



Summary of Key Aspects of the Renewable Heat Incentive Scheme **-with regard to Wood Pellet Systems**

1. Commercial and Public Sector Customers.

- The RHI will be available for all wood pellet heating systems commissioned since 15th July 2009.
- The system must be accredited with Ofgem, who will oversee all payments and compliance.
- The scheme commences following Parliamentary approval and successful accreditation.
- It is paid quarterly, on receipt of heat usage data, for 20 years. It will be adjusted for RPI.
- All installations must have calibrated heat meters.
- Back-up heating systems are allowed, but must not feed heat in via the heat meter.
- Any boiler under 45kW, and its installer, must both be MCS accredited (Microgeneration Certification Scheme).
- Any installation that has received grant-funding must repay the funding before claiming RHI.

Tariff bands are as follows:

Installations	<200kW	7.6p/kWh first tier	1.9p/kWh second tier
	200kW-1MW	4.7p/kWh	1.9p/kWh
	>1MW	2.6p/kWh	

The first tier applies for up to 1314 hours of the boiler running at its full capacity – 15% of overall time. The second tier is for all heat generated beyond this. The second tier is set below the marginal cost of fuel, to prevent deliberate energy wastage.

For example:

A 100kW boiler generating 200,000kW annually will claim $(1314 \times 100 \times £0.076) + (68,600 \times £0.019) = £11,289.80$ pa. This equates to approximately 45T of wood pellet fuel, which might currently cost approximately £8500pa.

A 600kW boiler generating 2,000MW annually will claim $(1314 \times 600 \times £0.047) + (1,211,600 \times £0.019) = £60,074$ pa. This equates to approximately 450T of wood pellet fuel, which might currently cost approximately £78,000pa.

2. Domestic Customers

- Domestic installations are defined as single private dwellings only.
- Commercial activities such as B&Bs, or district heating systems, will be treated under the commercial arrangements above.
- Domestic installations will only become eligible for the RHI from October 2012.
- The RHI rates and arrangements will then be the same as for commercial installations above.
- In the meantime, new domestic installations can apply for a grant of £950 towards installation of a boiler.
- This is probably only for those currently not on the gas network – details will be published in May 2011.

BILLINGTON BIOFUELS
a division of Edward Billington & Son Ltd | Cunard Building | Liverpool | L3 1EL
Tel +44 (0)151 243 9047 | biofuels@ebsgroup.co.uk
Co Reg No 59883 | VAT Reg no 618 8406 23