

## PROTECTING CONSUMERS AND PROMOTING RENEWABLES

### Welcome to the Winter newsletter

Dear RECC Member,

I hope you have had a productive start to the year!

We are already in February. For those of you working with the DRHI time is short till the scheme closes to new applicants on 31 March. That's why we kick off this edition of the RECC Newsletter with Ofgem's important checklist for new applicants, published yesterday afternoon, so hot off the press. We have also outlined recent changes to the Code, MCS standards and Ofgem guidance which I hope you will find useful. Finally, we have listed forthcoming events. I very much hope to meet you in person at one or other of these.

With best wishes,

Virginia Graham.



#### Ofgem issues guidance for DRHI applicants

**Government has announced that the Domestic Renewable Heat Incentive (DRHI) will close to new applications at midnight at the end of 31 March 2022. All applications will have to be properly made and submitted to Ofgem by midnight at the end of 31 March: there will be no extension or grace period.**

With BEIS, Ofgem and MCS, we are asking you, as a RECC Member, to ensure that any of your customers wishing to apply to Ofgem for accreditation before the DRHI scheme closes are well aware of all the steps they need to take.

**To avoid disappointment and reduce the number of rejected applications, please:**

- advise your customers of the impending date on which the scheme will close
- ensure you have time to commission the installation and provide the customer with all the paperwork they need (including the MCS certificate) in good time for them to make the application before 31 March
- check that all information on the MCS certificate is correct.

**For an applicant to be successfully accredited onto the DRHI at closure:**

- a new plant must be installed at the property
- it must meet all the DRHI eligibility criteria
- it must be commissioned and certified by the MCS certified installer with whom the applicant signed a contract
- a properly made application must be submitted to Ofgem by midnight at the end of 31 March
- if the plant needs to be metered for payment, all relevant heat meters must be installed, and a properly made authorisation application must be submitted to Ofgem by midnight at the end of 31 March
- if the participant also wants to be registered on the Metering and Monitoring Service Package (MMSP) scheme, then a registration application for MMSP must be properly made and submitted to Ofgem by midnight at the end of 31 March.

Ofgem has published guidance setting out and explaining these points in more detail. Please make sure you make your customers aware of Ofgem's guidance. In line with this, Ofgem, MCS and RECC will focus our audit and compliance programme on low carbon heating systems installed in the period before scheme closure.

**You can find the guidance here:** <https://www.ofgem.gov.uk/publications/guide-making-application-drhi>

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**Applications to Ofgem for Domestic Renewable Heat Incentive Scheme (DRHI) accreditation between August and October 2021 increased significantly on the previous quarter.**

Some 4,330 accreditations were recorded compared with 3,830 between May and July 2021. Air source heat pumps accounted

for 90% of new accreditations. This increase is expected to accelerate up to 31 March 2022 when the scheme will close to new applicants, and when the new energy supply price cap comes into effect.

Ofgem reports that, since the DRHI was launched in April 2014, £327 million has been allocated to biomass systems, over £216 million to ground source heat pumps, £200 million to air source heat pumps and £16 million to solar thermal systems. Accredited systems will save some 6 Mt of CO<sub>2</sub> over the scheme's lifetime and have generated 6,547 GWh of renewable heat since April 2014.

**You can find more information here:**

<https://www.ofgem.gov.uk/publications/domestic-renewable-heat-incentive-drhi-quarterly-report-issue-30>

## RECC publishes amended version of its Code



**RECC published an amended version of its Code on 31 January.**

The amendments fall into two main sections which govern consumers in vulnerable circumstances and the Dispute Resolution

Process. The Code has also been updated so that it is now fit for a sector which is no longer dependent on Feed-In Tariffs and the Domestic Renewable Heat Incentive.

**You can find the Code together with a list of the amendments here:**

<https://www.recc.org.uk/scheme/consumer-code>

## RECC contributes to influential heat pump blogs



RECC has recently worked with The Heating Hub on two blogs intended to inform consumers what to look out for when considering installing a heat pump at their home. The first blog sets out steps to take to avoid things going wrong while the second blog explains what you can do if things have for some reason gone wrong.

**You can read the two blogs here:**

1. <https://www.theheatinghub.co.uk/articles/avoid-bad-heat-pump-installation>
2. <https://www.theheatinghub.co.uk/articles/raise-complaint-about-heat-pump-installation>

## RECC submits views on rules for Boiler Upgrade Scheme

**RECC submitted its comments on 27 January to Ofgem's consultation on the way it will administer the Boiler Upgrade Scheme (BUS), due to be launched in the spring. RECC looks forward to working with Ofgem whom Government has entrusted to run the scheme.**

RECC has stressed the importance of the grant scheme being run in a manner that is joined-up and transparent for installers while being effective at protecting consumers. Responding to Ofgem's list of questions

RECC has drawn on its experience with the Green Homes Grant scheme which was also based on redeemable vouchers.

RECC has stressed the importance of ensuring that circumstances in which grants can be withheld or withdrawn are very clearly described and understood, and that arrangements for appealing or reviewing Ofgem decisions are independent and transparent.



