

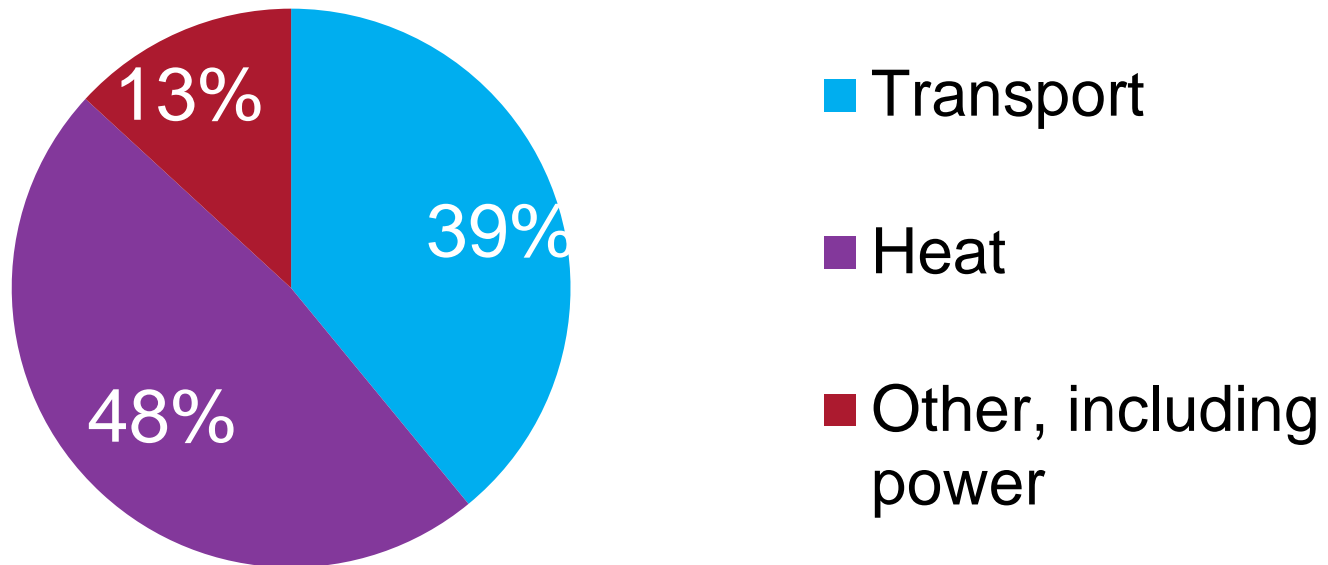


# Decarbonising Heat Supply

How is the RHI helping us meet the challenge?

