

Domestic Renewable Heat Incentive Essential Guide



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for energy consumers

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Chapter 1

Introduction

This chapter offers an introduction to the Domestic Renewable Heat Incentive (Domestic RHI) Scheme and an overview of how this guidance can be used by applicants and participants, as well as installers, investors, and domestic energy assessors.

It explains where to find information on eligibility criteria, payments, how to apply, ongoing obligations for those already on the scheme and useful contacts.

Section 1

About this guide

1. How to use

This comprehensive guide is mainly for scheme **applicants** (those seeking to join the scheme) and **participants** (those already on the scheme). It also contains useful information for installers, investors, and domestic energy assessors (DEAs).

- **This chapter** introduces the Essential Guide and the Domestic RHI scheme.
- **Chapter 2** is for applicants and covers the scheme's eligibility criteria, payments and how to apply.
- **Chapter 3** is for participants and details the ongoing obligations you have if your application is successful.
- **Chapter 4** provides key scheme contacts.

This guide should provide applicants and participants with most of the information they need about the Domestic RHI. Where relevant, we'll refer to other guidance for more information. There are two other related guides:

- Domestic RHI: [Guide to Metering](#)
- Domestic RHI: [Guide to Assignment of Rights](#)

Our website hosts further information for your interest which will be linked throughout this guide.

There are help sheets for certain tasks, such as making a Domestic RHI application online. They are linked to throughout this guide.

This guidance is not intended to provide legal advice on how the Regulations should be interpreted. At all times, it's your responsibility to ensure you're aware of the requirements of the Regulations.

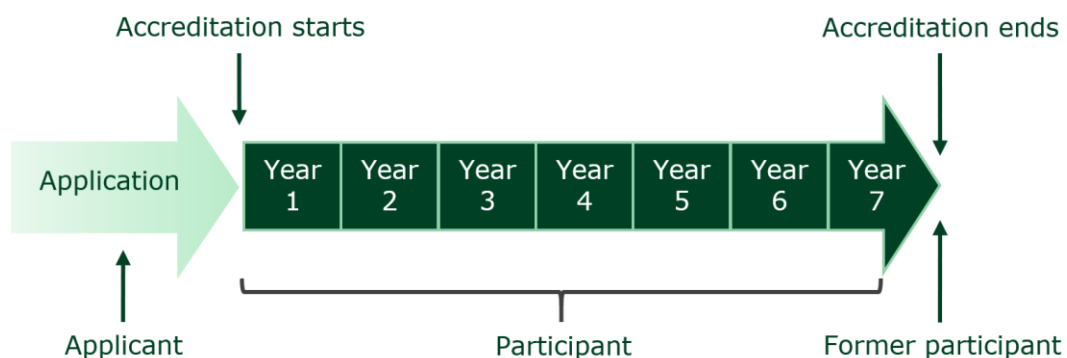
Section 2

About the Domestic RHI

Overview

The Domestic Renewable Heat Incentive (Domestic RHI) is a government financial incentive scheme launched on 9 April 2014 to encourage consumers in England, Scotland, and Wales to switch to renewable heating systems. It's a way to cut our carbon emissions and help the UK meet its renewable energy targets.

If you have an eligible renewable heating system (an installation), you may be eligible to receive payments every three months for up to seven years to help with the cost of its purchase, commissioning, and maintenance. For you to receive payments, your installation must be accredited with us (Ofgem). While your installation is accredited, you're a participant of the scheme and have ongoing obligations that you must meet.



The scheme is underpinned by the [Domestic Renewable Heat Incentive Scheme Regulations 2014](#), as amended. The Department for Business, Energy & Industrial Strategy (BEIS) is responsible for developing Domestic RHI policy and legislation. We're responsible for administering the scheme, which includes processing applications, making payments, reporting on scheme activity, and conducting audit and compliance programmes.

Domestic RHI Closure

The Domestic RHI scheme is closing to new applications at midnight at the end of 31 March 2022. After this date, you will no longer be able to make:

- applications for accreditation
- registration applications for Metering and Monitoring Service Packages (MMSPs).
For more information, see Chapter 2, Section 11

This means that all steps detailed in Chapter 2, Section 13, 'How to apply' must be completed for applications to be properly made before the scheme closes.

If you're already on the scheme, and you continue to meet your ongoing obligations, you will receive payments as usual until your seven-year membership ends. You may still be required to fit metering and you will still be able to replace or repair your installation after scheme closure (please see Chapter 3, Section 5 and 9 respectively).

After the closure of the scheme, investors for the purposes of Assignment of Rights (AoR) will still be able to register with us until midnight at the end of 30 June 2028, (see more details in the Assignment of Rights section, below). In addition, registered investors will still be able to transfer AoR agreements with participants to other registered investors in relation to the accredited plant.

The Non-Domestic Renewable Heat Incentive (Non-Domestic RHI)

The Non-Domestic RHI (Non-Domestic RHI) is designed to support people with renewable heating systems which heat commercial, public, or industrial premises - as well as multiple residential premises. This includes businesses, hospitals, schools, and district heating schemes. The Non-Domestic RHI scheme in Great Britain closed to new applicants at the end of midnight on 31 March 2021.

For further information on the Non-Domestic RHI, see: [Non-Domestic Renewable Heat Incentive \(RHI\) | Ofgem](#).

Assignment of Rights

If you're interested in a renewable heating system but are worried about the upfront costs, Assignment of Rights (AoR) may be an option for you.

AoR allows an investor to assist you in meeting the cost of the installation, in exchange for rights to receive RHI payments. The result is that you benefit from and become the owner of the renewable heating system, however you will not receive any RHI payments.

Information for applicants and investors on how to enter into an AoR agreement, and the additional rules that apply, can be found in our [Guide to Assignment of Rights](#).

Accreditation applications for installations under Assignment of Rights must also be made by midnight at the end of 31 March 2022. However, applications for investors to become 'Registered Investors' with us will remain open until midnight at the end of 30 June 2028.

Only property owners may apply for Metering and Monitoring Service Package (MMSP) payments, as payments for these cannot be assigned to an investor (please see Chapter 2, Section 11).

Your data

All personal data collected from individuals will be processed in accordance with the Data Protection Act 2018 and the General Data Protection Regulation (UK GDPR) 2018. For further information on how we process your data, see the [Domestic RHI privacy notice](#).

Chapter 2

Applicants

This chapter provides detailed information for applicants to the Domestic RHI scheme, including requirements for submitting a properly made application. It sets out the eligibility criteria for applicants, properties, and installations and then explains the application process and how payments are calculated. It also introduces Metering and Monitoring Services Packages (MMSP) for eligible installations.

Introduction to eligibility criteria

Before you install a renewable heating system in your home and apply, we recommend that you familiarise yourself with the scheme's eligibility criteria. These are the rules that apply to you, your installation and the property being heated. They need to be met before and after accreditation.

The following sections explore the different types of eligibility criteria. Your installer and Domestic Energy Assessor (the person who issues the Energy Performance Certificate [EPC] for your property) should be able to help you make sure they are met before you apply. For more information see our [Key Terms](#) 'Energy Performance Certificates'.

Section 1

Eligible applicants

To apply to the scheme your installation must be in England, Scotland or Wales and you must:

- have a bank account:
 - in the UK
 - in your name
 - that accepts Pounds Sterling
- own or co-own the installation
- own and/or occupy the home it heats

You or a previous owner must have made some financial contribution to the purchase or installation costs of the renewable heating system. However, this rule doesn't apply to you if you're:

- in an Assignment of Rights agreement with a Registered Investor who has paid for the installation, or
- a Local Authority

An applicant doesn't have to be an individual person, such as an owner-occupier of the property. Registered social landlords (RSLs) or other organisations can apply to the scheme if they meet the eligibility criteria.

However, an organisation must be represented by an individual, known as an 'Authorised Representative'. We will require confirmation of their authority and will also need to undertake our own verification checks on them.

More details are available on our website [here](#).

Section 2

Eligible properties

The different types of eligible property

The Domestic RHI scheme is designed to promote the uptake of renewable heating in homes. To take part in the scheme, your installation must provide heat to a domestic property that is eligible under the rules. There are two different types of 'eligible property':

- **Retrofit properties** are properties that were occupied before the installation was commissioned (we call these retrofit because properties with old fossil fuel heating systems have been 'fitted' with a new renewable heating system).
- **Eligible new-build properties** that must meet all the following criteria:
 - are first occupied after the installation was commissioned
 - were built mainly using the labour or resources of the first owner (a loan that you must repay is considered to be your own resources)
 - have always been owned by individuals (e.g. not companies)

See our [Key Term](#) 'Eligible new-build properties' if you think your property counts as an eligible new-build.

Where your renewable technology heats a single property made up of multiple buildings

Where your renewable technology provides heat to a single dwelling with a domestic EPC and outbuildings that form part of the same property (e.g., garages, sheds, gyms, pool houses or non-domestic spaces such as home offices, shops, agricultural buildings) you would have been eligible to apply for Domestic RHI prior to scheme closure.

All types of dwellings are eligible (including rental properties, second homes and holiday homes).

Please note, payments will only be calculated based on the heat demand figure taken from the domestic EPC of your dwelling.

If you are unsure whether your technology remains eligible for Domestic RHI, you can contact us for further guidance at domesticrhi@ofgem.gov.uk, or on 0300 003 0744.

