

ofgem E-Serve Promoting choice and value
for all gas and electricity customers

Renewable Heat Incentive (RHI) Early Experience and Next Steps

Matthew Harnack
13th November 2012

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Who are we?

Ofgem

- Office of the Gas and Electricity Markets Authority
- protecting gas and electricity consumers
- help secure Britain's energy supplies
- promoting sustainability

Ofgem E-Serve

- Division of Ofgem
- administer environmental programmes as named in legislation, e.g. RO, FITs, RHI, LECs, REGOs, CERT, CESP, ECO
- Deliver sustainability projects, i.e. offshore transmission licensing

RHI
Administrator

- accredit installations to the scheme
- receive and check periodic data
- make payments to participants
- provide guidance and support to participants
- ensure compliance

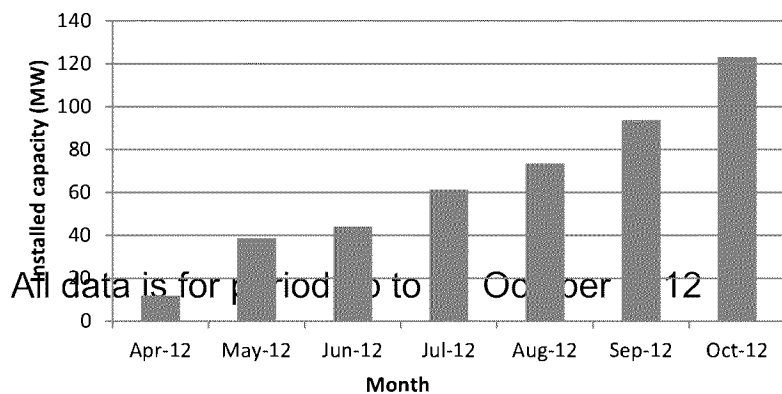
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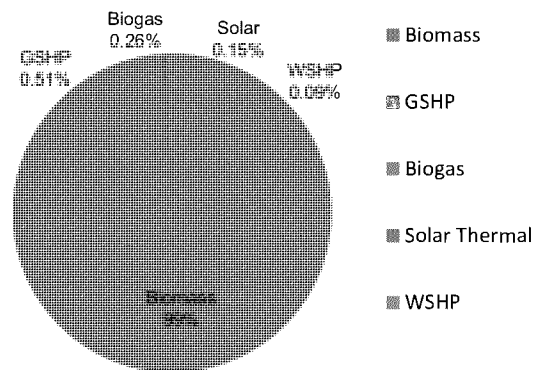
Experience to Date

- Total number of accreditations: **478**

Cumulative Accredited Installed Capacity (MW)



Installed Technologies (by capacity)



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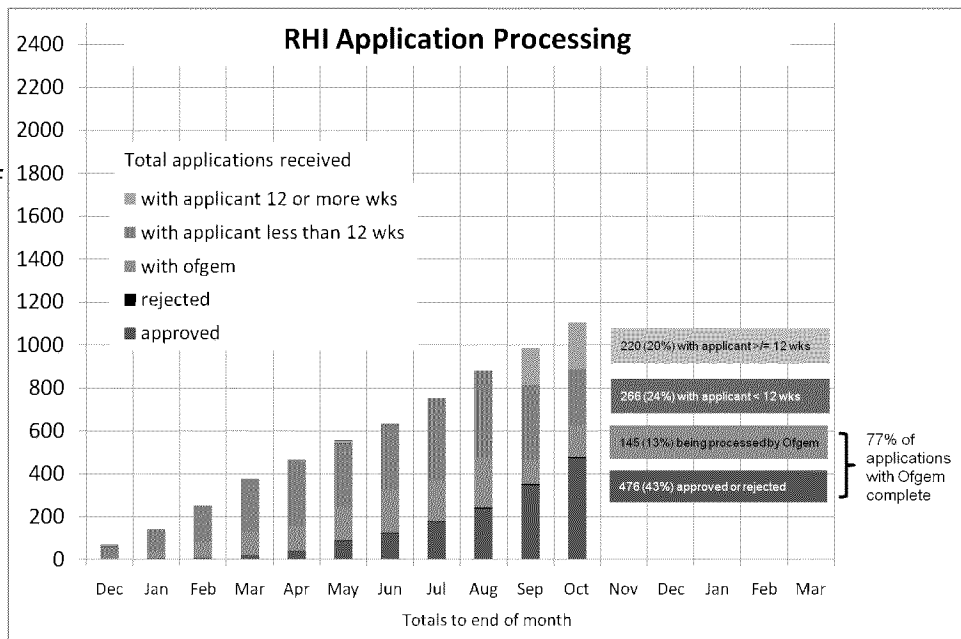
Experience to Date

Progress with applications

- Scheme has now been running for 11 months
- Now have good understanding of many issues being faced
- Successful delivery embraces a collaborative approach

Audits

- We've undertaken an extensive programme of site inspections and audits, which is ongoing
- One of the biggest challenges relates to heat metering



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Why are there challenges?

- This is a **new scheme**: a world-first financial incentive to promote the generation of renewable heat
- **Complexity** of eligibility requirements: driven by need to protect the public purse
- **Immature industry**
 - purpose is to stimulate uptake of under-penetrated technologies
 - heat metering previously uncommon in the UK
- **Legacy installations**
 - some installations were installed 2 years before the scheme went live
 - even where supported installations must be new, most are serving legacy heating systems. This will be an ongoing feature of the scheme.

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What's being done to address the challenges?

- Working with DECC to simplify metering requirements
- Improving our guidance on how to apply for accreditations
- Working with industry to resolve technical issues
- Industry is developing training on metering and IRMAs, with our support
- B&ES "Guide to Good Practice: Heat Metering for the RHI"

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Developments

- **Launch of NI RHI**

- Ofgem administering NI RHI on behalf of DETI
- Live on 1st November 2012
- Applications via email/post until early 2013 when the Register will be used

- **Phase 2 (January/April changes):** well positioned to build on experience on sustainability in RO

- **Phase 3 (summer 2013 changes):** investigating potential for outsourcing of domestic accreditations

Notes Summary:

No speaker notes are contained in this presentation.