

RHI Degression Looms Over Industry

[RHI Service Limited](#), a company dedicated to applying for your RHI have alongside many installers and suppliers seen an upturn in the take up of Biomass boilers over the last 2 quarters 2013, much of this take up for units in the medium size category.

Why has the mid size market taken off? We see an increase of awareness been one key reason, businesses are starting to believe in the - it will give you free energy for 20 years, secondly the market is maturing and with that comes trust and respect - installers are being believed not questioned, thirdly companies like RHI Service limited are there to carry out the RHI applications on behalf of end users. Living in rural Derbyshire we see the farmers wanting to get on with their day jobs and have the RHI income, but don't want to go through the RHI Application process themselves - we can now do this for them. Finally the RHI team at Ofgem are really on the ball, very responsive and working with applicants, RHI Service have found them excellent to work with this last few months.

We strongly believe the main reason for the upturn is that you will get free energy for 20 years.

We, as users of two Biomass and one GSHP can confirm that - the business case stacks up on the current tariff - reduce this and the business case fails, hence the attraction to install mid size biomass machines decreases. The industry has just entered its growth phase in its lifecycle, one way to slow this down will be to reduce RHI tariffs too soon, we all recognise that at some point this will be needed but after less than a year in growth this would be a blow to the industry that it may not recover from.

At the moment, everyone wins!

- End users are getting free energy for 20 years.
- Installers businesses are growing after a heavy investment and slow start.
- Boiler manufacturers and the supply chain are investing.
- The government are seeing the upturn in green energy and moving towards hitting long term targets.
- The support from Ofgem and RHI Service is geared up to volume accreditation.
- Wood pellet / chip suppliers are reporting an upturn.

Turn down the mid size RHI and all this slows if not stops - such a move would be premature and have dire consequences on investment and the industry!

Stewart Boyle, Principal Consultant for [South-East Wood Fuels](#) tends to agree, "*a further unwarranted degression of RHI tariffs right now could be potentially disastrous. The renewable heat market is all about confidence. We lost 12 months in re-assuring that market that DECC wouldn't suddenly cut RHI tariffs like solar FITs tariffs. Despite DECCs best efforts to add to uncertainty through poor policy over big biomass, domestic RHI and emissions, investment in biomass heating is currently growing fast. Degression could take us right back to 2011 and halt project decisions by spooking nervous clients*".