

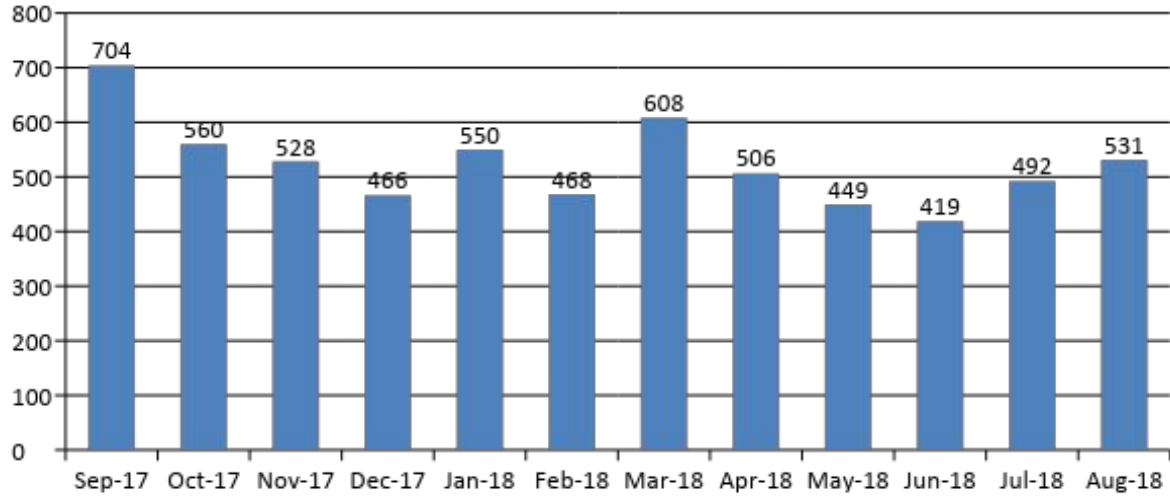
Update from Ofgem

Luke Bailey – Senior Policy Manager RHI

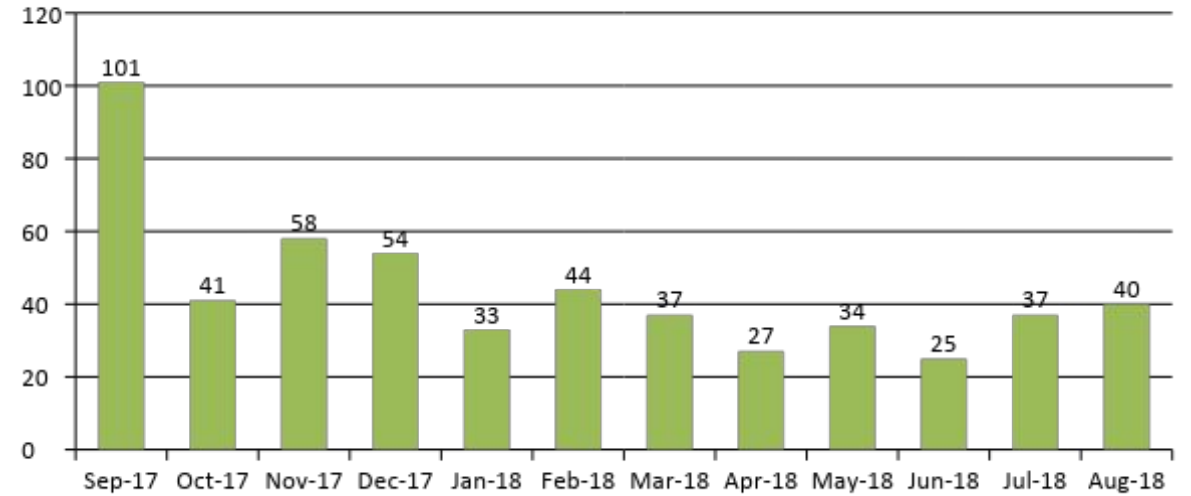


- Operational update
 - Application numbers
 - Operational issues
- Consumer protection
- New policy
- Questions

