



## The Government has announced generous financial incentives for households to switch to renewable heating\*

Thanks to these new cash payments, homeowners will now be able to reduce heating bills by **up to 40%** AND cover the costs of renewable energy heating systems.

**EnergyMyWay** provides comprehensive advice on the best renewable heating option for your property and assists you to claim your **Renewable Heat Incentive payments**.

### HEADLINES

- Payments will be made to households in return for installing renewable heat technologies.
- The payments will be rewarded for 7 years, index linked and tax-free.
- The annual payments will come in from April 2014 and vary according to the technology:

Air Source Heat Pumps	7.3p per kWh	Biomass Boilers	12.2p per kWh
Ground Source Heat Pumps	18.8p per kWh	Solar Thermal	19.2p per kWh

- Households that are off the gas grid will particularly benefit from the substantial fuel cost savings over the alternatives of oil, LPG and coal.
- The current one-off payment scheme, the Renewable Heat Premium Payment (RHPP), will remain until end March 2014.

### KEY ELIGIBILITY CRITERIA – NEW INSTALLATIONS

- Payments will be for single domestic dwellings only and open to Owner-occupiers; Private landlords; Social landlords; Third party owners of heating systems and Self-builders. New build properties other than self-build are not included.
- All installations must be MCS compliant and biomass boilers must also meet certain emissions criteria.
- A Green Deal Assessment (GDA) will be required to ensure houses meet the minimum energy efficiency requirements of loft and cavity insulation.
- Any public grants previously received, including RHPP, will be deducted to avoid a double subsidy.
- Tariffs will be reduced over time for new applications to the scheme, although once secured the tariff is locked-in for 7 years.

### OTHER CRITERIA – installations completed by 15<sup>th</sup> July 2009 and 31<sup>st</sup> March 2014

- The scheme will be open to those who installed an eligible technology since 15<sup>th</sup> July 2009, provided they met the scheme criteria – applications will be phased in over time.

### CALCULATING THE PAYMENT

Payment calculations will vary depending on the technology installed:

- **Biomass Boilers:** Payments will be based on the estimated heat demand in an Energy Performance Certificate (EPC).
- **Heat Pumps:** Payments will be based on the estimated heat demand from an EPC combined with an estimate of the heat pump's efficiency – see case study overleaf.
- **Solar Thermal:** Payments will be based on the estimate of performance on the Microgeneration Certification Scheme (MCS) Certificate.

There will be **an extra incentive** for applicants who install metering and monitoring service packages, of **£230 per year** for heat pumps and **£200 per year** for biomass boilers.

\*Subject to State Aid Clearance and Parliamentary Approval.

**Please note:** The Domestic RHI scheme is complex and whilst summarised here, this information should not be relied upon without taking detailed advice from **EnergyMyWay**. This document is also issued subject to the details of the arrangements for claiming the RHI, which are due to be announced prior to implementation of the scheme in April 2014.

**EnergyMyWay** will provide detailed recommendations on the appropriate technology and size of system required for your individual property. Recommendations will follow a **FREE survey**, which will include assessing the suitability of the property and establishing your heating requirements.

The case studies below provide examples of the returns you can expect:

### 35kW Biomass Boiler Installation

Large rural farm house currently running on oil		
Nature of Installation	35kW Effecta Komplett II	
Cost of Installation	£25,000	including VAT at 5%
Fuel Saving in comparison with oil	£918	Heat demand (EPC): 62,620kWh p.a.
Payments due from Domestic RHI	£5,460	This is taken from the estimate of heat and hot water usage in the EPC
ANNUAL INCOME FOR YEARS 1-7	£6,378	This does not take into account the annual indexation of the RHI payments nor possible rises in the price of oil.



### 25kW Air Source Heat Pump Installation

5 bedroom barn conversion currently running on oil		
Nature of Installation	25kW Earth Save Products	
Cost of Installation	£17,990	including VAT at 5%
Fuel Saving in comparison with oil	£865	Heat demand (EPC): 33,685kWh p.a.
Payments due from Domestic RHI	£1,557	The total heat demand from the EPC is 33,685kWh, the heat pump efficiency assumed to be 3.0, therefore, two thirds of 33,685 = 22,456 multiplied by 7.3p
ANNUAL INCOME FOR YEARS 1-7	£2,422	This does not take into account the annual indexation of the RHI payments nor possible rises in the price of oil.



**EnergyMyWay** is MCS Accredited for the installation of:

Biomass Boilers • Ground Source Heat Pumps • Air Source Heat Pumps • Solar Thermal

Approved partners of:



For advice on how to ensure you benefit from the **Renewable Heat Incentive**

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