

**ofgem e-serve** Making a positive difference  
for energy consumers

## **Renewable Heat Incentive**

### **Current Issues**

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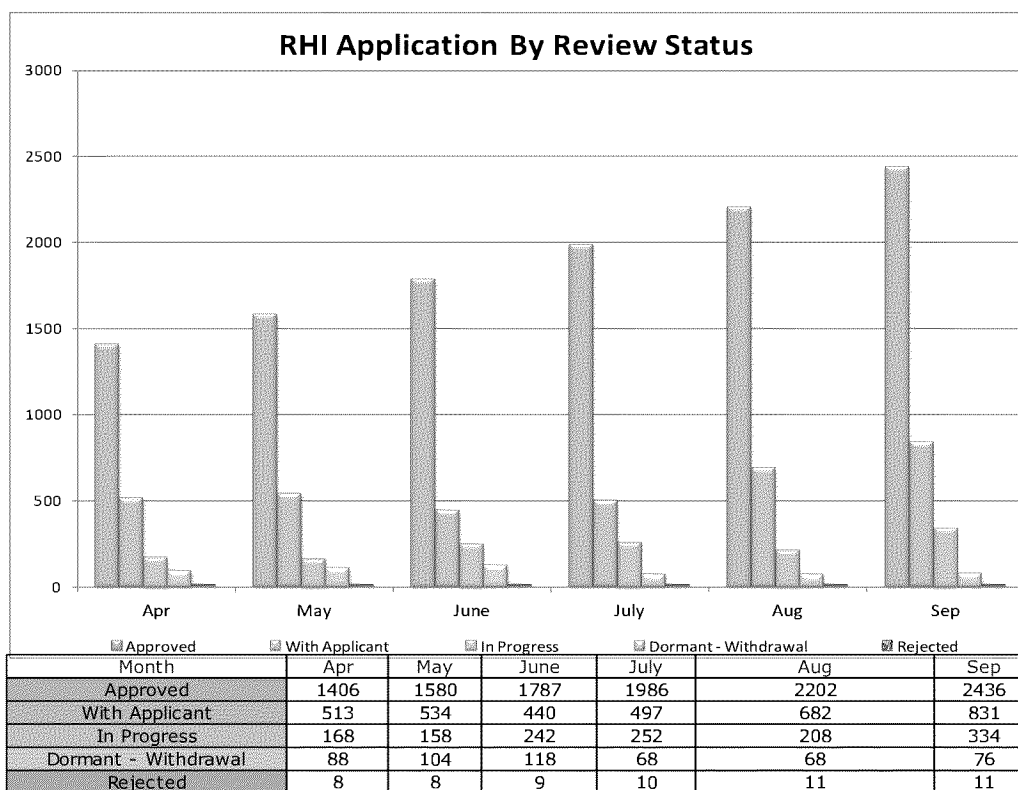


## Application accreditation and PDS numbers

- Applications have more than doubled this month from 234 to 491
- Thought to be due to air quality changes but may also be due to general upturn
- Managing additional workload by overtime and some use of temps
- The air quality and metering changes are also adding to the processing workload
- Application rates at the start of October will dictate the need for further action
- Accreditations in September totalled 240 (234 GB and 6 NI) plus 14 amendments
- Exceeded the numbers received last month but not numbers received this month
- PDS submissions increased again to 755 in September , a 55% increase from April
- Expect to have over 1000 pcm by December and 1200 by January
- 28% of applications had to be returned for correction – our best result ever
- Repeat submissions now have a higher error rate than first submissions (30%:25%)
- Time taken for applicants to re-submit corrected data fell by 65% between August and September
- **Next steps - review application numbers and increase staffing if necessary**
  - Increase resource available for periodic data



## GB applications processing





## Staffing

- We have had 3 resignations of permanent staff in September
- Domestic and EP recruitment may impact in the near future
- We have offered to the domestic team to bring some additional staff into our team to facilitate the use of experienced staff to develop domestic systems. This is under consideration
- However, we recommended that they employ 7 technical staff which contrasts with the domestic team's assessment that only one will be needed
- The operations team will be seconding one band C to the development team and backfilling with a new member of staff who we will train
- We are recruiting two additional members for the technical team
- We are converting temps to perms in Glasgow and backfilling
- We are taking on a FTA project manager to assist Mairead on the PIP projects
- We will be offering a secondment into a FTA communications post
- **Next steps – experienced staff are key to meeting KPIs we will recruit to provide a buffer against future attrition. Staff spend is currently £300k below budget although we have reached our corporate plan headcount, an excursion above this headcount level has been agreed with Peter Rice**

## DECC information initiatives

- DECC are about to put out an ITT for a project to evaluate RHI
- The research will cover a range of issues including how effectively and efficiently the scheme has been administered and delivered
- There is to be a survey of large numbers of applicants and enquirers which has DPA implications
- There is a reference in the ITT to KPI data “which we know will be available on the domestic scheme”
- DECC have recently provided a wish list of data they would like from us which includes items which would provide the raw materials to analyse Ofgem performance against KPIs
- We are being asked for postcode data
- DECC are also working on an audit protocol which concentrates on the sharing of information

### Next steps:

- **Working group of Central Fraud Management Group to decide how information on fraud and compliance can be shared**
- **A meeting of the DECC and Ofgem legal teams is arranged on the postcode issue**
- **Suggest the MOU working group be asked to examine the issue of reporting of KPIs across all the schemes**

## Major cases

- **Metering case** – the company involved appears to be in the process of gaining MID certification
- However, if no certificate showing conformity with the MID is received by 14<sup>th</sup> October we will have to consider further action
- The company contends that the MID allows self certification
- **Understating of boiler capacity** – data has been fortuitously gained which has provided an indication that some boilers are generating beyond their stated peak capacity
- **Next steps:**
  - We may need to amend our guidance and DECC the Regulations to clarify the position on self certification under the MID if the IB considers such a case is likely to arise again
  - We recommend that we routinely request provision of hours of plant operation in order to identify if understating is a common issue. This will require a change to our guidance etc. The development team will help to co-ordinate this change if IB approves the idea

## DA workload

- We currently have no batch approval for periodic data or payments
- At last month's volume of 600 PDS items, processing by DA took c 18 hours, if this work were done in office hours it could take considerably longer given interruptions etc
- Payments processing takes a similar amount of time
- By January, we expect to have twice as many PD submissions and hence payments to deal with each month
- A proposed work-around has proved non-viable

### Next steps:

- **We would like to prioritise PIP work to deliver PDS batch approvals asap**
- **By Jan we should have another Band D with delegated authority in place**
- **Until then we will have to re-prioritise so that all periodic data and payments can be approved in line with KPIs, ideally within working hours**
- **This will inevitably mean de-prioritisation of some other items**
- **We will keep IB informed of any impacts**



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Notes Summary:

No speaker notes are contained in this presentation.