Marcus Porter[Marcus.Porter@ofgem.gov.uk]; William Elliott[William.Elliott@ofgem.gov.uk]; Lindsay

Goater[Lindsay.Goater@ofgem.gov.uk]; Oliver More[Oliver.More@ofgem.gov.uk]

From: Michelle Murdoch
Sent: 2012-10-04T14:04:05Z
Importance: Normal

**Subject:** FW: Issues raised by stakeholders - Consultation on guidance

**Received:** 2012-10-04T14:04:10Z

Renewable%20Heat%20Incentive%20FAQs%20-%20metering.pdf

FYI – first queries from consultation

**From:** Hutchinson, Peter [mailto:Peter.Hutchinson@detini.gov.uk]

**Sent:** 04 October 2012 14:59 **To:** Michelle Murdoch **Cc:** McCutcheon, Joanne

Subject: Issues raised by stakeholders - Consultation on guidance

Michelle.

As discussed earlier, have provided an overview of some of the issues raised last week (if I think of anymore I'll let you know).

Grateful if you would consider.

Thanks, Peter

#### Pre-accreditation

As discussed earlier, the issue of pre-accreditation was an issue with installers of larger technologies needing early confirmation that plants would be eligible before making the necessary investment. I think, however, there has been some confusion amongst stakeholders about this point. Just to clarify the regulations and the guidance both state that pre-accreditation is available for the following;

- geothermal
- biogas
- solid biomass and solid biomass contained in municipal waste installations but note this is only available for those proposed installations with a capacity of 200kWth and above.

Stakeholders had believed that it was for technologies above 1MW, however it is clear that biomass installations above 200kw can apply for pre-accreditation. Grateful if you could confirm this is the case. This would appear appropriate for NI and I don't think, pending consultation responses, that sites under 200kw require pre-accreditation.

### Use of oil back-up

Lot of queries on both days about scenarios where an oil system and a renewable system were operating in tandem, with renewable acting as a base load and oil as a back up or top up.

Need to be clear how these scenarios will be treated, especially regarding eligibility; monitoring; and metering.

There was also discussion about whether someone in the scenario above would lose RHI payments if the top up or back up boiler attributing more than 10% of heat demand for a quarter. Grateful if you would consider and advise? Again, I think there might have been confusion regarding regulations not permitting biomass or municipal waste to be contaminated more than 10% fossil fuel for ancillary purposes (multi fuel boiler).

Grateful if you would consider this issue of renewables with a separate fossil fuel back up and how this should be treated.

# Treatment of agricultural buildings / offices

There were queries about how agricultural buildings would be treated given their exemptions under the rating system. The scenario described was one of one boiler heating a number of separate buildings. This would generally be treated as non-domestic and eligible under the RHI but what is the case where the buildings include a domestic dwelling and a number of agricultural buildings or offices that may not be rated. Will the installation still be deemed as a non-domestic system eligible for RHI?

I think generally we will need a section on treatment of agricultural buildings in the final guidance given their prevalence in NI and likelihood of high number of installations. The scenario above is likely to be a common one therefore the guidance needs to deal with how agriculture buildings (including homes) are treated.

Treatment of additional capacity post 1MW / Treatment of one installation including two boilers where total capacity is over 1MW Scenario of someone with two 600kw boilers or one 600kw boiler adding additional capacity of 600kw. In both installations the total capacity is above 1MW and therefore no tariff available. Would these systems be eligible for anything i.e. 600kw metered separately or complete system supported to level of 999kw?

### Adding capacity

Queries generally about adding capacity, i.e. 60kw now then another 60kw in x number of months. Need to be clear on when the total capacity will be taken and when additional capacity will be treated as a new installation. Is there a danger of people gaming the system by installing 99kw now and then another 99kw in 12 months? I am sure this is addressed in guidance, however it would be useful to highlight or clarify by way of examples.

### Complex metering re biomass

Concerns that all blomass installations would be 'complex' given that boilers will be in separate units and connected to buildings via Annotated by RHI Inquiry

pipework. Stakeholders here have, apparently, been advised from either DECC or GB RHI Ofgem team that an Otern 5-07500 trn a building within a short distance (by this we presume 1-2mts) of the heated building (the load) could be accepted as simple metering. The pipe work between would be a trivial heat loss when properly insulated to modern standards (approx max 15watts/metre).

Can you clarify with GB Ops team whether all biomass systems in GB end up being 'complex' or has there been confusion/misunderstanding on this issue?

### Definition of a competent person

Given the above issue re biomass the definition of a 'competent person' within the complex metering scenario is very important. There was discussion at the events re B&ES for metering standards and the fact that as of last month there was only one meter assessor with B&ES in N Ireland.

The definition is below, there is a danger that given the small nature of the NI market there may not be a wide pool of people that can match this criteria in its entirety (especially re experience of flow measurement and £1m indemnity insurance). May need to revisit post consultation if this is major issue and could prevent market development. May be useful again to get a feel from GB ops about numbers of 'competent persons' in GB (UK if possible)?

- An experienced and suitably qualified engineer (at least HND or equivalent in an engineering discipline from a recognised academic institution);
- Has demonstrable experience and expertise in flow measurement and heat/steam measurement systems demonstrated by training and development records;
- Has a relevant background (involved in energy, utilities, building services, heating system design, heating system operation & maintenance);
- Covered by Professional Indemnity Insurance of at least £1m (through employer or directly);
- Is unbiased and impartial.

In addition, there was discussion re in house accreditation of competent persons on metering being possible. Need further information / guidance on this process.

### Third party ownership

Just need to be clear about definition of owner and the role of ESCo's in the RHI. There were some queries on what happens if a heat contract is established but then breached by either party – this will be for involved parties not Ofgem or DETI.

#### Adherence to planning

Need to be clear about what Ofgem will expect in terms of planning documentation – i.e. either copies of planning permissions or letters explaining that planning is not required?

## Guidance on class 2 meters

Notice that there is a detailed Q&A on metering for the GB RHI (attached), this might be useful to publish alongside final guidance?

## Use of fan coil heaters or hot water handling units

One stakeholder sought clarification on the use of liquid heating conversion to warm air to heat properties (the use of fan coil heaters or hot water air handling units to heat large open plan buildings such as machine shops, storage warehouses), is this permissible?

### **Peter Hutchinson**

Renewable Heat

Department of Enterprise, Trade & Investment

Netherleigh

Massey Avenue

Belfast, BT4 2JP

Tel: 028 9052 9532 (ext: 29532)

Textphone: 028 9052 9304

Web: www.detini.gov.uk

The new website for the European Sustainable Competitiveness Programme for NI is now available - visit www.eucompni.gov.uk



www.ni2012.com

Please consider the environment - do you really need to print this e-mail?