Where your technology heats multiple properties

Where your renewable technology provides heat to multiple properties, you won't be eligible for the Domestic RHI Scheme.

Your renewable technology 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; and/or
- has a separate domestic EPC

If you've been accredited and there's a change to your property that relates to the points above, you will need to inform us within 28 days of becoming aware of the change. You need to notify us, by contacting us at domesticrhi@ofgem.gov.uk, or 0300 003 0744.

For further information on your ongoing obligations, see Chapter 3.

Energy Performance Certificates

To confirm a property is eligible and to calculate payments, a valid Energy Performance Certificate (EPC) needs to be available for it. This is normally issued when a property is built or sold and gives it an energy efficiency rating. You can find general information about EPCs on the [Energy Saving Trust website](#).

The EPC must be **less than 24 months old** when you submit your application (even if you have an older EPC and your property hasn't changed in the last 2 years). If the EPC is older than 24 months, a new one will be required.

For the Domestic RHI, an EPC also needs to be issued on the basis that the property is a single 'dwelling'. You can check whether an EPC is for a dwelling by looking at the information at the top of the first page. A domestic EPC in England and Wales will list the 'property type' (such as a house, bungalow, maisonette, flat or park home). An EPC in Scotland will use the term 'dwelling type'.

Your EPC needs to accurately reflect information about your house. If you've carried out construction work on the property, you may need to get a new EPC to ensure it reflects your new circumstances. You'll need to complete any construction work on your house before getting an EPC. A Predicted Energy Assessment (PEA) won't be accepted as it may not accurately reflect the final state of the property.

EPCs issued for your property can be found [here](#). You can get a new EPC:

- in England or Wales [here](#)
- in Scotland [here](#)

Once an EPC has been issued for a property, it's publicly available on the government website linked above. We'll view it there using the EPC reference number you must provide as part of your application.

Loft and cavity wall insulation

Your EPC might recommend loft or cavity wall insulation. If it does, you'll need to install the insulation and get a new EPC that doesn't contain those recommendations. Check the part of the EPC titled 'recommended measures' which can be found towards the end of the certificate. Here are some examples:

Recommendation 1: Cavity wall insulation	
Cavity wall insulation	
Typical installation cost	£500 - £1,500

Example 1

Top actions you can take to save money and make your home more efficient			
Recommended measures	Indicative cost	Typical savings over 3 years	Available with Green Deal
1 Increase loft insulation to 270 mm	£100 - £350	£141	✓
2 Cavity wall insulation	£500 - £1,500	£537	✓
3 Draught proofing	£80 - £120	£78	✓

Example 2

If it's not possible to install loft or cavity wall insulation, one of the scheme's insulation exemptions may apply to you. You'll need to provide evidence as part of your application if it does. Please see [Annex 1 – Insulation exemptions](#) at the end of this guide for more information.

If it will be difficult or expensive for you to install cavity wall insulation, you may wish to see whether you can get funding via the [Energy Companies Obligation \(ECO\)](#) scheme. ECO is aimed at reducing home heating costs for low income, fuel poor and vulnerable households, so you will need to meet the eligibility requirements to receive support under the scheme. Further information on requirements for this and other schemes, can be found on Energy Saving Trust's website, [here](#).

If other types of insulation are recommended in the EPC, (e.g. double-glazing or suspended floor insulation) it's up to you whether to install them, but they're not required for your property to be eligible. The energy efficiency rating on your EPC does not affect your eligibility to the Domestic RHI.

Section 3

Technology types and heat uses

Technology types

The four eligible technology types are:

- air source heat pumps
- ground and water source heat pumps
- biomass boilers and stoves
- solar thermal (liquid-filled flat plates or evacuated tubes)

There's a large variety of different makes and models on the market for you to choose from, but your installation must be of these technology types. For guidance on which type would be suitable for your home, visit the [Simple Energy Advice website](#).

Heat uses

Your installation must also provide heat for certain uses. These vary by technology and are one, or a combination of, the following:

- **Space heating** rooms using a liquid medium and heat emitters, typically radiators or underfloor heating
- **Domestic hot water** such as taps and showers. This doesn't include heating swimming pools. For more information please see 'Domestic Hot Water' in our [Key Terms](#).

Find the technology type of your installation in the list below for information on what it must provide heat for, as well as other important rules around how it must generate heat. Your installer should be able to help you select the right technology type for your property.

Heat pumps

If your installation uses a heat pump, it must:

- provide space heating or a combination of space heating and domestic hot water - it can't exclusively provide heat for domestic hot water
- use a compressor driven by electricity
- **not** use heat which has been expelled from a building or appliance

Biomass

If your installation uses a biomass boiler or stove, it must:

- provide space heating, or a combination of space heating and domestic hot water - it can't exclusively provide heat for domestic hot water
- **not** use fossil fuels except for ignition

If your installation uses a biomass boiler, it must **also**:

- be designed and installed to burn solid biomass only, including wood pellets

If your installation uses a biomass stove, it must **also**:

- be designed and installed to burn wood pellets only
- provide heat using a liquid-filled heat exchanger enclosed within it
- if capable of cooking food, be able to do so only using heat generated by providing domestic hot water and/or space heating

Solar thermal

A solar thermal installation must:

- exclusively provide domestic hot water (it can't provide space heating)
- **not** be used to generate electricity

Section 4

Certifying your installation

MCS Certification

Once you've chosen renewable heating system to install, it must be commissioned by an installer who is certified under the Microgeneration Certification Scheme (MCS) to install that technology type (e.g., heat pump or biomass). For more information see 'Commissioning' in our [Key Terms](#).

The MCS certifies, quality assures and attaches consumer protection requirements to microgeneration installations and installers. They cover small-scale renewable energy technologies such as solar thermal, biomass and heat pumps.

Your installer will give you an MCS Certificate. These can only be issued for installations using an MCS-certified product and show that the relevant product and installation standards have all been met.

- To find out whether a product (e.g., heat pump or biomass boiler) is MCS-certified, search the MCS product directory [here](#)
- You can search for an MCS-certified installer [here](#)

If your installation is commissioned on or after 1 March 2019, you can apply at any time before the scheme closes. The commissioned date is shown on your MCS certificate. Installers need to issue a certificate for an installation within 14 days of commissioning.

If multiple products of the same type of technology are being installed, they must be commissioned on the same day, to avoid the requirements of metering for payment. For more information, please see 'Multiple Products' in our [Key Terms](#).

Other evidence

As well as the MCS certificate, it's important that you keep other documentation provided by your installer, such as:

- the heat loss calculations performed by the MCS-certified installer (if previous calculations are not available)
- the commissioning certificate or report
- any warranty information (if applicable)
- invoices and receipts

Maximum capacity

The MCS can certify products up to 45 kilowatts of capacity, which may be combined to meet larger heat demands but cannot exceed 70 kilowatts in total.

MCS CERTIFIED

MCS Certificate

MCS INSTALLATION CERTIFICATE NO. MCS-01239543-D
CERTIFICATE VERSION 1
19/11/2021

INSTALLER DETAILS	INSURANCE BACKED GUARANTEE
MCS Certified Installer Company Name and MCS Number Test Installer (NMP1111)	System Owner Address: Gingerbread Cottage, Drury Lane, Cheetham, W14 7RA
TSI Consumer Code: RE00	Installation Type: Domestic
TSI Consumer Code: 001111	Cover Period: 2 Year Insurance Backed Guarantee
	Policy Number: MCS-01239543-D

SITE DETAILS	INSTALLATION DETAILS
Address: Gingerbread Cottage, Drury Lane, Cheetham, W14 7RA	Total Installed Capacity (kW): 4.50
Supply MPAN: 1234567891034	Estimated Annual Generation (kWh): 3000.00
Commissioning Date: 19/11/2021	Green Deal Installation: No
	Planning Requirements Compliance: Permitting Development Rights
	Building Regulations Notification: After The Installation Through A Self-Certification Competent Persons Scheme (CPS)

PRODUCT DETAILS		TECHNOLOGY TYPE: AIR SOURCE HEAT PUMP		
MCS PRODUCT NUMBER	PRODUCT MANUFACTURER	MCS CERTIFIED PRODUCT NAME	FLOW TEMP	SCOP
011-10023_00	Daikin Europe N.V.	BLAS003V3	42	2.12

An example of the first page of an MCS installation certificate.

Section 5

Other accreditations

Your installation must also be the first and only installation to receive RHI accreditation for that property and is only eligible if it hasn't received accreditation before.

If the property is or has been heated by another installation that received either Domestic or Non-Domestic RHI accreditation in the past, your installation isn't eligible. For more information on this please see 'Approval under the Non-Domestic RHI' in our [Key Terms](#).

There are two exceptions to this rule:

- the other installation is solar thermal - this means that you can have up to two accredited installations heating your property, provided one of them is solar thermal
- the other installation is accredited on the Domestic RHI and you're replacing it in line with the regulations (for more information on replacements, see Chapter 3, Section 9).

Section 6

New parts requirement

Parts that generate heat

The Domestic RHI scheme is designed to support the installation of renewable heating systems. All parts of your installation that generate heat must not have been used before the first commissioning date.

