they are the only premises served by an installation, you will not be eligible for the RHI in the first phase of the scheme. For further information about single domestics, please see Question 5.

If you have a district heating system for multiple domestic premises, you would be able to apply under the RHI as long as Ofgem is satisfied that there are more than one premises which are served by the heating system.

http://www.ofgem.gov.uk/e-serve/RHI/howtoapply/Documents1/RHI_Guidance_Document_Vol_One.pdf

12. Do I need a Microgeneration Certification Scheme accredited technology and installer?

You will require MCS certification (or equivalent) if your installation is 45kWth or less and uses any of the following technologies:

- Ground Source Heat Pumps
- Water Source Heat Pumps
- Solid biomass
- Solar thermal

Please see Chapter Four, Volume One of the Guidance document for further information on Microgeneration requirements, including what we consider to be ‘equivalent’ for the purposes of the scheme.

For further information on MCS, please visit their website,

www.microgenerationcertification.org.

13. What are the eligibility criteria for my technology (and fuels)?

You are strongly advised to read the eligibility criteria for your chosen technology in the Ofgem Guidance document. Chapter Five of Volume One of the Guidance document details the supported technologies and fuels for the scheme, along with the eligibility criteria for each type.

14. I have heard about the introduction of air quality emission standards for biomass boilers. When will these standards apply from and what are the emission limits?

From the 24th September 2013, all applicants with a biomass boiler submitting applications for the RHI will be required to submit an RHI emission certificate or environmental permit. The maximum levels for biomass boilers is equal to 30g/GJ particulate matter (PM); and 150g/GJ NOx.

For more information see 'Renewable Heat Incentive – Emission Limits For Total Particulate Matter and Oxides of Nitrogen' <http://www.defra.gov.uk/environment/quality/industrial/other-regulation/>.

This requirement does not apply for anyone accredited on the scheme with an application made before 24/9/13 or granted preliminary accreditation before 24/9/13.

15. Is my installation district heating?

An eligible installation supplying heat to an apartment building, or a network of pipes supplying heat from an eligible installation to a number of local households or businesses comes under the definition of district heating for the RHI.

Further information on District and Community heating can be found in Chapter Four, Volume One of the Guidance document.

http://www.ofgem.gov.uk/e-serve/RHI/howtoapply/Documents1/RHI_Guidance_Document_Vol_One.pdf

16. What about rental properties/holiday lets?

We will consider the eligibility of premises by taking into account the nature of the premises. Please see Chapter Four, Volume One of the Guidance document. The Valuation Office Agency (VOA) has a leaflet entitled; 'A basic guide to the rating of holiday cottages and self-catering units' which provides further information on how the VOA treat these properties. A single premise on a heating system would need to be regarded as non-domestic for all or part of the premises.

<http://www.voa.gov.uk/corporate/downloads/pdf/selfCatering.pdf>

17. Why can't I receive the RHI if I have a public grant?

DECC have developed the RHI on the principle of no double public funding in order to ensure value for money, and to remain within the European Commission's rules on State Aid. Please refer to page 57 of the Renewable Heat Incentive policy document for further information on DECC's approach to grants.

<http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/policy/renewableheat/1387-renewable-heat-incentive.pdf>

You will not be eligible for the RHI if you have received a 'grant from public funds' for the costs of purchasing or installing your renewable heat installation. Please see Chapter Four, Volume One of our Guidance document for how we will treat grants under the scheme.

Please note that the requirements differ for Northern Ireland; for more information please see Volume One of the Northern Ireland Guidance.

18. Can I receive the RHI if I pay back my public grant?

For Great Britain applications, if you have been paid a grant towards the costs of purchasing and/or installing your renewable heat installation after the date the Regulations came into force (28 November 2011), you are **not** allowed to repay your grant and claim the RHI. If you are a transitional installation¹, and have received a grant for an installation that was installed and first commissioned between 15th July 2009 and the date the Regulations came into force (28 November 2011), you may be able to claim the RHI, providing you can prove to Ofgem that you have paid back the grant.

