

# Domestic Renewable Heat Incentive (RHI)

Version 3.1 – April 2016



## Reference Document

A reference tool providing detailed supporting information for the Domestic RHI



## Reference Document

### Reference Document

This document has been designed as a reference tool. It's for the times you need more detail on a specific topic – you don't have to read it cover to cover. We use links to it throughout our [Essential Guides](#), for the things that need a fuller explanation.

We encourage all applicants who need more information or are unsure of anything when making an application to read this document.

The topics covered in this reference document are arranged alphabetically. All you have to do is click on a term in the contents page to get to the information about it. When you do you'll see that many pages have links to other topics, to help you find your way to the sections of the document that might be useful.

#### **If you need help or clarification**

The information provided in this document is aimed intended to provide assistance with interpretation of certain provisions of the [Domestic RHI Regulations](#) but does not cover all the provisions and is not necessarily representative of applicable in all situations that may arise. Also, this document should be read in conjunction with the Regulations and should not be regarded as a substitute for them.

If you have any questions or need further clarification, our Applicant Support Centre is available at:

Telephone: 0300 003 0744

Email: [DomesticRHI@ofgem.gov.uk](mailto:DomesticRHI@ofgem.gov.uk)

#### **This guide is for you**

Please feedback any suggestions on how this document could be improved, or content you'd like to see added to: [Suggestions.DomesticRHI@ofgem.gov.uk](mailto:Suggestions.DomesticRHI@ofgem.gov.uk)

We'll aim to update this document based upon your feedback, so make sure you have the latest version.



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## Air Quality

Biomass products that are first commissioned after scheme launch need to meet the RHI air quality requirements. The air quality requirements set limits on the emissions a product can produce. Products must operate within these limits to be eligible for the Domestic RHI scheme. Under the scheme, emissions of particulate matter (PM) must not exceed 30 grams per gigajoule net heat output, and emissions of oxides of nitrogen (NOx) must not exceed 150 grams per gigajoule net heat output.

'Legacy participants' (those whose product was commissioned before scheme launch) do not need to meet these requirements.

Products affected by these requirements will need to have an [RHI Emission Certificate](#). To check whether a product has an RHI emission certificate, please see the [Product Eligibility List \(PEL\)](#) in the first instance.

You will not usually receive a copy of the emission certificate for your heating system, but may be able to access a copy using the HETAS [RHI Emission Certificate List](#). Please note that the HETAS list may not be comprehensive.

The emissions certificate contains information about the product and laboratory where the testing took place, along with information on the emissions and tested fuel types for the product. For a full list of information included on the emission certificate, see the [Emission Certificate \(RHI\)](#) section of this guide.

In terms of the air quality requirements, you must:

- ♣ use a fuel type specified on the emissions certificate
- ♣ use a fuel that does not exceed the maximum moisture content specified on the certificate
- ♣ operate your heating system in accordance with the manufacturer's instructions in relation to the control of emissions of particulate matter and oxides of nitrogen.

You will need to follow these rules for the duration of the seven year payment period in order to remain eligible to receive payments and will need to declare that you are meeting the air quality requirements on an annual basis. We may also ask you to provide evidence of compliance with these requirements, so we strongly recommend you keep any fuel receipts, records of transactions or annual statements of fuel purchased for at least a year after issue.

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## Annual compliance declarations

If your application to the Domestic RHI is approved, you will need to declare each year that you comply with the scheme requirements.

You'll need to submit the following declarations online once a year:

1. That you continue to own the heating system.
2. That, to the best of your knowledge and belief, you or the previous owner did not:
  - a. receive a grant from public funds that went towards the cost of purchase or installation of the heating system, other than any grant declared to Ofgem on application.
  - b. receive funding from any source which completely covered the cost of purchase or installation of the heating system.
3. That the heating system is in good working order and has not been replaced.
4. The number of days that the property has been occupied over the past 12 months and the number of days you expect the property to be occupied over the next 12 months.
5. That, if you do not live in the property, the occupants of the property have agreed to permit access by the Department of Energy and Climate Change (DECC), Ofgem, or an authorised third party acting on behalf of DECC or Ofgem.
6. If you have an accredited meter; that it is in good working order.

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## Application Rejection

Not all applicants who apply for the Domestic RHI will be eligible. This paragraph explains what happens if your application is rejected.

There are three points at which your application could be rejected:

- ✦ automatic rejection when completing initial eligibility questions on the application form
- ✦ automatic rejection when completing further application form questions
- ✦ rejection following review by our team.

When you first register for an account, you will have to fill out some initial eligibility questions. These questions check the validity and eligibility of your certificates and cover some of the key eligibility criteria for the scheme. If your responses to these questions determine that you are not eligible for the scheme we will inform you of the reason for rejection and you will not be able to proceed further with the application form.

If you pass these initial eligibility questions, you will be able to proceed with making an application. It is possible that you could be automatically rejected at this point; we will inform you of the reason, for example if you fail your identity check.

If we are unsure of your eligibility at this stage, or need further information in order to make a decision, we will place your application into review. Once we have completed the review, we will notify you as to whether you are eligible or not. If you are not eligible and we reject your application, we will email to explain why.

If you are rejected from the scheme, you should see if the reason you were rejected is something you can change (for example, if your Energy Performance Certificate was older than 24 months.) If it is, you can simply reapply once you are confident the reason for rejection has been resolved.

If you were rejected prior to passing the identity check you will not receive a 'MyRHI login'. Therefore you will need to reapply starting with the initial eligibility questions again.

If you were rejected at review, having passed the identity check you will have been given a ['MyRHI account'](#). Login to this account and re-apply using the 'additional application' tab for a more streamlined application process.

If your application has been rejected, you retain the [right of review](#). This means that if you believe your application has been wrongly rejected, you may apply to have that decision reviewed by us. For more information, please see the right of review section in this guide.

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## Approval under the Non-Domestic RHI

You can't seek approval for a heating system under both the Domestic and Non-Domestic RHI schemes. If you have been approved under the Non-Domestic scheme you can't apply for the Domestic scheme for the same heating system, and you can't cancel your application once you've been approved or switch schemes.

If you have been rejected under the Non-Domestic RHI scheme you can still apply to the Domestic scheme. You will need to meet the Domestic RHI eligibility criteria, so you should read the [Essential Guide for Applicants](#) prior to making an application.

If you have made an application for the Non-Domestic scheme, but have not been approved, you may withdraw your application and apply for the Domestic scheme.

You can't apply for the Domestic RHI if there is a heating system approved under the Non-Domestic RHI already installed in the property which is covered by the domestic EPC, or if a Non-Domestic RHI system supplies heat to the domestic property.

If you think that you are not eligible for the Domestic RHI, but that you may meet the criteria for the Non-Domestic RHI, please see the [Non-Domestic RHI guidance documents](#) for further information.

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## Change of Ownership

### Moving house

#### **I receive Domestic RHI payments and I'm moving house**

If you're planning to sell your property, and your heating system is included in the sale, it's important that you let us know as it affects your Domestic RHI eligibility. You can do this by phone, email or letter.

You'll need to contact us 28 days in advance of the sale going through - although the sooner you let us know, the better.

We'll ask you to give us one of the documents below. By getting this information to us as soon as possible you'll allow us to issue the correct payments and avoid any need for you to repay any money.

You agree to this when you apply and it's part of your ongoing obligations to notify us if your property is transferred to a new owner.

Not notifying us will also cause delays for the new owner if they plan to join the scheme.

#### **When do your payments stop?**

Any remaining payments will be paid up until the day before the legal transfer of the property is complete. For example, if the date of transfer is 1 January, you'll be paid up to and including 31 December.

You'll then receive any money you're owed once you have provided us with one of the documents mentioned above.

#### **I've just moved into a new house and the previous owner was claiming Domestic RHI payments**

When you're moving into a house and you want to take over the Domestic RHI payments from the previous owner, you can get in touch with us from the date of purchase. The sooner you can call us, the earlier you can start getting payments.

- If the previous owner has already been in touch with us you'll just need to complete our application form. You'll need your contact and bank details to complete this.
- If the previous owner has not already been in touch with us, we'll ask you to give us one of the documents below as evidence that you own the property. You'll then need to complete our application form.

You'll receive payments from the date that we've checked all of the information you've given us. We will send you a notification of the date of your first payment.



### **What documents do you need to provide?**

You need to provide us with **one** of the following documents once the sale of the property has taken place:

- A completed [TR1 form or Scottish equivalent \(such as a deed of disposition\)](#)
- A copy of the title deed showing the date of the transfer of ownership
- A letter from a solicitor confirming the sale. The letter should include the property address, your name and the name of the new owner and the legal date of the transfer.

### **Transfer of ownership in the event of death**

If the existing recipient of Domestic RHI payments passes away, the executor of their estate should contact our Applicant Support Centre on as soon as possible and we'll talk them through the process.

It is possible for the Domestic RHI payments to be transferred to the beneficiary of the estate.

Tel: 0300 0030 744

Email: [DomesticRHI@ofgem.gov.uk](mailto:DomesticRHI@ofgem.gov.uk)

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## Commissioning

**The commissioning date of your heating system can be found on your MCS certificate.**

Your commissioning date is important because it will go towards determining:

- ♣ when you can apply to the scheme and
- ♣ the tariff rate that you will receive.

'Commissioning' is a technical term and for the systems which will typically be approved under the Domestic RHI, will often be the same as the installation date. However, there is an important difference between the two, and it is the commissioning date that is referred to in the scheme regulations.

**The installation date is simply the date on which the equipment for the heating system was installed.**

The commissioning date of the heating system is the date on which any tests and procedures that amount to the usual industry practices for that type of system were completed. These tests will demonstrate that the heating system is capable of operating and generating heat, and that it complies with industry standards. For the majority of Domestic RHI applicants, this testing will happen immediately following the installation of the equipment and the commissioning date will therefore be the same as the installation date.