There are three exceptions to this rule. The following heat generating parts can be used before the first commissioning date:

- supplementary electricity heaters
- parts that generate heat for domestic hot water (such as immersion heaters) except solar thermal collectors
- circulation pumps

Listed below are the parts of the installation that must not be used before the first commissioning date.

Heat pump (air source)

- heat pump unit/compressor
- internal oil/gas burner (hybrid systems)

Heat pump (ground or water source)

- ground loop
- heat pump unit/compressor
- internal oil/gas burner (hybrid systems)

Biomass (boiler)

- boiler

Biomass (stove)

- stove
- heat exchanger
- integrated back boiler

Solar thermal

- solar collectors (flat plates or evacuated tubes)

Parts that don't generate heat

All parts of the installation that don't generate heat can be used before the first commissioning date.

For example:

- radiators
- controls
- fixings
- pipes
- hot water cylinders
- buffer tanks
- thermal stores
- expansion vessels

There may be circumstances in which these parts need to be replaced when installing a renewable heating system. An MCS certified installer will be able to inform you of any replacements that are required as part of the installation.

Section 7

Grants from public funds

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 renewable heating system. Ofgem considers funding through the National Lottery to be funding from a public body.

If you have received a grant from public funds that covered the entire cost of the purchase and installation of your renewable heating system, your installation won't be eligible for the scheme.

If the grant covered some of the costs, we'll need to deduct the amount you received from your payment. The grant amount is deducted proportionately over 7 years; therefore, the total grant amount is divided by 28 (the number of quarters in the RHI lifetime). Grant funding deductions are adjusted annually in line with changes in the Retail Prices Index (RPI) if your installation was accredited before 1 April 2016, or the Consumer Prices Index (CPI) if it was accredited on or after 1 April 2016. It's worth checking whether a grant exceeds the total payments you're likely to receive over the course of your seven years on the scheme.

For example, if you received a grant value of £5,000 then the quarterly grant deduction is calculated as £178.57 (£5,000/28 quarters). For the next quarterly period which includes 1 April, the quarterly grant deduction will be adjusted by RPI/CPI rate as such: (£5,000*applicable rate of inflation/28). This is also shown in the table below:

Date of accreditation	Grant value	Inflation in relevant FY	Payment period	Payment formula
01 April 2017	£5,000	N/A as initial year	01 April 2017 to 30 June 2017	= (Eligible heat * tariff rate) - £5,000/28
	£5,150 = (£5,000 * 1.03)	1.03%	01 April 2018 to 30 June 2018	= (Eligible heat * tariff rate) - £5,150/28

If one of your quarterly periods crosses 1 April, then the grant deduction calculation will adjust the relevant RPI/CPI figure from the previous quarter by the percentage increase or decrease of RPI/CPI, for the calendar year ending 31 December immediately after that 1 April.

When the calculation leads to small, or no payments we will contact you. You may still choose to be accredited to the scheme. You can use the government-hosted [Domestic RHI payment calculator](#) to get an idea of what your payments will be.

If you received a grant which was designed to give some freedom to choose how you spent it, 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 installation (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 renewable heating system, this money will be deducted from your payments. You will need to prove how much money went towards it by providing invoices, correspondence, or receipts.

If, however, Local Authorities receive a separate grant for the purpose of installing a renewable heating system, or for other specific projects not covered by their annual budget, this may be considered as a grant from public funds. We will review these types of situations on a case-by-case basis.

Please note: If you receive a grant after your installation is accredited to the scheme, you will no longer be eligible to receive payments from us.

A grant from private funds won't be deducted from payments. This includes private loans or funding through the Green Deal or the ECO scheme. If you've received a grant but are not sure how it will be treated, please contact domesticrhi@ofgem.gov.uk.

Local Authorities

If you're a Local Authority and decide to use money held by you for general purposes to finance the installation of renewable technologies, (either fully or in part), this will be considered your financial resources – not public or private funding. We won't deduct this funding from your Domestic RHI payments.

If you've received other public grants or funding (e.g., government grants) to buy or install your renewable heating system, you'll need to declare it so that it is deducted from your payments. For further information, please see 'Grants' in our [Key Terms](#).

Green Homes Grant

The Green Homes Grant (GHG) was a government grant in England aimed at assisting homeowners with energy-efficient and low-carbon heating home improvements. Your installation may be eligible for the Domestic RHI even if it was installed under the GHG. You must declare the grant amount when you apply for accreditation. The GHG amount will then be deducted from your Domestic RHI payments. Your installation will not be eligible for the Domestic RHI if the GHG amount paid for the entire cost of the installation.

Section 8

Additional requirements for heat pump installations

This section only applies to heat pumps. If you're installing biomass or solar thermal, you can ignore this section.

Metering for performance

All heat pumps accredited to the scheme from 22 May 2018 must be fitted with metering for performance, which helps participants measure their heat pump's electricity usage and efficiency. This is metering which records and displays:

- electricity used by the plant to generate heat
- electrical input into any supplementary electric heater controlled by the same control system as the heat pump, and
- electrical input into any immersion heater for a domestic hot water cylinder where the immersion heater is controlled by the same control system as the heat pump

Metering for performance is one of three different types of metering arrangements that may be required on the Domestic RHI. For more information on metering for performance, and who should install it, see Chapter 2 of the Guide to Metering.

Metering for performance must be fitted before you apply, and your installer needs to confirm this on the MCS certificate.

Metering for performance isn't the same as **metering for payment**, which is used to measure heat generation for payment purposes. For information on metering for payment, see Chapter 2, Section 10.

Seasonal Performance Factor

To be eligible to the scheme, all heat pumps must have a minimum Seasonal Performance Factor (SPF) of 2.5. The SPF of your heat pump will be listed on your MCS certificate.

The SPF of a heat pump is a number that indicates its average efficiency over the course of a year. The more efficient a heat pump is, the higher its SPF will be. Your installer will calculate the SPF of your heat pump and should be using the Seasonal Co-efficient of Performance (SCoP) calculator. More information about SPFs can be found in Annex 2.

Notifying your District Network Operator

Your installer should also inform your Distribution Network Operator (DNO) that they will commission a heat pump at your property. If you or your installer have not done so, please let your DNO know within 28 days of any micro-generation connected to the distribution system.

A DNO is a company licenced to operate the distribution networks that bring electricity from the National Grid to homes and businesses. This isn't your energy supplier, the company you receive your gas and electricity from.

You can find further information and forms on the Energy Networks Association website.

Section 9

Additional requirements for biomass installations

This section only applies to biomass installations. If you're installing a heat pump or solar thermal, you can ignore this section.

Biomass certification

As well as an MCS certificate from your installer, your biomass installation needs an RHI Emissions Certificate which shows that it meets the scheme's air quality standards.

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.

A full list of the information that should be on an RHI Emission Certificate can be found in Schedule 2 of the [Domestic Renewable Heat Incentive Scheme Regulations 2014](#) (as amended). This information is used to indicate the amount of pollutants likely to be emitted by a biomass product when burning specific fuel types.

To check whether a biomass product has an RHI Emissions Certificate, search the [RHI ECLIST](#) hosted by HETAS (the RHI Emission Certificate listing body). Your installer should be able to help you select a certified biomass product. If you're still unsure, contact our enquiries team at domesticrhi@ofgem.gov.uk.

If you need support to access the RHI ECLIST, please contact rhiec@hetas.co.uk or call 01684 278170.

Approved fuel types

You must use fuels of a certain type and maximum moisture content that are allowed by the RHI Emissions Certificate. These will be listed on the RHI Emissions Certificate for your product. This example shows that only wood pellets with a maximum of 12% moisture content can be used in this biomass installation:

3. FUELS	
a) Types of fuels used when testing	Wood pellets
b) Based on the testing, list the range of fuels that can be used in compliance with the emission limits of 30 grams per gigajoule (g/GJ) net heat input for particulate matter (PM), and 150 g/GJ net heat input for oxides of nitrogen (NOx)	Wood pellets
c) Moisture content of the fuel used during testing	6,6%
d) Maximum allowable moisture content of fuel that can be used with the certified plant(s) that ensures RHI emission limits are not exceeded.	12,0%

Purchasing Fuel

When purchasing the fuel type that is right for your biomass installation, you must always make sure that it's listed on the Biomass Suppliers List (BSL). This demonstrates that the fuel meets our sustainability criteria.

If your fuel is listed on the BSL, there will be a BSL authorisation number on the purchase receipt which takes the format of '**BSL-1234567-1234**'. During your participation on the scheme, we will check this number to make sure the fuel you're using is compliant.

From 1 April 2022, fuel quality standards are changing. To ensure ongoing compliance, please ensure all fuel purchased after this date is listed on the BSL.

You can find BSL fuels [here](#) on the government website. You can also find further guidance on BSL fuels [here](#).

Section 10

Metering for payment

This section only applies to heat pump and biomass installations. Solar thermal installations don't need to be metered for payments.

Your Energy Performance Certificate (EPC) provides an estimate of how much energy it takes to heat your home all year round (the 'heat demand figure'). Typically, a participant will receive payments according to the heat demand figure listed on their EPC

because the property is regularly and exclusively heated by the installation. This is called a 'deemed payment calculation'.