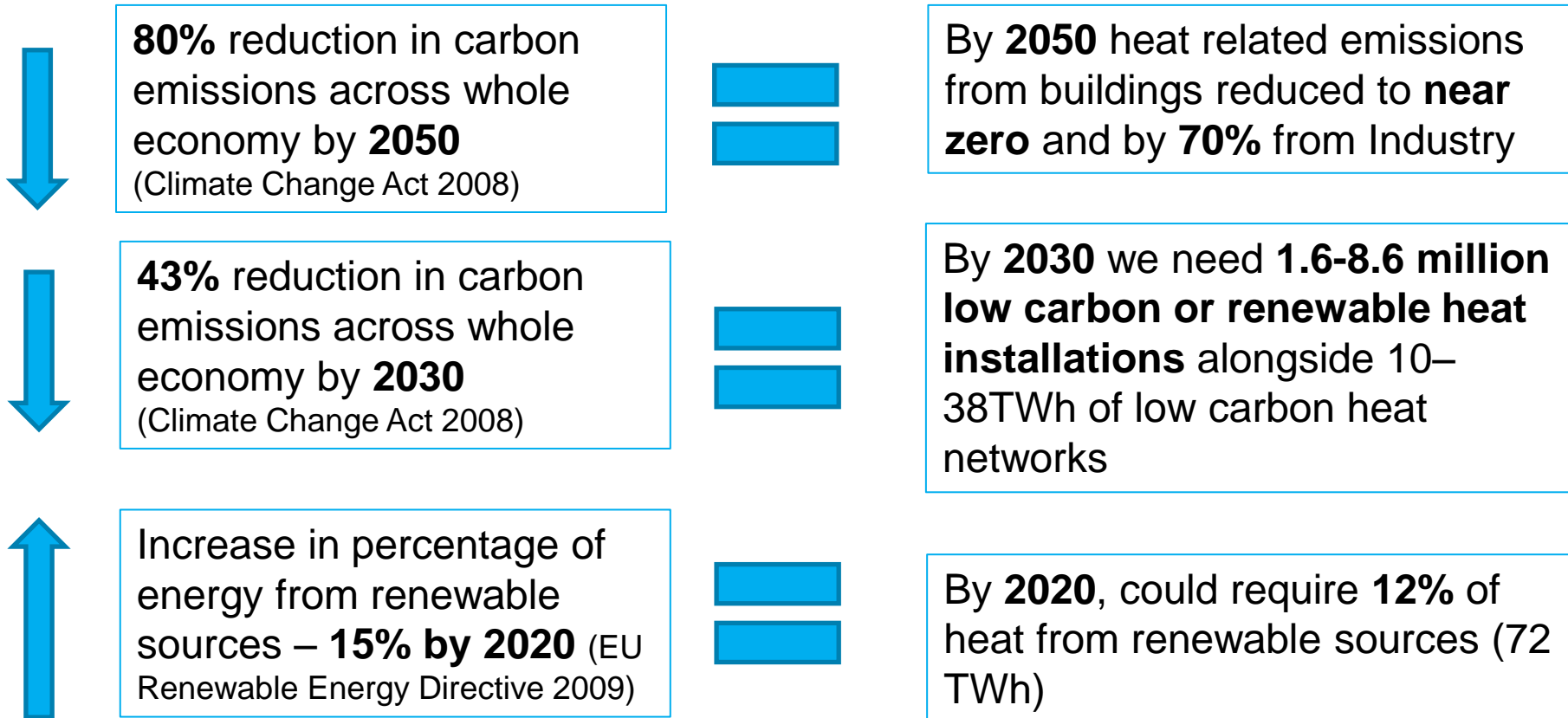
# UK energy use is driven by the need for heat, and heat is largely supplied by gas....