The commissioning date is also the start of the window in which you are able to make an application. **You have one year from the commissioning date shown on your MCS certificate to submit an application to us.**

If you submit an application to Ofgem outside of this time period, you will not be eligible for the scheme.

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## Community Infrastructure Levy

The Community Infrastructure Levy (CIL) is a charge on property developers designed to raise funds for Local Authorities to spend on infrastructure. Some Local Authorities will exempt custom-built properties from this levy. If you have applied for the CIL exemption, the confirmation letter from your Local Authority will be an acceptable form of evidence that your property is a [custom-build](#).

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### **Cooker Stoves**

Cooker stove means a biomass stove which is capable of generating heat for the purpose of cooking food. The cooker stove must be designed and installed to ensure that heat generated for that purpose is incidental to, and cannot be controlled separately from, any heat generated for the purpose of space heating or domestic hot water heating.

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## Consumer Prices Index (CPI)

Applications submitted for the Domestic RHI on or after 1 April 2016 have their tariffs adjusted in line with the Consumer Prices Index (CPI). The CPI is a measure of inflation and CPI rates are produced annually by the Office for National Statistics (ONS). Tariffs will be adjusted in accordance with CPI on 1 April every year. If you have [grant funding](#) that will be deducted from your payments you should be aware that the amount to be deducted will also be subject to CPI adjustment.

Applications submitted for the Domestic RHI before 1 April 2016 have their tariffs adjusted in line with the [Retail Prices Index \(RPI\)](#).

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## Custom-builds

The Domestic RHI scheme is primarily designed to support the retrofit of renewable heating systems. It is designed to help you make the switch from an existing fossil fuel or electric heating system to a renewable one.

Although the scheme was designed for the retrofit of renewable heating systems there is a special category of new-build properties that are eligible to apply to the scheme. These are technically known as 'eligible new-builds' but we generally refer to them as custom-builds.

If your renewable heating system was installed during the construction of your property (e.g. so that it is the first heating system in a new property), and was not custom-built it won't be eligible for the scheme. This applies if your heating system was commissioned<sup>1</sup> before your property was first occupied.

The rules around this are set out below.

### Custom-builds

A property is custom-built where an **individual** funds the construction and either commissions a builder or architect to create a 'custom-built' property for them or builds it themselves as a DIY 'self-build' project.

Newly built properties built by non-individuals won't be eligible for the Domestic RHI – for example this applies where a commercial developer or a social landlord has built the property using company funds, even if the properties are later sold to individuals.

In order for a custom-build property to be eligible, it will need to meet the following criteria:

1. The property must have been built principally using the labour or resources of the first owner. This means that the first owner of the property must have either physically constructed it or financed its construction. Where the first owner financed the construction of the property, this can be through the use of a custom-build mortgage or loan.
2. The first owner and all subsequent owners of the property must be individuals. The property cannot have been owned, wholly or partly, and at any stage, by a person who is not an individual. Companies or organisations that have constructed new properties and installed a renewable heating system as part of this construction will not be considered custom-builders. If you buy an "off-plan" property from a developer, it is unlikely to be eligible, even if you input substantially into the design, including instructing the developer to install renewable heating.

If you apply for a renewable heating system that was installed in your property before it was first occupied, you may need to provide us with evidence showing that your property is a custom-build:

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<sup>1</sup> You can check your MCS certificate to see your renewable heating system's commissioning date.



- ♣ If we ask you to provide evidence we will require documentation confirming you or the first owner funded the build of the property (for example an invoice for substantial structural materials or work).
- ♣ We may also require evidence that the property has not been owned by a company or organisation (for example the title deeds for the property).

### Is my property a custom-build or a retrofit?

Please note the custom-build rules only apply where your renewable heating system was installed **before** your property was first occupied.

Replacement heating systems commissioned after your property was first occupied do not count as custom-builds:

- ♣ If you custom-built your own home several years ago and are only now replacing your old boiler with a renewable heating system, this would be a replacement.
- ♣ If you have bought a fairly new property in which a fossil fuel or electric heating system was included during the construction of the property, and you replace this heating system with an eligible renewable technology after the property was first occupied, then this is a replacement.

### Conversions and renovations

**Renovations:** If you renovated your domestic property significantly (e.g. you stripped the building down to a shell and re-built, or extended the property), it will have been occupied, at some point, before the renewable heating system was commissioned. You will not be able to meet the custom-build criteria and follow the normal 'retrofit' application route.

**Conversions:** If your property was converted from a building used for non-residential purposes (e.g. a barn or warehouse) into a dwelling, it will not have been occupied (as a 'dwelling') while it was used for non-residential purposes. If your converted property was not occupied before the renewable heating system was installed, you will need to meet the custom-build eligibility criteria.

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### **Degression**

Degression is the mechanism that the Department of Energy and Climate Change (DECC) uses to control the scheme budget by reducing the Domestic Renewable Heat Incentive tariff. For more information about this see [Scheme budget management](#).

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## Domestic

To be eligible for the Domestic RHI, among other requirements, the scheme rules state a heating system must **solely provide heat to a single domestic property**.

A property will be considered to be an 'eligible property' under the scheme if it has been issued an [Energy Performance Certificate \(EPC\)](#) on the basis that it is a dwelling (referred to from this point onwards as a 'domestic EPC'). If the property is not capable of obtaining a domestic EPC, it will not be eligible for the Domestic RHI scheme.

If your EPC is 'domestic', it will list the 'dwelling type' in the top left hand corner.

If you do not already have an EPC for your property, you may need to do some further research in order to determine which type of EPC your property is likely to receive, particularly if you own or reside in a property that:

- ♣ is a domestic property within a larger commercial property
- ♣ the property is used for domestic and commercial purposes
- ♣ if heat is provided to more than one building.

### Where your heating system heats a single domestic property

To apply for the Domestic RHI you must provide a domestic EPC. A domestic EPC is one that is issued for a property on the basis that it is a "dwelling". Most individual properties (detached, semi-detached and terraced houses, flats and maisonettes) which are used primarily as homes for single households will be "dwellings".

Where your domestic property has a home office or studio etc, you will still be able to apply to the Domestic RHI if you can get a domestic EPC.

### Where your heating system heats a single property made up of multiple buildings

Where your heating system provides heat to a main house with a domestic EPC and outbuildings that form part of the same property (e.g. garages, pool houses, sheds, games rooms and gyms) you can apply for the Domestic RHI. This includes outbuildings that have a mixed-use, such as workshops or studios.

If your domestic property has outbuildings that have a commercial use (e.g. agricultural buildings, shops, commercial greenhouses, workshops or offices) and are also heated by your renewable heating system, you should consider whether the Non-Domestic scheme may be more appropriate for you. Your heating system can only receive accreditation under one of these schemes (i.e. you cannot apply to both schemes for the same property).

While we accept applications for renewable heating systems providing heat to multiple buildings, payments will only be calculated based on the heat demand figure taken from the domestic EPC.



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### **Where your heating system heats multiple properties**

Where your heating system provides heat to multiple properties, you will not be eligible for the Domestic RHI scheme.

Your heating system may be considered to be providing heat to another property if one of the buildings is (or is capable of being):

- ♣ rented out or let separately
- ♣ covered by a separate address
- ♣ subject to business rates
- ♣ has a separate council tax bill, or
- ♣ has a separate domestic EPC.

Where your heating system provides heat to multiple properties, you may be eligible to the Non-Domestic RHI. For more information on the Non-Domestic RHI scheme, please see the [Renewable Heat Incentive, Non-Domestic scheme guidance](#).

Properties which are normally used for domestic purposes but which are not capable of obtaining a domestic EPC, such as caravans or houseboats, will not be eligible under the Domestic RHI scheme.

Applicants should be aware that the factors taken into consideration by an assessor when making a determination regarding property type may differ depending on whether the property is in England and Wales or Scotland as separate Energy Performance of Building regulations apply in Scotland, and hence, the guidance on the legislation may also differ. If you want to be certain about your eligibility as a domestic property, you may wish to have an EPC carried out on your property prior to installing your heating system.

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## Emission Certificate (RHI)

Below is a full list of the information that should be found on an RHI Emission Certificate. This information is used to indicate the amount of pollutants likely to be emitted by a biomass product when burning specific fuel types.

- ♣ The **name and address** of the testing laboratory
- ♣ The **name and signature** of the person authorised by the testing laboratory to issue the certificate
- ♣ The **issue date** of the certificate and the certificate reference number
- ♣ The **date** of the **laboratory's accreditation** to EN ISO/IEC 17025:2005 and their accreditation **number**
- ♣ The **name, model, manufacturer** and installation **capacity** of the plant
- ♣ The **testing date**
- ♣ Confirmation that oxides of nitrogen (NO<sub>x</sub>) and particulate matter (PM) have been tested on the same occasion and in accordance with the relevant EN standards, and, that the test was carried out at no less than 85% of the installation capacity of the plant. The requirements for testing of PM and NO<sub>x</sub> are:
  - i. that testing is carried out in accordance with the provisions relevant to emissions of PM and NO<sub>x</sub> specified in whichever of the following standards applies: EN 303-5:1999; or, EN 303-5:2012.
  - ii. that testing is carried out in accordance with EN 14792:2005 for NO<sub>x</sub> and EN 13284-1: 2002 or BS ISO 9096: 2003 for PM.
  - iii. that the emissions of PM represent the average of at least three measurements of PM emissions, and for at least 30 minutes duration.
  - iv. that the value for NO<sub>x</sub> emissions is derived from the average of measurements made throughout the PM testing process.
- ♣ Confirmation that emissions of PM did not exceed 30 grams of PM per gigajoule net heat input (the rate of heat which is supplied to the plant by the fuel used, and based on the net calorific value of that fuel), and NO<sub>x</sub> did not exceed 150 grams per gigajoule net heat input.
- ♣ The **actual emissions** of PM and NO<sub>x</sub> measured when the plant was tested.
- ♣ A list of the **types of fuel** used during the testing and the types of fuel which can be used so as not to exceed the emission limits.



