

## RENEWABLE HEAT INCENTIVE

The Renewable Heat Incentive (RHI) is a Government environmental programme that provides financial incentives to increase the uptake of renewable heat. It provides a subsidy, payable for 20 years, to eligible, non-domestic renewable heat generators based in Great Britain.

Ofgem (Office of Gas and Electricity Markets) is responsible for implementing and administering the scheme on behalf of the Department of Energy and Climate Change (DECC)



### Ground Source Heat Pump Tariffs

Following consultations in 2012 with representatives of the GSHP industry and the DECC, an agreement was secured for a significant increase in the GSHP tariffs.

The increase is being confirmed via statutory consultation which was issued on the 31st May 2013 and will close on 28th June 2013.

The key points agreed were;

- GSHP tariffs will go to between 8.9p and 10.2p for the first 1,350 full load run hours and 2.3p thereafter.
- For example a scheme providing 1,000 kW of heating will receive  $1,000 \times 1,350 = 1,350,000$  kWh at 8.9 to 10.2p equating to between £120k and £138k per year for 20 years
- All schemes registered after 21st January 2013 will qualify for the new tariff when it is introduced.
- The tariffs will be confirmed later this year and will come into effect in Spring 2014.
- All the heat generated will qualify with no reduction for heating and cooling systems as has been the case since 2012



### Pre-Approval

Larger GSHP systems can now apply for RHI "Pre-Approval" which effectively guarantees a scheme will receive RHI once completed. This allows financial certainty during the early stages of a project and allows metering and auditing requirements to be built into the project. IFTech Ltd. is happy to guide you through this process.

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