## MCS announces major change to heat pump installer standard



**Microgeneration Certification Scheme (MCS) has announced the split of the existing Heat Pump Standard (MIS 3005) into two standards – one for Heat Pump Design (MIS 3005-D) and one for Heat Pump Installation (MIS 3005-I). The changes will come into effect following the closure of the DRHI on 31 March 2022.**

MCS intends the split to give installers with a particular skillset the opportunity either to focus on heat pump design or heat pump installation. This in turn should facilitate the predicted increase in contractors certified to install heat pumps, working alongside independent heat pump designers.

The new standards will not affect existing heat

pump contractors who are, by default, certified for both heat pump design and installation. Their certification will carry over until their next surveillance assessment when they will be able to choose to be certified for design, installation, or both.

**Ian Rippin, CEO of MCS, said:**

“This is a positive outcome for installers as we approach the end of the DRHI. The diversification of the new Heat Pump Standards will enable the industry to deliver the best service for customers and accommodate contractors who wish to streamline their skillset.”

**You can find more information here:**

<https://mcscertified.com/mcs-announces-key-changes-to-its-heat-pump-standard/>

## MCS to tighten rules for ‘umbrella schemes’

**Microgeneration Certification Scheme (MCS) is to tighten the way ‘umbrella schemes’ are certified following a call for evidence with the industry which included the entire range of MCS technologies. These schemes, sometimes called ‘franchise schemes’, are operated by MCS certified installers who design and commission new systems but subcontract all or parts of their installation, often to uncertified installers.**

MCS received 100 responses to its call for evidence. Overall, there was significant support for umbrella schemes which are seen to have a critical role to play in the growth of the sector. Respondents considered it particularly important that there must be a single point of contractual responsibility for the sale and installation of a system to reduce the risk of consumers falling between two or more organisations.

MCS has set out three outcomes which will be delivered during the first half

of 2022:

**Outcome 1:** MCS will develop and issue clear guidance to Certification Bodies, who will be expected both to identify the operation of umbrella schemes in their MCS contractor base and then effectively to assess the associated compliance risks, proportionate to the scale and complexity of the umbrella scheme’s operations.

**Outcome 2:** MCS will publish a report, to share best practice and act as a benchmark for all umbrella schemes to aspire to.

**Outcome 3:** MCS will assess how umbrella scheme consumers are protected today, compared with the level of protection intended by MCS 001-1 relating to contractual and subcontracting arrangements.

**You can find more information here:**

<https://mcscertified.com/findings-of-the-umbrella-scheme-consultation/>

## MCS launches Battery Installation Standard



**Microgeneration Certification Scheme (MCS) officially launched its installer standard setting out requirements for the supply, design and installation of electrical energy or battery storage systems up to 50kW. The standard (MIS 3012) was drawn up with the help of various industry-leading bodies, including RECC.**

The standard is based on a classification system aligned with the four Electrical Equipment Safety Scheme (EESS) classes:

**Class 1** - all the components in the same enclosure, or multiple enclosures from the same manufacturer but with no visible direct current (DC) cable.

**Class 2** - battery modules and inverter in separate enclosures linked by a DC cable but both components from the same manufacturer.

**Class 3** - as class 2, but where the battery modules and inverter are from different manufacturers, requiring the installer to determine compatibility.

**Class 4** - all components, including battery modules,

safety devices and inverters, could all be from different manufacturers but are selected and assembled by the installer to be compatible with each other.

Installers should contact MCS Certification Bodies NAPIT or NICEIC to register their interest in becoming certified for this technology. For those who complete the process before the end of December 2022 MCS will add 20 credits worth £600 to their MCS Installations Database (MID) account.

Chris Roberts, MCS Technical Director, who led the project, explained that the aim was to encourage growth in the industry by defining what constitutes best practice in the sale, design and installation of battery storage systems and thereby to protect consumers who invest in this technology.

Ian Rippin, MCS Chief Executive, commented that, with the new standard, installers now had a one-stop shop for all their registrations and would be able to search for all their renewable energy needs in one place.

**You can find more information here:**

<https://mcscertified.com/mcs-launches-industry-first-battery-installation-standard/>



## Ofgem issues revised guidance documents on the replacement of generating equipment

**Ofgem has published new guidance on the treatment of replacement generating equipment at a Feed-in Tariff (FIT)-accredited installation. This follows a consultation to which some 26 stakeholders interested in seeking clarity replied. The guidance sets out how certain changes, repairs or replacement of generating equipment might affect an installation's FIT accreditation.**

Ofgem's key decision is to interpret the 'eligible installation' to include more plant on site than just the generation equipment. Ofgem recognises that replacing generating equipment will not in itself result in decommissioning and the withdrawal of accreditation. Where an accredited FIT installation is decommissioned generators are still expected to identify the point of decommissioning and to notify their FIT licensee and Ofgem when it occurs.

