

# GSHPA NEWSLETTER

## RHI - BUSINESS AS USUAL

The hard work in Westminster over the course of the year has won an extension to the Renewable Heat Incentive spending allocation through to 2021 and equally importantly the commitment to significant reform of the policy in the short term. Following the headlines of the Comprehensive Spending Review, DECC held a briefing session for industry representatives on Friday the 27th and outlined the timetable for reform:

**April 2016** - Amendments to the existing policy will be discussed with industry stakeholders this month and in April 2016. These are limited to changes which do not require "State Aid Approval" and will concentrate on items which can be amended to improve value for money. Importantly no changes to tariffs (up or down) can be considered at this stage. The GSHPA will be part of the consultation and will focus on reducing the bureaucratic process around the RHI as well as pushing for fixes to improve up front certainty and uptake of our technology.

**April 2017** - A second consultation will be held during January, February and March 2016 to consider more radical changes to the policy for implementation in April 2017. These changes will require State Aid Approval and will have to be completed and published a year before implementation as a result. This allows industry and customers a full year to realign to the new framework.

**April 2021** - The end of incentives and the beginning of a "policy driven environment". Whatever happens in the meantime the incentives will end on this date. The challenge as DECC sees it is to improve the capability and competitiveness of low carbon heating technologies such that by this date industry can cope with, and the market can afford, some form of compulsion. Detail beyond this is sketchy but the mandation of condensing boilers in 2005 is being heralded as a successful template to follow.

In summary, and against the backdrop of funds being in place through to 2021, it's business as usual until the end of March 2016 and pretty much the same through to March 2017 when significant changes will happen. It's our job to ensure these changes favour our technology so please look out for calls to action over the next few months.

Chris Davidson Director GeniusEnergyLab [cd@geniusenergylab.com](mailto:cd@geniusenergylab.com): t: +44(0)7539 640443

## DECEMBER 2015

### What's Inside?



RHI News- Business as Usual



ECO-Build Special Exhibiting Rates for

Promotional Advertising and Member Discounts



Company of the Month with Case Study

Compare RHI Tariff Rates

National and Local Event Planning.

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RHI Update - GSHPA notes from DECC Industry Advisory Group

Christmas Fun!

Contact Andrea Ellison at [andreamellison@aol.com](mailto:andreamellison@aol.com) if you would like to feature your business or make any contribution to January's newsletter.

## GSHPA Main Sponsors



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## CHANCE TO BOOK YOUR SPACE FOR ENERGY NOW EXPO 2016

Council Member Dave Jenkinson has negotiated a heavily discounted rate for exhibition space for GSHPA members to exhibit at ENERGY NOW 2016, 10<sup>th</sup> and 11<sup>th</sup> February as follows:

£861 +VAT for all members (Based on 4 sharing a 24m<sup>2</sup> stand), typical cost for a 24m<sup>2</sup> stand is £4,896.

£774.90 + VAT for all main sponsors (Offering a further 10% discount).

### *Unable to make the event? Not a problem!*

We are again offering the facilities to put your company brochure and business cards into a free handout bag to all visitors for a small cost of £100, which you hope is fantastic value to get your company details out to potentially new customers.

*(This service is free of charge to all main sponsors).*

If you would like to take advantage of these offers please contact [Dave.Jenkinson@mgs.co.uk](mailto:Dave.Jenkinson@mgs.co.uk) by 31<sup>st</sup> December 2015.



Edward Thompson will be speaking on behalf of the GSHPA on the subject **“Heat Pumps – The Support Available; a Look at Policies, Subsidies and Regulations.”**

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## Sponsors and Advertising

### **GSHPA All Member Discount**

EMC Advertising Gifts have kindly offered all our members a 5% discount on all promotional items, including Christmas items, ordered from them.

Visit <http://emcadgifts.co.uk> or phone 02084 922200 OR 0800 1707570



AND QUOTE **GSP15/EMC**

Could **all main sponsors** please forward 100 flyers plus any other advertising merchandise they would like to be added to the GSHPA bags to:

Sam Ellison, Dragon Drilling, Brickfields Lane, Ruthin, Denbighshire. LL15 2TN

By 31<sup>st</sup> December 2015

These will be taken to all shows and events that the GSHPA are at and handed to interested parties on your behalf.

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## Company of the Month



Calibrate Inc. Ltd, 07768 755 244, 01665 578 638

This month we feature a provider of intelligent ‘hands off’ heat pump systems Calibrate Energy Engineering as our featured company.

Their specialist team includes highly qualified technicians, scientists and business development strategists which they believe makes them unique within the industry.

Shane and Susie McDonald are directors of the Company which is based in Alnwick, Northumberland. For more information visit [www.calibrateenergy.co.uk](http://www.calibrateenergy.co.uk)

## WEBSITE & SOCIAL MEDIA

GSHPA CAN BE FOUND ON FACEBOOK, TWITTER AND LINKEDIN.

