

RHI LEGACY INSTALLATION PAYMENTS

With the introduction of the RHI happening in Spring 2014, there needs to be some clarity on what happens with legacy payments for existing MCS installed and approved heat pump systems.

First and foremost the RHI will only apply to the retrofit sector, and be paid to the owner of the system. The scheme will cover single domestic dwellings and will be open to owner-occupiers, private landlords, Registered Providers of Social Housing, third party owners of heating systems and self-builders. It will not be open to new build properties other than self-build. Anybody installing a heat pump after the property has been occupied and the previous form of heating has been removed, would therefore be deemed 'retrofit'.

Before applying for RHI support, all applicants, including legacy applicants, will need to ensure that:

1. A Green Deal Assessment (GDA) has been carried out to find out which energy efficient measures are cost-effective for the property.
2. Loft insulation (to 250mm) and cavity wall insulation have been installed where these measures are recommended by the GDA.
3. Where the GDA shows the required loft and cavity wall insulation is yet to be installed, an updated Energy Performance Certificate (EPC) is obtained following installation, as proof of installation (or valid evidence is provided proving why installation was not feasible).

Owners of renewable heating systems installed between 15th July 2009 and the scheme launch (legacy applicants) will be able to apply to the scheme providing they meet all of the eligibility requirements. The only exceptions to the eligibility criteria are as follows:-

- The installation will need to meet the Microgeneration Certification Scheme (MCS) standards that applied at the time of installation, rather than current standards.

Heat pumps installed before the launch of the scheme will be given a default Seasonal Performance Factor (SPF) of 2.5. This is deemed to be the minimum renewable heat pump figure according to the EU Renewable Energy Directive.



Applicants can arrange a full assessment by an MCS installer to demonstrate a higher rating if they wish. Legacy applicants, whose systems may have been installed several years ago, could also use the period before the launch of the scheme as an opportunity to have a system 'health-check' from a qualified installer.

To manage the large volume of legacy applications, payments will be in phases after the launch date of the scheme. Phasing information and dates have yet to be confirmed but the intention is currently to let owners of legacy installations that have not received funding through RHPP apply first. RHPP participants are likely to be in the next phase, and may be staggered based on when funding was received. There will also be a cut-off date for applications to be made.

Irrespective of when heat pumps were installed, payments will not be retrospective, and will only begin when approval of RHI is granted.

All scheme participants will be required to regularly confirm their on-going eligibility to receive payment under the scheme. This means completing an annual declaration which will include confirmation that:

- The system is still in use and meets the requirement of the scheme.
- The system is in working order and being maintained in line with manufacturer's instructions.
- The current recipient is still entitled to the payments in relation to this system.

If the declaration is not completed, or the participant no longer meets the scheme requirements, then the participant is no longer eligible and payments will stop.

Both DECC and Ofgem are still working to finalise points on the RHI and to get out full dates and procedures of how legacy applicants can claim for the RHI, and the different phases in which people can apply. As and when we have the information this will be distributed out.

Information on the scheme's requirements is available on DECC's website www.gov.uk/decc. Anyone interested in applying can contact the Energy Saving Advice Service (ESAS) in England and Wales on 0300 123 1234, and Home Energy Scotland in Scotland on 0808 808 2282 in Scotland for further advice. Ofgem will publish detailed guidance on how to apply before the launch of the scheme, which will be available on their website ofgem.gov.uk.

