

GSHPA PRESS RELEASE – Wednesday 18th December 2013

GSHPA welcomes increased tariffs within the RHI

The Ground Source Heat Pump Association (GSHPA) welcomes the recent announcement of the increased tariffs within the commercial phase of the Renewable Heat Incentive (RHI).

At the GSHPA Technical Seminar held in London on December 5th, Minister of State, Greg Barker, used his keynote address to talk enthusiastically about ground source heat pumps. The Minister reiterated DECC's genuine commitment to renewable heat and GSHP technology as part of the UK's low carbon energy mix.

Since its launch in November 2011, the deployment of GSHP's has fallen well below expectations primarily because the tariffs were unacceptably low. This error has now been resolved and it is hoped that the sector can recover since ground source heat pumps, with an ability to provide both heating and cooling, are a compelling option for many commercial and industrial buildings.

With the new tariffs in place, GSHP systems will receive 'Tier 1' for the first 15% of utilisation and 'Tier 2' for anything above this. The table below illustrates how this works, using some generic system types and utilisations.

System Size	Utilisation (hours)	Tariff Tier 1: 8.7p/kWh (up to 15% utilisation) Tier 2: 2.6p/kWh (>15% utilisation)	Total (per year / 20yrs)
15kW	1314 (15% full year)	8.7p/kWh	£1,714.77 per year or £34,295 over 20 years
30kW	1752 (20%)	Tier 1: 1314hrs Tier 2: 438hrs	£3,771/yr or £75,423/20yrs
45kW	2628 (30%)	Tier 1: 1314hrs Tier 2: 1314hrs	£6681.69/yr or £133,634/20yrs
100kW	1752 (20%)	Tier 1: 1314hrs Tier 2: 438hrs	£12,570/yr or £251,412/20yrs
500kW	2190 (25%)	Tier 1: 1314hrs Tier 2: 876hrs	£68,548/yr or £1,370,940/20yrs
2MW	1752 (20%)	Tier 1: 1314hrs Tier 2: 438hrs	£251,412/yr or £5,028,240/20yrs

Table 1: Examples of commercial tariff payments for various system sizes and utilisations

Chairman of the GSHPA, Simon Lomax of Kensa Engineering said: “After working closely with the RHI team at DECC to highlight the error and working with industry to provide the evidence base used to justify the increased tariffs, we are satisfied with the outcome and look forward to re-establishing the technology in the minds of all the stakeholders who can benefit from ground source heat pumps.”

David Matthews, the GSHPA CEO commented: “These revised tariffs will support the increased deployment of this unobtrusive and highly effective renewable technology. Everyone benefits from increased deployment of this technology as it is environmentally friendly and provides as necessary warm and cool buildings. What’s not to like!”

ENDS

Editor Notes:

DECC statement URL: <https://www.gov.uk/government/speeches/increased-support-for-renewable-heat>

GSHPA RHI information: http://www.gshp.org.uk/Renewable_Heat_Incentive.html

Ground source heat pumps are a proven technology widely used in Europe & North America and one of the few renewable energy solutions that is available to nearly every type of building in the UK. It has the potential to significantly reduce the country's heating bills whilst also contributing to the achievement of the government's renewable energy and carbon reduction targets. It is a technology that can create thousands of new, skilled jobs. Ground source heat pumps are a fundamental part of the government's long term energy strategy.

Ground Source Heat Pump Association

The Ground Source Heat Pump Association (GSHPA) aims to encourage the growth and development of the ground source heat pump industry in the UK and help to set and safeguard standards. For more information about the GSHPA visit www.gshp.org.uk.

For further information contact Jake Salisbury: jake@gshp.org.uk or call 01908 354545.