

## Non-Domestic RHI glossary

**Accreditation** – This means your installation meets the eligibility criteria and has been accepted on the RHI scheme, which is necessary to receive payments under the RHI.

**Actual value method** – This is a method of demonstrating compliance with emissions requirements and involves assessing the carbon emissions for fuel. The data used is the “typical value” for that fuel. DECC has created a carbon calculator to simplify this process.

**Additional plant** - This is a heat generating plant which uses a different technology or source of energy to an existing accredited RHI installation, but is still connected to the same heating system as the accredited RHI installation.

**Additional RHI capacity** – This is a plant which is commissioned after an RHI installation was first commissioned. It uses the same source of energy and technology as the original plant, and supplies heat to the same heating system.

**Air Quality requirements** - The Air Quality requirements set obligations for plants accredited on or after 24 September 2013. Participants have to operate their plant in line with the manufacturer's instructions on emissions and in accordance with their RHI emissions certificate.

**Ancillary fossil fuel** – This refers to the small amounts of fossil fuel necessary for the effective operation of certain installations.

**Annual declaration** – This is a declaration participants must provide to confirm that the accredited RHI installation/registered biomethane producer has met the eligibility criteria and ongoing obligations of the scheme for the previous 12 months.

**Annual Sustainability Audit** - Some participants will be required to provide annual sustainability audit reports to maintain compliance. These are biomass and biogas participants who are 'self-reporting' and have an installation of 1MWth and above. It also includes all biomethane participants. For more information, please see the Sustainability Audit Guidance.

**Application Rejection** – Some applications may be rejected for various reasons. We will always explain why an application has been rejected.

**Approved list** – These are certification schemes that participants can use to ensure a fuel meets part or all of the RHI sustainability requirements. Currently these are the Biomass Suppliers List (BSL) and Sustainable Fuel Register (SFR).

**Authorisation number** – This is the number given by an approved list such as the Biomass Suppliers List (BSL) or Sustainable Fuel Register (SFR) to a participant, who must then provide us with the number to demonstrate compliance with the sustainability requirements. Participants must also keep their invoices and receipts which will include the BSL or SFR number.

**Authorised signatory** – This is a person who is authorised to open and use an account with the Ofgem RHI website or provide information by post, submit periodic data and complete the RHI annual declaration.

**Bioenergy** - This term is used as shorthand for any of the following technologies: solid biomass, solid biomass from waste, biogas, biomethane.

**Biomass** – Organic matter used as fuel.

**Biomass Suppliers List (BSL)** – This is an approved list for woody biomass only, that participants can either source from, or register on as a self-supplier as means of meeting the sustainability criteria. Participants must present an authorisation number to Ofgem or our auditors when requested, and retain their receipts and invoices which include this number, to demonstrate compliance. Participants can search for nearby suppliers using the Find a Fuel function on the BSL website. See Approved List; authorisation number.

**Carbon Calculator** – This is a calculator available on the Ofgem website that can be used to calculate greenhouse gas emissions as part of the Actual value method. A user manual is available which explains how to use the calculator.

**Chain of Custody (CoC)** – The ability to trace a product from its point of origin through the supply chain to end product.

**Change of Ownership** – It is possible to change the ownership of a plant, however, there are certain requirements including notifying us 28 days before the change occurs. For more information see the Guidance.

**CHP** – Combined Heat and Power plant.

**Commissioned** - This means all the necessary procedures and tests have been carried out on a plant, to show that it is capable of operating and delivering heat. Installation and commissioning may happen on the same day for smaller installations, but for large installations the date of installation and date of commissioning may be different.

**Common header** - This is the main pipe to which plants supply heat, and from which heat uses are supplied. A heating system may have multiple common headers.

**Consignment** – This is a batch of fuel. Each consignment should have the same characteristics in terms of feedstock type, biomass form (solid biomass only), country of origin, classification of the fuel (residue, product, and so on), compliance with land criteria, and compliance with the greenhouse gas emissions criteria.

**Consumer Prices Index (CPI)** – The CPI is a measure of inflation and CPI rates are produced annually by the Office for National Statistics (ONS). Applications submitted for the Non-Domestic RHI on or after 1 April 2016 have their tariffs adjusted in line with the CPI. Tariffs will be adjusted in accordance with CPI on 1 April every year. Applications submitted for the Non-Domestic RHI before 1 April 2016 have their tariffs adjusted in line with the Retail Prices Index (RPI).

