



The Renewable Heat Incentive

All Energy 2010

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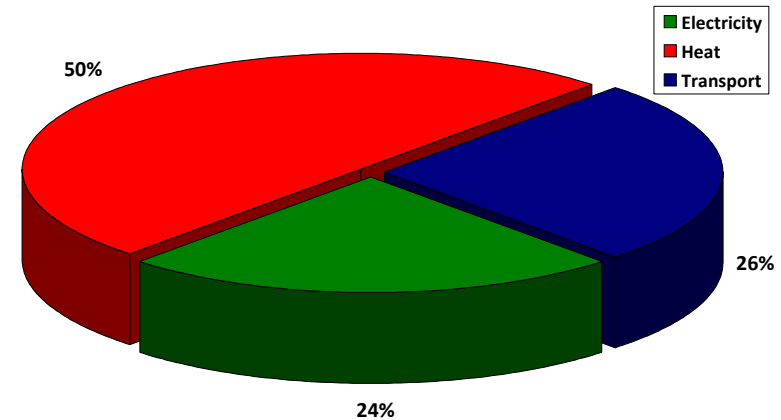
Introduction

- “Clean energy cash-back” for Renewable Heat installations
- Tariff levels to provide a 12% rate of return
 - 6% for solar thermal
- RHI first scheme of its kind in the world
- Start date 1st of April 2011
- Grant support being phased out

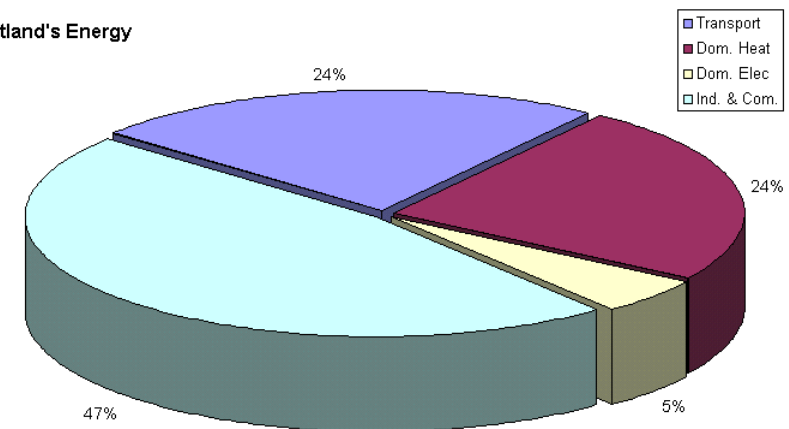
Why is it being created?

- 50% of all energy used in Scotland for heat.
- 2020 targets
 - 11% target for renewable heat by 2020
 - 42% CO₂ emission reduction
 - “no-one in Scotland is living in fuel poverty” (2016)
- Currently only 1.4% of heat in Scotland is renewable

Make up of Energy Usage in Scotland



Scotland's Energy



Who is eligible to receive the payments?

- Projects coming online after 15th July 2009
- Technologies
 - Biomass (excluding open fire places and stoves)
 - Bioliquids (<45kW)
 - Biogas (e.g. Anaerobic Digestion)
 - Heat Pumps (Air, Ground and Water-source)
 - Solar Thermal
 - Renewable Combined Heat and Power (CHP)
 - Renewable District Heating
 - Renewable % of Energy from Waste (EfW)
- MCS or equivalent installations and equipment
- Technology Standards

How will it work?

- Different payments for each technology and scale of installation
- Payments made to the technology owner
- Calculating payments for eligible installations
 - Medium and Small installations to be deemed
 - Calculating heat load
 - Small-scale
 - Medium-scale
 - Large installations metered
- Payments will be made by energy suppliers
 - Fossil Fuel Levy
- Fixed levels of support
- Degression

Potential Issues

- Technology Bands
- Up front capital finance
 - Opportunity for all to engage with the scheme
- Lack of MCS accredited installers
 - Only 58 MCS accredited installers in Scotland
- Equipment accreditation
 - High capital cost due to costly nature of current accreditation
- No confirmed funding scheme announcement
- Repayment of grants
 - Not for domestic installations
- Change of Government
 - Supportive whilst in opposition
- Developing heat loads
 - Phased developments

Further Information

Renewable Heat Incentive

<http://www.decc.gov.uk/en/content/cms/consultations/rhi/rhi.aspx>

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Thank You