If your home is not regularly or exclusively heated by the installation, it may need to be metered for us to work out your payments. Meters must be installed to accurately measure the heat your installation generates – this is called an 'eligible metering arrangement'. If your installation is metered for payment, you'll receive payments based on the amount of renewable heat it produces, up to the annual heat demand on your EPC or the relevant heat demand limit – whichever is lower. More information on heat demand limits can be found in Section 12 of this chapter, and in Annex 3.

It may be the case that you need to install meters to join the scheme. If certain circumstances change while your installation is accredited, you may need to fit metering for payment to carry on receiving payments. Once you are required to install metering for payment, you cannot return to being deemed for payment. The closure of the scheme does not change the requirement for you to install metering if it is required.

The important thing to know is that whether an installation must be metered is not a choice but depends on specific circumstances. If any of the following circumstances apply, your installation must be metered for payment:

- **A separate installation provides heat to the property.** It could use a fossil fuel source (such as a gas boiler) or a renewable source (such as a heat pump). It could provide back-up heating, or provide heat separately. See the list of exceptions below
- **The installation combines a heat pump with a fossil-fuel system.** This is where a heat pump and a gas or oil boiler are combined in the same unit (they are sometimes called 'hybrid systems')
- **The installation uses biomass and its installed capacity doesn't provide 100% of the property's space heating requirement** (the space heating requirement is found on the MCS certificate and the installer determines it by performing heat loss calculations)
- **The property is a 'retrofit' and has been occupied for less than 183 days in the 12 months before your application is submitted**
See Chapter 2, Section 2 'Eligible properties' to find out which type of property yours is. This is more likely to apply to second homes or rental properties which

aren't permanently occupied. Any occupation of the property by previous owners or other tenants counts towards occupancy

Exceptions

If a separate installation provides heat to the property, there are some exceptions. Metering for payment would not be required if the separate installation:

- is solar thermal
- is designed and installed to heat only one room (such as a fireplace or plug-in heater) or is located in a partition wall and directly radiates heat to two rooms
- only generates heat for domestic hot water (such as an immersion heater)
- is a supplementary electric heater controlled by the same control system as the installation
- is another installation of the same technology type which was commissioned by your installer **on the same date** (e.g., you have a larger property that needs two heat pumps). We'll treat these as the same installation
- captures heat expelled from your property and transfers it back without generating additional heat

Next steps

If any of the above circumstances apply to you, metering for payment must be fitted by your installer before you apply to the scheme. They need to confirm on the MCS certificate that it has been fitted and supply completed 'Installer Metering Questions'. For information on getting metering installed, see Chapter 3 of our [Guide to Metering](#).

Metering for payment isn't the same as **metering for performance**, which helps participants measure their heat pump's electricity usage and efficiency. For information on metering for performance, Section 8 in this chapter.

After accreditation

If your installation doesn't need to be metered for payment now but any of the above circumstances apply while it is accredited (e.g., you install a gas boiler in the property) metering for payment will need to be fitted at that time.

See Chapter 3, Section 2 for full information on a participant's ongoing obligation to notify us of certain changes after accreditation, including those to do with metering.

If your installation is metered for payment, it will need to stay metered for the remainder of its time on the scheme.

Section 11

Metering and Monitoring Service Packages (MMSPs)

MMSP registration applications will close at **midnight at the end of 31 March 2022**, meaning all applications for MMSP registration must be submitted to us by this deadline. However, if you replace your installation (Chapter 3, Section 9) you will need to make a new registration application to continue receiving MMSP payments. Registration applications can be made up until **31 December 2028**.

A Metering and Monitoring Service Package (MMSP) is a set of meters you can install to collect data about your installation. You can use this data to monitor and optimise its performance.

MMSPs are exclusive to the Domestic RHI and participants who have them receive extra payments if they allow the government to access the data that they collect. This data may be used to gain valuable insights into the performance of renewable installations and to aid in future policy design. All data is treated in accordance with the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR).

For full information on Meter and Monitoring Service Packages, see Chapter 4 of the Guide to Metering.

MMSPs are only available to applicants or participants who own a:

- heat pump, or
- biomass boiler designed and installed to burn only wood pellets

The package includes (as a minimum) high specification heat meters, electricity meters and temperature sensors fitted to the installation. These must record data at least every two minutes, and update data at least once a month. You can see the figures and analysis when you log on to a dedicated website or an Application on a hand-held device such as a smartphone or tablet (the data-viewing platform). Your installer will also be able to see the data, so they can help identify any problems with how your installation is running.

You must allow us access to any MMSP data collected prior to scheme closure if we request it.

Ofgem, The Department for Business, Energy and Industrial Strategy (BEIS) or any other organisation appointed by BEIS may request:

- access to any data collected following scheme closure as a part of the Metering and Monitoring Service Package (MMSP)
- information relating to the MMSP agreement or
- anything else done under this agreement

You'll have 28 days to comply with the request in the manner and form required. The data will be treated in accordance with the Data Protection Act 2018 and the UK General Data Protection Regulation (UK GDPR) 2018.

Failure to respond to the request, or to provide the information, may lead to your MMSP registration being withdrawn.

Section 12

Payments

In most circumstances payments are based on the annual heat demand of your property, which can be found on your EPC. The only exceptions to this rule are if your installation is:

- solar thermal, which is based on the Estimated Annual Heat Generation found on your MCS certificate
- metered for payment, in which case payments are based on the meter readings

The government hosts a [Domestic RHI payment calculator](#), where you can get an idea of what your payments will be. This calculation can be used as a guide, however exact details of payments can only be provided once an application has been accredited.

Tariff rates

Tariff rates are published on our website at [Tariffs and payments: Domestic RHI](#).

Start date

If your application is successful and your installation becomes accredited, you become a participant of the scheme and are entitled to payments.

Payments accrue from the date that we receive your complete application (the application date), and the tariff rate is set on that date.

Duration

Payments are made every three months for up to seven years from the application date. We may suspend payments in certain circumstances, such as where ownership of the installation is changing, or payments exceed the amount the participant is entitled to.

To continue to receive payments, participants must ensure that they meet all eligibility criteria and ongoing obligations.

Heat demand

This part only applies to heat pumps and biomass. If you're installing solar thermal, see the relevant sub-section on solar thermal below.

The space heating and water heating figures listed on your Energy Performance Certificate (EPC) will be used to calculate payments. Depending on when your EPC was issued, these figures will be presented in different ways. Here are a couple of common examples:

Estimated energy used to heat this property	
Space heating	5029 kWh per year
<hr/>	
Water heating	1802 kWh per year
<hr/>	

Example 1

Heat demand	Existing dwelling
Space heating (kWh per year)	5,807
Water heating (kWh per year)	1,954

Example 2

The figures we use to calculate payments depend on which uses your installation provides heat for:

- if it only provides space heating, the space heating figure from the EPC will be used
- if it only provides domestic hot water, the water heating figure from the EPC will be used
- if it provides both space and water heating, the space and water heating figures from the EPC will be used

You can add heat uses after your installation is accredited (e.g. domestic hot water in addition to space heating). Let us know and this heating figure will be added to your payments. Changes will only be effective from the point at which we receive the appropriate evidence to demonstrate this.

Heat demand limits

Payments for installations accredited from 20 September 2017 are limited by the heat demand limits. Each year, this caps the amount of kilowatt hours your installation produces that we can pay for. The table below shows you what the heat demand limit is for each technology type.

Technology type	Heat demand limit
Air source heat pumps	20,000 kilowatt hours
Biomass	25,000 kilowatt hours
Ground and water source heat pumps	30,000 kilowatt hours
Solar thermal	No limit

If your installation provides heat for uses (space heating and/or domestic hot water) with combined heat demand figures that exceed the heat demand limit for your technology type, your payments will be capped. For example, if you have an air source heat pump providing space heating and domestic hot water, and their combined heat demand on the EPC exceeds 20,000 kilowatt hours, your payments will be capped to this amount. This wouldn't affect your eligibility: you can still apply even if the heat demands on your EPC are higher than the heat demand limit. The heat demand limit applies to all applications, including those that are metered for payment.

If you'd like a detailed breakdown and examples of how heat demand limits affect payments, please see Annex 3 'Heat Demand Limits' (HDLs).

Seasonal Performance Factor

Payments for heat pumps are also adjusted by the Seasonal Performance Factor (SPF), which shows how efficiently they generate heat. For information on SPF, go to Section 8 of this chapter.

If you'd like a detailed breakdown and examples of how the SPF affects payments, please see the [Key Term](#) 'Seasonal Performance Factor (SPF)' on our website.

Deemed payment calculations

If your installation does **not** need to be metered for payment, annual payments are worked out by multiplying the heat demand figure on your EPC by the tariff rate applicable to your installation (it may be adjusted by SPF if you have a heat pump). We'll then divide the total by four and pay you every three months. If you'd like a detailed breakdown and examples of how these payments are calculated, please see 'Deemed Payments' in Annex 4.

We only pay for the heat uses that your installation provides heat for (e.g. space heating and/or domestic hot water). If the heat demand of those uses on your EPC exceeds the heat demand limit, your payments will be capped. Please see 'Heat Demand Limits' in Annex 3.

Metering for payment calculations

Section 10 of this chapter lists the circumstances in which installation needs to be metered for payment.

