



Notification Number: 2011/127/UK

## Renewable Heat Incentive (RHI) scheme

Date received : 17/03/2011

End of Standstill : 20/06/2011

### Message

Message 001

Communication from the Commission - SG(2011) D/5606

Directive 98/34/EC

Notificación - Oznámení - Notifikation - Notifizierung - Teavitamine - Γνωστοποίηση - Notification - Notification - Notifica - Pieteikums - Pranešimas - Bejelentés - Notifika - Kennisgeving - Zawiadomienie - Notificação - Hlásenie-Obvestilo - Ilmoitus - Anmälan - Нотификация : 2011/0127/UK - Notificare.

No abre el plazo - Nezahtuje odklady - Fristerne indledes ikke - Kein Fristbeginn - Viivituste perioodi ei avata - Καμμία έναρξη προθεσμίας - Does not open the delays - N'ouvre pas de délais - Non fa decorrere la mora - Neietekmē atlikšanu - Atidėjimai nepradedami - Nem nyitja meg a késések - Ma' jiftaħ il-perijodi ta' dawmien - Geen termijnbegin - Nie otwiera opóźnień - Nao inicia o prazo - Neotvorí oneskorenia - Ne uvaja zamud - Määräaika ei ala tästä - Inleder ingen frist - Не се предвижда период на прекъсване - Nu deschide perioadele de stagnare - Nu deschide perioadele de stagnare.

(MSG: 201100606.EN)

#### 1. Structured Information Line

MSG 001 IND 2011 0127 UK EN 17-03-2011 UK NOTIF

#### 2. Member State

UK

#### 3. Department Responsible

Department for Business, Innovation and Skills  
Innovation & Enterprise Group  
1 Victoria Street, London, SW1H 0ET.

Email: 9834@bis.gsi.gov.uk.

#### 3. Originating Department

Department of Energy and Climate Change

#### 4. Notification Number



2011/0127/UK - N00E

## 5. Title

Renewable Heat Incentive (RHI) scheme

## 6. Products Concerned

- 1) Equipment for the small scale production of renewable heat and the assured installation of that equipment
- 2) Meters falling within accuracy class 2 of Annex MI-004 of the EU Measuring Instruments Directive 2004
- 3) Coefficient of performance (COP) for ground and water source heat pumps of 2.9 or above
- 4) Steam measuring equipment requirements
- 5) Ground and water source heat pumps only
- 6) Biogas and solar thermal up to 200kW

## 7. Notification Under Another Act

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## 8. Main Content

The RHI scheme is designed to incentivise the generation of renewable heat in the United Kingdom, taking into account the financial and non-financial barriers present, whilst ensuring that the renewable heat technology and its installation are of suitable quality and value for money and that the heat generated and used, for which payments will be made, is measured using suitable measuring equipment.

Keywords: renewable heat; technology; product; installation; meter; MCS

## 9. Brief Statement of Grounds

The RHI scheme is designed to pay a financial incentive to generators of renewable heat provided the equipment they use meets certain eligibility criterion, some of which are notifiable technical standards as follows:

### 1) Microgeneration Certification Scheme (MCS)

An eligibility criteria of the RHI scheme is that participants using renewable heat products with an installation capacity of 45kWth or less must use products and installers certified under the Microgeneration Certification Scheme (MCS) or equivalent schemes accredited under EN 45011. The MCS scheme has been previously notified to the Commission (see Notification 2007/458/UK). The rationale for the linking of the RHI scheme to the MCS scheme is to ensure the quality and value for money of installations in an immature market. It also helps to ensure value for money for the financing of the scheme drawn from the public purse. The RHI scheme merely links to the existing MCS scheme and does not alter it in any way.

### 2) Heat meters falling within accuracy class 2 of Annex MI-004 of Directive 2004/22/EC of the European Parliament and of the Council of 31 March 2004 on measuring instruments ("the MID").

RHI payments will be made by reference to the metered number of kWhth of renewable heat generated and used. One of the eligibility criteria for the RHI will be that the heat, where delivered by water, is metered using heat meters that conform to the requirements specified in Annex MI-004 of the MID and falls within accuracy class 2 of that Annex. This is to help ensure equipment is kept operational and that the RHI scheme delivers value for money. We have adopted the class 2 standard for the RHI as the MID authorises Member States to require class 2 heat meters for commercial and light industrial use.



