

What is it?

The Renewable Heat Incentive (RHI) is a government payment incentive for generating heat from renewable energy sources. It is designed so that typically a home owner will realise a payback for installing renewable heat equipment within the 7 year duration of the RHI scheme.

How much is it?

The following levels apply to each technology

Heat Technology	Rate of tariff per kWh	Duration of scheme
Air Source Heat Pump	7.3 p	7 years
Ground Source Heat Pump	12.2 p	7 years
Biomass Boiler	18.8 p	7 years
Solar Water Heating	19.2 p	7 years

When will I be able to claim RHI?

The scheme will start accepting applications from April 2014 and is expected to be open until 2021

Who is eligible?

The following people are eligible for the RHI:

- Owner Occupiers (primary residence not holiday homes)
- Private Landlords
- Social landlords
- Self Builders
- Home owners who installed a qualifying system since 15 July 2009
- Third party owners of a heating system
- The scheme does not cover communal heating systems (the non domestic scheme covers these)

Can anybody install the equipment?

No! to ensure that basic design and installation standards are met, the installer has to be accredited on the Microgeneration Certification Scheme (MCS).

Can I install any equipment I want?

No! however, the system you choose to install must be an accredited product under the Microgeneration Certification Scheme (MCS).

You can check if your installer and equipment is accredited on the MCS web site:

How are the potential returns calculated?

The RHI will be paid on each kWh of renewable heat generated. The amount of heat will be estimated (deemed) based on the property's expected annual heat use.

How is the property's annual heat load estimated?

The annual heat load will be estimated as part of an energy assessment which will be carried out by a Green Deal Assessor (GDA) who will prepare an energy performance certificate (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)	10,464	N/A	(2,514)	N/A
Water heating (kWh per year)	2,153			

If an EPC has been prepared for your home you should be able to find details on the EPC register website. www.epcregister.com.

How is the amount of renewable heat estimated?

If you install a biomass boiler or solar thermal all of the heat output will be designated as renewable. If you install a heat pump some of the energy is derived from electricity and therefore this needs to be deducted from the total heat output estimate this is the seasonal performance factor (SPF).

The seasonal efficiency of a heat pump is based in part on the flow temperature required to your underfloor heating or radiators, in order to standardise the figure across products, MCS have produced a table in the heat emitter guide, which standardises SPF's

Technology	35°C	40°C	45°C	50°C	55°C	60°C
Air Source Heat Pump	3.6	3.4	3.0	2.7	2.4	2.1
Ground Source Heat Pump	4.3	4.1	3.7	3.4	3.1	2.8

Example calculation

Technology	(A) Est Heat load kWh	(B) Flow Temp	(C) SPF	(D) Renewable heat element $(A) \times (1 - (1/C))$	(E) Tariff	(F) Annual payment
GSHP	10,464	45°C	3.7	7,635	18.8p	£1435.38
Biomass	10,464	65°C	N/A (1)	10,464	12.2p	£1276.60

Who pays the incentive?

The RHI will be paid quarterly direct from the government, the whole scheme will be administered by Ofsted.