



Thursday 23rd of April 2020 | Posted In: Generate, Generating energy, Renewable energy, Biofuels

How to secure a tariff guarantee

The most recent Renewable Heat Incentive (RHI) tariff depression occurred on the 31 March 2020, reducing the tariff on ground/water source heat pumps (over 100 kWth) by 10% and the next potential depression will be on the 30 June 2020.

You can secure tariff on a project before it is commissioned with a tariff guarantee. Tariff guarantees are available for any size solid biomass Combined Heat and Power (CHP), geothermal and biomethane technology along with biomass over 1 MWth, biogas over 600 kWth and ground/water source heat pumps over 100 kWth.

Installations that receive a tariff guarantee must be installed, commissioned and heat used in the eligible use by the 31 January 2021. If you are installing or planning to install any of these eligible technologies, a tariff guarantee application may be right for you to avoid any potential depression.

Update 01 May 2020...

New opportunities announced for Non-Domestic Renewable Heat Incentive (RHI)...

The recent announcement about RHI extensions gives those who are installing or wish to install renewable technology on the RHI Scheme greater time and options. There are two major changes:

1. Those with a deadline under the second round of tariff guarantees to commission installations by the 31 January 2021 can now commission as late as mid-march without penalty. An exact date is yet to be announced.
2. Those without an existing tariff guarantee yet, a fund allowing the third round of tariff guarantees to be issued has been announced. Although no information on how much is available has been made public yet.

Those who successfully get a tariff guarantee in the third round will have until the 31 March 2022

to commission their installation. However, payments for all accreditations will start from the submission of your Stage 2 tariff guarantee application so if you don't commission until the 31 March 2022 you will have a reduced RHI lifetime as you will have "lost" the time between Stage 2 and commissioning. This is not much of a disincentive when you consider the payback achieved by some installations, but it is still something owners need to understand and consider.

How to apply

If you are looking to secure a tariff for an eligible installation that you are planning to install, a "properly made" application comprising of Stages 1 & 2 of a tariff guarantee will need to be submitted and approved by Ofgem. The date of submission of Stage 1 will be the tariff that you will be locked into. A "properly made" application will require the following:

Stage 1 Technical Requirements

- Planning permission and necessary environmental permits
- Capacity and efficiency of the installation
- Date of commissioning
- A description of the site and what the heat is used for

Stage 2 Financial Commitment Requirements

- Financial report to an ISAE3000 standard
- Project costs and quotations
- Proof of funding for the project

We have processed many of these applications and can help to fully guide you through this process. If you would like to talk about this opportunity give us a call on 024 7669 8899 to discuss your project.