

## PROTECTING CONSUMERS AND PROMOTING RENEWABLES

### Welcome to the Spring Newsletter

Dear RECC Members,

Welcome to the spring edition of the RECC Newsletter. I'm sure you are enjoying the return to normality and the chance to pick up where you left off two years ago! We are seeing growing interest in installing heat pump systems as well as very steady interest in installing solar PV and battery storage systems. Whatever your line of business, don't forget you can make use of our technology-specific guidance and model documents, all available for free in the Members' Area.

I wish you all a productive few months ahead.

Virginia Graham.



#### Fast track for BUS systems commissioning before 23 May

**Government has announced special arrangements for Boiler Upgrade Scheme (BUS) installations with a commissioning date between 1 April 2022 and 22 May 2022.**

*(See next article for more information on the BUS.)*

For these installations installers will be able to submit both voucher and redemption applications for the BUS at the same time. This will be a temporary and bespoke approach to alleviate immediate industry pressures and will only apply to applications submitted **between 23 May and 31 May 2022**.

Ofgem will still require property owners to confirm that they have consented to the application being made on their behalf, as required by the scheme regulations. But Ofgem anticipates that this short-term approach will help processing times for installs subject to cashflow pressures. Ofgem will also have staff ready to process these applications and will be able to mobilise further staff to respond to higher volumes of applications being submitted. However, Ofgem has confirmed that processing times are subject to the volumes and quality of applications they receive as well as property owners confirming their consent in a timely manner.

**Ofgem will provide further information on the temporary approach shortly.**



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## Boiler Upgrade Scheme to go live on 23 May

The BUS is the Government's new capital grants scheme to help with the installation of heat pumps and some biomass boilers in homes and some non-domestic buildings in England and Wales. Members can already register to take part in the scheme but will not be able to request vouchers for specific installations until go-live day on 23 May. The scheme will run from 2022 to 2025.

Our dedicated website page describes the main features of the grant scheme including eligibility and the process for claiming and redeeming vouchers. It contains links to RECC's suite of technology-specific guidance and model documents which are ready for members to use. Finally, it contains links to guidance on various aspects of the scheme, including how to register, from Ofgem, the scheme administrator; and from BEIS, the scheme owner, and Energy Saving Trust.

Consumers will receive £5,000 towards the cost and installation of an air source heat pump or a biomass boiler and £6,000 towards the cost and installation of a ground source heat pump. Heat pumps can be on or off the gas grid but, to be eligible, biomass boilers must be off the gas grid. Installations must be in domestic homes or in some non-domestic buildings. Private landowners are eligible. The maximum installation capacity is 45kWth. New build properties are not eligible unless they are self-build. Social landlords are not eligible.

Eligible systems must replace existing fossil fuel systems such as oil, gas or direct electric. No hybrid systems or replacement low carbon heat systems will be eligible. All property owners will need to provide a valid energy performance certificate with no outstanding recommendations for loft or cavity wall insulation.

You can find the dedicated area on the RECC website here: <https://www.recc.org.uk/boiler-upgrade-scheme>

## Government scraps VAT on renewable energy generators

In the Spring Statement in March, the Chancellor of the Exchequer agreed to reduce to zero the VAT rate for installing those measures on the Energy Savings Materials List from 1 April 2022, until 31 March 2027. The List contains renewable energy generating technologies though not battery storage unless it is deemed to be an 'ancillary' measure.

This decision is a victory for REAL's parent company, the REA: with others the REA has been demanding this VAT reduction for the past five years. However, the REA has voiced its disappointment that battery storage systems have not been included in the eligible list and that they will still attract a standard 20% VAT rate except where installed as part of a wider energy efficiency project, such as when installing solar PV panels, when the storage system can be considered an ancillary service to the main item.

You can find more information about this here:

<https://www.gov.uk/guidance/vat-on-energy-saving-materials-and-heating-equipment-notice-7086>



## Upcoming events



RECC is sponsoring the 'Installer Award' at this year's British Renewable Energy Awards.