Please see Chapter Four, Volume One of our Guidance document for further information on eligibility and grants.

19. How much of the grant do I need to repay?

Ofgem only requires the costs of the "eligible installation" to be repaid in order for us to be able to accredit an installation that is in receipt of a grant. This may mean that some applicants may only be asked to repay a portion of their grant. Please note that grant provider may not accept part repayment. We advise you to contact your grant provider at the earliest possible opportunity to establish what their requirements are in this regard.

20. What parts of my installation need to be 'new'?

Your plant must be 'new' in order to be eligible for the RHI. We will interpret 'new' to mean plants that are brand new or have not been previously used. This requirement includes any equipment, apparatus or appliance which is necessary for, and integral to, the generation of heat using eligible sources of energy and technologies.

For further information on what equipment, apparatus or appliance we will consider to be part of the 'eligible installation' and is therefore required to be 'new', please see Chapter Four, Volume One of the Guidance document.

¹ You are a transitional installation if you installed and first commissioned your renewable heat installation between 15th July 2009 and the date the Regulations came into force.

21. I have a Solar Photovoltaic Thermal installation and want to claim the RHI, can I claim for my electricity too?

PVT systems will be eligible for RHI support but only for their heat output, provided the heat output of the system is separately rated in kWth, there is separate thermal metering and the solar thermal aspect of the technology is either a liquid flat plate or evacuated tube type system.

You may be able to claim for the electricity from your PVT system via the Feed in Tariffs (FITs) scheme, which guarantees a minimum payment for all electricity generated by the system, as well as a separate payment for electricity exported to the grid.

Please see the link below which provides further information on the FITs scheme:

<http://www.energysavingtrust.org.uk/FITS>

22. Why are air source heat pumps ineligible for the RHI?

Air source heat pumps are not eligible for the RHI under Phase One of the scheme. This is because more work is needed to better understand the costs associated with the technology. This decision was taken by DECC who are responsible for setting the policy underpinning the RHI.

Please refer to the DECC Policy document for further details on the technologies and fuels that will not receive support from the outset and information on the rationale behind the decision to exclude heat pumps from Phase One of the scheme.

<http://www.decc.gov.uk/assets/decc/What%20we%20do/UK%20energy%20supply/Energy%20mix/Renewable%20energy/policy/renewableheat/1387-renewable-heat-incentive.pdf>

23. What metering do I need if my installation is supplying more than one building?

Applications accepted **before the 24th September 2013**:

We will consider you to be a 'complex' installation if you are supplying heat to more than one building. In this instance you will need to comply with the meter placement requirements for complex installations. These requirements are explained in Chapter Seven, Volume One of the Guidance document.

The exception to this rule is where the proportion of the heat lost in transmission between the buildings is insignificant in relation to the heat used for eligible purposes within the buildings. While the system would be classed as 'complex' for metering purposes, in these circumstances we may permit the heat used in these buildings to be measured using a reduced number of meters.

We will require applicants to provide to us design calculations showing how much heat will be lost through the distribution system. Payments will then be made by Ofgem on a pro-rata basis, where participants will only be paid on the heat that has been used for eligible purposes.

For the avoidance of doubt, the scenario of providing heat loss calculations will only apply as a concession. It is Ofgem's strong preference that applicants meter both the heat at the point of generation and the heat used for eligible purposes. Our approach to 'heat loss' is explained in Chapter Seven, Volume One of the Guidance document.

Applications submitted on or after the 24th September 2013:

As of the 24 September 2013, 'standard' or 'multiple' are the terms used to determine the metering arrangements for payment purposes.

Meters will only be required when they are necessary to calculate the 'eligible heat output' from the installation. The terms 'standard' or 'multiple' will reference the numbers of quantities required to be measured/ metered to enable the 'eligible heat output' to be calculated. In enabling these quantities to be determined applicants will also be allowed to disregard heat loss from external piping in some circumstances where it is 'properly insulated', 'simple' and 'complex' metering for new applications will be redundant and will be classed instead as either 'standard' or 'multiple' for the metering arrangements.

