

Renewable Heat Incentive (RHI)

The Domestic Renewable Heat Incentive Scheme (DRHI) in Great Britain has now closed. The DRHI closed to new applicants including metering and monitoring service package applications at midnight on 31 March 2022. Only applications following a change of ownership can be made now that the scheme has closed.

Details can be found at:

<https://www.ofgem.gov.uk/environmental-and-social-schemes/domestic-renewable-heat-incentive-domestic-rhi>

Previous Scheme Details

The Renewable Heat Incentive (RHI) is a payment for generating heat from renewable sources. RHI is set by the UK Government, administered by Ofgem and paid for directly by the UK Treasury through general taxation.

The main benefit of the RHI is a generation tariff which is paid for every kilowatt-hour of energy produced. The level of payment varies depending on the technology and the system size.

The domestic phase of the RHI began in spring 2014 and introduced ongoing tariff support for renewable heat installations in domestic properties. Eligible technologies include ground source heat pumps, air source heat pumps (including high temperature ASHP), solar water heating, biomass boilers providing whole house heating and automated biomass (wood pellet) stoves and cookers with integral boilers. RHI is payable for seven years.

Domestic RHI is targeted at (but not limited to) off gas grid homes and is open to owner-occupiers, private landlords and social housing providers.

Most applicants must obtain an EPC before applying and must have cavity wall insulation/loft insulation installed where appropriate.

RSLs must have an EPC that is less than two years old. This applies to any applications made after February 2015.

For an installation to be eligible, the system installer must be certified under the Microgeneration Certification Scheme (or equivalent)

A number of changes to the domestic RHI were introduced in 2018. These included:

- metering for performance. All new applications for heat pumps will be required to have electricity meter arrangement that measures the electricity consumed by it to generate heat

- changes in metering and monitoring service package (MMSP). Those successfully registering for MMSP will receive lump sum and MMSP payments for heat pumps or biomass pellet boilers
- assignment of rights. To help overcome the barrier of upfront costs for a renewable heating system, households can assign their rights to RHI payments to an investor
- changes to degression rules

