



**Glendevon
Energy**



RENEWABLE HEAT INCENTIVE (RHI) SUMMARY

12th December 2011.

The RHI is a Government funded payment over 20 years to encourage investment in specific renewable heat generating technologies. Payments are linked to the Retail Price Index and vary according to the technology, heat generated and tariff rate. The first phase of the non-domestic scheme opened for applications in November 2011, and Premium Payments for domestic systems were launched in July 2011.

Installations eligible

Biomass boilers, ground source heat pumps and solar thermal systems are all eligible, amongst others.

Possibly domestic air source heat pumps although this is not clear yet. (See *pdf Treatment of air source heat pumps under the RHI* at www.decc.gov.uk/rhi, 26th October 2011) .

Retro fitted systems (new build installations *may* be eligible).

Installations first commissioned on or after 15th July 2009, providing they meet the final eligibility criteria.

For installations up to 45 kW MCS accredited products and installers are required.

Phase 1: Commercial & public sector buildings

RHI for non-domestic buildings went live on 28th November 2011. See table overleaf for tariffs.

The scheme is administered by Ofgem; for further information see www.ofgem.gov.uk/e-serve/RHI, email RHI.Enquiry@ofgem.gov.uk or telephone 0845 200 2122.

Non-domestic applications include commercial, public sector and not-for-profit organisations. Bed and breakfasts, multiple dwellings sharing same heat source (eg. House with cottage) and farm houses sharing heat source with genuine office/s would also be included.

Based on actual usage (readings from meters installed with systems).

Payments made for 20 years. Aimed at 12% return except for solar thermal which is 5%.

Phase 2: Domestic buildings (single dwellings)

DECC have announced “*The second phase of the RHI scheme will see it expanded to include more technologies as well as support for households. In light of the later than expected launch of Phase 1, as a result of changes required by the European Commission, we are reviewing the timetable for introducing Phase 2. We will be able to confirm the exact timing early in the New Year [2012]*”. www.decc.gov.uk, 12th December 2011.

The domestic scheme may be based on *deemed* usage rather than meter readings. It may also be focused on households off the gas grid.

Tariffs will assume a well insulated home based on its Energy Performance Certificate.

From July 2011 Premium Payments have been available (see below).

Premium Payments

Premium Payments are for domestic installations that are off mains gas. For new builds the client must have moved in to collect the payment.

Eligible installations that have received 'Premium Payments' will also be able to collect RHI tariffs.

Whilst air source heat pumps are eligible for Premium Payments it is not yet clear if they will be for RHI.

For rates see overleaf. To apply visit www.energysavingtrust.org.uk or call 0800 512 012.

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PREMIUM PAYMENT RATES FOR DOMESTIC APPLICATIONS FROM 1ST AUGUST 2011

System	One off payment
Solar Thermal	£300
Biomass	£950
Ground Source Heat Pumps	£1,250.00
Air Source Heat pumps	£850.00

RHI RATES FOR NON-DOMESTIC APPLICATIONS FROM 28TH NOVEMBER 2011

Solar Thermal	Biomass	Ground Source Heat pumps
<p><i>Solar thermal panels up to 200kW:</i></p> <ul style="list-style-type: none"> 8.5p per kWh 	<p><i>Boilers up to 200kW:</i></p> <ul style="list-style-type: none"> Tier 1: 7.6p per kW of boiler size for the first 1,314 hours per annum To calculate how many kWh Tier 1 will apply for: multiply boiler rating (eg. 60kW) by 1,314 hours Tier 2: 1.9p per kWh for every kWh produced after that 	<p><i>Ground source heat pumps up to 100kW:</i></p> <ul style="list-style-type: none"> 4.3p per kWh
<p>Example</p> <p><i>Eg. 6sqm Thermomax vacuum tube system:</i></p> <ul style="list-style-type: none"> £206 per annum assuming 2,428 kWh per annum <p>This would generate £4127 over 20 years which would be a significant contribution to the capital cost</p>	<p>Example</p> <p><i>Eg. 60kW Windhager Biowin wood pellet boiler:</i></p> <ul style="list-style-type: none"> Tier 1: £5992 per annum for the first 78,840 kWh Tier 2: 1.9p per kWh for every kWh produced after this <p>From Tier 1 alone the RHI payments could therefore be £119,800 over the 20 years which would more than cover the capital expenditure, even for a complex system</p>	<p>Example</p> <p><i>Eg. NIBE Fighter 22kW ground source heat pump:</i></p> <ul style="list-style-type: none"> £1,720 per annum assuming 40,000 kW hours per annum <p>This would generate £34,400 over 20 years which could more than cover the capital cost for a trench system</p>

This summary is believed to be factually correct at the time of printing and is based on information from the Department for Energy & Climate Change. For up to date information see www.decc.gov.uk.

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