



Who should consider the RHI?

OFTEC believes you are most likely to benefit from the RHI if:

- You are making major renovations and have substantial savings to invest or plan to include the installation cost as part of your mortgage
- You have a modern, easy to convert home with excellent insulation and glazing
- You own an older (pre-2005) LPG boiler or electric storage heaters

The RHI is less likely to benefit you if:

- You own an older home with single skinned walls and single glazing
- You can only finance the installation cost by taking out a loan.
- You already own a modern condensing oil or gas boiler

The bottom line...

Renewable heating is suitable for some homes and the RHI will be an attractive option in those cases. Because of the high upfront costs and concerns that homeowners could be

miss-sold technologies that will fail to heat their home in the coldest weather, we recommend doing careful research before making any decisions. Oil heating works well when combined with a heat pump or solar thermal panel, so a system using both conventional and renewable heating may also be worth serious consideration because, in some cases, it could provide a 'best of both worlds' solution. However, for the majority of off-gas homes, the best option is to upgrade to an oil condensing boiler. This simple step will reduce your heating bills and carbon emissions by around 20%, maximising the benefits of using the cheapest fuel.

Overall it would be wise to discuss your heating options with your installer and, if you need to locate a competent technician to advise you, please visit the OFTEC website www.oftec.org or call our Registration Department on the contact details below.

About OFTEC

OFTEC plays a leading role in raising standards within the heating industries of the UK and Republic of Ireland.

Our trade association represents the interests of oil storage, appliance and supply equipment manufacturers and we develop we develop course and assessment material for training providers. We also operate a UKAS accredited competent person registration scheme for over 8,000 technicians involved in the installation and maintenance of oil, solid fuel, and renewable heating equipment and Part P electrical work. Our online shop, OFTEC Direct, supplies a range of technical books, equipment and clothing products for heating technicians.



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The Domestic Renewable Heat Incentive



www.oftec.org



The Domestic Renewable Heat Incentive



The RHI supports the following technologies:

- Air-to-water heat pumps
- Biomass boilers and biomass pellet stoves with back boilers
- Ground and water source heat pumps
- Solar thermal panels.

To qualify, homeowners must have a Green Deal assessment done on their property and ensure that it meets the necessary minimum standard for insulation. Additionally, the renewable heating equipment must be installed by someone who is registered with the Microgeneration Certification Scheme (MCS). OFTEC is a certification body for MCS and MCS registered installers of renewable technologies can be found via the OFTEC website. Owners of all eligible renewable heating systems installed on or after 15 July 2009 may apply for the RHI.

Is the RHI right for me?

Each property is different so it is very difficult to give a simple answer. It is important to understand that the RHI payment tariffs have been set carefully by government to allow homeowners to recoup some of the high installation costs associated with installing renewables. They are not designed to enable homeowners to profit from installing renewables and the switch won't necessarily save you money – in some cases you may actually end up paying more for your heating.



Designed to reduce the nation's carbon emissions by incentivising people to install renewable heating in their buildings

What is the Renewable Heat Incentive?

The Renewable Heat Incentive (RHI) is a government scheme designed to reduce the nation's carbon emissions by incentivising people to install renewable heating in their buildings. There are two versions, one for the non-domestic sector and one for residential homes.

The domestic scheme offers regular 'support' payments for seven years for those using certain types of renewable technologies to heat their homes. The amount that's paid depends on what technology is used and a 'deeming' calculation that estimates the property's annual heat usage, evidenced by an Energy Performance Certificate provided as part of a Green Deal Assessment.

How do the RHI payments work?

Homes that qualify will receive a quarterly support payment, in arrears, for a period of seven years. The energy regulator Ofgem is responsible for dealing with applications and payments.

For most off-gas homeowners, the installation costs are the biggest barrier to participation. Renewable energy systems typically cost between £7,000 and £19,000¹ to install and many rural homes are difficult to convert without substantial, expensive modifications. This is because the UK's rural housing stock contains some of the oldest and least energy efficient buildings in the whole of Europe.

The savings associated with running renewable heating are often overstated and it is important to note that fuel prices can change significantly over time. For example, while electricity prices have increased steadily, the price of oil has fallen dramatically, making it now the cheapest major fuel for home heating. So while it may be viable for some homeowners to switch to renewables, if you own oil heating you would be wise to keep or upgrade it.

Source:
¹ - The Energy Saving Trust