If your installation needs to be metered for payment, you'll need to submit meter readings to us every three months. We'll use these readings to calculate heat generation, multiply it by the tariff rate applicable to your installation and then pay you. If you'd like a detailed breakdown and examples of how these payments are calculated, please see Chapter 3, Section 4 in our Guide to Metering.

We only pay for the heat uses that your installation provides heat for (e.g. space heating and/or domestic hot water). Your annual payments will be capped by the heat demand of those uses on your EPC or the heat demand limit– whichever is lower.

Solar Thermal

Instead of using the heat demand figures on your EPC, payments for solar thermal installations are based on the 'estimated annual generation' figure on your MCS certificate. This is calculated by your installer using the latest 'Solar Thermal Domestic Hot Water Energy Calculator', published by the MCS.

Solar thermal installations do not require metering for payment.

Tariff adjustment

Tariffs are uplifted on 1 April every year to account for inflation. This happens in one of two ways:

- installations accredited **before** 1 April 2016 will have their tariffs adjusted in line with the Retail Prices Index (RPI). For more information see 'Retail Price Index (RPI)' in our [Key Terms](#).
- installations accredited on or **after** 1 April 2016 will have their tariffs adjusted in line with the Consumer Prices Index (CPI). For more information see 'Consumer Price Index (CPI)' in our [Key Terms](#).

Section 13

How to apply

The scheme is closing soon. New accreditation applications must be properly made and submitted to us before midnight at the end of 31 March 2022.

If you own the installation and own and/or occupy the eligible property, you can apply for the Domestic RHI. You can only do this once the installation is commissioned.

You must complete the application yourself, as you need to make declarations and understand your ongoing obligations. Third parties, such as installers, are not permitted to complete it on your behalf.

To apply, you need to complete and submit the online form. It asks for information about you, your property, and the installation, and checks whether you meet the basic eligibility criteria. Once you have completed your application, and our IT system has assessed your basic eligibility to apply, an account will be created for you which you'll be able to access to view your information, including payment schedules.

For help with making an application, see our [Help sheet: Application form questions](#).

We have also produced a short [Guide to making an application to the DRHI](#), which should be read alongside this Essential Guide.

[Click here to apply for the Domestic RHI](#)

If it's difficult for you to complete an online application because you have a disability or don't have easy access to a computer, please contact our applicant support section on 0300 003 0744 or via email at domesticrhi@ofgem.gov.uk to book an appointment where we can talk you through the application and fill out the form for you on the phone. We'll send you a copy of the completed application form in the post, which you'll need to check, sign, and send back to us.

Review

Our application system is automated, but sometimes we need more information before we can finish processing an application. This would usually be because our IT system has flagged something we need to check.

If your application is put into review, you will receive an email from us within 30 minutes requesting additional information (if you don't receive the email in your inbox, check to see if it has gone into your junk or spam folder instead). You'll normally have 28 days to provide it. However, if we request an updated EPC, you have three months.

For more information, including what you may need to provide, see our [Helpsheet: What to do if your application is in review](#).

It's best to upload requested information via MyRHI as this will allow us to easily connect the information to your application (Please see the MyRHI section below). The only exception to this rule is that if we request information relating to either your bank account or identification, we'll tell you how to provide it securely through our automated email process. If you have any concerns about providing us with this information, please contact us by email at domesticrhi@ofgem.gov.uk, or call 0300 003 0744

A random selection of all applications are put into review for quality assurance purposes.

Verification

A common reason for applications to go into review is when we need to manually review bank and ID information. After you've submitted your application, the bank and ID information you provided in the application form will be automatically verified against a 3rd party verification provider. However, in some instances, we'll review your application and request further supporting information.

To confirm your identity, you may need to provide photocopies of documents such as:

- Your full and valid signed passport or
- Your valid UK photocard or paper driving license or
- Your current UK firearms certificate or shotgun licence or
- Your current national identity card

To confirm your bank details and address, you may need to send us a recent correspondence (dated within 3 months) from your bank such as:

- A letter from your bank on bank headed paper
- A photocopy of a bank paper statement
- A print out of an online bank statement stamped in a branch before posting to us

These documents must show:

- The same name or initials you gave us in the application form
- The same address as the correspondence address you gave us on the application form, and
- Your account number and sort code

If the address is different, we may request:

- a utility bill
- council tax bill or
- you to update your details with the bank and supply the relevant documents from the bank

If you are not able to provide this information within 28 days, please get in touch with us before the 28 days are over to let us know. If the requested information is not provided within 3 months of our first request, we may reject your application.

Please email bank and ID information to post@ofgem.gov.uk from an email ID registered on the account.

MyRHI

If your installation is accredited to the scheme, we'll create an account for you where you can view the details of your accreditation and provide us with information if you ever need to. This account is on our online portal called 'MyRHI'.

[Access MyRHI here](#)

For help on how to use MyRHI, see our [Helpsheet: Guide to MyRHI](#).

Multiple owners

For an installation with more than one owner, the owners must nominate one person with the authority to act on behalf of everyone. Payments will then be made to that

person, and it will be their responsibility to comply with the ongoing obligations listed in Chapter 3.

You must declare on the application form if you are a sole owner or a joint owner of the installation. If you are a joint owner, we may require a joint ownership authorisation letter from you to verify the declaration made by you at the application stage. It may be requested on a sample basis as part of our audit and compliance checks.

Organisations/Non individuals

Organisations applying for the Domestic RHI will need to:

- designate an authorised representative in whose name the account will be created. They will need to provide a [letter of authorisation](#) confirming that they are able to act on behalf of the organisation and will be able to add other users known as 'administrators' to complete the application for them
- (for Registered Social Landlords) provide their registration number, registered organisation name and registered address.

If you are applying as any other entity, we may require further documentation, for example:

- Private landlords may need to provide documents to prove that you own the heating installation, such as title deeds
- Individuals who are a part of a farm partnership may need to provide a confirmation of the partnership status
- Individuals applying on behalf of a trust may need to provide copies of the trust documentation to confirm that the trust owns the property in which the renewable heating system is installed
- Sole traders may need to provide additional information to verify the bank details that have been provided as part of the application

Chapter 3

Participants

This chapter details the ongoing obligations that participants on the Domestic RHI must meet to comply with scheme rules.

It provides information about our assurance processes, for both before and after accreditation, possible sanctions that may be imposed for failure to comply with scheme rules and the process for appealing decisions.

Introduction

If your application is approved, you'll become a participant on the Domestic RHI. The whole time your installation is accredited to the scheme, you'll have various responsibilities in relation to you, your property, and your installation. These are called 'ongoing obligations' and you'll need to comply with all of them to continue to receive payments and avoid any enforcement action, such as the withholding or recovery of any payments.

Some of these general ongoing obligations apply to everyone who is a participant on the scheme. Others will only apply to those whose installation has changed, who have a biomass installation, or who have fitted metering.

Information about other aspects of being on the scheme, such as how you change ownership of the installation or how we carry out our audit checks, appear in later sections of this chapter.

Section 1

General ongoing obligations

The following ongoing obligations apply to everybody who has been approved to join the scheme. If you're unable to meet any of them, you need to let us know within 28 days.

- **The installation must be kept in good working order.**
It is expected that installations should be maintained in line with the manufacturer's instructions.
- **You must let us know if the heat use changes.**
(for example, if the system starts heating domestic hot water, or stops providing space heating).
- **You must ensure your installation continues to meet the eligibility criteria.**
The installation must continue to be eligible for the Domestic RHI scheme, according to the rules that were in place when it was accredited.
- **You must comply with any conditions attached to your accreditation.**

We will formally notify you if there are any conditions to your accreditation. If there are any, (for example, if you were asked to provide us with monthly, rather than quarterly, meter readings) you must ensure that you adhere to them.

- **You must not make use of public funding for the installation after accreditation.**

Apart from any that you told us about when you applied, you can't receive any other public funding for your installation.

- **If you don't own the property which is heated by the installation, you must give notice to the owner if ownership of the installation might change or has changed.**

If you're not the owner of the property in which the renewable 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 renewable heating system changes.

- **You must not move the installation to a new location.**

If the installation is moved to a new address, it and the original address will no longer be eligible and payments will be stopped. If you need to move your installation within your property, please contact us first to discuss your next steps.

- **If you have a biomass boiler or stove, you must be able to provide evidence, if requested, confirming which type of fuel you have purchased and used.**

In order to show the type of fuel that you have bought for your installation, you should retain your fuel receipts or statements from your supplier for your entire accreditation on the scheme.

- **If you are informed of a site visit you must allow Ofgem, or Ofgem's representative, access to the property and co-operate with the person assessing the property.**

If a site visit is required, you must permit entry to us, our representative or the Department of Business, Energy & Industrial Strategy (BEIS), and allow them to collect all information necessary to satisfy the purpose of the site visit. In most cases you'll be contacted to arrange the site visit for an appropriate time, and we expect the co-operation of the participant when conducting the audit.

In rare instances, notice may not be given. In these circumstances, you must co-operate with the audit as much as you reasonably can.

- **You must comply with any requirements necessary for scheme review and evaluation.**

BEIS conducts evaluations of the Domestic RHI scheme, which may require you to provide information or respond to questions regarding your installation or metering arrangements if any are installed.

BEIS may also select sites and install metering for the purpose of scheme evaluation. Please see 'Scheme Evaluation' in our [Key Terms](#). Any data you provide will be confidential and any published findings won't identify you.