**Co-product** – In some cases, when a fuel is produced, other useful products are made at the same time. These are termed 'co-products'.

**Default value** – Certain fuels have a standard data set of emissions in the B2C2 Carbon Calculator, which are known as the default value.

**Degression** – This is when specific tariffs are reduced to keep the total scheme expenditure in line with the

budget for the scheme. It is announced quarterly. The Department of Business, Energy and Industrial Strategy (BEIS) is responsible for the overall RHI scheme budget, and provide regular updates on scheme expenditure.

**Flow pipe** - The pipe carrying the hot water flow leaving an installation.

**Fuel Categories** – This is whether biomass is a product, co-product, waste or a type of residue. Our approach for classifying fuel types can be found in chapter 4 of the Sustainability Self-Reporting Guidance.

**Fuel Measurement and Sampling (FMS)** - This describes the agreement with applicants, of suitable procedures for the measurement and sampling of their fuels.

**Fuel Measurement and Sampling Questionnaire (FMSQ)** –A questionnaire that certain participants should send to Ofgem, in line with the definition above (FMS).

**Gemserv** – Gemserv is a private company contracted by BEIS to run the Biomass Suppliers List.

**Greenhouse gas (GHG) emissions** – Greenhouse gases trap heat in the atmosphere. The release of greenhouse gases into the atmosphere is the primary human activity affecting the amount and rate of climate change. The sustainability criteria give a limit on greenhouse gas (GHG) emissions which participants must operate below to remain compliant.

**Installation capacity** – This is defined in the Regulations as the ‘total installed peak heat output capacity of a plant’, which includes the ‘total installed peak heat output capacity’ of a single plant (installation) made up of two or more component plants.

**Kilowatt-hours (kWh)** - A kilowatt-hour is the measure of energy transferred or converted over a period of time. A kilowatt-hour is equal to the amount of energy generated by an installation with a power capacity of 1kW in an hour or an installation with a power capacity of 2kW in a half-hour, etc.

**Kilowatt-hours thermal (kWhth)** - As above, but where the energy being measured is heat specifically.

**Kilowatts (kW)** - A kilowatt is a measure of power i.e. the rate at which energy is transferred or converted. A kilowatt is equal to 1 kilojoule of energy transferred/converted each second.

**Kilowatts thermal (kWth)** - As above but where the energy is converted to heat specifically.

**Land criteria** – Participants and applicants must report whether they meet specific land criteria as part of their sustainability reporting requirements, along with the greenhouse gas emissions. Fuels must meet specific land criteria to remain compliant, where this is made up of factors associated with the land from which the biomass was sourced. Consignments classified as ‘waste’ or as residues from arboriculture do not need to meet the land criteria. See the Sustainability Self-Reporting Guidance.

**Lifecycle emissions** – These are the emissions produced over a fuel’s lifecycle, and reporting on them is a part of the sustainability requirements.

**Mass balance** – Self-reporting participants need to demonstrate that the balance of the woodfuel used in a reporting period meets a threshold of at least 70% from legal and sustainable sources with the remainder from legal sources, in line with the Timber Standard. The Mass Balance approach is a means of accounting for the flows of woodfuel material, and also enables material with differing percentages of legal and sustainable content to be mixed.

**Maximum initial capacity** – This refers to the volume of biomethane in cubic meters per quarterly period, biomethane producers are entitled to supply for injection under their Network Entry Agreement.

**Metering** – Participants must measure their heat output by metering the installation. For more information see the Easy Guide to Metering.

**Microgeneration Certification Scheme (MCS) or equivalent** – Certain installations of 45kWth or less need to be certified under the MCS, or an equivalent scheme. These include all heat pumps, solid biomass, and solar thermal.

**Multiple metering arrangement** - An installation which uses multiple metering and therefore requires a combination of quantities (i.e. two or more) to be measured for RHI payment purposes.

**Nominated individual** – Someone nominated to act on the organisation's behalf for the RHI.

**Ongoing obligations** – These are the rules that participants need to meet to remain accredited or registered to the RHI scheme.