Please refer to the metering FAQ for further information

For more information regarding the criteria and metering examples please refer to the Metering Placement Examples document and Chapter 7 of the Guidance, Volume 1.

24. How do I prove that my heat meter meets the Class 2 accuracy requirement?

Ofgem require all heat meters to comply with the Class 2 accuracy requirement within EN 1434. Evidence in applications should explicitly illustrate that the heat meter adheres to the Class 2 accuracy standard. Often heat meter model brochures will not provide sufficient evidence, as they do not specify the accuracy standard.

Therefore Ofgem recommends that applications should also be supported by a photograph of the heat meter. The resolution of the image should be sufficient so that the accuracy class can be seen on the meter label. The image could be uploaded to the further supporting evidence section of the application.

25. Do I need a calibration certificate for a new meter?

If your meter is new (under one year old), the most recent calibration is likely to have been at the time of manufacture. In this instance, you may (if requested) provide evidence of purchase or manufacture instead of a calibration certificate.

26. Do I need to submit an Independent Report on Metering Arrangements (IRMA) with my application?

You are required to submit an Independent Report on Metering Arrangements (IRMA) as part for your application if your installation has a capacity of 1MWth or above, **or** is classed as **complex or multiple** for RHI metering purposes. Please note that we will generally **not** require an installation that has a capacity of 45kWth and below to submit an IRMA in the first instance. However, we may require this if, in our view, the installation and associated heating system warrants the provision of such a report. The IRMA template can be found at our website.

Please see the Guidance Volume 1, Chapter 7 for more information.

27. Do you have a list of persons who can provide the Independent Report on Metering Arrangements?

Ofgem does not provide a list of persons who can complete the Independent Metering Report. As a starting point, you may wish to consult with your installer, meter provider or system designer as one of these may be able to assist. Bodies which may be able to provide lists of individuals who they assert to be competent, independent and adequately insured include the Building & Engineering Services Association (B&ES) [Martina Stocker; martina.stocker@b-es.org; 020 7313 4933] and GASTEC at CRE [01242 677877]. Other lists may also be available.

The competency criteria for the 'competent person' who can write this report can be found in Chapter Seven, Volume One of our Guidance document.

28. How long will it take for Ofgem to accredit my installation after I have submitted my application for the RHI?

We will aim to act on any information submitted to us within 10 working days. Some applicants will be subjected to multiple review stages and therefore this may take longer to process; however you can expect to hear from us within 10 working days in the first instance.

If we have queries on information provided to us, RHI accreditation may be delayed whilst we await satisfactory information from the applicant.

Please note that paper applications could take longer due to the time taken to receive posted documents.

29. What can I expect to get paid?

Your payment will depend on the type of technology you install, the size of your installation (for small and medium biomass installations) and the amount of heat you generate. Please see Chapter Five of Volume Two of our guidance document for specific examples on how we will calculate the payment owed.

30. How will I get paid?

Ofgem will pay your quarterly payment directly into your bank account. We will pay you by BACS transfer. We will only pay monies into a bank account which accepts pound sterling deposits in the United Kingdom.

31. Will my RHI payment be backdated?

Ofgem will make payments for heat generated from the latter of either the date a complete application was made to the scheme, or the date at which all aspects of eligibility were met. For example, if a full and complete application for an eligible installation has been submitted to Ofgem, then irrespective of the time taken by Ofgem to process this application, payments will be backdated to date of submission. However, payments will not be backdated to the date a system was first commissioned. A system that was commissioned in June 2010 but for which an application was not submitted until 15 December 2011 could not be eligible for any payments for heat generated prior to 15 December 2011.