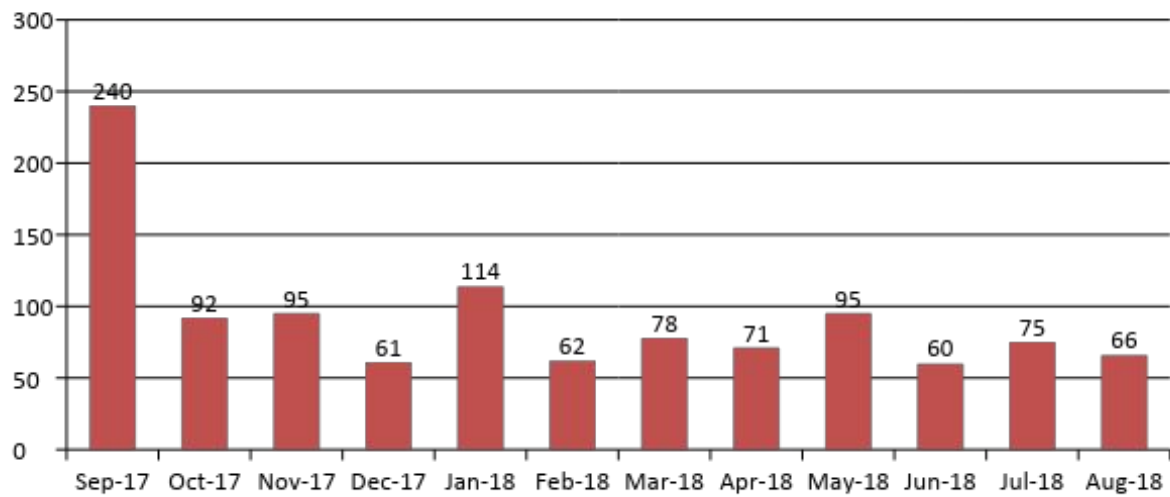
Air Source Heat Pump



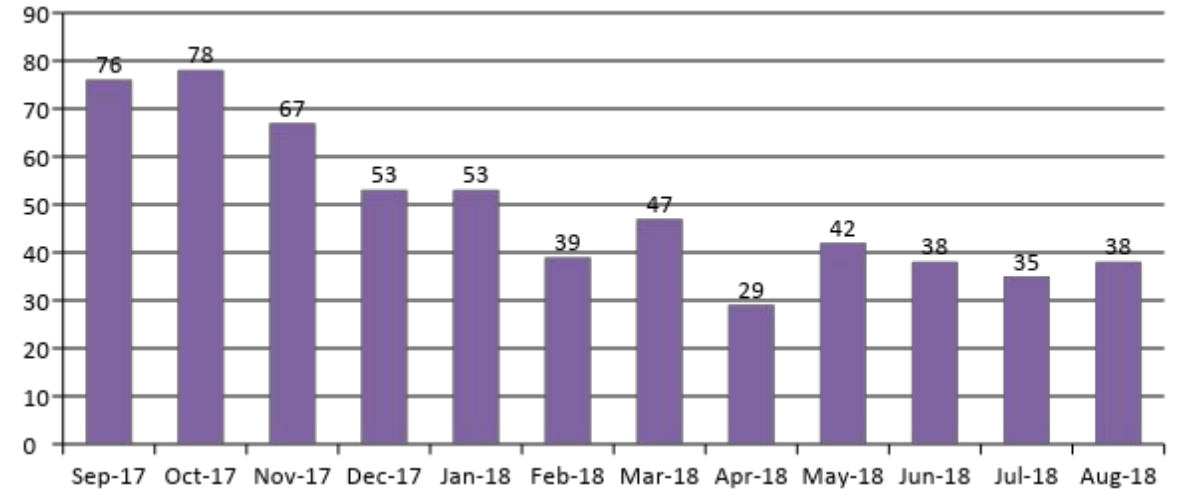
Biomass



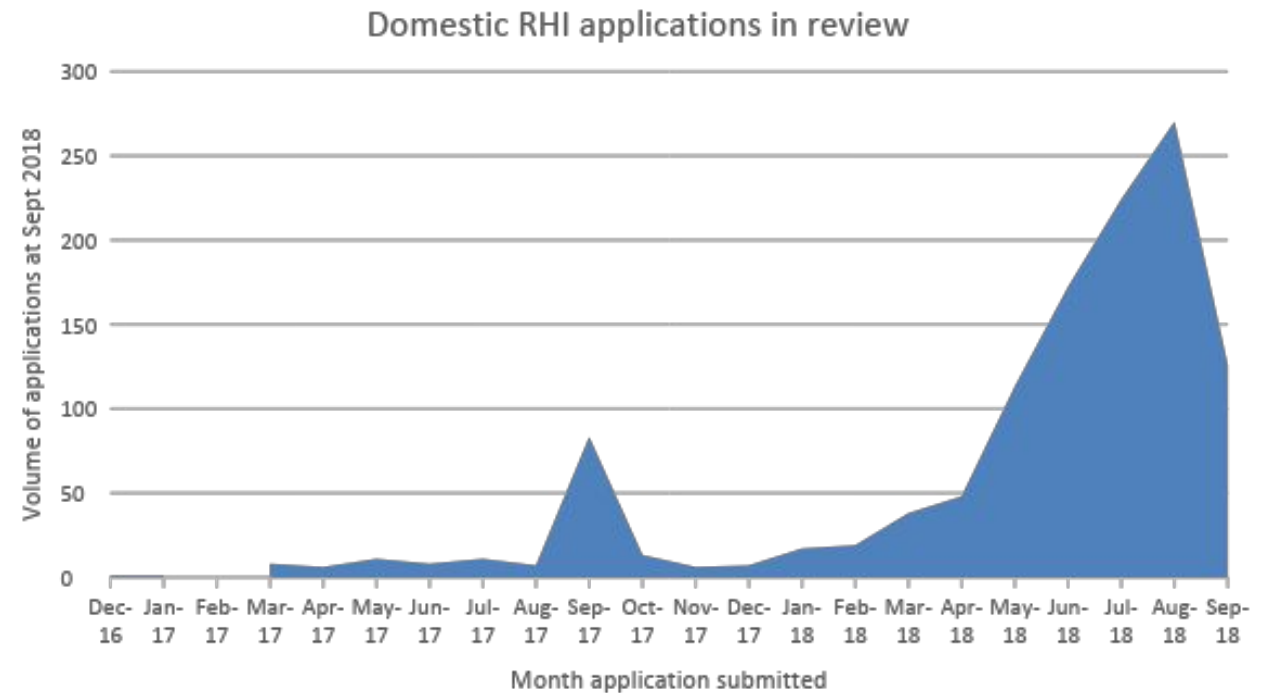
Ground Source Heat Pump



Solar Thermal

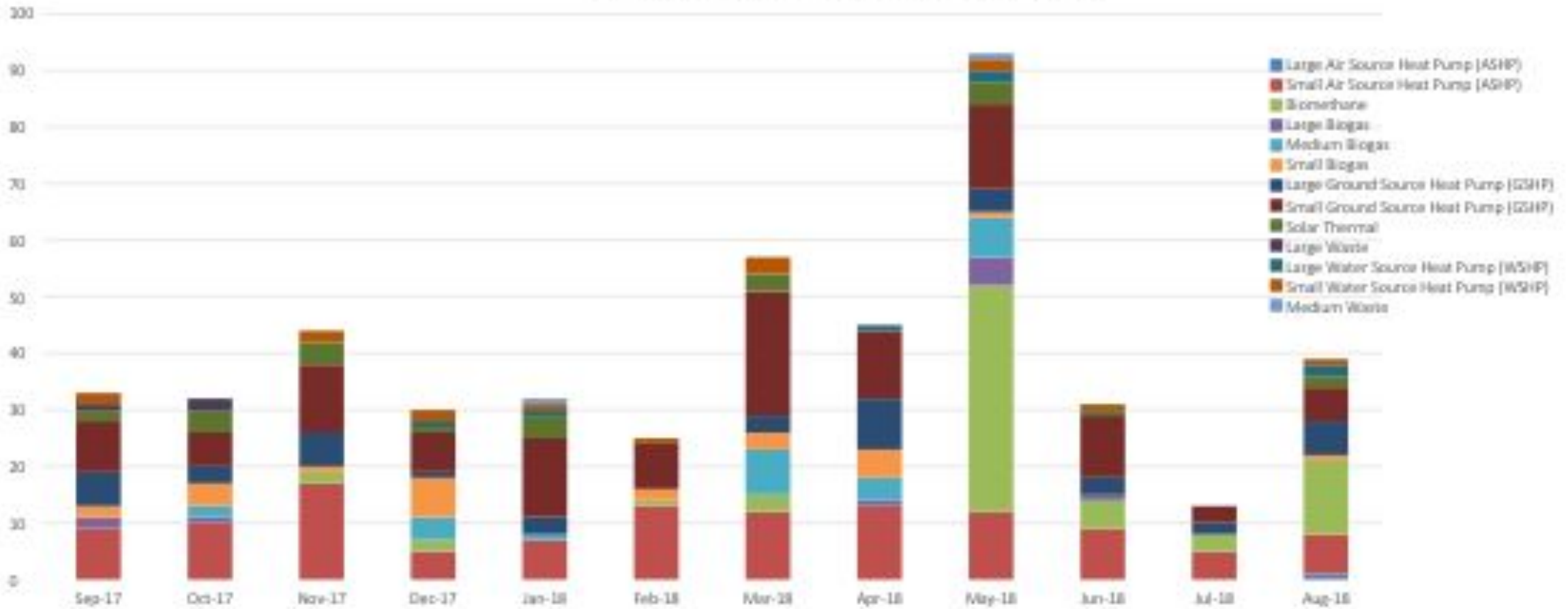


Top 5 reasons for applications being in review	No. applications	% of queue
Submitted after 22/05, but MCS certificate old version does not confirm metering for performance	306	26%
Bank & ID checks	192	16%
Mismatch between whether the MCS certificate says that metering for payment is required, and whether the applicant says that metering for payment is required	144	12%
Self-build applications, checks to confirm eligibility	124	10%
MMSP for performance: we need to verify MMSP arrangements	74	6%



- We have 100-150 cases from pre Heat Demand Limits on 19/09/2017 still in review
- The majority of these are held up because we are investigating whether the installation is sized to meet the heat demand of the property
- For us to be satisfied of this, the heat demand on the EPC and the annual generation on the MCS certificate should match up (unless the difference is accounted for by secondary heating that is appropriately metered)
- Where these don't match, we need to be satisfied that both documents are correct and need to understand where the differences arise from
- We're working these final ~100 cases as a project, we may be writing to the applicants to ask them to provide an explanation as to why the figures don't match.