The Awards, organised by our parent company the REA, will take place on Thursday 9th June in Birmingham at the Botanical Gardens. RECC will be in attendance at the event, which celebrates achievements of companies and individuals

working in renewables and clean technology. The Installer Award recognises companies which have excelled in installing small-scale renewable energy generation systems and/or electric vehicle chargepoints in homes.

View the list of Award finalists and book your place here: <https://www.r-e-a.net/british-renewable-energy-awards-finalists-revealed/>

RECC also has a stand at this year's Solar & Storage Live which will take place in Birmingham NEC on 18, 19 and 20 October.

Come and visit us there! We will also be speaking in a number of slots at the event.

Register here: <https://www.terrapinn.com/exhibition/solar-storage-live/>

## Domestic Renewable Heating Incentive closes to new applicants

The Domestic Renewable Heating Incentive (DRHI) scheme was officially closed to new applicants at the end of March 2022.

Those already accepted on to the scheme will continue to receive payments until the end of their 7-year eligibility providing they continue to meet their ongoing obligations. This includes metering and monitoring.

Someone purchasing a property with a renewable heating system already accredited to the DRHI scheme wanting to take over payments from the previous owner must notify Ofgem within 12 months of the date of the sale. Registered investors will still be able to transfer AoR agreements with participants to other registered investors in relation to the accredited plant.

More information about change of ownership and AoR is available from Ofgem at [domesticrhi@ofgem.gov.uk](mailto:domesticrhi@ofgem.gov.uk) or 0300 003 0744.

# Government Strategy fails to address current energy crisis

Government unveiled its Energy Security Strategy on 1 April in response to the ongoing energy crisis. However, rather than addressing the current crisis, the Strategy centres on the role of offshore wind and nuclear in meeting the long-term targets. These are:

- **Offshore wind:** Ambition of up to 50 GW by 2030, to include 5 GW of floating offshore wind, supported by planning reforms to cut planning application times to 12 months.
- **Nuclear:** Ambition of 24 GW to come from nuclear by 2050, including from Small Modular Reactors. Government to set up a body called 'Great British Nuclear' to bring forward new projects and launch a £120 million Future Nuclear Enabling Fund.

Other Government announcements centred on the future contribution of North Sea oil and gas, onshore wind and solar PV. These are:

- **North Sea Oil and gas:** Licensing round for new projects to launch in Autumn 2022, with a new taskforce to focus on such projects' role in the energy transition.
- **Onshore wind:** Commitment to future consultation for developing partnerships with a limited number of supportive communities who wish to host new onshore wind projects. There was no commitment to a deployment target or review of planning laws.
- **Solar PV:** "A look to increase" the UK's current 14 GW of solar capacity, including consulting on the rules for solar projects, particularly on domestic and commercial rooftops. Again, however, no commitment yet to a firm deployment target.

Finally, Government announced plans to incentivise hydrogen and heat pump manufacture. These are:

- **Hydrogen:** Government plans to double its current ambition to produce up to 10 GW of low carbon hydrogen production capacity by 2030, with at least half coming from green hydrogen.
- **Heat pump manufacturing:** A commitment to a £30 million Heat Pump Investment Accelerator Competition to be run this year.



The Association for Renewable Energy and Clean Technology (REA), our parent company, stressed the potential to deploy renewable energy and clean technology projects by improving the regulatory and policy environment. Examples of how Government can provide this catalyst include:

- **Fair auctions:** Introducing an additional emergency Contracts for Difference (CfD) auction in the next six months, and then regular six-monthly CfD auctions with a clear, rolling timetable, sufficient budget and a simplified CfD contract to support smaller projects.
- **Increased grid capacity:** Addressing transmission and distribution grid capacity constraints to allow renewable projects to connect to the grid faster.
- **Green Hydrogen:** Moving faster to establish a hydrogen production route to market.
- **Biomethane:** Removing restrictions from the Green Gas Support Scheme.
- **Fossil gas:** Initiating an industrial fuel switching tariff to enable organisations to switch away from relying on fossil gas.

You can find more information here: <https://www.gov.uk/government/publications/british-energy-security-strategy/british-energy-security-strategy>

## Record rise in Ofgem's Energy Price Cap



Ofgem announced in February that a record rise in global wholesale gas prices over the last six months would result in the energy price cap being increased by 54% from April. The price cap tracks wholesale energy and other costs and is updated twice a year. It is designed to prevent energy companies from making excessive profits and to ensure that consumers pay no more than a fair price.