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- ♣ The **moisture content** of the fuel used during testing and the maximum moisture content which can be used so as not to exceed the emission limits.
- ♣ A statement indicating whether the plant was a manually stoked natural draught plant.
- ♣ A list of any other plants in the type-testing range of plants for the certificate, if any.

If the RHI emission certificate template submitted with the application does not contain the right information, for example, if there is information missing, or the levels of PM and/or NO<sub>x</sub> are not within the limits laid out above, it will not be considered a valid RHI emission certificate.

The English language versions of the BS or EN standards referenced above can be found on the [British Standards Institute \(BSI\) website](#).

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## Energy Performance Certificate (EPC)

An Energy Performance Certificate (EPC) is a report that assesses the energy efficiency of a property and recommends specific ways in which the efficiency of your property could be improved.

If you do not have a copy of an EPC for your property, you may be able to access a copy online, if one already exists. If you are in England or Wales, you can enter your postcode into the Landmark register at [www.epcregister.com](http://www.epcregister.com). To check whether an EPC already exists for a property in Scotland see [www.scottishepcregister.org.uk](http://www.scottishepcregister.org.uk).

An EPC reference number is required as part of the application process for the Domestic RHI. The EPC is used to:

- ♣ determine whether the property can be considered [domestic](#)
- ♣ evidence that the required loft and cavity wall [insulation](#) measures have been installed
- ♣ determine the heat demand figure used for the [payments calculation](#) for non-metered biomass and heat pump applicants.

The heat demand figure is only included in EPCs for dwellings. A non-domestic EPC would not show this figure and therefore could not be used to work out payments using the deeming methodology.

**Your EPC must include a heat demand figure and not be older than 24 months.** If yours doesn't, you will need to get one that does.

If your EPC states that either loft or cavity wall insulation are required you must get an assessor to produce a second EPC after installing the insulation to prove that you have done this. Often your EPC assessor will be able to provide this service, however a list of Domestic Energy Assessors is available at: [www.gov.uk/find-an-energy-assessor](http://www.gov.uk/find-an-energy-assessor).

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## EN standards for technology types

EN (European) standards for technology types are documents which set out the material requirements for each of the technologies, and which have been ratified by a European Standardisation Organisation.

All heating systems must meet the relevant EN standards in order to be eligible for the Domestic RHI scheme, however, meeting all of the standards does not automatically guarantee eligibility – the heating system would also need to meet the other scheme eligibility criteria relating to heating systems.

The English language versions of these standards can be found on the [British Standards Institute \(BSI\) website](#).

The EN standards that products have to meet for the Domestic RHI are:

**Biomass Boilers<sup>2</sup>:** EN 303-5:2012, EN 12809:2001+A1:2004 or EN 303-5:1999.

**Biomass Stoves<sup>2</sup>:** EN 14785:2006.

### Heat Pumps:

- a) EN 14511-1: 2013, EN 14511-2: 2013, EN 14511-3:2013 and EN 14511-4: 2013;
- b) EN 14511-1: 2011, EN 14511-2: 2011, EN 14511-3: 2011 and EN 14511-4: 2011;
- c) EN 14511-1: 2007, EN 14511-2: 2007, EN 14511-3: 2007 and EN 14511-4: 2007; or
- d) EN 14511-1: 2004, EN 14511-2: 2004, EN 14511-3: 2004 and EN 14511-4: 2004.

### Solar Thermal:

- a) EN 12975-1:2006+A1:2010 and EN 12975-2:2006;
- b) EN 12975-1:2006+A1:2010 and EN ISO 9806:2013 or
- c) EN 12976-1:2006 and EN 12976-2:2006.

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<sup>2</sup> Biomass products commissioned after 09/04/14 must also meet emissions standards see [emissions certificate \(RHI\)](#).



## Grants

There are a number of rules surrounding the receipt of grants. Only grants that relate to the purchase or installation of the heating system are relevant for the Domestic RHI. To see what is considered to be part of the heating system see the section on [relevant parts](#) in this guide.

If you received a grant that went towards the cost of purchasing or installing your heating system you will be required to declare the source and amount of funding that you received. If your grant covered the entire cost of purchase and installation, you will not be eligible for the scheme, see the section on [making a financial contribution](#) in this guide. Loans, such as a Green Deal loan, which you are required to repay are not grants.

### Public Source

Only grants that are from a public source will need to be deducted from payments. Deductions will be taken from each of your quarterly payments spread over your participation in the scheme. Therefore if you received a grant for £1000 then £35.71 [ $1000/(7 \times 4)$ ] would be deducted from each quarterly payment. Grant funding deductions will be adjusted annually in line with changes in [Retail Prices Index \(RPI\)](#) or [Consumer Prices Index \(CPI\)](#). A grant from public funds is any grant from a public body (or a person or organisation distributing funds on behalf of a public body) that went towards the costs of purchasing or installing the heating system. Ofgem considers funding through the National Lottery to be funding from a public body.

### Grants that contribute to projects

If you received a grant which was designed to give some freedom to choose how you spent the grant, such as a grant that could be used:

- ♣ to contribute towards the cost of multiple heating systems
- ♣ for the renovation of a building, some of which contributes to the cost of purchasing or installing a renewable heating system

This will still be counted as grant funding for the heating system (even if the money is also spent on other projects). If you used part of the general grant towards the cost of purchasing or installing the heating system, this money will be deducted from your payments. You will need to prove how much money went towards the heating system by providing invoices, correspondence or receipts.

### Local Authorities

Local Authorities can use their general annual funding towards the purchase and/or installation of a heating system. This will not be considered to be a grant from public funds. If, however, Local Authorities receive a separate grant for the purpose of installing a heating system, or for other specific projects not covered by their annual budget, this may be considered to be a grant from public funds. We will review these types of situations on a case-by-case basis.



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## **Heat Emitter Guide (MCS)**

The MCS Heat Emitter Guide was used to assess the efficiency of heat pumps and calculate heat pump Seasonal Performance Factors (SPF). It was replaced by the MCS Seasonal Coefficient of Performance (SCOP) Calculator on the 26 March 2016.



## Insulation exemptions

The Domestic RHI scheme rules state that you must install loft and/or cavity wall insulation before applying, if it's listed as a recommendation on your Energy Performance Certificate (EPC). If it's not possible, you can still apply for the scheme, if you can provide evidence from a relevant body that one of the following insulation exemptions applies to your property.

Why is property exempt?	Which body must confirm this?	What evidence is required?
Your property is a listed building.	The planning department of your local authority, English Heritage, Historic Scotland, CADW or a chartered surveyor <sup>3</sup> .	A letter stating that it is not possible to install cavity/loft insulation due to the building being a listed property.
Your property is in a conservation area.	The planning department of your local authority, English Heritage, Historic Scotland, CADW or a chartered surveyor <sup>3</sup> .	A letter stating that it is not possible to install cavity/loft insulation due to the building being located in a conservation area.
Your property houses a protected species that would be materially affected by insulation. (most likely - though not necessarily - bats)	Natural England (Bat Conservation Trust), Scottish Natural Heritage, Natural Resources Wales or a chartered ecologist <sup>4</sup> .	You can contact the national bodies for advice, but may need to arrange a site visit and report by a private ecologist. The letter needs to state which protected species is housed at your property and that installing cavity/loft insulation would materially affect that species.
Due to local environmental conditions (for example regular exposure to driving rain).	The planning department of your local authority, or a chartered surveyor <sup>3</sup> .	You will need to arrange for a chartered surveyor to visit your property and prepare a report. The report would need to outline what environmental conditions prevent the property from being insulated.
Due to the structure of your building (for example it's a timber framed building).	A chartered surveyor <sup>3</sup> .	You will need to arrange for a chartered surveyor to visit your property and prepare a report. The report would need to outline what structural features prevent the property from being insulated.

<sup>3</sup> A member of the Royal Institution of Chartered Surveyors (RICS). Please visit the [RICS website](#) to find a chartered surveyor.

<sup>4</sup> For example a member of the Chartered Institute of Ecology and Environmental Management – [CIEEM website](#)



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Why is property exempt?	Which body must confirm this?	What evidence is required?
Because it would be otherwise unlawful.	The planning department of the property owner's local authority, English Heritage (the Historic Buildings and Monuments Commission for England), Historic Scotland, CADW, Natural England, Scottish Natural Heritage, the Natural Resources Body for Wales, a chartered surveyor <sup>3</sup> / ecologist <sup>4</sup> .	The letter will need to state which law prevents the installation of cavity/loft insulation at the property and why it does so.

**Exempt properties will still need to submit a copy of the EPC.**

Applicants that wish to apply for an insulation exemption will need to provide a completed copy of the [Insulation exemption template](#) (or a letter including the information requested in this template) completed by a member of an appropriate body in support of their claim.

**Seeking advice from chartered surveyors:** if required, you can arrange for a chartered surveyor or ecologist to visit your property and provide a report to evidence any of these situations (except for where the property houses a protected species) and provide a completed [Insulation Exemption Template](#). Note that there is likely to be a fee for such a service.

**If your scenario is not listed above or we do not accept the evidence you have provided:** Only the scenarios listed above are valid exemptions. In all other scenarios, you will be required to install loft and cavity wall insulation if recommended on your EPC. If it will be difficult or expensive for you to install cavity wall insulation because your property has hard-to-treat cavities and will require non-standard products, you may wish to see whether you can get funding via the [Energy Companies Obligation](#) scheme.