Ofgem has updated its guidance documents to include a list of scheme rules. The new guidance is intended to clarify common repair and replacement scenarios. However, FIT generators are encouraged to seek their own technical and legal advice if they are unsure whether a change will affect their compliance with legislation.

Ofgem hopes that the new guidance rules will help generators to know when they should notify their FIT

licensee about any modifications that could affect their installation's accreditation. Ofgem hopes that, in this way, the new guidance will provide the clarity needed to assess whether modifications are within the scheme.

**You find more details here:**

<https://www.ofgem.gov.uk/publications/feed-tariffs-fit-decision-replacement-generating-equipment>



## Major expansion of heat networks to increase uptake of green energy



**Government plans to expand and regulate Great Britain's heat networks aim to protect consumers and boost green jobs and investment.**

- An extra £19 million will be invested in building five new major heat networks in England and Wales.
- Ofgem will be responsible for regulating heat networks in Great Britain (GB) to ensure supplies are reliable and consumers pay a fair price. Citizens Advice will act on behalf of consumers. The Energy Ombudsman will be the independent ombudsman.
- As a key part of Government's Heat and Buildings Strategy, heat networks will provide essential technology to cut CO<sub>2</sub> emissions in a cost-effective way, reducing bills and tackling fuel poverty.

Heat networks supply heat to homes and businesses from a central source such as rivers and sewers via underground

pipes. They currently supply around 2% of GB demand. Heat networks are currently being developed in Leeds, Cardiff and Newcastle, and funding for five new networks has just been announced, two in Bristol and three across Liverpool, London and Worthing. Government estimates that heat networks could supply 20% of GB demand by 2050.

It is hoped that new heat networks will provide a cheaper alternative to installing individual, energy-intensive heating solutions such as gas boilers. Consumer protection has been a challenge for heat network regulators, however, because consumers do not have the option to switch suppliers if they are unhappy with the price or level of service they receive.

Government hopes that its plans, based on the response to its Heat Networks Market Framework consultation, will give consumers, investors and developers greater confidence in heat networks and contribute towards creating a greener environment and some 50,000 jobs by 2030.

**You can find more information here:**

<https://www.gov.uk/government/news/uk-government-announces-major-expansion-of-heat-networks-in-latest-step-to-power-homes-with-green-energy>

## Think tank stresses urgent need to close the UK green skills gap

**Think tank Green Alliance is calling for urgent action to close the UK's green skills gap in a wide range of industry sectors.**

Its latest report, 'Closing the UK's green skills gap', identifies existing gaps and makes recommendations on how to close them. It concludes that an integrated green skills programme should be developed to meet the needs of individuals, institutions and industry: the buildings and power sectors will be particularly important for renewable energy workers.

Green Alliance recommends that industries draw up local skills plans linking them with educational bodies to ensure that suitable new courses are available. They also call for a public information campaign to increase knowledge about green skills and their benefits.

Green Alliance points out that 80% of the current workforce will still be working in 2030. As well as attracting new entrants into green jobs, transferring existing skills and retraining

will be important. It recommends that loans, grants or maintenance payments be provided for workers as they retrain and that the cost of training be supported by a super-deduction of 130% tax relief for employers.

Almost all the UK's housing stock needs to be retrofitted with low carbon heating systems and other energy efficiency measures and it is estimated that 300,000 more green-skilled workers will be needed. Manufacturing and supplying heat pumps alone could create between 20,000 and 35,000 new jobs by 2050.

Green Alliance concludes that offshore wind employment is likely to rise 170% by 2026 to 70,000 and that tidal power employment - in manufacturing, installation, operations and maintenance - is likely to rise to 4,000 jobs by 2030 and by a further 14,500 by 2040.

**You can read the full report here:**

<https://green-alliance.org.uk/publication/closing-the-uks-green-skills-gap/>



## Upcoming Events 2022



**RECC and EVCC had a great time exhibiting at Solar and Storage Live in November last year (here's Rob McCombie pictured at our stand above).**

This was our first in person show since the Covid-19 pandemic began - the opportunity to speak to members in person, talk about the work we are doing and hear about the latest industry developments was very welcome.

In 2022, RECC are hoping to attend more events, conferences and shows. These include:

- Futurebuild, 1-3 March at London ExCeL
- UK Construction Week, 3-5 May at London ExCeL
- The REA's British Renewable Energy Awards, TBC
- Solar & Storage Live, 18-20 October at The NEC Birmingham

**Please get in touch if you would like further details for any of these events - we hope to see you there!**



**Our sister code, the Electric Vehicle Consumer Code for Home Chargepoints (EVCC) will be exhibiting at Fully Charged Live this year.**

The clean energy & electric vehicle show is returning to Farnborough International, from 29 April - 1 May 2022. The

three-day event will include: over 200 exhibitors showcasing the latest clean energy & electric vehicle related technologies; Live theatres packed with content & speakers; a Home Energy Advice Hub; and more!

Come say hi to EVCC at stand K50.

**Further information and tickets for the show can be found here:**

<https://www.tickettailor.com/events/fullychargedshowltd/616023>