3) Coefficient of performance (COP) for ground and water source heat pumps of 2.9 or above

Ground and water source heat pumps will be supported under the RHI. Eligible heat pumps will be required to have a coefficient of performance (COP) of 2.9 or above. This is to help ensure that heat pumps provide a good return in terms of renewable output and that ultimately, they represent value for money.

Annex VII of Directive 2009/28/EC of the European Parliament and of the Council dated 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC provides a formula for calculating the energy captured by heat pumps to be considered energy from renewable sources. This is based on the total useable heat delivered, the average seasonal performance factor and the efficiency of electrical generation. Based on latest Eurostat figures the result of the equation is 2.9. The Commission has committed to providing guidance on how these factors should be measured. In the absence of such guidance at this time and to avoid introducing a potentially complex system in advance of the Commission's guidelines, rather than referring to usable heat or seasonal performance, the RHI will require a COP of 2.9 as a proxy for the Annex VII formula.

Applicants to the scheme will be required to demonstrate, to Ofgem's (the scheme administrator) satisfaction, that the heat pump meets a COP of at least 2.9.

We will review this eligibility requirement when the Commission issues its guidance.

4) Steam measuring equipment requirements

Steam boilers will be supported under the RHI where the heat is produced by a renewable energy source. Applicants using steam boilers will need to demonstrate to Ofgem's satisfaction that they are using steam measuring equipment that displays the temperature and pressure of the steam and the current steam mass flow rate and the cumulative total mass of steam which has passed through it since it was installed. These are the required elements for accurate measurement of steam and will form the basis for calculating payments to participants using steam boilers to generate renewable heat.

5) Ground and water source heat pumps only

Air source heat pumps have different (lower) costs to ground and water source heat pumps. Outside the domestic sector our evidence shows that the majority of air source heat pumps are air to air rather than air to water. Air to air source heat pumps are also commonly used for air conditioning.

We want to gather further evidence on the installed capital and operating costs of these technologies in order to establish the best way of supporting air to air heat pumps; how to resolve issues of metering and dealing with the fact that some may be installed to meet a cooling demand. We also do not have evidence for air to water heat pumps in the commercial sector as they are seldom used. Therefore, we are not including air source heat pumps of either type in the RHI from launch.

Ground and water source heat pumps will be supported under the same tariff as they have very similar installed costs for which we have sufficient evidence.

6) Biogas and solar thermal upto 200kW

We need to gather more evidence on the installed capital and operating costs of the technologies, in order to provide dedicated biogas combustion tariffs and will consider a range of factors such as size and type of installations, feedstock, and whether installations will likely be dedicated heat or combined heat and power installations. Until we have completed that work we will only be supporting small scale biogas combustion.

Similarly, our evidence for large scale solar thermal installations in the UK is sparse, hence we think the best approach is to limit support up to a limit of 200kW where some evidence exists.



#### 10. Reference Documents - Basic Texts

References of the Basic Texts: The draft regulations will be made using powers conferred on the Secretary of State by section 100 of the Energy Act 2008 (enclosed). Please note that amendments are proposed to amend the definition of biogas in sub-section (3) to “gas produced by the anaerobic or thermal conversion of biomass”; to amend the definition of biomass in sub-section (3) by inserting the words “or peat” after fossil fuel and amend sub-section (4) to add biogas as a source of energy. A copy of these amendments is enclosed.

Details of RHI support levels, technologies supported and metering requirements are set out in the enclosed policy document, draft regulations and impact assessment.

#### 11. Invocation of the Emergency Procedure

No

#### 12. Grounds for the Emergency

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#### 13. Confidentiality

No

#### 14. Fiscal measures

No

#### 15. Impact assessment

Yes

#### 16. TBT and SPS aspects

TBT aspect

No - The draft has no significant impact on international trade

SPS aspect

No - The draft is not a sanitary or phytosanitary measure

Catherine Day  
General Secretary  
European Commission

Contact point Directive 98/34  
Fax: (32-2) 296 76 60  
email: [dir83-189-central@ec.europa.eu](mailto:dir83-189-central@ec.europa.eu)