If we do not consider the scenario or evidence provided to be valid, you will be asked to provide a new Energy Performance Certificate (EPC) that does not recommend the installation of loft and/or cavity wall insulation. You will have three months from your application date to provide the updated EPC.

**If your EPC incorrectly shows outstanding loft and/or cavity wall insulation recommendations:** If your EPC incorrectly recommends that you install loft and/or cavity wall insulation (e.g. it recommends cavity wall insulation when you have solid walls), you will need to contact your EPC assessor, who should produce an updated EPC. If your EPC recommends that you install loft and/or cavity wall insulation, and you are not covered by one of the above exemptions, we will not be able to accept you on to the scheme. If you have a complaint about your EPC assessor, you should contact the accreditation scheme to which they belong.



## Letter of authorisation

We will carry out an identity check when you apply to the scheme. This check will flag if your name does not match the name on the bank account into which Domestic RHI payments will be transferred.

If you use an organisation's bank account you will be asked to provide a Letter of Authorisation.

**All** social landlords and organisations applying for the scheme will be requested to provide this when submitting their first application. It will also be required where an individual has applied using a company or organisation account.

The Letter of Authorisation confirms that you are able to apply on behalf of the organisation, and therefore the person filling out the template must be a signatory on the company bank account. They can use the letter to nominate themselves or another individual to act as the authorised representative if required (if they are nominating another individual, this person is not required to be a signatory on the bank account).

If you are asked to provide a letter of authorisation, you should complete the following [Letter of Authorisation Template](#), and send it to us at [DomesticRHI@ofgem.gov.uk](mailto:DomesticRHI@ofgem.gov.uk).

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## **Making a financial contribution**

To be eligible for the scheme you (or a previous owner of the heating system) must have made some financial contribution towards the cost of purchasing or installing your heating system.

If the cost of purchase and installation of your heating system was paid in full by someone else, e.g. an organisation, individual (including family members) or a combination of the two, then you will not be eligible for the scheme.

If you have paid for the heating system using a loan, we will see this as you making a financial contribution, as the loan must be repaid.

### **Local Authorities**

Funding that Local Authorities use out of their annual budget will be seen as them making a financial contribution.

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## Microgeneration Certification Scheme (MCS)

MCS refers to the Microgeneration Certification Scheme. It is a requirement of the Domestic RHI scheme that all heating systems are certified by MCS. MCS is an internationally recognised quality assurance scheme supported by the Department of Energy and Climate Change (DECC). MCS certifies both products and installation companies to help ensure that Microgeneration products are installed to a high standard.

You will need to provide an MCS certificate number as part of your application, to confirm that your heating system has been installed in line with the MCS installation standards (see below). Applicants who do not have an MCS certificate will not be eligible for the Domestic RHI. This is because MCS is currently the only certification body approved by DECC for the Domestic RHI scheme.

The MCS website provides lists of certified installers and products:  
[www.microgenerationcertification.org/consumers/consumers](http://www.microgenerationcertification.org/consumers/consumers)

Any other certification body would need to be accredited under EN 45011 or EN ISO/IEC 17065:2012 and be considered equivalent to MCS in order for Ofgem/DECC to approve them as a certification body for the scheme.

### MCS Standards

Heating systems installed on or after scheme launch will need to meet the following MCS installation standards<sup>5</sup> (the MCS certificate for your heating system will be used as proof that these standards have been met):

- ♣ where the plant is a biomass plant, version 4.0 of the document entitled "Microgeneration Installation Standard: MIS 3004 requirements for contractors undertaking the supply, design, installation, set to work, commissioning and handover of solid biofuel heating systems" published on 16th December 2013;
- ♣ where the plant is a heat pump, version 4.1 of the document entitled "Microgeneration Installation Standard: MIS 3005 requirements for contractors undertaking the supply, design, installation, set to work, commissioning and handover of microgeneration heat pump systems" published on 21 November 2014; or
- ♣ where the plant is a solar thermal plant, version 4.1 of the document entitled "Microgeneration Installation Standard: MIS 3001 requirements for contractors undertaking the supply, design, installation, set to work, commissioning and handover of solar heating microgeneration systems" published on 21 November 2014.

If your heating system was installed and first commissioned before this date, it will need to meet the MCS standards that applied at the time of installation.

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<sup>5</sup> MCS published updates to the installation standards MIS 3001 and MIS 3005 on 21 November 2014 which means you can no longer use the older versions of these standards, published on 16 December 2013. These are listed in [The Domestic Renewable Heat Incentive Scheme \(Amendment\) Regulations 2015](#).



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### **MCS Compliance Certificate**

MCS have recently introduced Compliance Certificates for heat generating technologies. Compliance Certificates are effectively checklists which confirm that your heating system was installed according to MCS standards and records key information about the heating system. Your installer should ensure that you are provided with a copy of your Compliance Certificate. We will not require you to submit a copy of your Compliance Certificate as we will be able to access the relevant information via MCS.

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## Metering

This guide does not contain further information on metering for payment or the metering and monitoring service package (MMSP). For further information, please see the [Essential Guide to Metering](#) or the [Essential Guide to Optional Monitoring](#).

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## Multiple products

If you are unsure what is meant by 'product', please see the introduction to the '[Product Eligibility List](#)' in this guide.

There are a number of circumstances where you may be able to install multiple products, and apply for these in one application. These scenarios have been outlined below. You will not be able to make separate applications for two products at the same property, unless one of the products is a solar thermal system. You may be allowed to make a single application for multiple products if they are the same technology and have been commissioned at the same time.

We will ask you to send through all related MCS certificates as evidence. If your products were [commissioned](#) at different times, or are different technologies, you will need to choose which product to apply for. You will also be required to be metered for payment. For more information, please see the [Essential Guide to Metering](#).

Product Scenario	Eligible?	Further information
<b>Two or more of the same eligible product, commissioned at the same time.</b>	Both products may be eligible.	If you have two of the same product commissioned at the same time, they may be considered to be two parts of the same heating system and should normally receive the same MCS certificate. The system capacity will be the combined capacity of the two products and, providing there is one MCS certificate, the application could be processed automatically.
<b>Two or more of the same technology type, but different eligible products, commissioned at the same time.</b>	Both products may be eligible.	If you have two different products of the same technology type (for example two air source heat pumps with different manufacturers), you may be able to make an application for one heating system (which is comprised of two different products). It is likely the products will receive separate MCS certificates which will need to be reviewed by our team.
<b>Two or more of the same eligible product, commissioned at different times.</b>	One product only.	If you have two products that were first <a href="#">commissioned</a> at different times, they will be considered to be two separate heating systems and therefore the applicant will only be eligible to receive payments for one of the products. You will need to choose which product to apply for. Additionally, you will be required to meter your heating system to be eligible for payment so that we know how much heat comes from each.



Product Scenario	Eligible?	Further information
Two or more of the same technology type, but different eligible products. Commissioned at different times	One product only.	If you have two different products commissioned at different times, they will be considered to be different heating systems. You will only be eligible to receive payments on one of the products, so will need to choose which product you wish to apply for. Additionally, you will be required to meter your heating system to be eligible for payment.
Two or more different technology types.	One product (unless one is solar thermal, then both products <b>may</b> be eligible)	<p>If you install more than one technology type that is used for space heating then only one will be eligible and you will need to install meters.</p> <p><b>A note on solar thermal systems:</b> applicants who install a space heating system alongside a solar thermal system that only provides domestic hot water will not be required to install metering. Applicants can receive payments for both solar thermal and a space heating technology installed at the same property. Each product will require a separate application and will be paid separately.</p> <p>You can have solar thermal installed to supplement space heating but you will only be able to apply for the primary space heating system under the Domestic RHI, the solar thermal component will be ineligible.</p>

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## Ongoing obligations

The ongoing obligations are effectively your duties and responsibilities in relation to you, your property and your heating system.

You must comply with these responsibilities in order to continue to receive payments and avoid other enforcement action. You'll need to declare annually that you are still compliant with your ongoing obligations.

A number of scheme participants will be subject to desk or site audit to check compliance against the ongoing obligations.

The ongoing obligations can be split into six sections:

1. [Ongoing obligations: your responsibilities](#). These ongoing obligations apply to everybody accredited on the scheme and relate to your heating system's ongoing eligibility to receive payments.
2. [Ongoing obligations: changes to your heating system](#). These are the ongoing obligations that apply to you if something you provided information on when you submitted your application changes. They outline all changes we **must** be informed of.
3. [Ongoing obligations: biomass boilers or stoves](#). These are the ongoing obligations that are relevant only if you have a biomass boiler or stove.
4. [Ongoing obligations: metering](#). This section outlines the specific ongoing obligations that apply to you if you have had meters installed.
5. [Ongoing obligations: non-compliance and sanctions](#). This section outlines action that we could take if we find out you are not complying with any ongoing obligations that relate to you.
6. [Ongoing obligations: provision of information](#). This section outlines your responsibility to retain any relevant information relating to your heating system and to provide it if requested.

