



Briefing 13/15 May 2013

Renewable Heat Premium Payment (RHPP) scheme

To: All contacts

Key issues

Funding available for local authorities and housing associations for renewable energy technology.

Specific grants available for different technologies

Separate arrangements for Northern Ireland.

1. The Competition

The Department of Energy and Climate Change (DECC) has launched a new £6million competition aimed at getting renewable heating kit into the homes of social tenants across Great Britain. The competition, part of the extended Renewable Heat Premium Payment (RHPP) scheme announced in March this year, is set up to provide support for registered social housing providers to install heat pumps, solar thermal panels and biomass boilers.

The intention is to provide a prompt for social landlords to invest in renewable heat projects and so install new equipment, supporting the use of alternative heating systems as opposed to the traditional ones and to help save money on energy bills. Local authorities can enter the competition. There will be a particular focus on off gas areas.

DECC's ambition for these competitions is to extend the reach of the competition to landlords who have not applied in the past and to incentivise community engagement in landlords' renewable heat plans.

2. Background

The 2009 Renewable Energy Directive set a target for the UK to achieve 15% (up from 3%) of its energy consumption from renewable sources by 2020 requiring changes to the way energy is generated and used for electricity, heat and transport. The government states that increasing the amount of energy the UK gets from low-carbon technologies such as renewables and nuclear, and reducing emissions through carbon capture and storage (CCS), will help to make sure the UK has a secure supply of energy, reduce greenhouse gas emissions to slow down climate change and stimulate investment in new jobs and businesses. Renewables will also have a crucial role to play in the UK energy mix in the decades to come, making the most of the UK's abundant natural resources.

To increase and accelerate the use of renewable energy in the UK, the government has introduced the Renewable Heat Premium Payment (RHPP) a scheme which gives one-off payments to householders, communities and social housing landlords to help them buy renewable heating technologies like solar thermal panels, heat pumps and biomass boilers. This is just one scheme amongst many which have been introduced to address this agenda such as the Renewables

Obligation, Feed-in Tariffs, Renewable Heat Incentive (RHI) and the Renewable Transport Fuel Obligation.

3. Bidding for funds

There are two competitions.

3.1. The **“Fast Track”** competition which has a standard timeline in line with past competitions and is intended for landlords who have pipeline projects ready to go. Unlike in previous years, there will be no limit to the amount of funding a bidder may request, subject to landlords’ bids complying with State Aid regulations.

Application open date – 2 May 2013

Close date – 12pm on 28 June 2013

Announcement of winners – w/c 15 July 2013

Evidence of planning permission submitted (if applicable) – 20 September 2013

Installations completed and claims submitted by – 31 March 2014

3.2 The **“Reach-Out”** competition will run on a slower timeline and is combined with a programme of events for interested landlords during Spring 2013. This competition is intended for those landlords who had previously thought the RHPP competition was not for them, who needed to find out more before committing and/or are in need of application advice/support. A funding cap of €200,000 (approximately £175,000) on the size of individual bids will be maintained for this competition to ensure a diversity of projects are funded

Application open date – 2 May 2013

Close date – 12pm on 27 September 2013

Announcement of winners – w/c 14 October 2013

Evidence of planning permission submitted (if applicable) – 20 December 2013

Installations completed and claims submitted by – 30 June 2014

Landlords may take part in both competitions if they so wish. There will be £3m available during each window.

The scheme will be run by the Energy Saving Trust and bids will be judged by a panel of experts on a range of criteria including value for money, fuel to be replaced, additional energy efficiency measures to be installed and plans to work with local communities. Social landlords already allocated money under previous rounds of this competition are eligible to apply for further funding for new projects.

DECC will host a number of events to help social landlords through the application process over the next few months. The first round of successful bidders under this competition will be announced in the summer. These events will support landlords who lack understanding of renewable heat technologies, help them consider their plans for renewable heat and support those often smaller landlords who may lack in-house resource and expertise.

Consortia of landlords who want to club together to pool their expertise/resources will be welcome although each landlord will be required to put in a separate bid. A reasonable level of consultancy fees to help landlords to develop their applications will be permitted. Those schemes with community engagement proposals of superior quality will receive merit in the assessment process.

4. Grant levels

The maximum grant levels which can be bid for under the two competitions are as follows

Technology	Maxima grant levels for Phase Two Extension
Air Source Heat Pumps	£4,400
Ground Source Heat Pumps	£7,900
Biomass	£6,100
Solar	£2,000

A list of FAQs drawn up by the EST can be found [here](#)

Further information and application forms can be found [here](#)

5. Arrangements in Northern Ireland

The Northern Ireland Renewable Heat Premium Payment (RHPP) scheme is designed to help domestic householders afford alternative renewable technologies that can heat their home and provide hot water. If your property is suitable, you can apply for funding from the scheme.

If you qualify, the Department of Enterprise, Trade and Investment (DETI) will provide you with a voucher. Once you have had one of the following renewable technologies installed in your property, this voucher can then be exchanged for grant money.

- Air source heat pumps
- Biomass-fueled boilers
- Ground source or water source heat pumps
- Solar thermal hot water

Air to air heat pumps, wood fuelled stoves (unless they are part of a system with a back boiler) and bioliquid fuelled systems are not eligible for this scheme.

How much are the grants worth?

Technology	Maxima grant levels for Phase Two Extension
Air Source Heat Pumps	£1,700
Ground Source or Water Source Heat Pumps	£3,500
Biomass boiler	£2,500
Solar thermal hot water	£320

Further detail can be found [here](#)

6. How to apply

Applications can be made online through the Energy Saving Trust or through DETI for Northern Ireland.

7. APSE Comment

There are many local authorities and housing associations that have invested in renewable technology to address issues of energy management and affordable warmth. As such this is no longer considered new technology although there are many other organisations that have yet to make this kind of investment and it is this group that these grants are aimed at.

The off-grid issue is an important one as the supply and cost of oil is a significant factor for those with limited options and this funding provides a further alternative.

There is of course a requirement to bid for the funds which includes the need to detail planning, financial and project management and community involvement. These skills must be honed to ensure available funds are taken up and used appropriately. The idea that having a viable scheme is enough to get a grant no longer applies in times of public sector cuts. Bidding for funds is a regular occurrence and building maintenance and housing staff need to apply relevant skills to access financial resources. The criteria included in the notes for the application forms provide a some useful guidance.

The paper notes that there will be organisations that do not have in-house expertise in renewable technology and states that a reasonable level of consultancy fees to help landlords to develop their applications will be permitted. APSE has expertise in this field and we have worked with a number of local authorities to bring their plans to fruition. We can be contacted to provide general guidance and consultancy support if required. Recent and current projects APSE is working on include solar retrofit in Wrexham, wind energy in Preston and biomass in Stockport. Contact Phil Brennan on 0161 772 1810 if you require further information.

Housing providers must remain aware of all sources of funding and take advantage of those which are appropriate. Renewable energy technology is reliable, robust and tackles issues of affordable warmth and is commonplace in many areas. However those organisations that have yet to invest in it should look to do so.

Phil Brennan
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