**Energy Usage for Heat, Transport, Other: 2014**



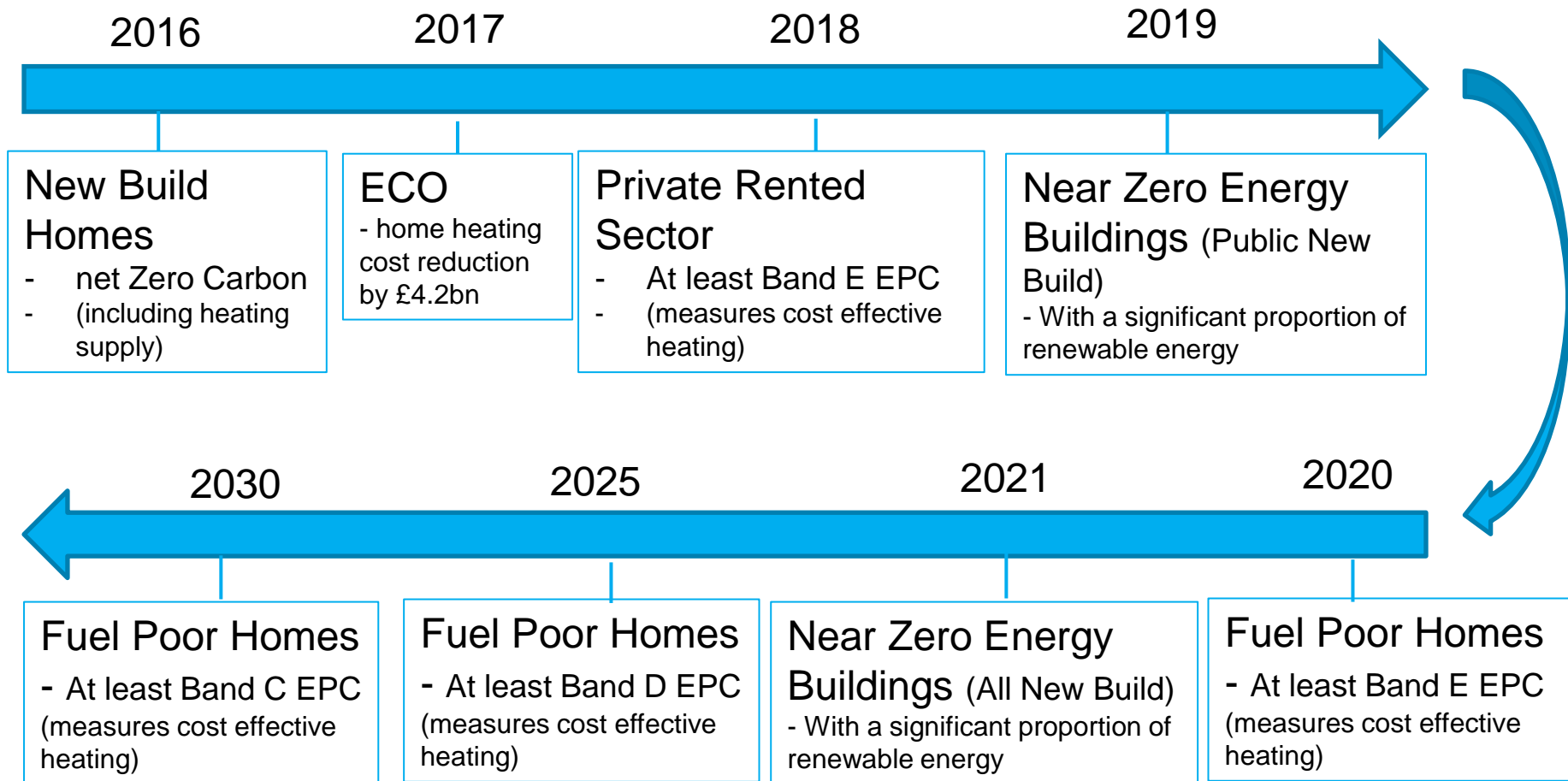
- UK has the most extensive gas grid in Europe, covering c80% of houses
- UK has largest market for gas boilers in Europe, around 1.6 million installed in homes each year

# So it is key to tackling carbon emissions reduction and increasing renewable energy, especially in industry and buildings...