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## Ongoing obligations 1: Your responsibilities

The following is a list of the general ongoing obligations that apply to you if you are approved to the scheme:

- 1. If you have a biomass boiler or stove, you must provide evidence confirming which type of fuel you purchased and used if requested.** In order to evidence the type of fuel that you have purchased for your installation, we strongly recommend that you retain your fuel receipts or statements from your supplier for at least a year after they have been issued. As part of our audit programme we may ask you to produce your fuel receipts or a statement from your supplier in order to check that the installation is using an acceptable fuel type.
- 2. You must not make use of public grant funding for the installation after accreditation.** If you receive grant funding for the heating system after accreditation, you will be required to declare this to Ofgem within 28 days.
- 3. You must ensure that your heating system continues to meet the eligibility criteria.** You should make sure that your heating system continues to be eligible according to the criteria against which it was originally assessed. If your heating system ceases to meet any of the eligibility criteria you should ensure that you inform Ofgem so that we can decide whether your eligibility under the scheme should be re-assessed. Failure to notify Ofgem regarding changes to eligibility could result in the revocation of your accreditation or the withdrawal of all or part of your payments.
- 4. You must comply with any conditions attached to your accreditation.** If any conditions are attached to your accreditation (for example, if you were asked provide us with monthly, rather than quarterly, meter readings) you must ensure that you adhere to them, and provide information if it is required. You will be informed if there are any conditions at the point of accreditation. If you do not comply with these conditions, your payments could be suspended or alternative enforcement action taken.
- 5. The heating system must be kept in good working order.** If, as the result of a site visit, the heating system is found to be in a state of disrepair, or is not working properly, Ofgem may take enforcement action. It is expected that heating systems should be maintained in line with the manufacturer's instructions. If your heating system stops working such that it is unable to generate heat, you must contact Ofgem within 28 days of discovering this.
- 6. If you do not own the property in which the heating system is installed, you must give notice to the owner of the property if the ownership of the installation might change or has changed.** If you do not own the property in which the heating system is installed, you should ensure that you notify the owner of any changes which may affect them, in particular where ownership of (and therefore responsibility for) the heating system changes.
- 7. If you are overpaid, you must repay the excess payment.** If you have been overpaid, you must notify us. You could be overpaid in a few different ways: if you were paid more than you were entitled to under the scheme regulations; if you were paid when you were not complying with an ongoing obligation, or following a non-compliance; and, if you received payments for a heating system which was accredited on the basis of materially incorrect information. If one of these situations applies, we



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may either require you to pay back the specified sum of money, or, the amount overpaid will be deducted from future RHI payments. We will contact you in writing to inform you regarding which type of repayment is required.

- 8. You must not move an accredited heating system to a new location.** If the heating system is moved to a new address, it will no longer be eligible and payments will be stopped. If you need to move your heating system within your property, please contact us to discuss your next steps.
- 9. You must comply with any administrative requirements set out by Ofgem.** This covers any requirements necessary to establish your ongoing eligibility, for example, if we require further information to evidence that you are meeting your ongoing obligations.
- 10. If you are informed of a site visit, you must allow Ofgem or Ofgem's representative access to the property and co-operate (within reason) with the person assessing the property.** If a site visit is required, you must permit entry to Ofgem, Ofgem's representative or the Department of Energy and Climate Change (DECC) and allow them to collect all data necessary to satisfy the purpose of the site visit. In most cases you will be contacted in advance of a site visit to arrange the visit for an appropriate time, and we expect the co-operation of the participant in order to accommodate the audit. In rare instances, notice may not be given. In these instances, you should co-operate with the audit as far as you are able.
- 11. You must comply with any requirements necessary for scheme review and evaluation.** Periodically, DECC will conduct an evaluation of the Domestic RHI scheme, which may require you to provide information, or require them to keep records. This could include questionnaires regarding your heating system, or, if you are metered, require you to provide information regarding your metering arrangements. DECC will also select sites and install metering for the purpose of scheme evaluation. You will be required to respond and comply with such requests if you are notified, failure to do so would be a non-compliance which could lead to sanctions.
- 12. If you do not live in the property, you must obtain consent from the occupants in the event of a site visit.** If you do not live in the property in which the heating system is installed, you must obtain permission for us to carry out a site visit if it is deemed necessary. If we are not able to access the property in order to conduct a site visit, payments might be suspended.
- 13. You must not seek accreditation under the Non-Domestic RHI scheme** for the same renewable heating system or for different heating systems at the same domestic property.



## Ongoing obligations 2: Changes to your heating system

If there is a change to your heating system, you will need to inform us within 28 days of becoming aware of the change. You are required to notify us if any of the following become applicable to your heating system:

1. If any of the information provided in your application was incorrect.
2. If the approved heating system stops generating heat for the property.
3. If a replacement heating system is installed to provide heat to the property.
4. If another technology or product is installed to provide heat to the property.
5. If the property becomes occupied for less than 183 days a year in any 12 month period after the date you applied to the scheme.
6. If the accredited heating system stops providing heat for an eligible purpose
7. If you realise you will not be able to comply with an ongoing obligation.
8. If you are no longer complying with an ongoing obligation.
9. If you intend to transfer ownership of all or part of the heating system within 28 days.
10. If you have transferred ownership of all or part of the heating system.
11. If there is a change in circumstance which may mean that you will no longer be eligible to receive payments.
12. If any meter installed for payment stops working, is moved, is replaced, is reset, stops being in good working order, stops being eligible, or any meters are added or removed.

For further information on eligibility criteria for meters, please see the [Essential Guide to Metering](#).

If we receive a notification of a change in circumstances, RHI payments will be stopped or suspended until we are satisfied that the change in circumstances does not require a review of the heating system's approval, or a review is carried out and results in the continuation of the approval. You may be required to provide additional information and declarations so that your approval can be reviewed.

**If you do not inform us if one of the above becomes applicable to your system, you will be considered to be non-compliant and could face sanctions.**



## Ongoing obligations 3: Biomass boilers or stoves

These biomass specific obligations do not apply to 'legacy' applicants.

1. **You must use the fuel type which is specified in your emissions certificate.** If you do not use a fuel type specified in your emissions certificate, your payments may be suspended as you will not be complying with the air quality requirements. We may ask for your records of fuel purchase in order to check compliance with this requirement.
2. **You must use fuel which has moisture content no greater than the maximum specified in the emissions certificate.** A sample of biomass systems will be selected for site audit, at which the moisture content of the fuel will be checked. If your fuel moisture content is higher than specified in the emissions certificate for your product, your payments may be suspended or we may take other enforcement action.
3. **You must operate the biomass boiler or stove in accordance with the manufacturer's instructions on emissions of particulate matter (PM) and oxides of nitrogen (NOx).**

For information on the ongoing obligations for metering, please see the [Essential Guide to Metering](#).



## Ongoing obligations 4: Metering

If you have had meters installed for the Domestic RHI you must ensure that:

- ♣ heat generated by your heating system is metered for the duration of your participation in the scheme
- ♣ meters are positioned in the correct location (check with your installer that they have followed the MCS guidance and have read the installer section of our [Essential Guide to Metering](#)).
- ♣ meters are located in the same position as approved in your metering arrangement

You must keep each meter:

- ♣ **in good working order**
- ♣ **in the same position as it was approved**

We may request meter readings or data from your meters. You must provide meter readings in the format that we request and by the date that we request them.



## Ongoing obligations 5: Non-compliance and sanctions

This section outlines the action that we can take if we suspect or find out that:

- ♣ you are not complying with your ongoing obligations, or
- ♣ you were approved to the scheme on the basis of incorrect information.

If we have reasonable grounds to suspect that you are not complying with your ongoing obligations, we have the right to withhold all or part of your payments while we investigate.

Once we have concluded the investigation, you will be informed of our decision and any action that will be taken as a result of that decision. If we find that you have not been complying with your ongoing obligations, we may withhold all or part of your payments, or revoke your approval to the scheme, depending on the nature of the non-compliance.

We will inform you of a decision to withhold payments within 21 days of the decision being made. We will also outline anything you need to do in order to satisfy us that you are complying with your ongoing obligations. You will also be informed of your [right of review](#).

If you repeatedly fail to comply with your ongoing obligations, or we find that you were approved to the scheme on the basis of incorrect information, we may revoke your approval.

If we decide to revoke your approval, we will email a notice explaining:

- ♣ the reason for revoking your approval
- ♣ the status of any other heating systems you own which have been accredited under the Domestic RHI
- ♣ your [right of review](#).



## Ongoing obligations 6: Provision of information

If you are approved to the scheme you are obliged to retain copies of any information that you provided at application. You must also keep any other evidence which confirms that the heating system meets the eligibility criteria and ongoing obligations for the scheme (regardless of whether or not this was provided at the point of application).

If we request information, it must be provided within 28 days of the request being issued, or by a date specified by us. If the information required is a new Energy Performance Certificate, this must be provided within three months of the request.

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## Payment calculations – deemed (estimated)

Most applicants will receive payments based on deemed (estimated) annual heat use or generation for solar thermal. Some applicants will require metering in order to be eligible for payments, and will be paid directly on their meter readings. If you believe you may require metering and want to know more about how your payments will be calculated you should see the [Essential Guide to Metering](#).

Below is an explanation of how estimated payments are calculated for each of the eligible technology types:

**Biomass installations and heat pumps will be paid using the estimated heat demand figure on the EPC:**

### Your home’s heat demand

For most homes, the vast majority of energy costs derive from heating the home. Where applicable, this table shows the energy that could be saved in this property by insulating the loft and walls, based on typical energy use (shown within brackets as it is a reduction in energy use).

Heat demand	Existing dwelling	Impact of loft insulation	Impact of cavity wall insulation	Impact of solid wall insulation
Space heating (kWh per year)	22,154	N/A	N/A	N/A
Water heating (kWh per year)	2,792			

### Biomass

For biomass installations, if the heating system provides only space heating, only the estimated space heat demand figure will be used. If the biomass installation provides both space and water heating, the sum of the space and water heating demand will be used in the payment calculation. The heat demand figure will be multiplied by the tariff rate to produce the total annual payment. This will then be divided by four to provide a quarterly figure.

