RENEWABLE HEAT INCENTIVE (RHI) SCHEME

Introduction
Increasing renewable heat is key to the UK meeting its renewable energy targets, reducing carbon emissions, ensuring energy security and helping to build a low carbon economy.

The introduction of the Renewable Heat Incentive (RHI) scheme by the UK Government is intended to increase significantly the proportion of heat that is generated from renewable sources. By encouraging a switch from fossil fuels, this will contribute towards the UK’s wider carbon reduction goals. The RHI is intended to compensate for the higher cost of renewable heating technologies, which will help make renewable heating an option for all.

Eligible biomass installations
In order to be eligible to claim the RHI, equipment must be:
- a new installation;
- first commissioned on or after the 15 July 2009;
- generating heat for an eligible use (see below); and
- metered output.

Eligible uses of heat
The RHI will only support ‘useful’ heat. This is defined as follows:
- Heat supplied to meet a justifiable heating requirement;
- Load should be an existing or new heating requirement i.e. not created artificially, purely to claim the RHI; and
- Acceptable uses are space, water and process heating

Payments
RHI payments will:
- only be made to the ‘owner’ of the biomass installation through an application made directly to Ofgem;
- be calculated by multiplying the appropriate tariff by the amount of eligible heat; and
- be made over a period of 20 years on a quarterly basis following the submission of the required periodic information.

Tariff (For non Domestic installations accredited on or after 1/10/2016)

<table>
<thead>
<tr>
<th>Tariff name</th>
<th>Eligible size</th>
<th>Tier 1 rate (pence/kWh)</th>
<th>Tier 2 rate (pence/kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small biomass</td>
<td>Less than 200kWh</td>
<td>3.1</td>
<td>.82</td>
</tr>
<tr>
<td>Medium biomass</td>
<td>200kWh and above; less than 1,000 kWth</td>
<td>5.24</td>
<td>2.27</td>
</tr>
<tr>
<td>Large biomass</td>
<td>1,000 kWh and above</td>
<td>2.05</td>
<td></td>
</tr>
</tbody>
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Tier 1 is on output below the Tier Break; Tier 2 is on output above the Tier Break

Tier Break (annually) = installed capacity x 1,314 peak load hours

Highlights
The UK government has introduced the RHI scheme to encourage the switch to heat generated by renewable sources. This subsidy applies to qualifying biomass installations:
- Up to 5.24p paid per kWh of useful heat
- Heat output to be metered and the support calculated from the amount of eligible heat, multiplied by the tariff level
- Tariff is dependent on the size of boiler
- Installations over 45kW do not require certification under the Microgeneration Certification Scheme (MCS) to qualify
- Payable to owner of the equipment
- Payable on a quarterly basis, guaranteed for 20 years.
- Immediate eligibility (equipment commissioned on or after 15 July 2009)

Example – Small biomass
A qualifying 230kW biomass installation in a school. Assumed operation - 10 hrs per day; five days per week; 35 weeks per year. Assumed generation of 349MWh of useful heat per annum from 71 tonnes of wood pellet. Approximate installed capital cost £75k:

RHI calculation:
Tier break = 230 x 1,314 = 302,220 kWh
Tier 1: 302,220 @ 5.24p = £15,836
Tier 2: 46,780 @ 2.27p = £1,062
349,000 £16,898

If generated evenly throughout the year, payments will be received of £4,224.50 per quarter

Fuel costs:
71 tonnes of pellet x £210 per tonne* = £14,910

Benefit:
Energy costs covered AND £1,988 cash benefit* AND, assuming no change in fuel price, every year for 20 years.

*based on typical fuel price at January 2016
Ashwell Biomass - your RHI partner
Ashwell Biomass is one of the UK’s leading biomass boiler manufacturers and installers of biomass heating and hot water solutions, with over 400 installations in the UK.

Ashwell Biomass work with you to design, manufacture, install and service your RHI qualifying installation.

With our full engineering facility and in-house fabrication expertise, we will deliver a solution bespoke to your specific needs.

Our Boiler Ranges

The Ashwell GreenTec wood pellet boiler range is manufactured in-house in Leicester. The boilers are Clean Air certified (models 150kW and above) and, being of modular design, offer an extremely versatile configuration of fuel feeds along with a much reduced footprint compared to the majority of biomass boilers. These RHI compliant pellet boilers are available over a range of outputs from 150 kW to 300 kW.

Ashwell Biomass is the exclusive UK distributor of this comprehensive range of biomass boilers. The D’Alessandro boiler range is manufactured in Italy to ISO9001 quality standards and boilers are EN303/5 compliant where applicable. With boiler outputs ranging from 60kW to 2MW and versatility over a large range of fuel types, including wood pellet and wood chip D’Alessandro boilers are suitable for most applications.

Ashwell Biomass are UK distributors and installers of the Kalvis boiler range. Kalvis provide a range of boilers including the RHI and MCS approved K10 log gasification boiler and the versatile M-1 industrial biomass boiler, which can handle a wide specification of wood chip fuel, including low quality, high moisture content fuel. With a focus on quality Kalvis are accredited under a number of environmental and quality standards including ISO 9001, ISO 14001 and OHSAS 18001.

Ashwell Biomass is the exclusive UK distributor and installer of the Komforts boiler range. Komforts provides a range of bespoke boilers and complete boiler house solutions to provide hot water, steam and CHP. The advanced systems are individually manufactured to ISO9001 quality standards and are more suited to medium and large scale industrial/commercial solutions. Available output range from 500kW to 8MW.

Ashwell Biomass are the exclusive regional partner for the KWB boiler range across Central England and Wales. The KWB biomass boiler range is manufactured in Austria and are quality products which satisfy the strictest European standards, tests and regulations including EN303-5. All KWB boilers have RHI emissions certification with their domestic biomass boilers also being MCS approved. With boiler outputs ranging from 8kW - 300kW and a versatility over a range of fuel types, the KWB boilers are suitable for a wide range of domestic and commercial applications.

Accreditations

Containerised Bio Heat Cabins
A cost effective boiler house and fuel store solution with shorter lead times and lower costs for planning. They are complete boiler houses incorporating boiler, pumps, pipe work, fuel stores and electrical connections.

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