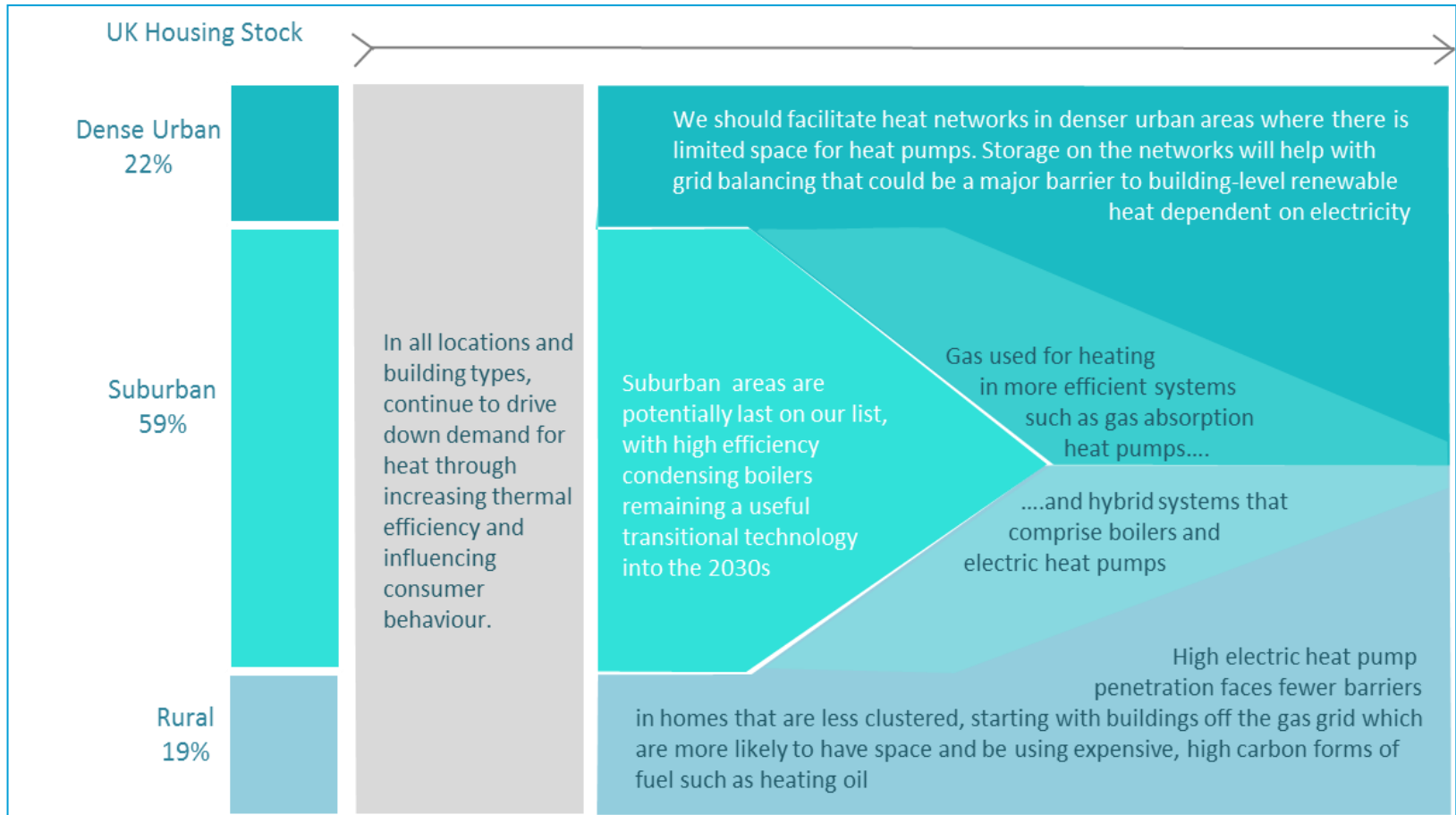


# ... alongside helping meet targets for improvements in the energy performance of buildings





# Buildings can be virtually zero carbon by 2050; but need right solution for right location and building type





# UK Housing stock heating by tenure\*

\*Source – English Housing Survey

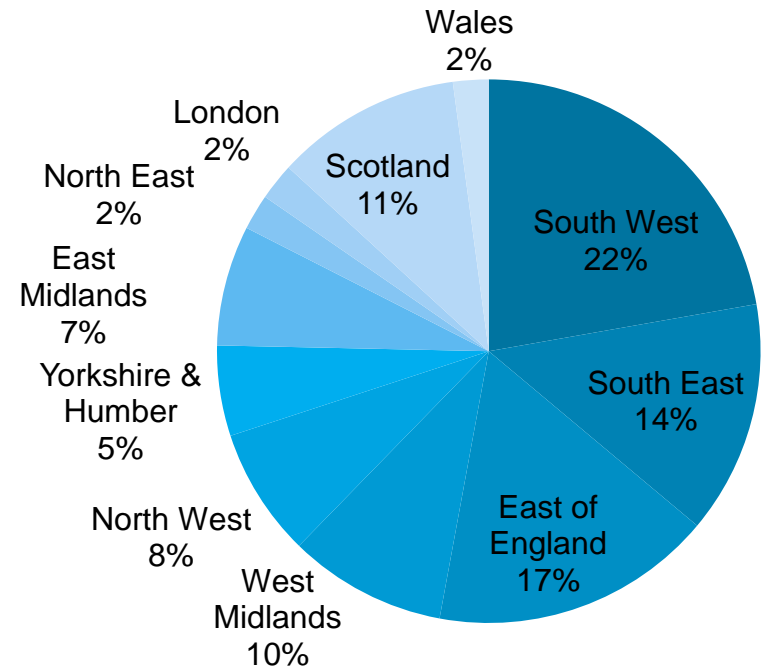
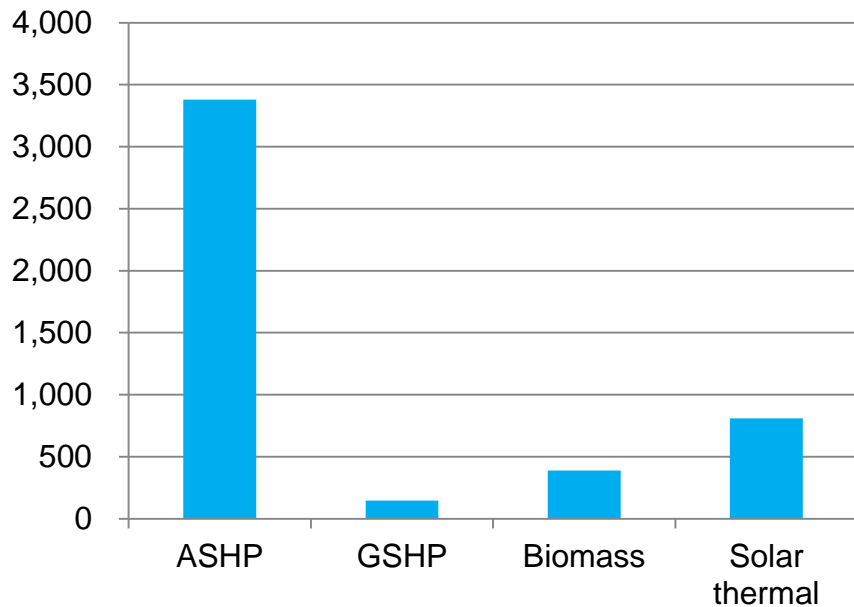
	Biomass	Bottled LPG	Bulk LPG	Electric	Gas	Oil	Unknown	Total
HA's			509	298,125	1,618,417	20,450	104,247	2,041,748
LA's			2,394	129,811	1,511,124	2,263	129,450	1,775,042
Owner Occupied		19,717	74,984	833,449	12,508,004	569,849	776,765	14,782,768
PRS	905	8,378	7,702	764,991	3,097,625	95,192	143,915	4,118,708
<b>Total</b>	<b>905</b>	<b>28,095</b>	<b>85,589</b>	<b>2,026,376</b>	<b>18,735,170</b>	<b>687,754</b>	<b>1,154,377</b>	<b>22,718,266</b>

	Biomass	Bottled LPG	Bulk LPG	Electric	Gas	Oil	Unknown	
HA's				15%	79%	1%	5%	
LA's			1%	6%	85%	4%	5%	
Owner Occupied				19%	75%	2%	3%	
PRS				19%	75%	2%	3%	
<b>Total</b>				<b>9%</b>	<b>82%</b>	<b>3%</b>	<b>5%</b>	



# RHPP Social Landlord Competitions

- 7,500 installations supported through RHPP competitions for RSLs
- Estimated annual heat generation of 67.3 GWh from these installations