### Heat Pumps

**The same criteria for space or space and water heating apply for heat pumps.**

However the payment calculation for heat pumps also accommodates the [Seasonal Performance Factor](#) into the heat demand figure using the following calculation:

**Total heat demand x (1 – 1/SPF).**

The total heat is multiplied by 1 minus 1 divided by the value of the SPF (expressed as a decimal) to give a heat demand figure that incorporates the efficiency of the heat pump.



**Heat Pump (providing space and water heating) worked example:**

**Space heating:** 22,154kWh

**Water heating:** 2,792kWh

**Total heat demand:** 24,946kWh

**SPF:** 2.5

**SPF calculation:**  $(1 - 1/SPF)$ ,  $(1 - 1/2.5) = 0.6$

**Estimated annual renewable heat load (total heat demand x (1 - 1/SPF)):**

24,946kWh x 0.6 = 14967.6kWh

## Solar thermal

Solar thermal collectors receive payments based on the **estimated annual generation of the system on your MCS certificate.**

The scheme rules require that the annual generation figure is calculated by your MCS installer. The annual generation figure is multiplied by the tariff rate, and divided by four to generate a quarterly figure.

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## Product Eligibility List

For the Domestic RHI a product is a particular type, make and model of heat pump, biomass boiler, biomass stove or solar thermal collector. All products must meet specific European (EN) standards (as well as meeting the other eligibility requirements for the scheme).

The Product Eligibility List (PEL) identifies individual products that meet the technology requirements for the Domestic RHI scheme. It allows you to check whether a specific product is eligible for the scheme before purchasing a heating system. The PEL only indicates that the product is eligible, and is not a guarantee of overall eligibility for the Domestic RHI.

The PEL lists information provided on products by Certification Bodies and manufacturers and presents it in a spreadsheet which you can use to check whether a particular product is eligible, or to find out particular information about a product.

**Important note:** if your product is **not** listed on the PEL, it does not mean that it is automatically ineligible. It could be that we haven't yet received all of the required information from the product manufacturer. All products must meet the relevant [EN standards](#) in order to be eligible. If your product is not listed on the PEL, but you think it may be eligible, you should speak to your installer to discuss your next steps.

The Product Eligibility List is hosted [on our website](#).

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## Refurbished equipment

No part of the heating system which generates heat may have been used before the renewable heating system's first commissioning date. This means that refurbished generating equipment (the equipment used to generate heat) will not be eligible for the Domestic RHI.

Parts of the heating system that are not considered to be generating equipment can have been used as part of a previous heating system. For a breakdown of which parts of the heating system are considered to be generating equipment, and which are not, see [relevant parts](#) on the next page.

## Recommissioning an existing renewable heating system

The Domestic RHI scheme is intended to support the installation of new equipment. Therefore when you apply for the Domestic RHI all parts of the renewable plant must have the same first commission date and the heat generating equipment must be new.

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## Relevant parts

The Domestic RHI scheme is intended to support the installation of new equipment. The table below provides a breakdown of equipment which we define as being used to generate heat and equipment that is not. No second hand heat generating equipment can be used as part of the heating system when it is first commissioned, see [refurbished equipment](#) within this guide.

The following table provides information on which parts of the heating system must be new at the point of first commissioning:

Heating system type	Must not have been used before first commissioning date of the heating system	May have been used before
Biomass boiler	Boiler	Fuel storage/preparation/delivery equipment Fixings Controls Emitters (e.g. radiators) Hot water cylinders Pipes Immersion heaters Circulation pumps Supplementary electric heaters Buffer tanks/thermal stores Expansion vessels
Biomass stove	Stove Heat exchanger Integrated back boiler	Fuel storage/preparation/delivery equipment. Pipes Fixings Immersion heaters Circulation pumps Controls Emitters Hot water cylinders Supplementary electric heaters Buffer tanks/thermal stores Expansion vessels
Ground (or water) source heat pump	Ground or water loop Heat pump unit/ Compressor Internal oil/gas burner (hybrid heat pump systems)	Container and fixings Pipes Circulation pumps Supplementary electric heaters Emitters Hot water cylinders Immersion heaters Buffer tanks/thermal stores Expansion vessels Controls



Heating system type	Must not have been used before first commissioning date of the heating system	May have been used before
Air source heat pump	Heat pump unit/ Compressor Internal oil/gas burner (hybrid heat pump systems)	Container and fixings Pipes Circulation pumps Supplementary electric heaters Controls Emitters Hot water cylinders Immersion heaters Buffer tanks/thermal stores Expansion vessels
Solar thermal	Solar collectors (flat plate or evacuated tubes) <sup>6</sup>	Roof fixings Pipes Circulation pumps Supplementary electric heaters Controls Hot water cylinders Immersion heaters Thermal store/buffer

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<sup>6</sup> Evacuated tube cassettes / manifolds are part of the plant see [refurbished equipment](#)



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### **Renewable Energy Consumer Code (RECC)**

In order to become [MCS](#) certified, installation companies must be members of the Renewable Energy Consumer Code (RECC).

RECC is administered by Renewable Energy Assurance Ltd and aims to provide a high quality experience for customers by committing installers to the standards set out in its Consumer Code.

The RECC website has information and tips for consumers before installing and can help resolve complaints where the consumer code has been breached. For information on RECC's complaints process, please see their website: [www.recc.org.uk/consumers/how-to-complain](http://www.recc.org.uk/consumers/how-to-complain).

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## Replacing or repairing equipment

Once you have been approved to the scheme, there are procedures in place which must be followed if part of your heating system stops working, or if it stops being able to generate heat completely. If your installation breaks down and requires parts to be replaced or repaired, you **must** inform us within 28 days.

### Replacing parts of your heating system

If any of the parts of your heating system which **generates heat** are replaced, then you must inform us (even if the heating system continues to generate heat). If the heating system stops generating heat while parts are replaced, payments will be stopped until the heating system is able to generate heat again.

### Replacing the whole heating system

If the entire heating system is replaced, you should inform Ofgem immediately. Your payments will be stopped and you will need to consider what heating system to replace your broken system with. If you decide to replace the heating system with the same source of energy (i.e., you replace an air source heat pump with another air source heat pump) then you may be eligible to receive further payments. If you wish to apply for a replacement system please contact us at [DomesticRHI@ofgem.gov.uk](mailto:DomesticRHI@ofgem.gov.uk).

The new heating system will need to be assessed to ensure it meets the eligibility criteria. If it does you will be able to receive payments for the remainder of the seven year payment period.

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## Review

### Why is my application in review?

Our IT system can approve your application automatically, but in some cases we need more information before we can decide if it's eligible. When we need more information our IT system puts your application into review and sends it to one of our team who will contact you to ask for more information. In most cases you have up to 28 days to provide the requested information or your application may be rejected. If you provide the information we need, your payments will still be calculated from the date you applied.

### How can you help to speed up the process?

- 1) Complete your Domestic RHI application, and check in [MyRHI](#) to see if there is a message saying that your application is in review.
- 2) If your application is in review you may be able to send us the information we need straight away. This guide explains the reasons why your application could be in review and lists the information that we might ask for. If you're not sure which category you fall into, or you just prefer to wait for confirmation, you'll be contacted by our team within 5-10 working days of submitting your application.
- 3) Please send copies of the relevant information to us. Scanned or photographed documents are fine in most cases. The fastest way to do this is to email them to [domesticRHI@ofgem.gov.uk](mailto:domesticRHI@ofgem.gov.uk), quoting your application number in the email's subject heading. The only exception is if we require further proof of your bank and ID details; in which case we ask you to post us either photocopies or print-outs of any information needed. All documents will be destroyed in line with Data Protection rules.
- 4) Once we have your additional evidence we will assess your application to see if it meets our eligibility criteria, and will let you know if your application has been successful. Please note, we may ask you for more information once your application has been assessed.

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## Review: ID and Bank checks

This is the most common reason for applications to be put into review. If there is a mismatch between the personal or banking details you provided on your application form, and those held in the national databases our IT system uses for verification, we need to be sure we have the correct information.

The reason for your application being in review	The additional information we need
<p><b>'ID + Bank'</b></p> <p>To confirm your identity, we check your personal details against national databases. Sometimes there is a mismatch between the two, so we need supporting information.</p>	<p><b>Please provide:</b></p> <p>To confirm your identity, send us <b>a photocopy</b> of one of the following* :</p> <ul style="list-style-type: none"> <li>♣ your full and valid signed passport</li> <li>♣ your valid UK photo card or paper driving licence</li> <li>♣ your current UK firearms certificate or shotgun licence</li> <li>♣ your current national identity card.</li> </ul> <p>To confirm your bank details and address, send us recent correspondence (within 3 months) from your bank. This can be one of the following* :</p> <ul style="list-style-type: none"> <li>♣ a letter from your bank on bank headed paper</li> <li>♣ a photocopy of a paper bank statement</li> <li>♣ a print-out of an online bank statement stamped in branch before posting to us</li> </ul> <p>and it must show:</p> <ul style="list-style-type: none"> <li>♣ the same name, or initials, you gave us on the application form,</li> <li>♣ the same address as the correspondence address you gave us on the application form, and</li> <li>♣ your account number and sort code.</li> </ul> <p>Please note that if the addresses are different, you will need to update this with your bank, otherwise you will need to reapply to our scheme with the correct address. If you want to block out any other information given on these documents, you may do so.</p> <p>Please be aware that unlike other review options, we ask you to <b>post hard copies</b> of the above information to:  <i>Domestic RHI Audit &amp; Compliance, Ofgem, 9 Millbank, London, SW1P 3GE</i></p>
<p><i>*All documents will be destroyed in line with Data Protection rules, so we do ask you send photocopies. If you wish to send these documents by recorded delivery, you may do so at your own cost.</i></p>	