IF YOU HAVE GOT ANY SUGGESTIONS FOR KEY WORDS OR PHRASES WHICH YOU WOULD LIKE ADDING TO RAISE THE GDHPA GOOGLE RATINGS THEN PLEASE

CONTACT EDWARD THOMPSON

[WWW.GSHP.ORG.UK](http://WWW.GSHP.ORG.UK)

[edward.thompson@gshp.org.uk](mailto:edward.thompson@gshp.org.uk)

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EDWARD ALSO URGENTLY NEEDS NEW CASE STUDIES FOR THE WEBSITE.

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a blue rectangular background.

The Twitter logo, featuring the word "twitter" in blue lowercase letters followed by a blue bird icon.

The LinkedIn logo, with the word "Linked" in black and "in" in white on a blue square background.

## RHI Tariff Rates

Following on from confirmation of the continuation of the RHI in the Comprehensive Spending Review on Wednesday, DECC has announced the latest degressions of commercial RHI tariffs for small biomass and for domestic RHI for biomass.

Full details are available:

[http://www.gshp.org.uk/RHI\\_Commercial.html](http://www.gshp.org.uk/RHI_Commercial.html)

[http://www.gshp.org.uk/RHI\\_Domestic.html](http://www.gshp.org.uk/RHI_Domestic.html)

You will see that the commercial tariff for GSHP is now well over twice the rate for biomass boilers. For Domestic RHI the tariff is nearly four times the biomass rate.

Big changes from a year ago!

Because the uptake of GSHPs has been less than DECC expected there is no threat to the level of tariffs for Ground Source Energy.

**Edward Thompson**  
**Ground Source Heat Pump Association**

t: 07780 678909

e: [edward.thompson@gshp.org.uk](mailto:edward.thompson@gshp.org.uk) w: [www.gshp.org.uk](http://www.gshp.org.uk)

## NEXT MCC NATIONAL EVENT

March/April 2016

The MCC are developing another event which will be aimed at all those involved with or wanting to get involved with GSH.

They are hoping to have secured a venue near Stone where Council member Dave Thompson has completed an installation which can be used as a demonstration.

More to follow as plans get ahead but if you would like to register an interest in the planning, attending or inviting delegates please contact Andrea on 01824 707777 or 07766 148193.

## Local Events

The MCC are wanting to get a local events programme underway so that all our members can benefit from a joint venture in promoting the industry in their region.

Council members and the MCC will be available for support .

They are also wanting to develop a network of 'Lunch and Learn' sessions.

To register an interest for your area/region please contact Sam on 01824 707777 or 07545 148882.

## **RHI Update - GSHPA notes from DECC Industry Advisory Group**

After the 25<sup>th</sup> November Government Spending Review, GSHPA reps have engaged with DECC to find out about their future plans for the Renewable Heat Incentive. The good news is that the RHI budget is increasing year-on-year until 2021.

- 2015-16: £430 million
- 2016-17: £640 million
- 2017-18: £780 million
- 2018-19: £900 million
- 2019-20: £1010 million
- 2020-21: £1150 million

DECC want an equivalent of 500,000 Renewable Heat (RH) installations by the end of 2020-21. We note that the equivalent means that most of the budget will probably be spent on the Non-Dom RHI. We don't have any indication yet on the number of Domestic RHI this points at but I hope it is well over 200,000 domestic RH systems which would still be a tiny percentage of the total annual number of domestic heat installations which is over 1.5 million per annum.

DECC indicated that they want to realise multiple objectives from the RHI budget including both carbon and fuel poverty. These tend to be competing needs so I anticipate that RHI spend will mainly go on Non-Dom, large domestic properties and social housing (to realise some fuel poverty objectives).

DECC said that they want to reform RHI to improve value for money, reduce costs and improve cost control and said that it's going to need bold and radical reform to improve budget management.

They'll be holding meetings with industry in due course. They also want to provide as much certainty as possible (certainty is their word for pre-approval) but will have a budget cap mechanism and they will tighten cost control mechanisms in the scheme. Due to state aid restrictions, there will be no bold radical changes until 2017. For April 1<sup>st</sup> 2016, there will be a new budget capping mechanism. There will be a consultation early next year about changes in 2017, in the first quarter due to state aid approval timelines. DECC plan on reducing cost and carefully managing that RHI is on trajectory.

During the meeting, GSHPA noted that the scheme is far too complicated and a process audit is required (to simplify it). DECC need to employ experts not consultants when evaluating technologies. The handling of cap is very important.

***Notes provided by David Matthews of GSHPA***



*And Finally .....*

Should you get bored over the Festive Season follow the link and have a go at the crossword below – apparently designed for children studying Energy and it actually mentions geothermal! Welcome your comments! *(The link may not work on a Mac – just copy and paste into the search bar).*

[http://ulsafetysmart.com/files/content/pdf/BillNye\\_Energy\\_Activity\\_10.pdf](http://ulsafetysmart.com/files/content/pdf/BillNye_Energy_Activity_10.pdf)

And if you get stuck visit

[http://www.ducksters.com/science/environment/geothermal\\_energy.php](http://www.ducksters.com/science/environment/geothermal_energy.php)

*Wishing all GSHPA members a very Happy  
Christmas and Prosperous New Year.*

*Here's hoping that 2016 is the Year of the Heat Pump!*