- **If you own but don't live in the property, you must obtain consent from the occupants if we request to conduct an audit.**

- **If you're overpaid, you must return the excess payment.**

If you've been overpaid, you must notify us. This happens if you were paid:

- more than you were entitled to under the scheme regulations
- when you were not complying with an ongoing obligation
- for an installation which was accredited on the basis of materially incorrect information

- **You must comply with any other administrative requirements specified by us.**

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.

- **If you're in an assignment of rights agreement, you must make sure that payments are only made to a nominated registered investor.**

For more information, see Section 10 'Other joining requirements' of the [Guide to Assignment of Rights](#). Section 2

Section 2

Ongoing obligations: changes to your installation

If there's a change to your installation, you will need to inform us within 28 days of becoming aware of the change. You need to notify us, by contacting us at domesticrhi@ofgem.gov.uk or on 0300 003 0744 if:

- **The installation stops providing space heating or hot water to the property**
See Chapter 2, Section 3 for information on heat uses
You don't need to tell us if you turn it off temporarily (e.g. during hot weather).
For more information please see 'Space heating' in our [Key Terms](#).
- **Any part of the installation is repaired or replaced**
See Section 9 of this chapter for information on replacement installations and products
- **Another technology or heating system is installed**
(eg a gas boiler or another renewable heating system)
- **Ownership of the installation has changed**
- **The property is occupied for less than 183 days a year in any 12-month period after the date you applied to the scheme**
You may need to install metering for payment if this is the case but there are some exceptions. See the occupancy exemptions below
- **You no longer comply with an ongoing obligation, or realise you won't be able to in the future**
- **There's any other change in circumstances which may mean that you'll no longer be eligible to receive payments**
- **Any of the information provided in your application was incorrect**

If we receive a notification of a change in circumstances, payments may be paused until we're satisfied that either the change doesn't affect the accreditation, or a review isn't required. You may be required to provide additional information during this process.

Occupancy exemptions

If the property is occupied for less than 183 days in any 12-month period after accreditation, you will normally need to fit your installation with metering for payment (see the ongoing obligations above). However, in some circumstances we may grant an exemption for the need for metering if we consider the occupancy for the 12-month period is due to exceptional circumstances.

To receive an exemption, you must provide us with a written request and evidence to support it. This must be done within 28 days of receiving our original request for information relating to the need for metering to be installed.

The circumstances we consider to be exceptional include:

- Inability to occupy the property for an extended period of time due to sickness or hospitalisation
- Inability to occupy the property for an extended period of time as a result of fire, flooding or damage caused by a natural disaster
- The death of a participant

We will review all exemption requests on a case-by-case basis and cannot guarantee an exemption will be granted prior to reviewing the individual circumstance.

Whilst we are considering granting an exemption, we will not be able to make any RHI payments until the final decision has been made.

Exemption requests can't be made in respect of previous decisions. Exemption requests can only be made for decisions taken after 1 April 2022.

Note: You must notify us if the property has been occupied for less than 183 days in **any** 12-month period. You will be given the opportunity to request an exemption once you have contacted us.

Section 3

Ongoing obligations: biomass

Biomass fuel sustainability

This ongoing obligation applies to all biomass installations. To meet the fuel sustainability requirements, you must:

- **only use fuels on the Biomass Suppliers List (BSL).** When purchasing the fuel type that is right for your biomass installation, you must always make sure that it's listed on the Biomass Suppliers List (BSL). For more information, please see 'Biomass sustainability and the Biomass Suppliers List' in our [Key Terms](#) and more about BSL fuels [here](#).

Biomass air quality

The following ongoing obligations apply if you have a biomass boiler or stove which was commissioned after 9 April 2014. For more information on how to meet them, see Chapter 2, Section 9 'additional requirements for biomass installations.

- **You must use the fuel type specified in your RHI emissions certificate** (e.g. wood pellets).
- **You must use fuel which has moisture content that is lower than the maximum moisture content specified in the emissions certificate.** (e.g. 12%)

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). Air quality requirements apply to people whose biomass boiler or stove was commissioned on or after 9 April 2014. However, the fuel sustainability requirements apply to everyone. In order to operate an efficient biomass installation, regular maintenance is recommended. Whilst not a mandatory obligation under the Domestic RHI, MCS has created a standard for biomass maintenance which you can find out more about [here](#).

Section 4

Ongoing obligations: provision of information

This section outlines your responsibility to keep any relevant information relating to your installation and provide it to us if requested:

- **You must keep copies of any information that you provided at application.** You must also keep any other evidence which confirms that the installation meets the eligibility criteria and ongoing obligations for the scheme (regardless of whether or not this was provided at the point of application)
- **You must keep this evidence for the full seven years that your installation is accredited.** We may ask for it at any time
- **If we request information you have, it must be provided within 28 days of the request or by a date specified by us.**

Section 5

Ongoing obligations: metering

This section outlines the specific ongoing obligations that apply to you if you have meters installed (we talk about the different types of metering in Chapter 2, Sections 8, 10 and 11). You need to notify us if any meters:

- **are not in good working order**
If one of your meters breaks or is not in good working order, you must tell us within 28 days of you discovering the fault. See Chapter 3, Section 5 of the Guide to Metering for further details
- **have been moved, replaced, or reset**
- **are added to your installation**

If your installation is metered for payment, you must also make sure that you:

- **continue to submit meter readings so that we can pay you**
- **provide photographs of meters if your meter readings trigger an**

automatic check. We'll let you know if that happens

Metering requirements after accreditation

Section 2 lists certain changes to the installation that you must tell us about. Some of these changes may require you to fit metering for payment (such as if you install another heating system in the property).

If it's required, we'll stop your payments until you have:

- installed metering for payments
- submitted the Installer Metering Questions (IMQs)
- submitted photos of your meters
- provided dates and any other evidence requested to allow the review to be concluded.

We will then issue a metering statement, this sets out the payment formula and what meter readings you will be required to provide on a quarterly basis. RHI payments will restart once a metering statement has been issued and payments will not be backdated.

Once an installation is metered for payment, it cannot return to being 'deemed for payment'.

The important thing to know is that whether an installation must be metered is not a choice but depends on specific circumstances. See Chapter 2 Section 10 for more details on metering for payment.

Section 6

Annual Declarations

Every year throughout your membership on the scheme, we'll ask you to complete and submit an annual declaration, confirming you continue to meet the ongoing obligations which apply to you, your renewable heating system and the property it is installed in.

We'll send you an email when these are due, (or by post if that's how you applied) with instructions on how to complete them. You must submit them within 28 days, or we may have to take enforcement action.

For a list of the annual declarations and information on how to submit them, see our [Help sheet: How to complete and submit your annual declarations](#).

No one else can complete your annual declarations for you (e.g. your installer). This is because annual declarations are about you, your property, and your installation for which you are responsible.

Section 7

Failure to comply with ongoing obligations

It's important that you meet your ongoing obligations for as long as you're a participant on the scheme. If we suspect any failure to meet ongoing obligation, we would suspend payments whilst we investigate. If the non-compliance is confirmed, and depending on its severity, we may:

- suspend payments temporarily or withhold them permanently
- revoke the installation's accreditation
- recover overpayments

Ofgem has the right to audit your property, installation, and the evidence you applied with. See Section 10 of this chapter for more information on audits.

Section 8

Change of ownership

If you're planning to sell your property, and your installation will be included in the sale, it's important that you let us know. You'll need to contact us at least 28 days before the sale goes through.

By getting this information to us as soon as possible, we can make sure we pay you correctly. This avoids you needing to repay us any money, as you'll no longer be eligible for payments once you've sold your property.

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. Failure to notify us will also cause delays if the new owner plans to join the scheme.

What you need to do

You need to provide us with one of the following documents as soon as possible after the sale of the property has taken place:

- A completed [TR1 form](#) or Scottish equivalent, (such as a deed of disposition) which must be signed and dated
- A copy of the title deed showing the date of the transfer of ownership; name(s) of the transferee(s); and the property address
- An official, letter-headed document from the solicitor confirming: the date of sale; your name; and the property address. This document should be in PDF format and should be dated on or after the sale completion date. This does not need to be addressed to us and can be correspondence from your solicitor to you or a 'to whom it may concern' letter.

Payments are owed to you up until the day before the legal transfer of the property is complete. For example, if the date of the transfer is 1 January, you'll be paid up until 31 December. You'll then receive any money you're owed once you've provided us with one of the documents mentioned above.

If you've bought a property with an accredited installation

If you've purchased a property that is heated by an accredited installation and you want to receive payments, you have 12 months from the date of sale to notify us of the change of ownership. Payments will be owed to you from the date that you've told us that you're the new owner (and if there are multiple owners that you have permission from the others that you will be the new participant to the scheme).

To apply as the new owner, you'll need to provide us with one of the following documents:

- A completed [TR1 form](#)/TP1 form (land registry form) or Scottish equivalent (such as a deed of disposition). This must be signed and dated
- Title deeds, detailing: the date of sale; name(s) of the transferee(s); and the property address
- An official, letter-headed document from the solicitor confirming: the date of sale; your name; and the property address. This document should be in PDF format and should be dated on or after the sale completion date. This does not need to be addressed to us and can be correspondence from your solicitor to you or a 'to whom it may concern' letter

As the new owner you'll need to provide us with the same EPC and MCS certificate numbers that the original owner used to make the application. For more information, see Chapter 2, Sections 2 and 4. You can ask the previous owner for these.