## Review: Other reasons

### Other reasons your application may need to be reviewed

The reason for your application being in review	The additional information we need
<p><b>'Multiple MCS'</b> You answered yes to the question: "Does the renewable heating system at your property have more than one MCS certificate?"</p> <p>For your system to be eligible, we need to check that all parts of your heating system are the <b>same technology type</b> and have the <b>same commissioning date</b>.</p>	<p><b>Please provide:</b></p> <ul style="list-style-type: none"> <li>☛ All relevant MCS certificates that relate to the heating technology you are applying for (this does <b>not</b> include MCS certificates for solar PV).</li> </ul> <p>Remember, if you're applying for a space heating system you must submit a separate second application if you're also applying for a solar thermal domestic hot water system.</p>
<p><b>'Grant Funding (Non-RHPP)'</b> You answered yes to the question "Was any money used from public grants and you have received funding other than RHPP?"</p> <p>The scheme rules state that any public funding will be deducted from your Domestic RHI payments. So we need to know the details of your grant to ensure that we deduct the correct amount.</p>	<p><b>Please provide:</b></p> <ul style="list-style-type: none"> <li>☛ The grant offer letter from the issuing body.</li> </ul> <p>We may ask you to provide additional information about:</p> <ul style="list-style-type: none"> <li>☛ The source of the funding if we are unfamiliar with the issuing body or grant.</li> <li>☛ A breakdown of how your grant was spent – especially in circumstances where a large grant went towards multiple heating systems (e.g. for social landlords).</li> </ul>
<p><b>'Loft and/or Cavity Wall'</b> Your EPC recommends that you install loft and or cavity wall insulation.</p> <p>One of the pre-requisites of the scheme is that you must either satisfy the loft and or cavity wall insulation recommendations on your EPC (and get a new EPC) or be exempt from doing so.</p> <p>We use this template to check if you meet the exemption requirements.</p>	<p><b>Please provide:</b></p> <ul style="list-style-type: none"> <li>☛ A completed <a href="#">Insulation Exemption Template</a> signed by a member of your local planning authority or from a registered professional that has expertise in the relevant field.</li> </ul>



The reason for your application being in review	The additional information we need
<p><b>'Eligible Property Type' (multiple buildings)</b></p> <p>In your answer to Question 13 you have stated that your heating system provides heat or hot water, to multiple buildings.</p> <p>We need to check the type of buildings that are being heated to check your eligibility for the Domestic RHI scheme.</p> <p>Depending on the details you provided in the template it could be that the Non-Domestic RHI is more appropriate for your heating system.</p>	<p><b>Please provide:</b></p> <ul style="list-style-type: none"> <li>♣ A completed <a href="#">Heat Use Template</a> that will be sent to you by our team.</li> </ul>
<p><b>'Self-build'</b></p> <p>Scheme rules state that self-build applicants need to provide evidence that the property:</p> <ul style="list-style-type: none"> <li>♣ was first occupied after the heating system was commissioned</li> <li>♣ was built using labour or resources of the first owner</li> <li>♣ has never been owned by an organisation/company.</li> </ul> <p>In your answer to question 14 you stated that your renewable technology was commissioned before the property was first 'lived in'. You may be asked for evidence to ensure you meet these requirements.</p>	<p><b>We may ask you to provide:</b></p> <ul style="list-style-type: none"> <li>♣ Proof of property ownership (for example Copy of Title Deeds, contract of sale)</li> <li>♣ Documents confirming you received a self-build VAT exemption, self-build loan or mortgage</li> <li>♣ An invoice for <i>substantial</i> structural materials or labour (for example foundations or timber frame, smaller works such as re-wiring or kitchen-fitting will not be sufficient)</li> <li>♣ A declaration of the date the property was first occupied.</li> </ul> <p>This must be in the name of the first owner of the property and show the site address.</p>



## Reference Document

### Further information that we may ask for

If you fall into one of these scenarios, then our team will contact you directly asking for the evidence we require, and explaining why we need it. Below is a summary of some of these scenarios.

The reason for your application being in review	The additional information we need
<p><b>'PEL inconclusive'</b></p> <p>We maintain a Product Eligibility List (PEL) to help us to assess a product's eligibility. If we have not seen a product before we may not have sufficient information to make an assessment regarding your product. By providing us with your product's information we will be able to review your product's eligibility.</p>	<p><b>On request from our team, please provide either:</b></p> <ul style="list-style-type: none"> <li>♣ A <a href="#">PEL template</a> completed by your installer.</li> </ul> <p>and/or</p> <ul style="list-style-type: none"> <li>♣ An <a href="#">AQ certificate template</a> (biomass only) completed by your installer.</li> </ul>
<p><b>Applications that require metering for payment</b></p> <p>You answered yes to the question "Do you need to be metered for payment?"</p> <p><b>Or</b> In your answer to question 12 you stated that you have occupied your property for less than 183 days in the last 12 months.</p> <p>Most of these applications will be processed automatically; however some applicants will need to provide an 'alternative metering arrangement' (for example if you can't meter the renewable heat separately or have a heat pump that is used for cooling). These applications will need to be reviewed by our technical team.</p>	<p><b>Please complete in MyRHI:</b></p> <ul style="list-style-type: none"> <li>♣ The Installer Metering Questions for <a href="#">biomass</a> or <a href="#">heat pumps</a>.</li> </ul> <p><b>If asked for please also provide:</b></p> <ul style="list-style-type: none"> <li>♣ An Alternative Metering Arrangement Template for <a href="#">biomass</a> or <a href="#">heat pumps</a>.</li> </ul>
<p><b>First applications from social or private landlords</b></p> <p>If your Domestic RHI payments are going into an organisation or company bank account, we need an authorised representative of the organisation to complete the Domestic RHI application.</p> <p>To do this, a signatory to the organisation's bank account needs to complete a Letter of Authorisation. Additional administrators can be appointed by the authorised representative through MyRHI after the application has been accredited.</p>	<p><b>Please provide:</b></p> <ul style="list-style-type: none"> <li>♣ A <a href="#">Letter of Authorisation</a>.</li> <li>♣ Contact details for any additional administrators.</li> </ul>



<b>The reason for your application being in review</b>	<b>The additional information we need</b>
<b>Other</b> There are a number of other reasons your application might be in review. Our team member will contact you to explain why your application is in review. Please note that a random selection of all applications are put into review for quality assurance purposes	<b>Please speak to the team member who is reviewing your application.</b>

Please send the relevant information to [DomesticRHI@ofgem.gov.uk](mailto:DomesticRHI@ofgem.gov.uk) quoting your application number in the subject heading.

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## Renewable Heat Premium Payment

The Renewable Heat Premium Payment (RHPP) was a government grant scheme available for installing domestic renewable heating systems before the introduction of the Domestic RHI. RHPP funding took the form of a one-off grant to help households with the cost of installing a renewable heating system. Householders were able to apply for a voucher through the Energy Saving Trust, which they could then use to make a claim once they had installed the heating system.

RHPP funding was distributed in three 'phases'; phase 1, phase 2, and phase 2 extension. Applicants with RHPP funding will be subject to a phased application schedule based on the date at which they applied for RHPP. Questions about RHPP should be addressed to the Energy Saving Trust, who were the administrators of the scheme.

Receiving RHPP does not automatically make you eligible for the Domestic RHI. Applicants with RHPP funding should first check the [Product Eligibility List](#) to determine whether their product is eligible, and then refer to the 'general eligibility checklist' in the [Essential Guide for Applicants](#) in order to determine whether they meet the other eligibility criteria.

Applicants with RHPP who are accredited under the Domestic RHI will have the amount of funding they claimed deducted from their Domestic RHI payments. The funding deduction will be distributed evenly across their payments, and will be adjusted annually in accordance with RPI.

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## Right of review

The right of review applies for any formal decisions that we make including if we have rejected your application, or if your application was accredited, but we have subsequently made the decision to withhold payments or revoke your accreditation.

The right of review entitles you to have the decision reviewed by Ofgem. In order to do this, you must apply for review within 28 days of receiving notice of the decision which you are appealing, specifying the grounds on which you are requesting a review. Your review will not be carried out by anyone who previously reviewed your application or made the decision to take action regarding your accreditation. You must provide any information requested by us when carrying out the review.

Once the review has been completed, we will send you confirmation of the result of the review within 21 days.

For further information on requesting a review, please contact us at [DomesticRHI@ofgem.gov.uk](mailto:DomesticRHI@ofgem.gov.uk) quoting '**Right of review**' in the subject line.

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## Retail Prices Index (RPI)

Applications submitted for the Domestic RHI before 1 April 2016 have their tariffs adjusted in line with the Retail Prices Index (RPI). The RPI is a measure of inflation and RPI rates are produced annually by the Office for National Statistics (ONS). Tariffs will be adjusted in accordance with RPI on 1 April every year. If you have [grant funding](#) that will be deducted from your payments you should be aware that the amount to be deducted will also be subject to RPI adjustment.

Applications submitted for the Domestic RHI on or after 1 April 2016 have their tariffs adjusted in line with the [Consumer Prices Index \(CPI\)](#).

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## Scheme budget management

The Domestic RHI tariffs are set by the Department of Energy and Climate Change (DECC). The mechanism that controls these tariffs is known as **degression**. DECC have to keep the Domestic RHI within budget and they do this by lowering the tariff rates for new applicants if uptake of the scheme is higher than the approved budget, by either 10% or 20% according to rules set out in the Regulations.

We report to DECC on the uptake of the scheme on a regular basis. [DECC publish how much committed spend this equates to](#) and how close to degression triggers each of the technologies are, on a monthly basis, and review whether a trigger has been passed on a quarterly basis. DECC publish a degression announcement at least a month before any change in tariff is due to take place. Domestic RHI tariff degression can only occur on 1 January, 1 April, 1 July or 1 October of each year; so if there is due to be a degression on 1 January, DECC must make an announcement by 1 December at the latest. The announcement includes which technologies are affected, and what the new tariff rates for those technologies will be.