- As usual, the quicker and more detailed the explanations we receive are, the quicker we will be able to process the applications. We'll be looking for specific responses eg a response of 'EPC and MCS use different methodologies' would need more information such as which area of the house has been measured differently, and why.

NDRHI Applications Excluding Biomass



- In order to receive RHI payments, customers must be able to meet their ongoing obligations; taking meter readings, using BSL fuel, submitting declarations etc. Applicants sign up to these when they submit the online application form.
- Increasingly we are seeing instances of people who are unable to meet their ongoing obligations. This can be because they do not have the capacity to eg. take meter readings if they are in an inaccessible location, to load biomass boilers, or where they do not have the mental capacity to sign up to the T&Cs and submit declarations to us
- We want to help these people, especially when they call the helpline and ask for advice
- However, we question whether they should be on the RHI at all, if they cannot meet their ongoing obligations
- We urge to you to reach out to industry and remind them that RHI is not a guarantee or 'free money': in order to receive this people have to meet their ongoing obligations, and they should not be sold a heating system in the expectation of getting RHI if they are not able to do this.



- Regulations came into effect on 27th June and [Essential guide to Assignment of Rights](#) was released
- HIES and RECC have now published guidance on their website
- From the 27th June AoR is the only third party route available on the DRHI. All investors need to be members of either RECC or HIES and have any contracts they intend to use with customers approved by RECC and HIES.
- Only after this may an investor come to Ofgem to become a 'registered investor.' Any contracts used by an investor must match those approved by the codes and they must not contravene any DRHI Regulations.
- It is recommended that investors use the 'model contract' that has been published by the codes. This 'model contract' has been a collaborative effort between BEIS, Ofgem and the consumer codes and considers in full the DRHI regulations, consumer protections and the role of Ofgem as administrator of the DRHI scheme.
- Alternative contracts or variants of the model contract can be used – however – this will require extensive review and the process will take considerable time.

- Shared Ground Loops – Jun-18
- Replacement Plant – Oct-18
- Environmental Permitting – Oct-18
- Estimated Data – Oct-18

Any questions?

Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.

We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.