You can find the most recent EPC for your property [here](#).

Change of ownership in the event of death

If the participant who receives RHI payments passes away, the executor of their estate should contact our enquiries team on 0300 0030 744 or contact us via email at DomesticRHI@ofgem.gov.uk as soon as possible.

To finalise any payments that are due to the estate, and begin payments for the new owner, the evidence listed below needs to be submitted. If we accept that evidence, the new owner will become a participant of the scheme and be entitled to receive payments. A participant must either own or jointly own the installation.

We will require the following documents in order to process the change of ownership under these circumstances:

- A copy of the Will or the Grant of Probate (if in England, Wales and Northern Ireland) / or confirmation (if in Scotland)
- Either an undertaking from the executor(s) of the will or a declaration signed by a solicitor confirming;

- that both the renewable heating system and the property it is installed in are still part of the Estate of the member and have not been sold and
- who now owns the renewable heating system

If you are unable to provide any of the documents above, please contact us as soon as possible.

Section 9

Replacements

Replacing products

Over the course of your installation’s accreditation, it may be necessary to replace or repair parts to keep it in good working order. You must let us know within 28 days of this happening. Depending on your individual circumstances we will explain the next steps accordingly.

You must replace like for like technology types, even if they aren’t the exact product (e.g. an air source heat pump for an air source heat pump).

This section explains what you need to do if you replace the ‘MCS-certified product’ contained in your installation or replace the installation entirely.

The below table shows you what the MCS-certified product is for each technology type. If you replace it, you must notify us.

Technology type	MCS-certified Product
Heat pump	Heat pump unit(s) (monobloc or split system)
Biomass	Boiler or stove
Solar thermal	Solar collector(s) (flat panel or evacuated tube)

If your installation is made up of several MCS-certified products (e.g., solar thermal panels or a split system heat pump) you still need to notify us if one of those products changes. This is because replacing only one can still affect the installation's eligibility.

If you're unsure whether the product has been replaced or repaired, ask your installer, or contact us and we'll be able to assist. You can contact email us at domesticrhi@ofgem.gov.uk.

For more information on MCS-certified products, see Chapter 2, Section 4: Certifying your Installation.

Staying compliant

When replacing an MCS-certified product, it's important that the installation continues to meet the scheme's eligibility criteria. To do so, make sure that the new product:

- is also certified by the MCS. To find out, visit their product directory [here](#). If you have a 'split-system' heat pump, the combination of units must be MCS-certified
- uses the same source of energy as the product it's replacing (e.g. heat from the air, the ground, biomass or solar)
- has a Seasonal Performance Factor (SPF) of at least 2.5. (This requirement relates to heat pumps only)

We recommend that participants talk to their installer before purchasing a replacement product, to ensure that the new one keeps the installation compliant.

Declaration

If you replace the MCS-certified product within your installation, a Replacement Product Declaration Form will need to be completed by yourself and an MCS-certified installer and then sent to us. This is so that we can assess the installation's compliance, and make sure you continue to meet your ongoing obligations.

A link to the form can be found at [Replacement Product Declaration Form](#).

You can search for MCS-certified installers [here](#).

Replacing the installation

If the entire renewable heating system in the property is replaced (rather than just the MCS-certified product) the installation must be completed by an MCS-certified installer and accompanied by a new MCS installation certificate. Make sure that you notify us and provide the new MCS certificate. We may also ask for a new EPC certificate as we will need to be satisfied that you meet all of the eligibility criteria and ongoing obligations of the scheme.

We will not accept replacement installations after midnight 31 December 2028. If your installation stops providing heat to the property after 31 December 2028, we will not make payments for a replacement after that date.

Changes to payments

If you install a new heat pump with a different Seasonal Performance factor (SPF), this will affect your payments. For more information, on how the SPF affects payments, please see the Annex 2 of this guidance.

If you install new solar thermal collectors, this may affect payments which are based on the 'estimated annual generation' figure on your new MCS certificate. This is calculated by your installer using the latest 'Solar Thermal Domestic Hot Water Energy Calculator', published by the MCS.

Section 10

Audits and compliance

Throughout your participation on the scheme, we may carry out an audit of your property and installation to ensure you're complying with your ongoing obligations and the scheme's eligibility criteria.

Audits

We need to make sure public money is being spent properly, and that scheme participants are following the rules. Routine audit checks are one way to do this. They also help us to identify and protect against errors and fraud.

In joining the scheme, participants agree to be audited to verify their compliance with the scheme rules. We select installations for audit based on various factors, including random sampling. Anyone can be selected for an audit check at any time, and checks can happen multiple times.

We perform two types of audits:

- **Pre-accreditation audits**
Where we audit your application before it's accredited. This could involve us asking you for certain documents, or inspecting your installation to verify its eligibility.
- **Post accreditation audits**, which are either:
 - **Desk audits** to check information such as certificates and other documents used to apply
 - **Site audits** to physically inspect the installation and property. We will also ask to see certain documents and records. This type of audit is carried out by an external auditor on our behalf, who will visit the property and collect information to verify the installation is compliant with scheme rules. All our site auditors are Disclosure and Barring Service (DBS) checked for your security and carry some form of identification. A phone number will also be provided which can be called to verify their identity

Documentation

Listed below are documents you need to keep whilst you're a participant of the scheme and which you may be required to supply during an audit:

- Copies of the Microgeneration Certification Scheme (MCS) installation and compliance certificates. For more on the MCS Compliance Certificate, see [Key Terms](#).

- A copy of the domestic Energy Performance Certificate (EPC) you applied with
- Purchase receipts for the installation
- Fuel receipts if you have a biomass boiler and stove
- Meter calibration certificates if the installation is metered
- Documentation for any other grant funding you received
- If your installation is metered for payment, the installer metering questions your installer gave you
- Photographic evidence relating to the renewable heating system and/or meter(s)
- Standard and/or alternative metering schematic drawing
- Solar thermal domestic hot water calculations
- Title deeds, TR1 forms, fixtures and fittings or evidence of property ownership
- Copies of relevant bank statement and ID documents
- Copies of utility bills, council tax bills and, for landlords, tenancy agreements

This list is not exhaustive, and we can request any information we consider reasonable.

Audit access requirements

If a site audit is required, we'll aim to give a reasonable amount of notice before our inspection and to visit at a suitable time for you. We'd generally expect this to be within 28 days of you receiving our notification, however, in exceptional cases, advance notice may not be provided.

If the auditor is refused access without good reason, or they are not allowed to complete their inspection, you would breach your ongoing obligations.

Compliance and sanctions

If we suspect or discover that you're not complying with your ongoing obligations, or that your installation was accredited based on incorrect information, we have the right to suspend 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.

If we find that a non-compliance has occurred, depending on its severity, we may withhold all or part of your payments, or revoke your installation's accreditation.

We'll inform you of a decision within 21 days of our decision being made. We'll also let you know about anything you need to do to show us that a non-compliance has been resolved.

If you repeatedly fail to comply with your ongoing obligations, we may revoke your installation's accreditation.

If we decide to do so, we'll notify you, explaining:

- the reason for revoking your accreditation
- the status of any other installations you own which have been accredited under the Domestic RHI
- your right of review (see below)

Right of review

The right of review entitles you to appeal a decision we have made, including if we have rejected your application or if we have granted it but subsequently made the decision to withhold payments or revoke your installation's accreditation.

To exercise your right of review, you must apply for it in writing **within 28 days** of receiving notice of the decision which you are appealing, specifying the grounds on which you are requesting it. The review will not be carried out by anyone who previously reviewed your application or made the decision. You must provide any information requested by us when we carry out the review.

Once the review is completed, we will send you confirmation of the results within 21 days.

If we overturn a decision to reject an application for accreditation or MMSP registration, the date from which payments are owed to you will be the date of your initial application.

For further information about requesting a review, see our [Right of Review](#) form.

Debt recovery

Where overpayments have been made, we will seek to recover these amounts by offsetting them against future payments. If this isn't possible, we will instead request the money owed to be repaid, which may involve us using our debt collection partner. We will be flexible in repayment terms, but we expect participants to engage with us or our agents. Our debt collection partner will only be used where we are satisfied money is owed and where participants in debt are not engaging with us.

Chapter 4

More information

This chapter provides information about resources and key contacts that are available about the Domestic RHI scheme for applicants and participants. It also includes links to other important scheme guidance, help sheets and key terms.

Contacts

Consumer protection

You may find it useful to reach out to either of the following services for help or with any questions you may have about the Domestic RHI:

- [Simple Energy Advice](#)
- [Home Energy Scotland \(Scotland\)](#)

However, where issues arise when completing the application form, applicants should contact us, not the organisations above.

Further guidance

Aside from this Essential Guide to the Domestic RHI, you may find it useful to consult the following two other guides for further information:

- [Guide to Metering](#)
- [Guide to Assignment of Rights](#)

All non-essential scheme information can be found on our website in the [Key Terms](#) webpage.

Contacts and complaints

If you have a question, complaint or recommendation, you can find more information [here](#).