This latest rise affects around 22 million customers. Those on default tariffs who pay their bills by direct debit will pay £1,971 per year (up from £1,272 – an increase of £693) and those with prepayment meters will pay £2,017 (up from £1,309 – an increase of £708). Some 29 energy supply companies have left the market or been put in special administration over the last year, affecting around 4.3 million customers.

Wholesale gas prices have quadrupled over the last year. Energy companies are allowed to pass on all reasonable costs, including any increase in the cost of buying gas, to their customers as they cannot be expected to supply gas and electricity for less than they have paid for it.

**Consumers with debt problems should contact their energy supplier. They can also discuss their situation with the National Debtline ([www.nationaldebtline.org](http://www.nationaldebtline.org)) or 0808 808 4000. There is a Breathing Space Scheme which allows customers 60 days in which to receive debt advice and find solutions to their debt problems. Another source of help is the Citizens Advice consumer service via a webchat or 0808 223 1133.**

## CCC sets five heating priorities for Government



The Climate Change Committee (CCC) has warned that plans outlined in Government's Heat and Buildings Strategy "are not yet comprehensive or complete and significant delivery risks remain".

The Strategy, which aims to reduce emissions from heating buildings, focuses on a rapid scale-up of supply chains through a market-based approach. CCC has pointed out that final decisions on policy design and effective implementation need to be taken without delay.

CCC says Government's five heating priorities should be to:

1. fill the gaps in policies relating to home energy efficiency and to decarbonising public sector buildings
2. encourage the further development of the necessary skills, information, finance and governance
3. ensure that the national strategy is coordinated with devolved and local plans
4. make decisions on major issues such as the relative cost of electricity and gas; and
5. work to ensure that final decisions on proposals for introducing effective policies can be taken as soon as possible.

CCC's comments reflect widespread concerns over energy security and rising energy costs following the record increases in international wholesale gas prices. They underline the need for urgent action to protect UK consumers from future price spikes and to increase energy security by reducing overall energy consumption and encouraging a shift from gas to electricity provided by the UK renewable energy industry.

You can read the report here: <https://www.theccc.org.uk/publication/independent-assessment-the-uks-heat-and-buildings-strategy/>

## Government plans to reform competition and consumer policy

Government has announced its plans for reforming competition and consumer policy following its consultation "Reforming Competition and Consumer Policy – driving growth and delivering competitive markets that work for consumers".

The three key Government proposals are:

1. To create a best-in-class competition law system suitable for the digital age which will clamp down on illegal anti-competitive activity and enable the Competition and Markets Authority (CMA) to adopt a more pro-competitive strategy.
2. New laws will aim to protect consumers from fake reviews and to outlaw subscription traps and prepayment savings clubs. This will give consumers more control over their spending.
3. Improving the enforcement of consumer law by individuals and regulators will make it possible for the CMA to tackle major problems in all markets. Reforms to arbitration and mediation aim to help consumers and traders to reach acceptable solutions to their problems on their own.

You can find more information here:

<https://www.gov.uk/government/consultations/reforming-competition-and-consumer-policy>

## EVCC discount for RECC members



### CODE FOR HOME CHARGEPOINTS

**RECC Members can join our sister code, EVCC, for just £50 for the first year of membership!**

We know that many RECC Members already install home chargepoints in consumers' homes, often alongside solar PV and battery storage systems. That is why we set up the Electric Vehicle Consumer Code for Home Chargepoints (EVCC) to sit alongside RECC and set out high standards for installers.

**5 reasons to join EVCC:**

1. Show homeowners you are competent, qualified and reliable, and serious about offering high standards of consumer protection
2. Stand out from your competitors
3. Be listed on the EVCC website and increase your exposure
4. Get assistance with resolving consumer complaints
5. Get access to guidance, training and model documents, making technical and legal compliance straightforward.

You can find more about EVCC, including how to join, here:

<https://www.electric-vehicle.org.uk/installers>