



The Domestic Renewable Heat Incentive

The Domestic Renewable Heat Incentive (DRHI) offers a tariff of payments to householders generating and using renewable energy to heat their buildings. The tariff levels are **7.3p/kWh for air source heat pumps and 19.2p/kWh for solar thermal.**

The Domestic RHI scheme, offers a tariff of payments of 7.3p/kWh for air source heat pumps and 19.2p/kWh for solar thermal panels.

The Domestic RHI scheme is for householders wishing to replace their current heating system with a supported renewable heat technology. It's also available for eligible households that have installed a renewable heat technology since 15 July 2009*.

* Must already be registered with MCS



The Domestic Renewable Heat Incentive (DRHI) for householders is a Government scheme designed to stimulate demand for renewable heat technologies in homes across Great Britain.

Aiming to help meet renewables targets, reduce carbon emissions and save money on fuel bills, the DRHI is a world first.

Who is eligible for the RHI?

The scheme is available to homeowners, private and social landlords and people who build their own homes and applies to single domestic dwellings. Anyone who has installed a renewable heat technology since 15 July 2009 and meets the scheme eligibility criteria will also be able to apply. Any previous funding received prior to the start of the RHI will be deducted from the payments. New build homes and third party owners are not eligible for RHI payments.

Tariff payments

The domestic RHI scheme pays system owners a tariff of payments, depending on the technologies they adopt. The tariff for all technologies is as follows:

AWHP	GSHP	Biomass boilers	Solar thermal panels
7.3p/kWh	18.8p/kWh	12.2p/kWh	19.2p/kWh

Tariffs will change annually in line with the Retail Price Index (RPI) and are subject to review every quarter. Note that only one technology can be installed for heating purposes (AWHP, GSHP or Biomass) plus solar thermal for hot water.

The RHI is a demand-led scheme. Depending on the scheme uptake, tariffs may be reduced in accordance with the remaining available Government's budget. This means early applicants may well get a better deal than those who participate in the RHI at a later date. So householders should install renewables sooner rather than later.

How are payments calculated?

Payments are made on a quarterly basis for seven years to the owner of the heating system. In most cases, payments are based on the estimated heat demand of the property from a Green Deal Assessment (GDA) and the estimated system performance from the Heat Emitter Guide (HEG).

For AWHPs, the payments are made according to the portion of renewable energy generated. For example, a heat pump with a Seasonal Performance Factor (SPF) of 3 generates three kWhs of heat for every one kWh of electricity it uses. This means that if a heat pump has an SPF of 3, two-thirds of the heat output will be renewable and is therefore eligible for RHI payments.

RHI income examples

Based on current information, typical income from the RHI over 7 years for different systems may be:

DRHI 7 years	House Type		
	Small terrace	Medium semi	Large detached
kWh (heat load)	10,000	15,000	20,000
A) single AWHP Deemed Daikin Product example: LT Split, Monobloc, HT	£3,120	£4,680	£6,240
B) bi-valent AWHP Metered Daikin Product example: Hybrid	£2,300	£3,450	£4,600
C) Solar thermal 3 person household estimated renewable heat 1430 kWhpa	£1,925	£1,925	£1,925

Assumptions: the information provided here is estimated and is not a guarantee of income. Income will be reduced where previous funding has been received. For full details and FAQ see www.energysavingtrust.org.uk and www.ofgem.gov.uk.

A) single AWHP - Estimated RHI income for a permanent home with a single AWHP installation assuming max space heating design flow temperature 50 °C (incl HT)

B) bi-valent AWHP - Estimated RHI income for a home with a bi-valent or hybrid AWHP installation assuming that the heat pump covers 65% of the load and delivers a SPF of 3.5

C) Solar thermal - Additional income a 3 person household could receive with a 3.6m² solar thermal system

What can installers do to maximise RHI income?

- Carefully design systems to maximum space heating flow temperature of 50°C and achieve minimum system SPF 2.7 (from Heat Emitter Guide)
- Correctly size the radiators for the design flow temperature
- Offer system health checks to MCS registered installations since July 2009
- Design all systems to be "meter ready" using advice from MCS
- Partner with a national network of Green Deal Assessors

Metering and RHI

There are three types of metering under RHI:

1. Every new heat pump installation must be meter ready for DECC's own metering equipment
2. Bivalent, hybrid systems and second homes must be metered. Bivalent or hybrid heat pump systems must have heat meters and electric meters fitted to calculate the actual renewable heat generated
3. DECC will offer a payment of £230 per year for customers who take out the optional Monitoring and Metering Service package for heat pumps. This consists of energy and temperature meters in combination with an online package that presents operating data clearly to installers and householders, explaining how well their renewable heating installation is operating.

Scheme requirements

- Applicants must complete a Green Deal Assessment before submitting their application (unless they are a self builder)
- Households must meet minimum loft and cavity wall insulation requirements, where appropriate
- All installations and installers must be MCS certified
- MCS certified installers must be members of the Renewable Energy Consumer Code, which is backed by the Trading Standards Institute
- Heat pump systems must have a minimum seasonal performance factor (SPF) of 2.5 – in line with the RES Directive.

For more information, please visit:

- gov.uk/renewableheatincentive
- energysavingtrust.org.uk/RHI
- energysavingtrust.org.uk/greendeal
- ofgem.gov.uk/domestic-rhi