If you have difficulty accessing the internet, you can phone us on 0300 003 0744 or contact us by post at:

Commonwealth House
32 Albion Street
Glasgow
G1 1LH.

Annex 1 – Insulation exemptions

If it's not possible to install loft or cavity wall insulation, you can still apply for the scheme if you can provide evidence from a relevant organisation that one of the following insulation exemptions applies to your property.

Reason for exemption	Relevant organisation
Your property is a listed building	The planning department of your local authority, English Heritage, Historic Scotland, CADW or a chartered surveyor
Your property is in a conservation area	The planning department of your local authority, English Heritage, Historic Scotland, or CADW
Your property is used by a protected species	Natural England, Scottish Natural Heritage, Natural Resources Wales or a chartered ecologist
Local environment conditions (e.g., regular exposure to driving rain)	A chartered surveyor
The structure of your building (e.g., timber framed)	A chartered surveyor
It would be unlawful in another way	The planning department of your 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 or ecologist

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 don't 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 date of application 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.

Annex 2 – Seasonal Performance Factor (SPF)

The Seasonal Performance Factor (SPF) only applies to heat pumps. It 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.

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.

From 25 March 2016, your installer will calculate the SPF using the SCOP value from the MCS website. 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.

The SPF is calculated the following way:

$$SPF = \frac{\text{Total heat energy output per annum(kWh)}}{\text{Total electricity input per annum(kWh)}}$$

This is to say, 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.

Payment formulas take into account the SPF value. For examples of how your payments are calculated, please see Annex 3 and 4.

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:

$$\text{Annual Payment Cap} = \text{Estimated annual renewable heat load}$$

$$\text{Estimated annual renewable heat load} = \text{Total heat demand} \times \left(1 - \frac{1}{\text{SPF}}\right) \times \text{tariff rate}$$

Annex 3 – Heat Demand Limits (HDLs)

Heat demand limits cap the financial support that scheme participants can receive for their annual heat use. They have been introduced for air source heat pumps, ground source heat pumps, and biomass boilers and stoves - there is no heat demand limit for solar thermal.

Payments for heat pumps are made only on the renewable portion of the heat demand shown on your EPC.

The figures for the heat demand limits are:

Technology type	Annual Heat demand Limit (kWh)
Air source heat pump	20,000
Biomass boilers and stoves	25,000
Ground source heat pumps	30,000
Solar thermal	No limit

Example calculation biomass boiler:

For a biomass boiler that provides annual space heating of 28,327 kWh and 2,792 kWh for domestic hot water as per the EPC, the calculation would be as follows:

$$\text{Total estimated annual heat demand} = \text{Space heating} + \text{Domestic hot water heating}$$

$$\text{Total estimated annual heat demand} = 28,327 \text{ kWh} + 2,845 \text{ kWh} = 31,172 \text{ kWh}$$

The total heat demand (31,172 kWh) is larger than the heat demand limit (25,000 kWh) per annum in this example. We would therefore use the heat demand limit of 25,000 kWh for your RHI payment calculation.

The quarterly RHI payment is calculated by multiplying the heat demand limit by the tariff rate to produce the total annual payment. This is then divided by 4 to provide a quarterly figure.

If the tariff rate is 6.54 p/kWh (which is $\frac{6.54}{100} = 0.0654 \text{ £/kWh}$), the calculation below shows the quarterly RHI payment.

$$\text{Quarterly RHI payment} = \frac{\text{Total heat demand limit for biomass boiler} \times \text{tariff rate}}{4}$$

$$\text{Quarterly RHI payment} = \frac{25000 \text{ kWh} \times \frac{6.54 \text{ £/kWh}}{100}}{4} = \text{£}408.75$$

The participant would be paid £408.75 per quarter

Example calculation for heat pumps - ground source heat pump (GSHP)

For a ground source heat pump with an SPF of 3.7 where the annual heat demand on the EPC for annual space heating and domestic hot water heating is greater than the heat demand limit, the payment calculation would be as follows:

$$\text{Quarterly payment} = \frac{\text{Heat demand limit for GSHP} \times \left(1 - \frac{1}{\text{SPF}}\right) \times \text{tariff rate}}{4}$$

This formula for RHI payments for heat pumps takes into account the Seasonal Performance Factor (see Annex 2). This is because electricity used by the heat pump to generate the renewable heat is deducted from the total heat generated to calculate the amount of renewable heat produced by the heat pump.

If the tariff rate for the heat pump is 19.86 p/kWh (which is $\frac{19.86}{100} = 0.1986 \text{ £/kWh}$), the calculation for quarterly payment would be as follows:

$$\text{Quarterly payment} = \frac{30,000 \times \left(1 - \frac{1}{3.7}\right) \times \frac{19.86}{100}}{4} = \text{£}1086.93$$

You would be paid £1086.93 per quarter.

Example calculation for heat pumps - Air source heat pump (ASHP)

Similarly, for an air source heat pump with an SPF of 2.7 where the annual heat demand in the EPC is greater than the heat demand limit and the tariff is 10.81 p the calculation would be as follows:

$$\text{Quarterly payment} = \frac{\text{Heat demand limit for ASHP} \times \left(1 - \frac{1}{\text{SPF}}\right) \times \text{tariff rate}}{4}$$

$$\text{Quarterly payment} = \frac{20,000 \times \left(1 - \frac{1}{2.7}\right) \times \frac{10.81}{100}}{4} = \text{£}320.48$$

You would be paid £320.48 per quarter.

Annex 4 – Deemed Payments

If you are eligible for deemed payments, you will receive payments based on the annual heat demand listed on your EPC or, in the case of solar thermal, from the estimated annual generation on the MCS Certificate. If you applied on or after 20 September 2017, and the annual heat demand listed on your EPC exceeds the heat demand limit (HDL, see Annex 3), you will be paid as per the heat demand limit instead. Please be aware there is no heat demand limit for solar thermal plants.

Biomass boilers:

The quarterly RHI payment is calculated by multiplying the heat demand limit by the tariff rate to produce the total annual payment. This is then divided by 4 to provide a quarterly figure. The payment formula is as follows:

$$\text{Quarterly RHI payment} = \frac{\text{Total heat demand for biomass boiler} \times \text{tariff rate}}{4}$$

Example: Biomass boiler which provides space and hot water heating:

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			

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.

In this example, total estimated annual heat demand is calculated in the following way:

$$\text{Total estimated annual heat demand} = \text{Space heating} + \text{Domestic hot water heating}$$

$$\text{Total estimated annual heat demand} = 22,154 \text{ kWh} + 2,792 \text{ kWh} = 24,946 \text{ kWh}$$

The total heat demand (24,946 kWh) is lower than the heat demand limit (25,000

kWh) per annum. We would therefore use the heat demand of 24,946 kWh for your RHI payment calculation.

If the tariff rate is 6.54 p/kWh (which is $\frac{6.54}{100} = 0.0654 \text{ £/kWh}$), the calculation below shows the quarterly RHI payment.

$$\text{Quarterly RHI payment} = \frac{24946 \text{ kWh} \times \frac{6.54 \text{ p}}{100}}{4} = \text{£}407.87$$

You would be paid £407.87 per quarter

Heat pumps

The formula for RHI payments for heat pumps takes into account the Seasonal Performance Factor. This is because electricity used by the heat pump to generate the renewable heat is deducted from the total heat generated to calculate the amount of renewable heat produced by the heat pump. The payment formula is as follows:

$$\text{Quarterly payment} = \frac{\text{Heat demand limit for GSHP} \times \left(1 - \frac{1}{\text{SPF}}\right) \times \text{tariff rate}}{4}$$

Example calculation for ground source heat pump which provides space and domestic hot water heating:

For a ground source heat pump with the following specification, the calculation would be as described below:

Seasonal performance factor: 3.7

Annual heat demand on the EPC for space heating = 18,327kWh

Annual heat demand on the EPC for domestic hot water=2845 kWh

Total estimated annual heat demand = Space heating + Domestic hot water heating

Total estimated annual heat demand = 18,327kWh + 2,845 kWh = 21,172 kWh

The total heat demand (21,172kWh) is lower than the heat demand limit (30,000 kWh) per annum. We would therefore use the heat demand of 21,172 kWh for your RHI payment calculation. If the tariff rate is 19.86 p/kWh (which is $\frac{19.86}{100} = 0.1986 \text{ £/kWh}$), the calculation below shows the quarterly RHI payment.

$$\text{Quarterly payment} = \frac{(21172 \times (1 - \frac{1}{3.7}) \times \frac{19.86}{100})}{4} = \text{£}767.08$$

You would be paid £767.08 per quarter.

Solar thermal

Payments are based on the estimated annual generation figure on your MCS Certificate. The annual generation figure is multiplied by the tariff rate and divided by four to generate a quarterly figure. The payment formula is as follows:

$$\text{Quarterly payment} = \frac{\text{Estimated Annual Generation} \times \text{tariff rate}}{4}$$

Example solar thermal that provides heating for domestic hot water:

If the estimated annual generation for domestic hot water is 1773 kWh and the tariff rate is 20.06p, the calculation below shows the quarterly payment:

$$\text{Quarterly payment} = \frac{1773\text{kWh} \times \frac{20.06\text{p}}{100}}{4} = \text{£}88.92$$

Your quarterly payment would be £88.92.