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for all gas and electricity customers

Renewable Heat Incentive Guidance

Volume One: Eligibility and how to apply

Consultation

Reference: 84/11**Publication date:** 24 June 2011**Response deadline:** 5 August 2011**Contact:** RHI Development Team**Team:** New Schemes Development**Email:** RHIguidanceconsultation@ofgem.gov.uk

Overview:

This is a draft Guidance document for the Renewable Heat Incentive (RHI), a new Government financial incentive scheme worth £860m to promote the uptake of renewable heat. This is a consultation and we welcome comments from stakeholders on the contents of this document.

Ofgem will administer the RHI on behalf of Government, in accordance with the RHI Regulations 2011 once they come into force. The overarching policy and detailed legislative framework for the RHI are the responsibility of Government. Ofgem's E-Serve division already has extensive experience in delivering similar environmental schemes, such as the Renewables Obligation and Feed-in Tariffs.

Volume One of the Guidance describes the eligibility requirements of the RHI and how prospective participants can become accredited or registered as applicable.

Volume Two describes the ongoing requirements for RHI participants, information on how periodic support payments are calculated and paid, and our compliance and enforcement powers.

The Guidance is aimed at prospective RHI participants in the non-domestic sector and sets out how Ofgem intends to administer the scheme. It is not intended to be a definitive legal guide to the RHI.

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Context

This document describes how the Gas and Electricity Markets Authority (Ofgem) will administer the Renewable Heat Incentive (RHI), a world first Government environmental programme designed to increase the uptake of renewable heat technologies and reduce the UK's carbon emissions. It is a key measure for the UK to meet its renewable energy target of 15 per cent by 2020 as required by the European Union. As with other environmental programmes we deliver for the Government, including the Renewables Obligation and the Feed-in Tariff scheme, it is our aim to administer the RHI as effectively and efficiently as possible.

To achieve an uptake of renewable heat technologies, the Government intends to introduce the RHI in two phases. From 30 September 2011, it is expected that the RHI will be available to parties in non-domestic sectors with eligible installations, and to producers of biomethane. The Government has stated that it expects to open the domestic sector element of the scheme to align with the Green Deal, which is intended to be introduced in October 2012, though this will require further Regulations. The RHI policy and tariff rates are set by the Government, but the RHI will be administered by Ofgem.

The Secretary of State for Energy and Climate Change is using enabling powers contained in the Energy Act 2008 to introduce the Renewable Heat Incentive (RHI) to Great Britain. Subject to the Renewable Heat Incentive Regulations 2011 (the Regulations) and the proposed amendment to the Energy Act 2008 completing their passage through Parliament, we expect the RHI to be open for applications from 30 September 2011 subject to Parliamentary and State Aid approval.

Administration of the RHI is a key part of Ofgem's forward work plan and is reflected in [Ofgem's Corporate Strategy 2011-2016](#)¹ under 'Theme 4 - Ensuring the timely and efficient delivery of Government programmes for a sustainable energy sector'.

Associated documents

Readers should be aware of the following documents which support this publication.

- [Energy Act 2008](#)²
- [DECC Renewable Heat Incentive Policy Document](#)³
- [Renewable Heat Incentive: Impact Assessment](#)⁴

¹<http://www.ofgem.gov.uk/About%20us/CorpPlan/Documents1/Corporate%20Strategy%20and%20Plan%202011%20-%202016.pdf>

² http://www.decc.gov.uk/en/content/cms/legislation/energy_act_08/energy_act_08.aspx

³ <http://www.decc.gov.uk/assets/decc/what%20we%20do/uk%20energy%20supply/energy%20mix/renewable%20energy/policy/renewableheat/1387-renewable-heat-incentive.pdf>

⁴ <http://www.decc.gov.uk/assets/decc/what%20we%20do/uk%20energy%20supply/energy%20>