

# The industry speaks out...

On pages 24-25, **LGN** presented the fundamentals of the Renewable Heat Incentive (RHI) and Feed-In Tariffs (FiTs). Here, the industry gives their feedback on the two schemes.



The RHI is a very important development for the heating industry as a whole and vital for the prospects of growing the market in 2011.

The first phase of the scheme is good news for the industrial, commercial and public sectors, as it will encourage installers in these areas to promote renewable heating technologies and energy efficient heat emitters, such as fan convectors.

However, it is unfortunate that we will have to wait until the second phase of the scheme, and the introduction of the Green Deal in October 2012, before the domestic benefits of the initiative are revealed.

It is also disappointing that air source technology will not attract the RHI payment until at least the second phase of the scheme. While a one-off grant is available if the installer and the product is MCS certified, there is no payback on fuel bills included in the first phase, due to it focusing on non-domestic installations.

Hopefully this will be looked at again in the future, as an air source heat pump can take a property from Level 3 to Level 4 of the Code for Sustainable Homes.

*Jim Bennett is sales and marketing director at Smith's Environmental Products.*

The long-awaited introduction of the RHI is a much-needed fillip for the social housing sector. Because the upfront payments and the tariff, will be made to the owner of the system, and equipment, it will provide an added incentive to social housing providers to install renewable technologies, such as air-to-water heat pumps in their properties.

These technologies are a vital weapon in the battle against fuel poverty and the RHI will help them to offer their tenants energy efficiency savings resulting from the installation of a renewable

technology.

This will enable them to make significant running cost savings, compared with traditional fossil fuel heating systems.

Air-to-water heat pumps are a particularly attractive option in off-gas areas, which make up a high proportion of social housing, as they qualify for RHI payments, are compact, requiring little outdoor space, and do not require storage facilities unlike oil or biomass.

*Andrew Crown is commercial manager, heating and renewables, for Daikin UK.*



It is, of course, a concern that the Government has chosen to cut tariffs to the over 50kW sector, however smaller household installations will not be affected until at least April 2012 and so consumer uptake will continue to be encouraged and rewarded.

In fact, with the recent increase in tariffs in line with inflation, photovoltaic tariffs will never be higher than in the next twelve months, so there is a window of opportunity to invest in these systems in the coming months and to achieve a maximum return on investments.

The Government's £850 million investment in the RHI bodes well

for the future of renewable energy in the UK and represents a significant incentive to businesses and householders - particularly if the prices of traditional sources of energy continue to rise at their current rate.

However, the Government's two-phase approach has introduced additional levels of complexity to the scheme, which are likely to make a fully integrated 'multi technology' approach to specifying renewable energy solutions more advisable and beneficial in the future.

*Shaun Taylor is managing director of SolarTech Ltd.*



It is great news for the commercial sector that the RHI is starting in July 2011, although the FiT is less than originally proposed.

We support the tariff split for biomass boilers which means that about two-thirds of the total demand will enjoy a higher tariff.

We are surprised that air source heat pumps are not going to be considered until October 2012 and question the RHI's coefficient of performance (COP) target level for ground source heat pumps. Set at greater than 2.9, it contradicts the Microgeneration Certification Scheme's (MCS) requirement of 3.5 for heat pumps less than 45kW and the minimum level of 4.0 for the Enhanced Capital Allowance Scheme.

*Peter Frost is UK managing director of Viessmann.*