If uptake of a technology in a quarter hits a degression trigger, then the tariff for that technology is reduced by 10%. If the uptake in a quarter is much greater than predictions, then a 'super trigger' may be hit. If the super trigger is hit, the tariff rate for that technology is reduced by 20%. If neither trigger is hit, the tariff rate remains the same.

Triggers are set individually for each technology type (biomass, air source heat pump, ground source heat pump, and solar thermal) – see Figure 1 for the specific triggers for each technology. If a tariff is reduced because a trigger is hit, a notice is published at least a month before the tariff is due to reduce. [We publish all tariff tables on our website.](#)

### **A tariff reduction only affects people who are applying after the degression date.**

Once you have joined the Domestic RHI, your accreditation stays on the same tariff rate for the full 7 years of membership (subject to RPI or CPI). If you have more than one accreditation, for example landlords, the tariff for each application is based on when each one was made.

Applications that are being processed when degression occurs and which meet the scheme eligibility criteria are not subject to future tariff changes caused by degression.

If you submit an application but it does not meet the eligibility criteria, or you fail to submit requested information in the time period specified by us, you may have to start again with a new application. The clock would re-set at the date of the new application and therefore the tariff at that date would apply if degression had occurred in the meantime.

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**Figure 1: Quarterly technology triggers are set at the following levels.**

Assessment date							
	31 Jul 14	31 Oct 14	31 Jan 15	30 Apr 15	31 Jul 15	31 Oct 15	31 Jan 16
<b>Biomass boilers</b>							
<b>Trigger (£m)</b>	2.4	4.2	6.0	8.4	11.9	15.5	19.1
<b>Super trigger (£m)</b>	4.8	8.4	12.0	16.8	23.9	31.1	38.2
<b>Air source heat pumps</b>							
<b>Trigger (£m)</b>	2.4	4.2	6.0	8.4	11.9	15.5	19.1
<b>Super trigger (£m)</b>	4.8	8.4	12.0	16.8	23.9	31.1	38.2
<b>Ground source heat pumps</b>							
<b>Trigger (£m)</b>	2.4	4.2	6.0	8.4	11.9	15.5	19.1
<b>Super trigger (£m)</b>	4.8	8.4	12.0	16.8	23.9	31.1	38.2
<b>Solar thermal collectors</b>							
<b>Trigger (£m)</b>	1.2	2.1	2.9	3.9	5.0	6.1	7.2
<b>Super trigger (£m)</b>	2.3	4.1	5.9	7.8	10.0	12.2	14.4

The rules are different for a quarter that has followed a tariff reduction. It will also be necessary to consider whether a 'growth trigger', or 'super growth trigger' has been met. This is designed to help prevent unnecessary tariff reductions when the market has already responded to a tariff reduction.

Full details of the technology specific tariff triggers and growth triggers are included in the [Domestic RHI Regulations](#).

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## Scheme evaluation

The Department of Energy and Climate Change (DECC) are required to keep the operation of the Domestic RHI scheme under review. In order to evaluate the scheme, DECC may select specific heating systems to be monitored.

If your heating system is selected for review and evaluation, DECC will write to you to let you know. In order to carry out its review, DECC may request entry to your property in order to:

- ♣ inspect the heating system or any associated metering
- ♣ install metering (if selected for monitoring and evaluation – this won't affect your RHI payments)
- ♣ carry out meter readings or download metering information
- ♣ check, repair, or replace any metering equipment.

DECC may request you to assist in maintaining and reading meters, to keep records, and to provide information relating to the heating system held by you or your installer on request.

If your heating system is selected for scheme review and evaluation you will need to ensure that you comply with any request from DECC relating to the above in order to be able to continue to receive payments.

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## Site audit

We will select a number of sites for inspection by us or a third party on our behalf. During this visit, information about the site will be collected in order to verify the eligibility of the heating system and to check compliance with the scheme rules.

### Access requirements for site visits

If you own the property you will be required to comply with an ongoing obligation to permit us to access the site for the purposes of inspecting a heating system.

If you own an eligible heating system but do not live in the property you will be required to provide an annual declaration confirming that all occupants of the property have agreed to permit access to the property and to enable us to carry out any function under the Regulations, including for a site visit or inspection.

If a site audit is required, we will endeavor to provide notice of an inspection a reasonable amount of time before the audit takes place. We would generally expect the audit to be carried out within 28 days from receipt of notification, and at a reasonable time for the participant. However, in exceptional cases, advance notice may not be provided. All site auditors will carry identification and a phone number will be provided which can be called to verify the identity of the auditor.

If the auditor is not permitted access to the site (and the reason for refusal was not reasonable), or is not permitted to investigate fully, this will be treated as a non-compliance.

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## Registered Social Landlords (RSLs)

Social landlords applying to the scheme will only need to go through one identity check and will then be able to submit multiple applications through the same account. It is likely that a number of social landlords will need to provide us with a Letter of Authorisation to confirm that the first applicant is authorised to act on behalf of the organisation (a [Letter of Authorisation](#) is required when the name of the applicant and the name on the bank account into which Domestic RHI payments will be made do not match up).

All registered social landlords applying under the Domestic RHI scheme will be asked to provide a Registered Social Landlord (RSL) number and will be required to comply with the ongoing obligation to inform their tenants of any change of ownership of the property.

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## Reference Document

### Solar Keymark

Solar Keymark is a certification scheme for solar thermal products. The Solar Keymark confirms that a product adheres to the relevant [EN standards](#) for solar thermal installations, namely European standard series EN 12975 and EN 12976.

All eligible solar thermal products for the Domestic RHI scheme will be certified either by Solar Keymark or MCS. Please note that Solar Keymark certifies product types, not installers. Therefore if you install a Solar Keymark certified product, you will still be required to have your solar thermal system installed by an MCS installer in order to confirm that it meets certain installation standards. To see which Solar Keymark certified products are eligible for the Domestic RHI, please see the [Product Eligibility List \(PEL\)](#). For further information regarding Solar Keymark certification, please see the Solar Keymark website: [www.estif.org/solarkeymarknew/index.php](http://www.estif.org/solarkeymarknew/index.php).

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## Seasonal Performance Factor (SPF)

**The Seasonal Performance Factor (SPF) is a measure of how efficiently your heat pump is operating.** Put simply, the higher your SPF value the more energy efficient your system is.

### **Definition**

*SPF is a measure of the operating performance of an electric heat pump heating system over a year. It is the ratio of the heat delivered to the total electrical energy supplied over the year.*

*SPF = Total heat energy output per annum (kWh) ÷ Total input electricity per annum (kWh)*

*A heat pump with an SPF of 2.5 will on average deliver 2.5kWh of heat for every 1kWh of electricity it uses.*

Your heat pump needs electricity to run (it powers the compressors). To keep your heat pump running as efficiently as possible (and electricity bills as low as possible) your property should be well insulated and have a low temperature heating system, such as underfloor heating or low temperature radiators. The lower the temperatures and the bigger the area of your radiators, the less electricity your heat pump will use and the higher its SPF will be.

### **Why is the SPF important?**

The SPF is used to calculate the renewable portion of your heat pump's heat output. The regulations require us to deduct the electricity used to run the heat pump from the heat it delivers. **Only the renewable portion of the heat generated by your heat pump can be used when calculating payments.**

To be eligible, all heat pumps must have a minimum SPF value of 2.5.

The SPF is a factor in payments calculations using the following formula:

**Estimated annual renewable heat load (total heat demand x (1 – 1/SPF)) x tariff rate**



## Reference Document

Worked example:

**Total heat demand:** 15,000kWh

**SPF:** 2.7

**ASHP tariff rate at start of scheme:** 7.3p/kWh

**SPF calculation:**  $(1 - 1/\text{SPF})$ ,  $(1 - 1/2.7) = 0.63$

**Estimated annual renewable heat load (total heat demand x (1 - 1/SPF)):**

15,000kWh x 0.63 = 9,444kWh

**Total annual Domestic RHI payment (tariff x estimated annual renewable heat load):** £689

**Quarterly Domestic RHI payment (total annual Domestic RHI payment ÷ 4):** £172.25

If you have a heat pump, until 25 March 2016, your installer will either calculate the SPF using the Heat Emitter Guide, or take the SCOP value from the MCS website. From 26 March, they will only use the SCOP. This number will be entered directly into the MCS database when the renewable technology is registered and will be the number used when calculating RHI payments. For more information on this, please see our helpsheet [ErP and the Domestic RHI](#).

### What if I'm metered for payment?

If you are metered for payment, your quarterly payments are based on actual meter readings where the electricity used is deducted from the heat output, so calculating the renewable heat generated.

Your SPF is still important. Your quarterly payments are based on your metered output BUT you will not be paid more than a set payment amount. There is a **payment cap** set so that you will not be paid more than you would have received if you were deemed. The payment cap takes into account your SPF and is based on your property's estimated annual renewable heat load.

The SPF will be used to calculate the maximum amount you can be paid per year using the calculation in the following worked example:

Using the worked example above:

**Annual Payment CAP = tariff x estimated annual renewable heat load:**

7.3p x 9,444kWh = £689

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## **VAT exemption letter for building materials**

HMRC offer VAT refunds to individuals building self-build new homes. For information on how to make a VAT refund claim, for a self-build new home, please see the following HMRC webpage: [www.hmrc.gov.uk/vat/sectors/consumers/new-home.htm](http://www.hmrc.gov.uk/vat/sectors/consumers/new-home.htm).

Once you have successfully submitted a claim, you will receive a letter containing the amount of VAT refunded and your unique reference number. You can submit this as evidence that you are a self-build property.

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