32. How long will it take for me to get paid after I have submitted my periodic data?

Ofgem will aim to pay your quarterly payment within 6 weeks of receipt of valid periodic data. Where there are delays due to insufficient or inaccurate information provided to us, payments may be delayed. For further guidance, please refer to Chapter Five, Volume Two of the guidance.

http://www.ofgem.gov.uk/e-serve/RHI/obligations/Documents1/RHI_Guidance_document_Vol_Two.pdf

When payment is made by Ofgem, a remittance advice will be issued to the participant's email address (or fax where no email provided), prior to a participant's bank accounts being credited.

33. What are the tax implications of participating in the RHI? (See the following question for information on Enhanced Capital Allowances)

Applicants are advised to seek their own advice on tax issues related to participating in the RHI by contacting HMRC directly: www.hmrc.gov.uk

34. Am I eligible for an Enhanced Capital Allowance (ECA) if I receive tariff payments through the RHI?

Following their consultation into *Capital Allowances: Feed-in Tariffs and the Renewable Heat Incentive*, HMRC states that: “From April 2012 (or April 2014 for CHP installations) ECAs will not be available in respect of expenditure on plant or machinery when it generates electricity or heat (or produces biogas or biofuels) that attracts tariff payments under either of the FiTs or RHI schemes. ECAs may still be claimed (subject to the other conditions of the ECA schemes) in respect of expenditure on such equipment as long as no tariffs are paid. Any ECAs given, in respect of expenditure incurred from April 2012 (or April 2014 for CHP installations), will be withdrawn if FiTs or RHI tariffs are paid subsequently.” For further details, please follow this link: <http://www.hmrc.gov.uk/tiin/tiin684.pdf>

Or contact HMRC directly: www.hmrc.gov.uk

35. What is included in the capacity of a biogas Combined Heat and Power (CHP) plant?

In our guidance document (volume 1, chapter 4, paragraph 4.10), we provide an overview of what constitutes ‘capacity’ for the purposes of biogas Combined Heat and Power (CHP) plants in the RHI. Further details are now provided here. Where a biogas CHP engine captures heat from the engine following the generation of electricity through a water jacket (or similar heat capture equipment), we would generally class the water jacket as included in the capacity of the installation for RHI purposes. This is because the water jacket is generating hot liquid/ steam (the eligible heat media in the RHI), so would be classed as ‘heat output’ under the ‘capacity’ definition (“total installed peak heat output”) in RHI Regulations.

We would generally consider a CHP plant with two separate pieces of waste heat capture equipment attached to different parts of the electricity-generating equipment to be one installation for RHI purposes. For example, where a heat exchanger is installed to capture waste heat from the exhaust flue of a biogas engine, and heat is also captured from the water jacket surrounding the engine itself, this would be one installation under the RHI, and the combined capacity of the heat exchanger and water jacket would be the capacity for RHI purposes. While there are in this case two different sets of equipment capturing heat from different parts of the plant, there would be a single, shared set of ignition and combustion equipment used to generate the initial heat that drives the electricity generator before being converted via heat exchangers to hot liquid/ steam.

This single capacity is applied irrespective of which heating system the hot liquid/ steam is used on. Two separate heating systems served by one installation would still be classed as one installation.

Any questions on this subject can be raised through our Enquiries Line on 0845 200 2122 and RHI.Enquiry@Ofgem.gov.uk

36. What are the minor regulatory amendments which apply from 24/9/13?

Applicable from the 24th September 2013, there are 4 minor regulatory amendments which have been included:

- Installations accredited on the scheme will be able to be relocated provided they meet the eligibility criteria.
- Commercial drying and commercial cleaning will be supported where these occur other than in a building. Ofgem will consider the commercial nature of these premises on a case by case basis.
- An installation that was used by an MCS installer to gain their MCS certification will be eligible to be accredited on the scheme.
- The inclusion of 'groundwater' as an energy source for heat pumps has now been explicitly included in the eligibility requirements.

For further information, please see the Guidance Document Volume 1.

If you need help

Telephone: 0845 200 2122 **Email:** rhi.enquiry@ofgem.gov.uk
(RHI enquiry line open Monday to Thursday 9am-5pm and to 4.30pm on Fridays)