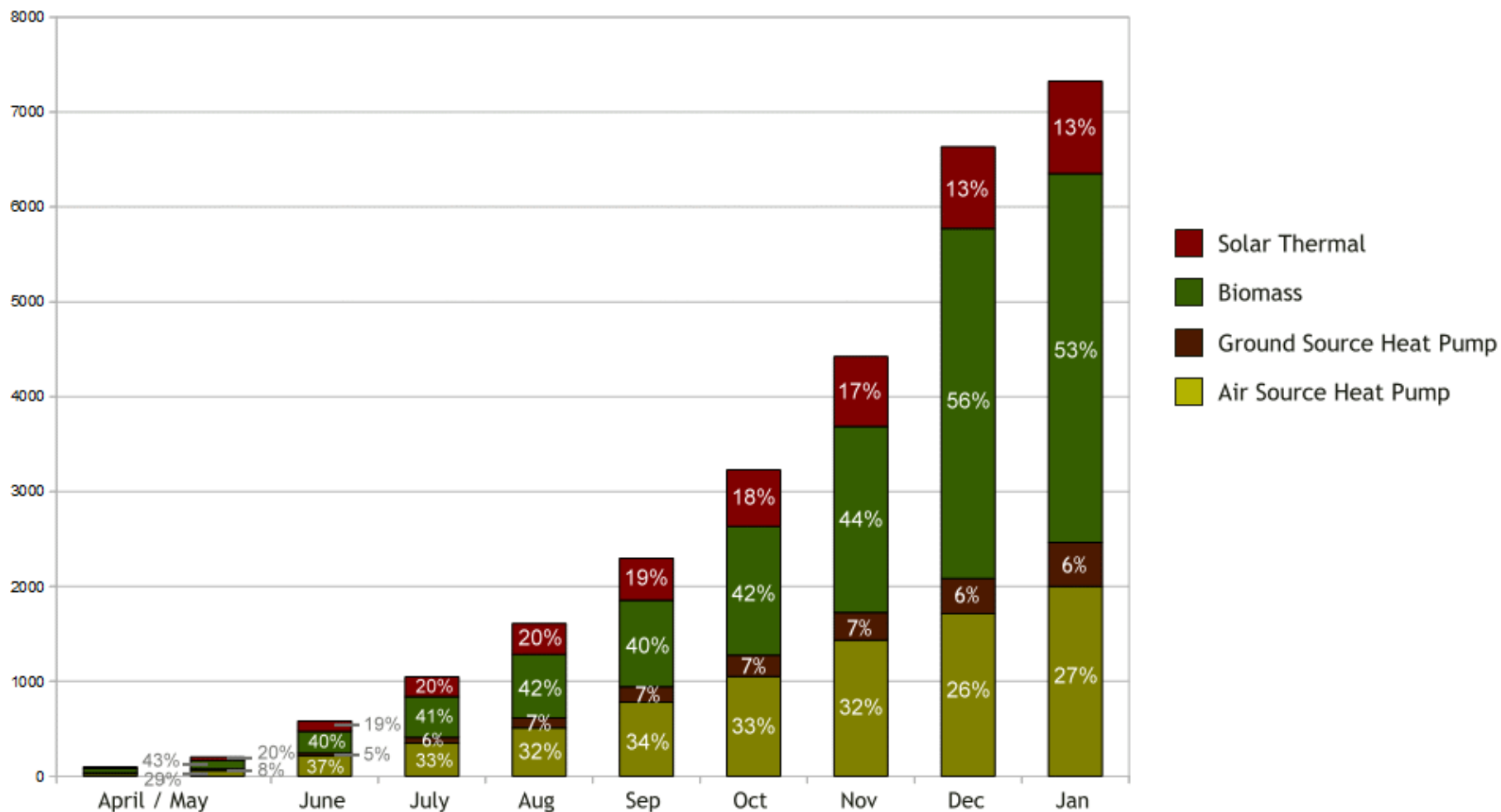


# The Domestic RHI

- Launched in April 2014 – Now over 25,000 accredited installations
  - Spread of technologies supported – biomass strong at present
- Mostly individual homeowners but some social housing projects starting to come through
- Third party funding models are working – Lombard for RSL's
- Minor changes to the regulations have recently been approved
  - No need for a Green Deal Assessment for Registered Providers
  - Changed eligibility rules for certain stoves and heat pumps
- All “legacy” installations must apply before April 8<sup>th</sup> or lose the chance



## New Domestic RHI Applications by Technology (Cumulative)



Thanks to [greenbusinesswatch.co.uk](http://greenbusinesswatch.co.uk)



# Things to think about

- Domestic RHI scheme is performing well
  - Biomass particularly strong – 20% tariff reduction in April
- Non domestic RHI providing funding for communal and district heating schemes – often with ECO
  - Over 2GW of installed capacity in the non domestic scheme
- Third party ownership models are helping to push the market forward
- Biomass sustainability rules come into force from October
  - Mandatory reporting for all participants - BSL
- Funding for the RHI is committed until March 2016
  - RHI funded from general taxation not the LCF
- New funding will depend on a CSR after the General Election



# Thank you!

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