**Other approved scheme** – See approved list.

**Participant** – This is the owner of an accredited RHI installation, a representative owner or a producer of biomethane who in most instances receives the RHI payments.

**Periodic data** – This is the information participants will need to submit on a regular basis as an ongoing obligation, and in order for us to calculate the appropriate payment.

**Periodic support payments** - RHI support will be delivered to participants in the form of quarterly 'periodic support payments', the term being defined in the Regulations.

**Producer-Trader** – Someone who buys raw material (eg timber) and processes it. They can use fuel from their own wood to process and sell on, but can also buy fuel from others to sell on. They must meet the land and emissions criteria.

**Quantity** - This term is used for RHI payment calculations and is any individual or combined measurement of 'heat use' or 'heat generation'.

**Renewable Heat Incentive** - The Non-Domestic Renewable Heat Incentive (RHI) is a government environmental programme that provides financial incentives to increase the uptake of renewable heat by businesses, the public sector and non-profit organisations.

**Renewables Energy Directive (RED)** – is an EU directive that sets rules for the union to achieve a 20% renewables target by 2020.

**Representative owner** - The owner with the authority to act on behalf of all owners where there is more than one owner of an accredited RHI installation.

**Retail Prices Index (RPI)** - A measure of inflation where rates are produced annually by the Office for National Statistics (ONS). Applications submitted for the Non-Domestic RHI before 1 April 2016 have their tariffs adjusted in line with the RPI. Tariffs will be adjusted in accordance with RPI on 1 April every year. Applications submitted for the Non-Domestic RHI on or after 1 April 2016 have their tariffs adjusted in line with the Consumer Prices Index.

**Return pipe** - This is the pipe carrying the cool liquid flow from an installation or heat use.

**Schematic diagram** - An illustration of the installation and heating system for which RHI accreditation is being applied for.

**Seasonal Performance Factor (SPF)** – A measure of how efficiently a heat pump is operating. The higher the SPF value the more energy efficient the system is.

**Self-reporting** – A reporting route for demonstrating compliance with the sustainability criteria used by participants not able to or who choose not to source from the Biomass Suppliers List (BSL), Sustainable Fuel Register (SFR), or register as a self-supplier (or producer/trader) on the BSL. This applies to all biogas installations and biomethane producers as well as all installations over 1MW. Self-reporters will need to keep evidence to demonstrate the fuels they used in each quarter meet the land and greenhouse gas emission criteria, and must report this evidence quarterly.

**Self-supplier** – Someone who supplies fuel for their installation from either their own woodland, or somewhere they have the legal right to source from, and which is within 50 miles of the boiler. They must register on the BSL as a self-supplier and provide the necessary information to the BSL. They cannot sell fuel to a third party and have the option to purchase fuel from a BSL-authorized supplier. They must also meet the emissions criteria. The SFR does not have a self-supplier participant type as participants may register as a producer or end user and can self-supply their own fuel. Details of the exact participant types on each list can be found on their respective websites.

**Site Audit** – All installations may be subject to site audits. This is to ensure that participants and applicants are eligible and are following their ongoing obligations.

**Standard metering** - An installation which uses standard metering requires a single 'quantity' to be measured for RHI payment purposes. This is only applicable to applicants applying for accreditation on or after the 24th of September 13.

**Sustainable Fuel Register** - This is an approved list for non-woody biomass only, that participants can either source from, or register on as a self-supplier as means of meeting the sustainability criteria. Participants must present an authorisation number to Ofgem or our auditors when requested, and retain their receipts and invoices which include this number, to demonstrate compliance.

**Sustainability criteria** – This is made up of a greenhouse gas (GHG) emissions limit and specific land criteria. These apply to all participants using biomass, biogas, biomethane, and CHP, who must meet these requirements on an ongoing basis to remain compliant. Waste is exempt.

**Typical value** – these are a standard set of emissions for certain fuels, which are not specifically defined in the Regulations. They can be found within the Carbon Calculator, and can only be used as part of the actual value method.

**Voluntary scheme** – See approved list.

**Waste** – 'waste' has a legal definition under the RHI as "any substance or object which the holder discards or intends or is required to discard". This is set out in Article 3(1) of Directive 2008/98/EC of the European Parliament and of the Council on waste and includes excreta produced by animals.